

# M PICTURES

## Annual Report 2021

### 56-1 One Report





**Annual Registration Statement / Annual Report**

**Form 56-1 One Report**

**M PICTURES ENTERTAINMENT PUBLIC COMPANY LIMITED**

M PICTURES

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In case this Annual Registration Statement / Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.

## Part 1

### Business Operation and Operating Results

#### Organizational structure and operation of the group of companies

##### Policy and business overview

The Objectives of the Company is being the leader of movie in cinema screenings, producing and distributing Thai movies as well as the sale of film rights for compensation in the form of free TV rights, cable TV rights internet rights and Video on Demand with a focus on the development of digital media. Moreover, we willing to expand other channels to meet the customer demand and The Company is also determined to find business partners to strengthen its business operations for competition in the future.

##### Significant changes and developments

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 31 December 2011. In present, The Company has THB 656,558,588 of registered capital and THB 650,059,588 paid-up capital

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

**2008** M Pictures Co.,Ltd. which engaged in film business by being the importer of International films copyrights by emphasize on quality film from highlight international film festivals, Asian independent film studios for distribution to theaters.

**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).

**2010** the Company has restructured and invested in M Thirty Nine Co.,Ltd. (M39) which engages in the business of Thai film production replacing M V D Co.,Ltd.

**2013** The Company has additional invested in Talent One Co.,Ltd. ( Present name; M Talent Co.,Ltd.) (Thai films production studio and book publisher) and Major Kantana Broadcasting Co.,Ltd (Cable TV) to strengthen our business and to be suitable for the market and consumer at that time.

**2014** The Company has increased its registered capital by Right offering to the existing shareholders of the Company for working capital. In addition, The Company established Thai movie production 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 Distribution (Lao) Co., Ltd. aims to distribute films' rights in Lao PDR. By 40% of registered capital (in amount of 1,000,000,000 LAK or around 125,000 USD).

**2018** The Company joint invested with MVP Entertainment Pte. (Singapore) and Sabay Digital Corp Ltd. established M.P.I.C (Cambodia) Distribution Co., Ltd. Object 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 position by decreasing the registered capital and paid-up capital.

**2020** The Company joint invested with T&B Global Media (Thailand) Co.,Ltd., Search Entertainment Co., Ltd. and Draconic Co., Ltd. established Last Idol (Thailand) Co., Ltd. object to all dimensions of entertainment management both in footage and audio.

**2021** The Company joint invested with Thai Broadcasting Co.,Ltd. and Toh Gloam Television established Skybox Entertainment Co., Ltd. object to managing artists and creating contents.

## Nature of Business

Revenue Structure;

Company's revenue structure and its subsidiaries for the year 2019 - 2021 are shown in the table as follows:

Business Unit	2021		2020		2019	
	MB.	%	MB.	%	MB.	%
<b>Films Rights Distribution</b>	82.00	49.47	107.15	36.94	152.84	33.38
<b>Film Production</b>	74.49	44.93	172.57	59.49	231.23	50.49
<b>Advertising</b>	1.97	1.19	5.72	1.97	62.25	13.60
<b>Management Fee</b>	1.51	0.91	1.54	0.53	1.30	0.28
<b>Goods</b>	-	-	0.07	0.02	7.68	1.68
<b>Total</b>	<b>159.97</b>	<b>96.50</b>	<b>287.05</b>	<b>98.95</b>	<b>455.30</b>	<b>99.43</b>
<b>Other income</b>	5.80	3.50	3.05	1.05	2.62	0.57
<b>Total Revenue</b>	<b>165.76</b>	<b>100.00</b>	<b>290.10</b>	<b>100.00</b>	<b>457.92</b>	<b>100.00</b>

## Marketing and competition

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 to gain competitive advantage in entertainment business 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 quality Thai film production 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 film rights, Thai movie production including 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' lifestyle**

Since consumers have become more selective about the movie type they prefer watching, the Company needs to adjust itself to address as mentioned changing of consumer behavior. Realizing that from moviegoers' personal taste to technology adaption are 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 customers lifestyle in order to stimulate the movie consumption in Thailand.

Target Group;

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

#### **Competitive Potential**

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. Include being a subsidiaries of Major Cineplex Group Plc., Thailand's leading cinema operator with theater locations all over the country which 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 maximum benefit. With affiliated support services such as advertising media, theater network, etc., which benefit company to 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 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.

**Assets used in business**

The Company and its subsidiaries entered into the rental agreement for operating the business significant details as follows:

**(a) Building**

Company	Area (sq m)	Proprietary right	Remark
<u>M Pictures Entertainment Plc.</u> 1. Deed No. 5174, 16931 Chan Issara Tower 2 ,11 <sup>th</sup> Floor Room No. 2922/202	257.79	Ownership	-

**Office lease agreement**

Company	Location	Proprietary right	Area (sq m)	Period
M Pictures Co., Ltd.	234, 234/1-3 Ratchayothin Avenue, 3rd Floor, Room No. B301-B303, Ratchadapisek, Ladyao, Jatuchak, Bangkok	Major Cineplex Lifestyle Leasehold Property Fund	531.75	1 August 2020 - 31 July 2023
	234, 234/1-3 Ratchayothin Avenue, 3rd Floor, Room No. B304-B306, Ratchadapisek, Ladyao, Jatuchak, Bangkok	Ratchayothin Avenue Co., Ltd.	371.50	1 August 2020 - 31 July 2023

**(b) Films rights agreement**

Since the Group's main business is the distribution of film rights which operates under the name of M Pictures Co.,Ltd. meaning most of the company group assets are film rights from the Company entered into a contract to acquire foreign movie rights and Thai movies from many copyright owners both in the country and abroad which contract period are approximately 2-10 years and its value depend on each contract business terms and condition with the copyright owner, movie genre, production budget. For the film production business operated by M Pictures Company Limited and M Thirty Nine Company Limited.

The copyrights of Thai films as of 31 December 2021 detail as follows;

<b>Company</b>	<b>Proprietary right</b>	<b>Amount (MB)</b>
M Pictures Co.,Ltd.	Entitled from the copyright owner for the period of the contract / the copyright owner	31.81
M Thirty Nine Co., Ltd.	the copyright owner	23.50
Joint Venture Gang Tann Zing and Laan 25 Naa 24	the copyright owner	0.98
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai	Entitled from the copyright owner for the period of the contract	9.03
Total		<b>62.25</b>

## Shareholding Structure

Shareholding structure of the group of companies

No.	Company	Shareholding (%)	Nature of Business
1.	M Pictures Entertainment Plc.	-	Nowadays, The Company engage business of providing and acquire Asian & International film copyrights and investing in movie related business through subsidiaries company such as Thai and International film rights acquisition and Thai film production to distribute into cinemas and via television in type of Cable T.V., Free T.V., Internet, IPTV including invests in home entertainment media by subsidiaries company.
2.	M Pictures Co.,Ltd. (Core revenue of the company)	99.99	Acquire Asian and International films copyrights from well-known studio.
3.	M Thirty Nine Co.,Ltd.	99.99	Thai Films Production studio
4.	M V D Co., Ltd.	99.99	Produce and distribute VCD, DVD, Blu-Ray and copyrights both in Thai and International.
5.	M Talent Co.,Ltd.	99.99	Thai film and Thai series production studio and entertainment contents including pocket book.
6.	Major Kantana Broadcasting Co.,Ltd.	44.99	Cable T.V. and Satellite T.V. and distribute film rights through M Channel.
7.	Transformation Films Co.,Ltd.	34.69	Thai Films Production studio
8.	MVP M-Pictures Film Distribution (Lao) Co.,Ltd.	40.00	Films' distribution company in Lao PDR
9.	M.P.I.C (Cambodia) Distribution Co.,Ltd.	55.00	Films' distribution company in Cambodia
10.	Last Idol (Thailand) Co., Ltd.	20.00	Management all dimensions of entertainment business
11.	Skybox Entertainment Co., Ltd.	45.00	Artist management, Content Creator

## Shareholding Structures as of 31 December 2021

## a. Investments in subsidiaries: 4 Companies

- M Pictures Co., Ltd.
- M Thirty Nine Co., Ltd.
- M Talent Co., Ltd,
- MVD Co., Ltd.

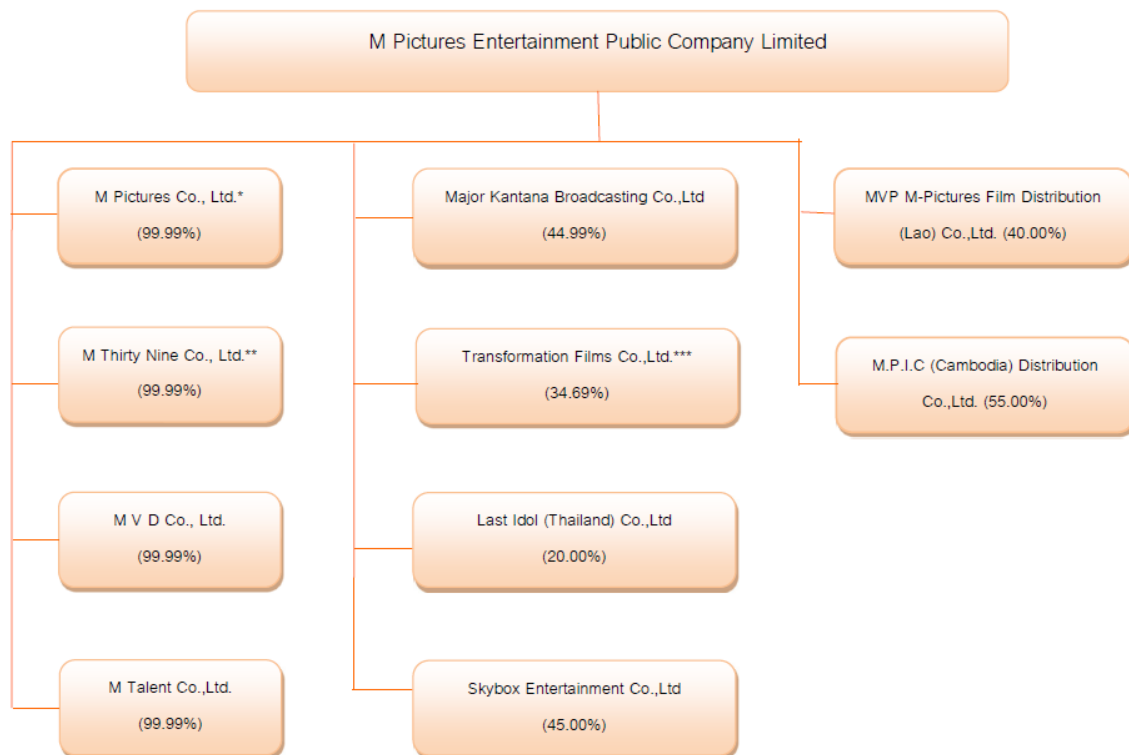
## b. Investments in associates: 6 Companies

- Major Kantana Broadcasting Co., Ltd.
- Transformation Films Co., Ltd.
- Last Idol (Thailand) Co., Ltd.
- Skybox Entertainment Co., Ltd.
- MVP M-Pictures Film Distribution (Lao) Co.,Ltd.
- M.P.I.C (Cambodia) Distribution Co.,Ltd.

## c. Invests in Joint Venture: 14 Joint Ventures

- Invests via M Pictures Co., Ltd.
  - 1) Joint Venture Sangkrasue (30%)
  - 2) Joint Venture Khun Phaen Fah Feun (51%)
  - 3) Joint Venture That March (14%)
  - 4) Joint Venture Our Love Forever (14%)
  - 5) Joint Venture Classic Again (39%)
  - 6) Joint Venture Keun Yuttitham (70%)
  - 7) Joint Venture Hug Terd Tueng (55 %)
  - 8) Joint Venture Daeng Prakanong (55%)
- Invests via M Thirty Nine Co., Ltd.
  - 1) Joint Venture Bikeman (70%)
  - 2) Joint Venture Bikeman 2 (55%)
  - 3) Joint Venture Gang Tann Zing and Laan 25 Naa 24 (70%)
  - 4) Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai (70%)
- Invests via Transformation Films Co., Ltd.
  - 1) Joint Venture Sangkrasue (40%)
  - 2) Joint Venture Atchariya Tong Sang (35%)

### 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%)
- Joint Venture Daeng Prakanong (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%)

**Major shareholders**

(a) Top 10 shareholders;

	Name	Amount (shares)	%
1.	Major Cineplex Group Plc.	1,202,130,480	92.46
2.	Mrs. Pornnapat Ongvasith	18,913,300	1.46
3.	Mr. Varut Tantipiphob	11,727,800	0.90
4.	Ms. Supitsara Chatkul na Ayuttaya	7,986,600	0.61
5.	Mr. Chayapol Puriwekin	7,680,000	0.59
6.	Mrs. Poonatree Sawangwongsakul	7,273,000	0.56
7.	Ms. Pranee Chuachetton	6,772,000	0.52
8.	Mr. Chairat Saetung	5,379,600	0.41
9.	Mrs. Surang Preampri	5,000,000	0.38
10.	Miss Sasithorn Ongvasith	2,103,400	0.16

(b) Agreements between major shareholders affecting the issuance and offering of securities or the management of the company and important factors affecting operations.

-none-

**Amounts of registered capital and paid-up capital**

(1) As of 31 December 2021, The Company has a registered capital of 656,558,588 Baht, of which 650,059,588 baht is paid-up share capital, divided into 1,300,119,176 ordinary shares, at 0.5 baht per share.

(2) Number of shares or impact on voting rights of NVDR shareholders

As of March 2, 2022, the Company has determined the names of persons entitled to attend the Company's Annual General Meeting of Shareholders. Thai NVDR Company Limited does not have the Company's shares as underlying securities. Investors can check the number of NVDR shares from the website of the Stock Exchange of Thailand.

([http://www.set.or.th/static/nvdr/nvdr\\_outstanding1\\_1.html](http://www.set.or.th/static/nvdr/nvdr_outstanding1_1.html))

(3) Dividend policy

Approximated 50% of net profits after taxes

**Legal Disputes**

-None-

## **2. Risk Management**

### **Risk management policy and plan**

The company is confident and aware of the importance of effective risk management that will enhance the company in operating business sustainable by providing a risk managing system according to international standards and the principles of good corporate governance. Therefore, The Company's Risk Management Committee set the risk management policy as follows:

1. The company has set a risk managing framework and risk managing process in line with international standards connected all levels- business unit, operational unit and companies in the group. It also focuses on continually improving the effectiveness of risk management. The company will periodically review the policy and risk managing framework when there is a significant change.

2. Risk Management is one of the important elements of every process in the Company's business operations. To appropriate and manage the risk to achieve the specified goals for the best interests of stakeholders, organizations and seeking opportunities.

3. The company requires risk management and business continuity management is the responsibility of Executives and employees at all hierarchy which everyone has a duty to comply with including report result of risk management and review the effectiveness of risk management.

### **Risk factors on business operation**

#### **■ 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 as to manage to contribute revenues for the Company, the production of Thai films and Foreign films right acquisition are deemed to serve as a main source of the company which there might be a risk in the event the film producers are not able to provide films in time or under quality that not correspond with the consumers' needs. However, the Company manage to avoid the impact by acquire award-winning films and films produce by independent studio. Consist with, the Group has now produced and distributed Thai films, with a plan for all-year shows, including prepared more Thai movies for supporting the theatrical.

Therefore, the risk regarding operation results depending on the film market industry is low level.

### ■ Risk Regarding Consumers' Trend

The Company carries on the business of producing Thai films and acquiring both Thai and foreign film right so as to contribute revenues for the Company. Therefore, the Company might have risk in the event of film producers are not able to produce films that not quality enough and correspond entirely with the trend at that time. So the Company pay attention on the selection of film categories regarding to appreciate in every gender and ages of consumers as well as their economic status. In the past year, the Company had been selective many titles from well-known film festival in Europe and America including Asian and Thai film from independent studio and self-production. Regarding customer appropriate gender, ages and their income including marketing strategy plan and public relationship to present the film. In the previous year, there are many successful in foreign film and Thai film such as 4 Kings.

Therefore, The Company's risk regarding consumers' trend at low level.

### ■ Risk Regarding Exchange Rates

According to the economy both domestic and abroad have and significant impact on fluctuation in exchange rate which affect the Company as a film importer for trading in foreign currency such as USD, Euro and some of Asian currency in acquiring film rights transaction.

Mention issue are planned with the Company risk managing plan to decrease exchange rate fluctuation factor by carefully plan on film rights acquisition budget with forecasting each film revenue contribution and expenditure structure including negotiate with licensor for the quality and reasonable price, throughout maintain relationship with the licensor to compensate the loss from mentioned exchange rate impact.

### ■ Risk from Interest Rate

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

Nevertheless, the Company realizing the importance of handle such impacts from the risk by adopted a policy on strictly 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 Business Competition

Overall of the competition in the business of acquiring and distributing films of the Company in the year 2021 had not much effect on the Company and there are a small number of this business operation in

the same category size as the Company. However, a significant factor that affects this business are from a change in the behavior of consumers which become more selective about movies choices with more channels option. This problem requires the Company to adjust itself to accommodate this change in the consumers' behavior by acquiring films and producing Thai films consist with responsive to the consumer needs so as to keep the continuous revenue. In addition, since the Company has strong connections with a parent company that is the largest operator of movie theaters in Thailand, it has a channel to exploit the films produced by the Group and those acquired film rights. This advantage is deemed a strong significant point for the Company when compared to its business competitors.

In year 2021, regarding the acquisition of film rights and the production of Thai films by the Company, the films distributed had successfully because they got well respond from consumer. Moreover, the Company planned its marketing strategies carefully and planned expand its customer base by selecting films of greater quality and 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 bring many concern problems that impair the growth of the film industry in Thailand. Producers and Distributors of proper copyrights in Thailand have suffered impacts from these problems continuously. The Group, which in business of distributing licenses and producing films also suffer from this impact, which results in a risk in terms of revenues or operation results of the Company invest in those film rights.

Nowadays, both large and small operators of film media business, including the public sector, being aware of copyright infringements with decide to 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 to decrease until the rate that has the least impact on legit film media business operation.

■ **Risk from a major shareholder holding more than 75%**

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 audit and balance on the issue brought up by the mentioned major shareholder.

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

As of 31 December 2021, most of the Company's ordinary shares in amount of 92.46% was held by a major shareholder and 7.54% was held by minority shareholders which affects there is free float few stocks of companies that are traded on the stock exchange. As a result, the trading of shares in the secondary market may not be much and ordinary investors cannot access for normal trading. Therefore, shareholders may be at risk of not being able to trade their shares immediately at the desired price. Moreover, the minority shareholders are less than 15% affecting on being a listed company in SET which the Company have been concerned and try to resolve the regard as soon as possible.

■ **Risk from unforeseen circumstances**

Due to Covid-19 outbreak since 2019, all Cinemas in Thailand were temporarily closure for a while that affected Company's revenue. The Company has managed and planned cautiously to distribute films rights in other channel to compensate its revenue. Fortunately, the Company has effective business partner to exploit our contents in Free TV, Cable TV and VOD channel. Moreover, the Company could exploit our contents immediately when the Covid-19 circumstance was unfolding which generate revenue for the company's working capital.

### **3. Business Sustainability Development**

The whole world had to encounter a great challenge in 2021 from COVID 19 pandemic. Almost all countries faced with depopulation, while the public health had to work hard to save the lives of those infected from COVID 19 SPREAD and the government had to issue measures controlling activities in everyday life of the population to control and mitigate the spread. Several business operations were affected and needed prompt adjustments to maintain continuity in their business activities. The Company has improve and implemented strict business continuity management measures and cooperated with all groups of stakeholders and all sectors of the society in coping with COVID 19 spread situation by applying digital transformation and proactive arrangements on continuous basis, and managed to turn the crisis into opportunity, and overcome challenges in 2021 by applying the digital technology throughout the supply chain, which enabled the Company to create confidence to all stakeholders, deliver good quality of life to the society on a timely basis and conserve the environment to create sustainability without interruption

#### **Policy and objectives of sustainable management**

Throughout the past the Company adhered to the sustainable development policy as per the balancing direction in economic, environmental and social aspects with good corporate governance principles, and also prescribed strategies and management and operated the business in substantial issues on sustainable development on continuous basis in 2021 to elevate the organization locomotion towards sustainability, using 5 strategies to handle challenges, and continues to stand as an industry leader and also proceeded to operate the business based on sustainable development and accountability to all groups of stakeholders in order to develop and create sustainable social value.

#### **Business Value chain**

The Company attaches great emphasis and continually conducting business operation with stakeholders to ensure consistency with the Company's vision. The Company has studied and analyzed the context of sustainability by compiling key issues taking into consideration the following internal and external factors as follows;

**Internal factors**

- Risk context and business opportunities
- Key points to the Company in the previous year

**External factors**

- Sustainability factors with industry groups focus on Global sustainability trends and specific industrial groups

To ensure that efficient and successful sustainability management the Company reviewed and assessed issues of sustainability covering significant opportunities and risks in economic, social and environmental dimensions annually based on 4 key principles: comprising Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness.

In 2021, the Company was able to summarize the issues that stakeholders focused on and issues whereby the Company's business operation may be effected the economy, environment and society as follows.

Economic	Society	Environment
<ul style="list-style-type: none"> <li>■ <b>Corporate Governance, Risk Management and Compliance</b></li> <li>■ <b>Customer Relationship Management and responsibility to customers</b></li> <li>■ <b>Business Innovation</b></li> <li>■ <b>Supply Chain Management</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Respect for human rights</li> <li>■ Potential development</li> <li>■ Social and Community Care</li> <li>■ Occupational health and safety environment in workplace</li> </ul>	<ul style="list-style-type: none"> <li>■ Environmental Management</li> <li>■ Energy and Climate Change Management</li> </ul>

**Analysis of stakeholders in business value chain**

The Company analyzed participation by compiling opinions from 6 groups of stakeholders, executives and personnel, shareholders, investors and business partners, trading partners, communities and the society, customers and supervisory agencies, by identifying and assessing stakeholders from said 6 groups who could be impacted positively and negatively from the Company's business operation, and key issues on sustainability influencing decision making of stakeholders, and also determined directions to respond to stakeholders to obtain cooperation, acceptance and mutual benefits appropriately between the Company

and stakeholders. The Company ranked 3 groups of key stakeholders as customers, executives and personnel and communities and the society.

Moreover, MPIC Group organized various activities and communicated the Company's information to stakeholders, e.g. targets, visions and directions on operation in respect of sustainability of the Company through various channels on continuous basis for the Company to take note of expectations and opinions of stakeholders towards the organization's operation results.

To ensure efficient and successful sustainability management the Company reviewed and assessed issues of sustainability covering significant opportunities and risks in economic, social and environmental dimensions regularly every year, adhering to 4 key principles: Global Reporting Initiative (GRI) comprising Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness. In 2021 the Company was able to summarily assess issues emphasized by stakeholders and issues whereby the Company's business operation may be effected the economy, environment and society as follows.

### Participation with stakeholders

Stakeholders	Participation with stakeholder creation format	Issues emphasized by stakeholders
<b>Customers</b>	<ul style="list-style-type: none"> <li>■ Organization of activities to meet with customers to promote relationships.</li> <li>■ Organization of activities to provide information on products and services of the Company.</li> <li>■ Customer's satisfaction survey via telephone and electronic questionnaire.</li> <li>■ Receipt of complaints and provision of services through customer service centers.</li> </ul>	<ul style="list-style-type: none"> <li>■ Quality and safety of products and services</li> <li>■ Occupational health and Safety of customers</li> </ul>
<b>Executives and Employees</b>	<ul style="list-style-type: none"> <li>■ Communicate policies and information through meetings and electronic medias</li> <li>■ Meetings with personnel and</li> </ul>	<ul style="list-style-type: none"> <li>■ Salary, welfare including long-term services</li> <li>■ Career development opportunities</li> </ul>

Stakeholders	Participation with stakeholder creation format	Issues emphasized by stakeholders
	organization of seminars and activities for the society <ul style="list-style-type: none"> <li>■ Performance evaluation</li> <li>■ Personnel relationship assessment</li> <li>■ Personnel development project'</li> <li>■ Personnel's honors</li> </ul>	<ul style="list-style-type: none"> <li>■ Good working environment</li> </ul>
<b>Communities and Society</b>	<ul style="list-style-type: none"> <li>■ Implementation of The Company's project execution through education and activities in various projects</li> <li>■ Survey on requirements of communities and the society</li> <li>■ Encouragement of community's participation in the Company's activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Social and environmental responsibilities</li> <li>■ Community quality of life development and promotion</li> </ul>
<b>Shareholders, Investors and Business partners</b>	<ul style="list-style-type: none"> <li>■ Annual ordinary shareholder meetings</li> <li>■ Extraordinary shareholder meetings</li> <li>■ 56-1 One Report Form</li> <li>■ Publish news to the public</li> <li>■ Quarterly operation result announcements</li> <li>■ Meetings with investors individually</li> <li>■ Conversation with investors via telephone</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparency in information disclosure</li> <li>■ Business/financial proficiency</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>■ Require Regulators to comply with official rules of the Company</li> </ul>	<ul style="list-style-type: none"> <li>■ Business operation in compliance with law</li> </ul>

Stakeholders	Participation with stakeholder creation format	Issues emphasized by stakeholders
	and regularly coordinate with regulatory authorities ■ Attend meetings, observe policies and supervisory guidelines ■ Observe, practice compliance with rules ■ Accept testing by Regulators ■ Obtain comments and guidelines for compliance ■ Make comments through comment-making forum	■ Social and environmental responsibilities ■ Customers' health and safety
<b>Trading partners</b>	■ Meeting and interview with trading partners ■ Visit trading partners and obtain comments or complaints ■ Consultation assessment and potential development ■ Assess comment making and promote potential development ■ Interview to find trading partners' requirements and expectations on sustainability	■ Transparency and fair employment/ Purchasing processes

### Management of sustainability in the environmental dimension

The Company had a “Policy on safety, stability, occupational health, the environment and energy” emphasizing on resource and energy conservation, efficient waste management, stressing on obtaining optimal benefits from reuse of wastes and development, design, purchasing of Eco-friendly products as policy and guidelines on environmental aspect, and to ensure compliance with strategy on sustainability

emphasizing on enhancing work management in respect of the environment and safety as well as sustainable development goals, the Company determined targets on operation in respect of the environment covering the following environment issues.

➤ **Environmental management**

Environmental issues are a global concern, whether being the trend on of water and energy shortages, increased garbage and waste and climate change affecting the world. Consequently, the Company realizes and emphasized on environmental management by complying with provisions of the environment laws and the corporate management in utilization of limited resources to obtain optimal efficiency throughout the Company's activities, including systematic management of wastes resulting from the business operation to ensure that the Company's business operation would have the least affect on the environment and resources would be utilized on sustainably.

**Operation**

The Company not only conduct the business strictly in accordance with all relevant laws, rules, regulations and standards, but also participated in educating and organizing activities on environmental conservation on continuous basis to promote and arouse the consciousness of executives and personnel at all levels to have environmental and social responsibilities.

➤ **Energy management and climate change**

The Company realized that currently the global climate change more severely affected human and the environment and had a concept on managing the business in such manner as not impacting upon climate change by assigning department to taking charge of various matters which could mitigate such impacts according to the organization's policy, for example, use of alternative energy, etc.

**Management of sustainability in social dimension**

In determining policy and guidelines on social management in business operation process, the Company emphasized on compliance with laws, rules and regulations governing social management including the respect for human rights by taking sufficient economy principles and international sustainability standards, i.e. Global Sustainable Development Goals (UN SDGs) into consideration to determine relevant policies for all-round social management, concurrently in respect of impact mitigation and environmental and social assistance, i.e. policy on human rights, policy on safety, stability, occupational

health, the environment and energy, Corporate Governance Policy, Anti-Corruption Policy, care for personnel, customers, business etiquettes, including survey on opinions and expectations of stakeholders, for development of works and activities responding to stakeholders' expectation with key practices adopted by the Company as guidelines for organizational stability assessment.

➤ **Customer relation management and responsibilities to customers**

Due to the situation of Coronavirus outbreak ( COVID 19) has a significant affecting on Thailand's economy especially tourism sector, export sector and consumers' purchasing power, all theater business, including bowling, karaoke and ice skate, in the Group had to close down temporarily by orders under the Emergency Decrees to control the pandemic. Although theater and all other entertainment complexes were approved to open during a certain period but the Group could not operate the business to the fullest extent. Customer relation management was a key factor reflecting operation results of the organization which grew sustainably along with promotion of confidence in safety measures of theaters with customers. The Company, therefore, emphasized on developing qualities of products and services on continuous basis to truly respond to and reach customers' requirements in delivering customers with good experiences, especially in adapting and developing to keep pace with rapidly changing digital technology for the time being along with the increase of skills and potentials of personnel in the organization.

**Operation**

The Company emphasized on enhancing operation within the organization in applying digital technology and developing potentials of personnel in the organization to be capable of responding to customers' requirements. In addition, the Company determined channels for receipt of comments and recommendations from customers who were members and general customers to enable the Company to use their recommendations in developing and furthering products and services of the organization, currently and in the future. All comments, recommendations and complaints from customers received by the Company through various channels would be compiled and reviewed on problems, causes and severity of the complaints to determine directions for solutions and designate parties in charge to monitor the responses and notify the results thereof to customers or complainants concerned. The Company also compiled and summarized comments and recommendations into database and presented it to executives.

The Company not only listened to opinions and recommendations from customers but also required survey to be made on satisfactions of all groups of customers through various channels such as Facebook,

Call-center, website, online survey, on-ground survey etc., which enabled the Company to obtain comments and recommendations and use them for development of the Company's products and services to ensure that the Company's products and services could truly respond to customers' requirements.

### ➤ **Respecting Human Rights**

Accountable business operation within the framework of international human rights was an issue emphasized all over the world under the context of human right infringement currently occurred, for example, personal data breach , blocking freedom of expression and labor enforcement, which was an issue on which all organizations should emphasize and undertake to examine business operation process within the organization to prevent human right infringement and labor abuse throughout the value chain.

### **Operation**

The Company recognized and emphasized on respect to human rights and labor treatment in the Company Group hereunder the policy on respect to human rights and practices relating to human rights, emphasizing on promotion of respect to basic human rights by allowing all personnel to have individual rights, freedom and equality without infringements of all forms, including fair employment strictly in compliance with laws and international principles. Concurrently, the Company also emphasized on developing potentials of personnel without discrimination on basis of races, nationalities, native lands, religions, genders, ages, skin colors, languages, beliefs, educations, ethnic group, disability, political opinions, economic statuses, participation in a group or any other social status not relating to work performance or any other matter whatsoever, including promotion of the culture on acceptance of differences in the organization.

To ensure that operation in respect of human rights was carried out thoroughly and efficiently the Company made available channels for receipt of personnel's comments systematically and determined procedures for complaint management and remedies appropriately with Labor Welfare Committee in the establishment participating in discussions and presenting personnel's comments to the Company to procure suitable and useful welfare to personnel and create awareness on respect to human rights of personnel by specifying issues on human rights, for example, personal right infringement, sexual harassment, non-discrimination and provision of equal opportunities, in the Code of Conduct of the Company. Trainings and communications on such issues were conducted through online courses via E-

learning Web system or [mpassion-learning.com](http://mpassion-learning.com) for acknowledgement and thorough comprehension of all personnel on issues of human rights.

In addition, the Company was aware of social responsibility in respect of human rights and took action to support career building for disabled persons, i.e. a project on Office Syndrome relieving massage by disabled persons.

In taking actions in respect of human rights the Company required the issues on human rights to be reviewed regularly at least once a year to prepare preventive measure and procedures for risk solution and mitigation, as well as appropriate remedial measure under the frame of policy on human rights of the Company emphasizing on respect to basic human rights to which everyone must be equally entitled. The Company, therefore, encouraged all personnel to possess the rights, freedom, and individual equality without any form of harassment or oppression, with fair employment and would not get involved in any action contrary to human right.

The Company not only took actions in respect of human rights upon personnel of the Company, but also encourage such actions upon other stakeholders of the Company, i.e. shareholders, investors and business partners, trading partners and contractors, communities and the society and customers under the Company's policy on human rights consistent to provisions of law and UN Guiding Principles on Business and Human Rights (UNGPR). In 2021 the Company arranged to have conducted thorough examination on human rights. However, from human rights monitoring at present, it is found that no complaints of human rights violations will be reported in 2021.

**4. Management Discussion and Analysis (MD&A)****Financial Information****Financial Statement****Summarized auditing report**

**Auditor office** : PricewaterhouseCoopers ABAS Ltd.

**Certified auditor** : Ms. Tithinun Vankeo ,Certified Public Accountant (Thailand) No. 9432

**Annual Audit's Report 2021**

The certified auditor opinion on consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of M Pictures Entertainment Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance Thai Financial Reporting Standards (TFRS).

## Summary of the consolidated financial statements

### M Pictures Entertainment Public Company Limited and Subsidiaries Company

#### Statement of Financial Position

As at 31<sup>st</sup> December 2021, 2020 and 2019

	(Unit : Baht Million)					
	Consolidated Financial Statement			Separate Financial Statement		
	2021	2020	2019	2021	2020	2019
<b>Assets</b>						
<b>Current assets</b>						
Cash on hand and cash equivalents	124.11	94.72	97.77	21.96	16.41	5.22
Trade and other receivables, net	146.10	203.01	190.84	0.69	1.57	2.44
Short-term loans to related parties	-	-	-	96.95	134.00	201.60
Inventories, net	-	-	0.15	-	-	-
Films under production	66.04	107.21	115.32	-	-	-
VAT receivables	10.66	7.86	4.05	-	-	-
Withholding tax deducted at sources	23.54	24.61	25.23	0.50	0.43	0.68
Other current assets	0.71	2.04	2.53	0.02	0.02	0.02
<b>Total current assets</b>	<b>371.17</b>	<b>439.45</b>	<b>435.88</b>	<b>120.13</b>	<b>152.43</b>	<b>209.96</b>
<b>Non-current assets</b>						
Investments in subsidiaries, net	-	-	-	237.13	237.13	237.13
Investments in associates	35.98	44.56	41.03	10.91	8.46	3.46
Joint arrangements, net	42.74	46.35	64.16	36.30	36.30	64.30
Buildings and equipment, net	11.04	13.47	2.19	0.53	1.07	1.45
Rights-of-use asset	9.09	11.07	-	-	-	-
Goodwill, net	139.14	139.14	139.14	-	-	-
Computer program, net	0.36	0.52	0.50	0.06	0.08	0.11
Film rights, net	62.25	41.93	39.43	-	-	-
Deferred tax assets	10.32	13.93	21.78	0.20	1.23	2.32
Other non-current assets, net	0.01	0.01	1.96	0.01	0.01	1.26
<b>Total non-current assets</b>	<b>310.93</b>	<b>310.97</b>	<b>310.19</b>	<b>285.14</b>	<b>284.27</b>	<b>310.04</b>
<b>Total assets</b>	<b>682.10</b>	<b>750.43</b>	<b>746.07</b>	<b>405.26</b>	<b>436.71</b>	<b>520.00</b>

## Summary of the consolidated financial statements

### M Pictures Entertainment Public Company Limited and Subsidiaries Company

#### Statement of Financial Position

As at 31<sup>st</sup> December 2021, 2020 and 2019

	(Unit : Baht Million)					
	Consolidated Financial Statement			Separate Financial Statement		
	2021	2020	2019	2021	2020	2019
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	35.00	35.00	22.00	-	-	-
Trade and other payables	162.66	202.45	175.40	3.41	3.42	4.41
Contract liabilities	34.05	36.82	17.79	-	-	-
Contract liabilities						-
Current portion of lease liability	1.83	1.73	-	-	-	-
Undue output VAT	1.37	3.79	2.17	-	-	0.07
Provision for sales return	-	-	0.15	-	-	-
Other current liabilities	1.26	2.77	6.24	0.09	0.15	0.19
<b>Total Current Liabilities</b>	<b>236.17</b>	<b>282.57</b>	<b>223.77</b>	<b>3.50</b>	<b>3.57</b>	<b>4.67</b>
<b>Non-current liabilities</b>						
Lease liabilities	7.64	9.47	-	-	-	-
Employee benefit obligations	3.80	4.80	4.38	0.97	3.08	2.85
<b>Total non-current liabilities</b>	<b>11.44</b>	<b>14.27</b>	<b>4.38</b>	<b>0.97</b>	<b>3.08</b>	<b>2.85</b>
<b>Total liabilities</b>	<b>247.61</b>	<b>296.84</b>	<b>228.15</b>	<b>4.47</b>	<b>6.65</b>	<b>7.52</b>
<b>Equity</b>						
Share capital						
Authorised share capital	656.56	656.56	656.56	656.56	656.56	656.56
Issued and fully paid-up share capital	650.06	650.06	650.06	650.06	650.06	650.06
Share premium	132.61	132.61	132.61	132.61	132.61	132.61
Surplus from business combination under	(20.11)	(20.11)	(20.11)	-	-	-
Surplus from share reduction	-	387.84	387.84	-	387.84	387.84
Deficits						
Appropriated - legal reserve	-	-	-	-	-	-
Unappropriated	(301.18)	(669.05)	(609.21)	(381.88)	(740.45)	(662.57)
Other components of equity	(26.89)	(27.76)	(23.27)	-	-	4.54
Equity attributable to owners of the parent	434.49	453.59	517.92	400.80	430.06	512.47
Non-controlling interests	-	-	-	-	-	-
<b>Total equity</b>	<b>434.49</b>	<b>453.59</b>	<b>517.92</b>	<b>400.80</b>	<b>430.06</b>	<b>512.47</b>
<b>Total liabilities and equity</b>	<b>682.10</b>	<b>750.43</b>	<b>746.07</b>	<b>405.26</b>	<b>436.71</b>	<b>520.00</b>

## Summary of the consolidated financial statements

### M Pictures Entertainment Public Company Limited and Subsidiaries Company

#### Income statement

As at 31<sup>st</sup> December 2021, 2020 and 2019

	(Unit : Baht Million)					
	Consolidated Financial Statement			Separate Financial Statement		
	2021	2020	2019	2021	2020	2019
<b>Revenues</b>						
Management fee income	1.51	1.54	1.30	14.03	14.09	16.04
Revenues from films production and film rights distribution	156.48	279.72	384.07	-	-	-
Sales of goods	-	0.07	7.68	-	-	-
Advertising income	1.97	5.72	62.24	-	0.43	5.17
<b>Total revenues</b>	<b>159.97</b>	<b>287.05</b>	<b>455.30</b>	<b>14.03</b>	<b>14.52</b>	<b>21.21</b>
<b>Cost of sales and services</b>						
Cost of film production and film rights sold	102.96	167.91	241.68	-	-	-
Cost of advertising	-	0.41	4.08	-	-	0.03
<b>Total cost of sales and services</b>	<b>102.96</b>	<b>168.31</b>	<b>252.76</b>	<b>-</b>	<b>-</b>	<b>0.03</b>
<b>Gross profit</b>	<b>57.00</b>	<b>118.74</b>	<b>202.54</b>	<b>14.03</b>	<b>14.52</b>	<b>21.18</b>
Other income	5.80	3.05	2.62	7.67	7.65	25.76
Selling expenses	(12.51)	(55.02)	(73.04)	-	(3.68)	(9.41)
Administrative expenses	(53.98)	(50.09)	(73.57)	(19.92)	(17.81)	(25.09)
Expected credit loss	(2.80)	(37.15)	-	(31.00)	-	-
Loss from impairment of investments in joint venture	(1.90)	(7.30)	-	-	(28.00)	(7.98)
Finance costs	(1.68)	(1.65)	(2.45)	-	-	(0.00)
Share of loss of associate and joint ventures	(6.50)	(21.83)	(28.13)	-	-	-
<b>(Loss) Profit before income tax</b>	<b>(16.55)</b>	<b>(51.25)</b>	<b>27.97</b>	<b>(29.22)</b>	<b>(27.32)</b>	<b>4.46</b>
Income tax	(4.24)	(13.14)	(12.15)	(0.83)	(1.09)	(0.18)
<b>(Loss) Profit for the year</b>	<b>(20.80)</b>	<b>(64.38)</b>	<b>15.82</b>	<b>(30.05)</b>	<b>(28.42)</b>	<b>4.28</b>
<b>Loss attributable to:</b>						
Owners of the parent	(20.80)	(64.38)	17.55	(30.05)	(28.42)	4.28
Non-controlling interests	-	-	(1.72)	-	-	-
	<b>(20.80)</b>	<b>(64.38)</b>	<b>15.82</b>	<b>(30.05)</b>	<b>(28.42)</b>	<b>4.28</b>
<b>Loss per share</b>						
Basic loss per share	(0.02)	(0.05)	0.01	(0.02)	(0.02)	0.00
Diluted loss per share	(0.02)	(0.05)	0.01	(0.02)	(0.02)	0.00

**Financial Ratio**

Financial Ratio		Consolidated Financial Statement		
		2021	2020	2019
Liquidity Ratio				
Current Ratio	(Times)	1.57	1.56	1.95
Quick Ratio / Acid Test Ratio	(Times)	1.14	1.05	1.29
Operating Cash Flow to Current Liabiliti	(Times)	0.26	0.17	0.44
Account Receivable Turnover Ratio	(Times)	0.96	1.61	2.46
Average Collection Period	(Days)	380	227	148
Account Payable Turnover Ratio	(Times)	0.72	1.19	1.48
Average Payment Period	(Days)	507	307	247
Profitability Ratio				
Gross Profit Margin	(%)	35.64	41.37	44.48
Operating Profit Margin	(%)	(9.30)	(17.28)	6.68
Net Profit Margin	(%)	(13.00)	(22.43)	3.47
Return on Equity (ROE)	(%)	(4.68)	(13.25)	3.44
Efficiency Ratio				
Return on Assets (ROA)	(%)	(2.08)	(6.63)	3.88
Return on Fixed Assets	(%)	(121.37)	(633.46)	924.62
Total Assets Turnover	(Times)	0.23	0.38	0.61
Leverage Ratio				
Debt to Equity Ratio (D/E)	(Times)	0.57	0.65	0.44
Interest Coverage Ratio	(Times)	(8.87)	(30.06)	12.42
Dividend Payout	(%)	-	-	-
Book Value Per Share	(Baht)	0.33	0.35	0.40
Earning (Loss) Per Share	(Baht)	(0.02)	(0.05)	0.01
Dividend Per Share	(Baht)	-	-	-
(Note : Calculated by Weighted Average Commonshare)				

## Management Discussion and Analysis

### **Company and Subsidiary Operation Result**

Since latest of 1<sup>st</sup> quarter of 2021 there has been a new wave of the coronavirus disease 2019 epidemic (“COVID-19 outbreak”), which adversely affects the Company's performance for the year ended 31<sup>st</sup> December 2021 especially the performance of the movie production and the film rights distribution businesses.

According to protocol to prevent the spread of COVID-19 that occurs in many areas, results in the control and limitation of film production and on showing in movie theater thus effect film production and distribution to postpone their schedule during 18<sup>th</sup> March 2021 to 30<sup>th</sup> September 2021, which is longer than the previous year before theaters resumed to operate in the fourth quarter of 2021, therefore, revenue of movie production and film rights distribution decreased compare to the previous year. However, the Company still has decent income from producing and distributing films through many channels other than cinemas, including Free TV, Cable TV, and Streaming like Netflix. The Company especially aware of the COVID-19 epidemic situation included assessing the impact on operations and planning closely to deal with such incidents which the operating results of the Company in the year 2021 are as follows:

### **Revenue**

Total Revenue of the Company and subsidiaries for the Year ended 31<sup>st</sup> December 2021 are THB 165.76 million decreased THB 124.34 million or 42.86% when comparing with the previous year in the same period which can be categorize to each type as follow table.

Business Line	Amount		Increase (decrease)		Ratio : Total Revenue	
	2021	2020	Amount	%	2021	2020
Revenues from film rights distribution	82.00	107.15	(25.15)	(23.47)	49.47	36.94
Revenues from film production	74.49	172.57	(98.08)	(56.83)	44.93	59.49
Management fee income	1.51	1.54	(0.03)	(1.95)	0.91	0.53
Advertising income	1.97	5.72	(3.75)	(65.56)	1.19	1.97
Sales of goods	-	0.07	(0.07)	(100.00)	-	0.02
<b>Total Revenues</b>	<b>159.97</b>	<b>287.05</b>	<b>(127.08)</b>	<b>(44.27)</b>	<b>96.50</b>	<b>98.95</b>
Other income	5.80	3.05	2.75	90.16	3.50	1.05
<b>Grand Total Revenues</b>	<b>165.76</b>	<b>290.10</b>	<b>(124.34)</b>	<b>(42.86)</b>	<b>100.00</b>	<b>100.00</b>

**Revenue from film rights distribution** for year ended 2021 are THB 82.00 million decreased THB 25.15 million or 23.47% when comparing with the previous year in the same period which mainly from selling strategy adjustment to expanding distribution channels other than cinemas, such as Digital Online for THB 22 million and Free TV for THB 13 million.

**Revenue from film production** for year ended 2021 are THB 74.49 million decreased THB 98.08 million or 56.83% when comparing with the previous year in the same period which mainly from selling movies license such as Som-Pla-Noi, Reuang-Phee-Laow and Som-Poi.

**Advertising income** for year ended 2021 are THB 1.97 million decreased THB 3.75 million or 65.56% when comparing with the previous year in the same period which mainly effected from movie theater temporary closed which cause decreasing of movies amount on show time.

There are none of sales of goods for year ended 2021 because the Company have been cancelled online products selling.

#### **Cost of sales and services and Gross profit**

Cost of sales and services of the Company and subsidiaries for the Year ended 31<sup>st</sup> December 2021 are THB 102.96 million decreased THB 65.35 million or 38.83% when comparing with the previous year in the same period consistent with the decreased in movie production and film rights distribution revenue.

Gross profit for year ended 31<sup>st</sup> December 2021 are THB 57.00 million decreased THB 61.73 million or 51.99%.

#### **Selling and Administrative Expenses**

Selling and Administrative Expenses of the Company and subsidiaries for the Year ended 31<sup>st</sup> December 2021 are THB 71.18 million decreased THB 78.37 million or 52.41% when comparing with the previous year in the same period which because of the Company recognized expected credit loss according to Thai Financial Reporting Standards No.9 (TFRS9) of M Talent Co., Ltd. in amount of THB 37.15 million in 2020 and decreased selling expenses in amount of THB 42.51 million from amount of films on show time decreased because of COVID-19 outbreak situation.

#### **The Company and Subsidiary's Financial Position**

##### **Assets**

As at 31<sup>st</sup> December 2021, the Company has total assets of THB 682.10 million decreased from 31<sup>st</sup> December 2020 in amount of THB 68.33 million or 9.11% which detailed as follow table.

(Unit: Million Baht)

Assets	December 31		Increase (decrease)		% of total asset	
	2021	2020	Amount	%	2021	2020
Cash on hand and cash equivalents	124.11	94.72	29.39	31.03	18.20	12.62
Trade and other receivables, net	146.10	203.01	(56.91)	(28.03)	21.42	27.05
Film under production	66.04	107.21	(41.17)	(38.40)	9.68	14.29
VAT receivables	10.66	7.86	2.80	35.62	1.56	1.05
Withholding tax deducted at sources	23.54	24.61	(1.07)	(4.35)	3.45	3.28
Other current assets	0.71	2.04	(1.33)	(65.20)	0.10	0.27
Investments in associates	35.98	44.56	(8.58)	(19.25)	5.27	5.94
Joint arrangements, net	42.74	46.35	(3.61)	(7.79)	6.27	6.18
Building and equipment, net	11.04	13.47	(2.43)	(18.04)	1.62	1.79
Rights-of-use asset	9.09	11.07	(1.98)	(17.89)	1.33	1.48
Goodwill, net	139.14	139.14	-	-	20.40	18.54
Computer program, net	0.36	0.52	(0.16)	(30.77)	0.05	0.07
Film rights, net	62.25	41.93	20.32	48.46	9.13	5.59
Deferred tax assets	10.32	13.93	(3.61)	(25.92)	1.51	1.86
Other non-current assets, net	0.01	0.01	-	-	0.00	0.00
<b>Total Assets</b>	<b>682.10</b>	<b>750.43</b>	<b>(68.33)</b>	<b>(9.11)</b>	<b>100.00</b>	<b>100.00</b>

■ Trade and other receivables, net as at 31<sup>st</sup> December 2021 decreased from previous year in amount of THB 56.91 million or 28.03% which mainly because of trade account receivable and accrued income from movies that on show time in 4<sup>th</sup> quarter of 2020.

■ Film under production as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 41.17 million or 38.40% from films production that finished and ready to distribute to each market channel such as Mon-Ruk-Wua-Chon and Bung-Fire-Slider.

■ Joint arrangements, net as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 3.61 million or 7.79% because of the Company recognized addition impairment on investments in Transformation films Co., Ltd. in amount of THB 1.90 million and also share of loss investment in joint ventures in amount of THB 1.90 million.

■ Building and Equipment, net as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 2.43 million or 18.04% from depreciate over time of office and equipment.

■ Film rights, net as at 31<sup>st</sup> December 2021 increased from the previous year in amount of THB 20.32 million or 48.46% from film purchasing and completed production film ready to be distribute in each channels.

Liabilities and Equity

(Unit: Million Baht)

Liabilities and Equity	December 31		Increase (decrease)		% of liabilities per Equity of Shareholders	
	2021	2020	Amount	%	2021	2020
Short-term borrowings from financial institutions	35.00	35.00	-	-	5.13	4.66
Trade and other payables	162.66	202.45	(39.79)	(19.65)	23.85	26.98
Contract liabilities	34.05	36.82	(2.77)	(7.52)	4.99	4.91
Other current liabilities	4.46	8.30	(3.84)	(46.27)	0.65	1.11
Other non-current liabilities	11.44	14.27	(2.83)	(19.83)	1.68	1.90
<b>Total Liabilities</b>	<b>247.61</b>	<b>296.85</b>	<b>(49.24)</b>	<b>(16.59)</b>	<b>0.40</b>	<b>0.31</b>
<b>Total Equity</b>	<b>434.49</b>	<b>453.59</b>	<b>(19.10)</b>	<b>(4.21)</b>	<b>63.70</b>	<b>60.44</b>
<b>Total Liabilities and Equity</b>	<b>682.10</b>	<b>750.43</b>	<b>(68.33)</b>	<b>(9.11)</b>	<b>100.00</b>	<b>100.00</b>

■ Trade and other payables as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 39.79 million or 19.65% from trade accounts payable – related parties of film production and film rights distribution businesses.

■ Contract Liabilities as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 2.77 million or 7.52% as carried services to deliver to clients according to the contract.

■ Other non-current liabilities as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 2.83 million or 19.83% because of the Company liabilities under lease agreements due for more than 1 year decreased from the recognition of lease liabilities of new office buildings in accordance with Thai Financial Reporting Standards No.16 (TFRS 16) about Lease Agreement in 2020.

■ Total Equity as at 31<sup>st</sup> December 2021 decreased from the previous year in amount of THB 19.10 million or 4.21% because in 2021, the Company had transfer surplus from share reduction to offset the deficit.

**Financial Ratio Analysis**

<b>Financial Ratios</b>	<b>31<sup>st</sup> December 2021</b>	<b>31<sup>st</sup> December 2020</b>	<b>31<sup>st</sup> December 2019</b>
Current Ratio [Times]	1.57	1.56	1.95
Account Receivable Turnover [Times]	0.96	1.61	2.46
Average Collection Period [Days]	380	227	148
Total Assets Turnover [Times]	0.23	0.38	0.61
Total Debt to Equity Ratio [Times]	0.57	0.65	0.44

**Operating Efficiency Ratio**

- Account Receivable Turnover 0.96 times decreased from the previous year due to expected credit loss according to TFRS 9 and impact of COVID-19 outbreak situation.
- Average Collection Period 380 days increased from the previous year because the Company support debtor to expand the repayment period according the COVID-19 outbreak situation.
- Total Assets Turnover 0.23 times decreased from the previous year as the reason mentioned above
- Total Debt to Equity Ratio 0.57 times decreased from the previous year due to trade accounts payable – related parties decreased.

## **5. General information and other significant information**

### **1. The Company**

<b>Company name</b>	<b>: M Pictures Entertainment Plc.</b>
Type of business	: Invests in subsidiaries in business of providing media of film rights and film production and also invests in through subsidiaries.
Company Registration No.	: 0107544000124
Address	: 234 , 234/1-3 Rachayothin Avenue 3rd Floor, Room No. B301-306 Ratchadapisek Road, Ladyao, Jatuchak, Bangkok 10900
Website	: <a href="http://www.mpictures.co.th/mpic/investors">www.mpictures.co.th/mpic/investors</a>
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. The Subsidiaries company**

<b>2.1 Company name</b>	<b>: M Pictures Co.,Ltd.</b>
Type of business	: Provides and acquire film rights of Thai and International films from Asia Europe and America including Thai film production.
Address	: 234 , 234/1-3 Rachayothin Avenue 3rd Floor, Room No. B301-306 Ratchadapisek Road,Ladyao, Jatuchak, Bangkok 10900
Website	: <a href="http://www.mpictures.co.th">www.mpictures.co.th</a>
Telephone	: 02-5120300
Fax	: 02-5120301, 02-5120302
Number/Type of Shares	: Ordinary Share 1,500,000 Shares

<b>2.2 Company name</b>	<b>: M Thirty Nine Co.,Ltd.</b>
Type of business	: Thai film production studio
Address	: 1839, Phahonyothin Road, Ladyao, Jatuchak, Bangkok 10900
Telephone	: 02-5120300
Fax	: 02-5120301, 02-5120302
Number/Type of Shares	: Ordinary Share 1,000,000 Shares

**2.3 Company name : M V D Co.,Ltd.**

Type of business : Provide film copyrights both international and Thai films to home entertainment media manufacture.

Address : 234 , 234/1-3 Rachayothin Avenue 3rd Floor, Room No. B301-306  
Ratchadapisek Road, Ladyao, Jatuchak, Bangkok 10900

Telephone : 02-5120300

Fax : 02-5120301, 02-5120302

Number/Type of Shares : Ordinary Share 52,250,000 Shares

**2.4 Company name : M Talent Co.,Ltd.**

Type of business : Thai film production studio

Address : 234 , 234/1-3 Rachayothin Avenue 3rd Floor, Room No. B301-306  
Ratchadapisek Road, Ladyao, Jatuchak, Bangkok 10900

Telephone : 02-5120300

Fax : 02-5120301, 02-5120302

Number/Type of Shares : Ordinary Share 400,000 Shares

**3. Joint Ventures company****3.1 Company name : Major Kantana Broadcasting Co.,Ltd.**

Type of business : Operating cable Television business by acquire film rights to boardcast on M Channel.

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

**3.2 Company name : Transformation Films Co.,Ltd.**

Type of business : Thai film studio

Address : 55, Sukhonhasawat Road, Lat Phrao , Lat Phrao, Bangkok 10230

Website : <https://transformation-films.com/films/>

Telephone : 02-9325600

Fax : 02-9325600

Number/Type of Shares : Ordinary Share 2,450,000 Shares

**3.3 Company name : Last Idol (Thailand) Co.,Ltd.**

Type of business : Operates all entertainment business, various performance including footage and audio.

Address : 234/2 Rachayothin Avenue , Room No. B307A-307B  
Ratchadapisek Road, Ladyao, Jatuchak, Bangkok 10900

Website : <http://www.lastidol.co.th/>

Number/Type of Shares : Ordinary Share 1,000,000 Shares

**3.4 Company name : Skybox Entertainment Co.,Ltd.**

Type of business : Artist Management and content creator

Address : 99 Moo 2, Bangpoon , Mueng Pathum Thani, Pathum Thani 12000

Website : <https://www.facebook.com/SkyboxEnt.official>

Telephone : 02-8332000

Number/Type of Shares : Ordinary Share 200,000 Shares

**3.5 Company name : M.P.I.C (Cambodia) Distribution Co.,Ltd.**

Type of business : Films distribution company in Cambodia

Address : 298, 1st Floor, Preah Monivong Boulevard, Sangkat Beung Raing, Khan Daun Penh, Phnom Penh, Cambodia.

Telephone : -

Fax : -

Number/Type of Shares : Ordinary Share 200,000 Shares

**3.6 Company name : 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

**Other Significant Information**

**Securities Registrar** : **Thailand Securities Depository Co., Ltd.**  
Head Office : 93 Ratchadaphisek Rd, Din Daeng, Bangkok 10400, Thailand  
Telephone : 02-009-9999

**Auditor** : **PricewaterhouseCoopers ABAS Ltd.**  
Head Office : 15th Floor, Bangkok City Tower  
179/74-80 South Sathorn Road Bangkok, 10120, Thailand  
Telephone : 02- 844 1000  
Fax : 02- 286 5050

**Part 2****6. Corporate governance policy**

The Board of Directors has an intention to conduct the business under the principles of good corporate governance of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including the recommendations from the Thai Institute of Directors Association (IOD) according to the Corporate Governance Assessment Report for the listed companies to practice in order to strengthen the organization to have an efficient management system, create fairness and confidence for all stakeholders, and to be the basis for the Company to lead to sustainable growth. The Company has guidelines for corporate governance as follows:

**Corporate Governance Policy**

The Board of Directors adheres to conduct business under ethical principles and good corporate governance practices along with being responsible to society, community and environment until it becomes the corporate culture which has integrated with the vision, mission, strategy and goals of the organization in order to increase the confidence of shareholders, investors and stakeholders. Leading to the creation of business prosperity together with the participation in development and promotion of education, sports, community, society and the environment

The Company's Good Corporate Governance Policy can be summarized as follows:

1. The Board of Directors, executives and all employees adhere to commit in compliance with laws and to implement Good Corporate Governance in operations by integrating with the visions, missions, strategies and long-term goals of the organization as well as to strengthen the organization to have effective management system. This will lead to the increase of confidence of shareholders, investors and all stakeholders.
2. The Board of Directors respects the rights and treats all shareholders equally and fairly, as well as facilitates the shareholders to exercise their rights in various matters.
3. The Board of Directors supports the process of strengthening relationship and good cooperation between the companies and stakeholders and also provides the appropriate channels for communication between each other.

4. The Board of Directors sets the Company's policies and business ethics as guidelines to treat all stakeholders such as shareholders, customers, officers, employees, communities, society and the environment.
5. The Board of Directors provides organizational structure with clear separation of duties and responsibilities of the Board of Directors, sub-committees, group chief executive officers and management, as well as sets up internal control system and internal audit, risk management system, conflicts of interest prevention system, including appropriate and adequate prevention on the use of internal information.
6. The Board of Directors controls the preparation of financial statements and financial information to be in accordance with Generally Accepted Accounting Principles and discloses sufficient and reliable important information as well as provides capable and independent auditors.
7. The Board of Directors ensures the Company to communicate and disclose important information that related to the Company, both financial and non-financial information, sufficiently, accurately, completely, reliably, transparently, thoroughly and timely through various channels and investor relations in order to be accessible conveniently and equally.
8. The Board of Directors appoints sub-committees as appropriate to review important matters and report performance to the Board of Directors' meeting on a regular basis, including report performance to shareholders in the Company's Annual Report.
9. The Board of Directors provides an annual performance appraisal of directors and sub committees, such as the audit committee, the corporate governance committee, the risk management committee, etc., to serve as a framework for auditing operations during the past year in order to be able to adjust and increase performance efficiency by presenting the assessment results to the Board of Directors' meeting for acknowledgment.
10. The Board of Directors sets up personnel recruiting system for key management positions at all levels to be appropriate, transparent and fair.
11. The Board of Directors takes an important role in providing Good Corporate Governance Guidelines and Business Ethics in writing for all directors, executives and employees to acknowledge, understand and strictly adhere to under monitoring measures to control the compliance.

For the monitoring of compliance, the Board of Directors assigns to be the duty and responsibility of all directors, executives and employees to acknowledge, understand and strictly comply with the policies and regulations as defined in Good Corporate Governance Policy and Business Ethics. The executives all levels of the organization must be responsible and give importance to this matter for their under controlled employees to strictly comply.

Moreover, the Board of Directors also promotes the dissemination of a culture of Good Corporate Governance and Business Ethics to be understood at all levels in the organization, resulting in practical performance under the principles of Good Corporate Governance and conducting business under Business Ethics. The Good Corporate Governance Guidelines and Business Ethics are published through various channels, such as E-mail, Intranet and the Company's website. The training on basic knowledge of Good Corporate Governance is also provided to the new employees. This is to ensure that all executives and employees acknowledge, understand and adhere to perform their duties with responsibility, transparency, honesty, caution and ethics to oneself, organization, shareholders and other stakeholders. In addition, various activities are arranged in order to enhance knowledge and understanding so as to cultivate awareness of practice to perform duties with responsibility, caution and honesty under the Company's Good Corporate Governance and Business Ethics.

The Company's commitment is to implement Good Corporate Governance and Business Ethics in management and operation continually and always develops the level of corporate governance to be more effective and suitable to the Company.

### **Corporate Governance Guidelines**

The Company's Corporate Governance Guidelines are divided into 5 categories as follows:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board of Directors

#### **Catagory 1 : Rights of Shareholders**

The Board of Directors focuses on and respects the rights of all shareholders equally as well as facilitates convenient for shareholders to exercise their rights in various matters, both the fundamental right and the right that oneself deserves, such as; purchasing or transferring of shares, sharing business

profit, obtaining sufficient and timely information, attending the meeting to vote at the shareholders' meeting to appoint or remove directors, determining remuneration of directors, appointing auditors and determining audit fee or other matters affecting the Company, etc., The Board of Directors shall not take any action which violates or deprives the rights of shareholders in any way.

### **The Shareholders' Meeting**

The Board of Directors encourages the arrangement of the shareholders' meetings which takes into account the right and equality of shareholders in attending the meeting according to the laws and Good Corporate Governance principles. In this regard, the Annual General Meeting of Shareholders is scheduled to be held once a year within 4 months from the end of the fiscal year (the Company's end of the fiscal year is on December 31 of every year). In case of urgency, a special agenda must be proposed for a matter that affects or relates to the interests of shareholders or relates to any applicable conditions, rules or laws that needs approval from shareholders urgently, the Company will call an Extraordinary General Meeting of Shareholders on a case-by-case basis.

In 2021, the Company held an Annual General Meeting of Shareholders on April 8, 2021 at 10:00 a.m. at Major Cineplex Ratchayothin, Theater 5, 5th Floor, 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok. There were 9 directors attending the meeting (the total number of 9 directors representing 100%), consisting of the chairman of the Board of Directors, vice chairman, chairman of all sub-committees, senior management, representative from legal department and auditor. There is a representative from the law firm acting as an intermediary to ensure that the meeting is transparent, complete, in accordance with the laws and regulations of the Company, including checking the vote counting throughout the meeting. The chairman of the meeting assigned the company secretary to conduct the meeting. As for the meeting results, the meeting resolved to approve all proposed agendas.

### **Category 2 : Equitable treatment of shareholders**

The Board of Directors has the policy to treat all shareholders equally and fairly in order to protect the rights of shareholders and to facilitate shareholders to exercise their rights in various matters as deserved. The Board of Directors has provided policy to treat shareholders in various aspects equally as the following:

1. The Board of Directors provides the shareholders the right to vote on the principle of one share per one vote. The same type of share has equal voting rights which is one share per one vote.
2. To provide the opportunity to a shareholder or several shareholders holding the Company's shares to propose agenda and name of person to be appointed as the director in advance of the annual general meeting of shareholders by publishing details through the SET channel and the Company's website.
3. For the General Meeting of Shareholders, the Company will send the invitation letter and the meeting documents to shareholders at least 14 days prior to the meeting date and the Company will publish the invitation letter and the aforementioned documents in both Thai and English on the Company's website (<https://investor-th.mpictures.co.th/>) in advance of the meeting date to ensure that the shareholders have sufficient time to study the information and make decision before receiving the information from the Company in the form of documents. In addition, the Company will publish the announcement in newspaper to inform the date, time, place and agendas of the meeting in both Thai and English for 3 consecutive days at least 3 days prior to the meeting date.
4. The Board of Directors will facilitate the shareholder who is unable to attend the meeting in person by sending the proxy form, together with the meeting invitation letter and attaching documentary evidence with easy-to-understand instructions on how to assign proxy for the shareholders to properly prepare without problem in attending the meeting by proxy.  
  
In addition, the shareholders can also download the proxy form from the Company's website as another channel.
5. The Board of Directors nominates Independent Director (s) selected from a list of the Company's independent directors at least 1 person as an alternative for appointing as proxy for the shareholders whereby the details about the name and profile of the independent director have been attached along with the invitation letter.
6. The Board of Directors will conduct the shareholders' meeting according to the agendas as informed in the invitation letter, any additional agendas will not be presented to the meeting without prior notice to the shareholders other than those specified in invitation letter, in order to be fair with the shareholders who are unable to attend the meeting except in case of necessity for the benefit of the Company and strict compliance with the rules of relevant laws.

7. The Board of Directors will provide ballots for every agenda that requires voting for transparency which will be examined in the event of a later dispute as well as counting votes, declaring the voting results and clearly recording the resolutions of the meeting in the minutes of meeting.
8. The Board of Directors has established policies and guideline on prevention of benefit conflicts and prevention of using internal information for the benefit of oneself or others improperly in the Good Corporate Governance and Business Ethics and has published to all executives and employees to acknowledge and strictly implement. This is to prevent the event that directors and executives trade the Company's shares by using internal information or make connected transactions as well as trade assets in a manner that violates or does not comply with the regulations of the SEC and SET.
9. In case of a connected transaction that is subject to disclose information or seek approval from shareholders according to the SET requirements, before making transaction, the Company has to disclose details such as names, relationships of connected person, value pricing policy, reasons for making transaction, including the opinion of the Board of Directors regarding the transaction to the shareholders clearly.
10. The Board of Directors prescribes the directors and executives (according to the SEC definition) to act in accordance with Section 89 of the Securities and Exchange Act by reporting their own and related persons' interests (every time there is any change in information) and assigns the company secretary to report the summary of interests (including any change information) to the Board of Directors' meeting in order to consider the transactions that may have conflicts of interest with overall benefits of the Company. In this regard, the directors and executives, who have any conflict of interest in the matter under consideration must not participate in expressing opinions and must not have any right to vote on that matter.

### **Connected Transaction**

The Board of Directors realizes the importance of conducting business with transparency and takes all stakeholders into account. Therefore, it is clearly stipulated in the Company's Good Corporate Governance Policy that all connected transaction of the Company and its subsidiaries must at least be approved by the Company's management. If there is an agreement relating to connected transaction which is subjected to the transaction in the regulations of SET regarding disclosure of information and operations

of listed companies on connected transaction and/or acquisition or disposition of assets of listed companies, the Company will comply with the regulations of SET which require consent and/or approval from the management, and/or the Board of Directors' meeting, and/or the shareholders' meeting as the case may be, whereby the connected person has no right to vote.

In preventing conflicts of interest, the Board of Directors will carefully supervise the transaction which may lead to conflicts of interest by setting policies and procedures for approval and operation of connected transactions in writing in Corporate Authorization Index and/or seeking approval from shareholders in accordance with the SET regulations, including complying with the SET regulations. The price and conditions are alike making a transaction with a third party (Arm's Length Basis). The Audit Committee will regularly propose to the Board of Directors on transactions with which are conflicts of interest and connected transactions.

The Company and its subsidiaries have no policy to make transactions with connected person, except in the case where the Company deems that receiving the highest return in accordance with the general price and trading conditions that is no different from the third party's which will be determined by the Company that they will be approved by the management and/or the Board of Directors and/or the shareholders' meeting, as the case may be.

In addition, the Board of Directors also realizes the importance of preventing conflicts of interest. Therefore, there is a requirement to be disclosure for transparency about the connected transactions and the prevention of potential conflicts of interests by preparing various reports, such as report on disclosing transactions that may have conflicts of interest and/or may be connected transactions, report on the Company's securities holdings and changes in securities holdings and report on interests of directors, executives and related persons. In 2021, the Company has not acted in any manner that violates or fails to comply with any regulation of SEC and SET, whether insider trading, making connected transaction or property trading.

### **Category 3 : Role of Stakeholders**

The Board of Directors adhere to the Company's business operations with honesty, transparency, along with having roles and social responsibilities by giving importance to the rights of all stakeholders whether internal stakeholders, including; directors, employees and executives of the Company or external stakeholders, such as; shareholders, customers, business partners, creditors, competitors, society and environment, government and related agencies appropriately for both rights stipulated by law and by mutual agreements. The Board of Directors has established guidelines for directors, executives and

employees in the Business Ethics of the group of companies for transparency and fairness to each group of stakeholders. The ethics concerning treatment of stakeholders are summarized as follows:

**Ethical Treatment of Shareholders**

The Board of Directors has policies and guidelines on equitable and equal treatment of shareholders as follows;

1. Regularly perform duties and conduct business with honesty, transparency and accountability to shareholders. Completely disclose information to shareholders according to standards under the framework of laws, ethics and good corporate governance practices.
2. Manage the Company's business to be steady progress by using fully knowledge, ability, experience as well as make decisions on any action with honesty, integrity, carefulness, prudence and fairness for the best interests of overall shareholders.
3. Control the operation to ensure that the Company's has correct and proper financial status and management in order to protect and increase the interests of shareholders.
4. Manage to prevent any assets of the Company from depreciation, loss or waste.
5. Do not seek benefits for yourself and related persons by disclosing confidential and/or non-public information to outsiders which will make the company disadvantageous.
6. Respect the rights of shareholders by reporting the status and operating results of the Company, including information to all shareholders equally, regularly, timely, correctly, completely and truthfully with sufficient reasonable supporting information in accordance with the regulations of the SEC and SET.
7. Refrain from performing any action in a manner that may lead to conflicts of interest without notifying the Company.

**Ethical Treatment of Competitors**

The Board of Directors conducts business under the framework of free and fair competition with policies and guidelines treatment of competitors as follows;

1. Treat competitors under the framework of good and fair competition.
2. Do not seek for confidential information of competitors by fraudulent, dishonest, inappropriate ways or contrary to any laws.
3. Do not deliberately damage the reputation of competitors by making defamatory accusation without any information that could be claimed.

4. Do not take any action that violates the intellectual property and copyrighted work of others or competitors

### **Ethical Treatment of Business Partners**

The Board of Directors treats business partners equally and takes into account the mutual benefits with policies and guidelines on treatment of business partners as follows:

1. Treat business partners equally and fairly based on fair returns to both sides.
2. Strictly execute the contracts or conditions as agreed. In the event that cannot follow any of the conditions, the business partners must be notified at soonest to consider and find solutions together using reasonable principles.
3. Do not demand or accept assets or any other benefits dishonestly in trading with business partners.
4. In the event that there is evidence of dishonest acceptance of assets or any other benefits, the information must be disclosed to business partners in order to find the solution together without delay.
5. Set policy or measure to verify and screen business partners of the Company, such as manufacturers and contractors and also support business dealings with business partners who operate fairly, do not violate human rights and have awareness of social responsibility. The Company has procurement regulations to be strictly complied with and has appointed the procurement committee to select business partners that are transparent and verifiable.
6. Do not cooperate or support any person or organization that conduct illegal business or danger to society and the stability of the country.
7. Commit to maintain sustainable relationships with business partners and third parties and trust in each other.

### **Ethical Treatment of Employees**

The Board of Directors well realizes that all employees are the most valuable resource and the success factor in achieving the goals of the Company. Therefore, the Company provides care and fair treatment in terms of opportunities, remuneration, appointment, transference and termination) as well as sets policies for personnel development and encourages employees to develop and show their potential and values to be part of the organizational development for continuous and sustainable progress. The policies and guidelines on treatment of employees are as follows:

1. Treat employees with respect in dignity and human rights.
2. The appointment, transference, reward and punishment of employees must be done honestly and based on knowledge, abilities, suitability and fairness without discrimination.
3. Assess the performance and progress of employees regularly.
4. Provide remuneration in various fields fairly and appropriately according to knowledge, ability, experience, position, responsibilities and performance of each employee by considering in accordance with the Company's performance including economic and social environment.
5. Provide appropriate welfare and benefit to employees in comparison with other companies in the same or similar business and in accordance with the laws, such as provident funds, etc.
6. Support and focus on the development of knowledge, abilities and potentials that are beneficial to employees at all levels continuously and consistently for their career advancement.
7. Maintain good working environment for health and safety of employees' lives and properties at all times.
8. Encourage employees to have better quality of life and support the development of their family life to be happy and sustainable self-reliant according to the philosophy of sufficiency economy
9. Support employee's participation and respect their rights of aggregation in order to suggest or set guidelines for working and/or agreements for the benefit of all parties. Create a good relationship in collaborating as well as provide channels for receiving complaints about wrongdoing report, investigation guidelines, and whistleblower protection.
10. Encourage employees to work together under good culture and value as well as be unity within the organization.
11. Manage carefully and avoid any unfair action which may affect the work stability of employees.
12. Comply with laws and regulations regarding labor laws (such as employment, termination) and employee welfares.

#### **Ethics on Supporting Non-Infringement of Intellectual Property or Copyright**

The Board of Directors respects the intellectual property rights without violating or supporting any action that infringes the intellectual property and copyrighted work of others. This reflects the Company's intention to conduct business with fairness, respect and in compliance with the laws regarding intellectual property. The policies and guidelines are as follows:

1. Support the development and respect the creation of intellectual property and copyrighted work as well as assess the value of such creative work fairly.

2. Protect and respect the intellectual property and copyrighted work of the Company and others without infringing or supporting any action of violation, such as duplication, adaptation, copying, broadcast, publication, public release or acting in any other manner including do not claim others' work as own work.
3. Support and participate in activities that are beneficial to the protection and prevention of infringement of intellectual property and copyrighted work.
4. Encourage knowledge and training for employees to build awareness of respect and creation of intellectual property and copyrighted work to employees at all levels as well support employees to participate in various activities arranged by the Company.
5. Issue the Company's regulations about working by forbidding employees to perform any action that disgrace to the Company's reputation. Act in accordance with the requirements, announcements, orders of government agencies or laws related to intellectual property and copyright, such as Trademark Act, Patent Act, Copyright Act or other relevant laws including announcements, orders, and other regulations set by the Company.
6. Design the infringement of intellectual property and copyrighted as a serious offense. If an offense is found, the Company will take action against the offending employee according to the Company's Articles of Association about works and following laws.

#### **Ethics on Interests and Conflicts of Interest**

The Board of Directors realizes the importance of preventing conflicts of interest. The policies and guidelines are as follows.

1. To prevent conflicts of interest, the Board of Directors will carefully manage when items which may lead to conflicts of interest occurred by setting policies and procedures for approval and operation of connected transactions in writing in Corporate Authorization Index and/or seeking approval from shareholders in accordance with the SET regulations, including complying with the SET rules. The price and conditions are alike making a transaction with a third party (Arm's Length Basis).
2. In the event that the Board of Directors is the person of authority to approve related parties transaction, there must be the independent directors or the audit committee attended the Board of Directors' meeting.

3. The Audit Committee presents conflicts of interest or connected transactions to the Board of Directors on a regular basis where the person who may have conflicts of interest do not have the right to vote or approve such transactions.
4. In case of a connected transaction that is subject to disclose information or seek approval from shareholders according to the SET requirements, before making transaction, the Company has to disclose details such as names, relationships of connected person, value pricing policy, reasons for making transaction, including the opinion of the Board of Directors regarding the transaction to the shareholders clearly.
5. For connected transactions in the form of financial assistance, the Board of Directors has set guidelines for making related party transactions in the form of financial assistance in the Corporate Authorization Index approved by the Board of Directors.
6. The Board of Directors establishes a written guidelines on the retention and prevention for the use of internal information and notifies such guidelines for everyone in the Company to follow. The person involved with the internal information is prohibited to trade the Company's assets within 1 month prior to the disclosure of quarterly and annual financial statements
7. The Board of Directors sets policies for directors, executive directors and executives (according to the SEC definition), which includes the number of securities held by related persons under Section 59 of the Securities and Exchange Act to be responsible for reporting securities holding of the Company's (MPIC) in every Board of Directors' meeting by assigning the company secretary to summarize the report on securities holdings and changes in securities holdings in order to propose to the Board of Directors' meeting for acknowledgment on a quarterly basis.
8. The Board of Directors requires directors, executives and related persons (according to the SEC definition) to prepare their conflicts of interests report and file to the Company for the company secretary to summarize the report on the conflicts of interests of the directors, executives and related persons including changes in conflicts of interests in order to propose to the Board of Directors' meeting for acknowledgment every 6 months.
9. The Board of Directors requires disclosure of significant related transactions by presenting details of the names of persons who may have conflicts of interest, relationships, nature of transactions, conditions, pricing policy, value of the items, reasons of necessity and the opinions of the audit committee and/or the Board of Directors in the information report and/or the Annual Registration Statements (Form 56-1 One Report).

**Category 4 : Disclosure and Transparency**

The Board of Directors ensures to communicate and disclose important information related to the Company, both financial and non-financial information, which has important guidelines as follow:

- Provide communication channels and disseminate the Company's information.

The Board of Directors provides various communication channels and disseminate information for the shareholders, investors and other stakeholders to be able to access the Company's information conveniently, thoroughly and equally through various channels regularly, both in Thai and English, such as the Company's website, electronic media and the SET website, etc.

**Category 5 : Responsibilities of the Board of Directors**

The Board of Directors recognizes the roles, duties and responsibilities for guiding the operation direction, monitoring and supervising the operations of the management, performing duties with knowledge, ability, transparency, cautiousness and having accountability as the Board of Directors towards the Company and shareholders independently from the management. There are important guidelines as the following:

**Composition of the Board of Directors**

- 1) The Board of Directors has provided the number of directors in appropriate with the Company's business size which consists of not less than 5 directors and not less than one of the total number of directors must have residence in the kingdom as well as at least one director must have experience in accounting and finance.
- 2) The Board of Directors consists of independent directors at least one-third of the total number of directors and at least 3 members.
- 3) The Board of Directors consists of non-executive directors to perform duties and balance between non-executive directors and executive directors, and at least one-third of the total number of directors must be independent directors.

**Qualifications of the Board of Directors**

The Company has determined the qualifications of the Board of as follows;

- 1) Not having any prohibited characteristics as specified by the Public Limited Companies Act B.E. 2535 or other related laws including the regulations of the SET and the SEC and the Company's Articles of Association.

- 2) Being qualified with knowledge, ability and experience that are beneficial to the Company's business operation.
- 3) Having leadership, vision and freedom of decision making for the best benefit of the Company and overall shareholders.
- 4) Having responsibility to perform the duties of directors and fully devoting time to perform duties of the Board of Directors of the Company as well as being responsible to shareholders on a regular basis (Accountability to Shareholders) and making decisions with caution to maintain the benefits of the Company.
- 5) To perform duties with honesty, integrity, and ethics under the framework of the law, as well as guidelines for good corporate governance and business ethics.

### **Qualifications / Definitions of Independent Directors**

**Independent director** means a person who has complete qualifications and is independent as the Stock Exchange of Thailand has specified as follows;

- 1) The number/composition of independent committee shall not be less than 1/3 of the whole committee and must not less than 3 members.
- 2) Holding shares not more than 0.5% of the total number of shares with voting right of the Company, including shares held by related persons as well.
- 3) Within the previous 2 years to present, there must neither being nor used to be a part of management or controlling person of the Company.
- 4) Within the previous 2 years to present, there must be no business relationship with;
  - Auditor: Strictly Prohibited
  - Other professional service providers: Transaction value more than 2 million baht / year

Unless there is a necessity/reasonable cause, irregular and intermittent occurrence, relationship level beyond significant and has requested unanimously approval from the Board of Directors whereby the Company must disclose such relationship in the form 56-1 / Annual Report / Meeting Notice.
- 5) Not being a person related by blood , legal registration or representing of executives / major shareholders / controlling persons or person who will be nominated as an executive or controlling person of the Company or its subsidiaries, such as; husband, wife, adopted child, etc.
- 6) Not being a director of any other listed company in the group.

- 7) Being a director who does not take part in the management, not being an employee or advisor who receives a regular salary from the Company, subsidiary or major shareholders.
- 8) Being a director who has no benefits or interest, whether directly or indirectly, in terms of finance and management in the Company and its subsidiaries.
- 9) Being a director who is not a related persons or a close relative of executives or major shareholders.
- 10) Being a director who is not appointed as a representative to protect the interests of the directors, major shareholders or shareholders who are related to major shareholders.

Since the actual independence of independent directors is an indicator that shows the good management of the Company, therefore; the Company has defined the definition of independent directors stricter than those prescribed by the SEC. The Company has complied with such regulations and guidelines strictly. Importantly, the independent directors can perform their duties and freely give opinions or report the performance as assigned regardless of any benefit relating to asset or position and also not fall under the influence of any person or group, including no circumstances to constrain them to be unable to express their opinions.

### **Tenure of the Board of Directors**

The tenure of the Board of Directors has been prescribed in accordance with Public Company Limited Act B.E. 2535 and the Company's Articles of Association. That is, at the annual shareholders meeting, of the Board of Directors must be retired by rotation at one-third of the total number of directors. The directors who have served the longest term will be retired first. If the number of directors to be retired cannot be divided exactly into 3 sections, then the closest number to one-third of the directors shall be retired. The retired directors can be re-elected to the position by proposing to the shareholders' meeting to consider and approve.

### **Board of Directors Meeting**

The Board of Directors announces the meeting schedule one year in advance to the directors and related parties for acknowledgment. The regular meeting shall be held at least once a quarter, therefore; the special meetings can be held as necessary. The agendas are set in advance and clearly categorized; such as matters for acknowledgment, for approval, for consideration. The Company has guidelines for considering matters to be included in the agendas of the Board of Directors meetings to ensure that important matters have been included in the meeting agendas. Each director is independent to propose matters for the meeting agenda. The company secretary will send the invitation letter which contains

details of the meeting agenda and meeting documents to each director at least 7 days in advance of the meeting so that they have sufficient time to study information before attending the meeting. Except in case of necessity or urgency, the notification of meeting can be done by other methods or the date of meeting can be set earlier. Each meeting usually takes 1-2 hours takes with the company secretary records the minutes of the meeting.

In this regard, to promote the performance of the Board of Directors, the company secretary has set guidelines and the format of the information in the documents to be presented to the Board of Directors to be complete, sufficient and appropriate in order to support the meeting of the Board of Directors to be performed smoothly, quickly and with maximum efficiency under the related laws and regulations for all departments to reference and adheres to as the standard in preparing information before submitting to the company secretary to collect and present at each meeting of the Board of Directors.

At each meeting, the chairman of the meeting will give an opportunity to each director to express their opinions independently. The meeting time is allocated appropriately and efficiently. In the event that any director has conflicts of interest in the matter being considered, that director must inform the meeting for acknowledgment and must not participate in expressing opinions as well as has no right to vote on such matters. The minimum number of a quorum when voting at the meeting must not be less than two-thirds of the total number of directors.

The Board of Directors has a policy to encourage each director to attend the meetings regularly, on average, not less than 80% of all Board of Directors meetings of a year by showing the number of meetings and the times of attendance of each director and sub-committee in the Annual Registration Statements (Form 56-1 One Report).

In addition, the Board of Directors also has a policy to encourage Non-executive directors, Independent directors and audit committees to arrange meeting among themselves as necessary to discuss various interesting issues without participation of management.

#### Aggregation or Separation of Positions

The Board of Directors determines the separation of powers and duties to decentralize duties of making decisions and orders to be clearly balance and reviewable which has been constantly reviewed to be appropriate and cover all activities of the Company as well as consistent with the changes of announcements or requirements of regulatory bodies. The authority for approval and operation is defined in Corporate Authorization Index. The latest edition has been reviewed and approved by the Board of Directors and was shared to those involved to acknowledge and strictly practice.

**Independence of the Board of Directors and Management****1. Separation of the position of Chairman of the Board of Directors and Chief Executive Officer**

The Board of Directors promotes Good Corporate Governance by prescribing that the chairman of the Board of Directors is a different person from Chief Executive Officers as well as clearly separates powers and duties according to Corporate Authorization Index which has been approved by the Board of Directors in order to enable the directors to independently check and balance the work of the management.

**2. Balance of the Board of Directors**

The Board of Directors provides appropriate components of the directors and clearly segregates roles, duties and responsibilities between the directors and the management. All directors are independent in expressing their opinions on the Company's operations with honesty, integrity in order to protect the benefits of the Company without being possessed as well as being responsible for their duties under the laws, Articles of Association of the Company as well as the resolutions of the Board of Directors' meeting and resolutions of the shareholders' meeting.

## 7. Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

### Corporate governance structure

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



### 1. Board of Directors

As of 31 December 2021, there were Directors in the Board of Directors as namely below;

No.	Name	Position	Number of the Board of Directors' meetings
1	Mr. Tirachai Vutithum	Independent Director/Chairman of the Board of Director	4/4
2	Mr. Vicha Poolvaraluk	Director/ Vice Chairman of the Board of Director	4/4
3	Mr. Thanakorn Puriwekin	Director	4/4
4	Mr. Thanachai Santichaikul	Independent Director/ Chairman of the Audit Committee / Risk Management Committee	4/4
5	Mr. Natchanont Komutputipong	Independent Director/ Audit Committee / Risk Management Committee	4/4
6	Mr. Vachara Tuntariyanond	Independent Director/Audit Committee/ Chairman of / Risk Management Committee	4/4
7	Ms. Thiatpat Issapornpat	Director / Risk Management Committee	4/4
8	Mr. Apichart Kongchai	Director	4/4
9	Mr. Apirak Varachanonth	Director /Risk Management Committee	4/4

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' to jointly affix their signatures and 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 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 2021, the Audit Committee consisted of 3 directors as follows:

No.	Name	Position	Number of the Audit Committee's meeting
1.	Mr. Thanachai Santichaikul	Chairman of the Audit Committee	4/4
2.	Mr. Natchanont Komutputipong	Audit Committee	4/4
3.	Mr. Vachara Tuntariyanond	Audit Committee	4/4

Mr. Nipon Sunthrajarn served as the Audit Committee's Secretary.

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 and 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.Prepare 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 Corporate Governance report.

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 Management Committee

As of 31 December 2021, the Risk Management Committee consisted of 6 directors as follows

No.	Name	Position	Number of Risk Management Committee's meeting
1.	Mr. Vachara Tuntariyanond	Chairman of Risk Management Committee	4/4
2.	Mr. Thanachai Santichaikul	Risk Management Committee	4/4
3.	Mr. Natchanont Komutputipong	Risk Management Committee	4/4
4	Ms. Thitapat Issarapornpat	Risk Management Committee	4/4
5	Mr. Apirak Varachanonth	Risk Management Committee	4/4
6.	Mr. Nipon Sunthrajarn	Risk Management Committee	4/4

#### ROLE AND RESPONSIBILITIES OF RISK MANAGEMENT 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 2021, the Company's Executive Committee was consisted of 3 persons as below:

- |                  |               |
|------------------|---------------|
| 1. Mr. Vicha     | Poolvaraluk   |
| 2. Mr. Thanakorn | Puriwekin     |
| 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.
2. Considers the plan of the Company to contend in local and international stage.
3. Plans and considers cash management for cutting financial liability and forming good financial structure.
4. Plans and considers the approach strategy for good and sustainable image of the Company.
5. Operate by the Board of Directors assigned.
6. Operates and manages the Company's business in accordance with laws, objectives and regulations of the Company.

## 5. Management Team

As of 31 December 2021, Executive team of Companies consists of 2 executives as follows:

1. Mr. Surachedh Assawaruenganun      Chief Executive Officer
2. Mr. Chaiwat Mingmai                      Marketing and Distribution Director

### 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.

### Nomination and Appointment of Directors and Executives

#### Independent Directors

The Board of Directors is responsible for the appointment of independent directors. The independent directors must have the following qualifications:

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. Holding 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

**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 One Report and Invitation of Shareholders' Meeting.

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's 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.

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.

### **Director and Executive**

The Board of Directors is responsible for the appointment of directors and executives.

For the election of directors who have completed their terms, the shareholders have the opportunity to nominate suitable persons before each annual general meeting of shareholders for the Board of Directors to consider and propose to the Annual General Meeting of Shareholders to appoint directors with the rules and procedures as follows.

1. In voting for the election of directors, it is deemed that each shareholder has one vote per share.
2. In voting for the election of directors, they shall vote for individual elections. by allowing shareholders to cast all their votes to select a person nominated as a director.
3. Persons receiving the highest votes be elected as directors equal to the number of directors to be elected at that time. In the event that the persons elected in descending order have equal votes, the chairman of the meeting shall have one more vote as a casting vote.

In the event that a director's position is vacant due to reasons other than the retirement of a director, the Board of Directors shall consider and appoint a person who has qualifications and does not have any prohibited characteristics to be a member of the Board of Directors' meeting to replace the vacant position. Except for the remaining term of the director who vacates office for less than 2 months, the person who replaces him can hold office for only the remaining term of his/her replacement. In this regard, the resolution for appointing a person to be a replacement director must receive a vote of not less than three-fourths of the number of remaining directors.

### Remuneration for Directors and Executives

The company has set the remuneration for directors and executives. It is at an appropriate level and is comparable to the same business. The directors' remuneration each year will be proposed to the Board of Directors and shareholders for approval.

Executive remuneration is related to the company's performance and the performance of each executive.

In 2021, the remuneration details as follows:

#### 1) Monetary Remuneration.

The total remuneration (directors' remuneration and meeting allowances) of the Board of Directors for 9 members totaling 660,000 baht details follows:

No.	Name	Remuneration (THB)
1	Mr. Tirachai Vutithum	79,500
2	Mr. Vicha Poolvaraluk	94,500
3	Mr. Thanakorn Puriwekin	61,500
4	Mr. Thanachai Santichaikul	111,000
5	Mr. Vachara Tuntariyanond	79,000
6	Mr. Natchanont Komutputipong	78,000
7	Ms. Thiatpat Issapornpat	61,500
8	Mr. Apichart Kongchai	37,500
9	Mr. Apirak Varachanonth	37,500

#### 2) Other remuneration;

-None-

**Employee**

As of 31 December 2021, the Company and its subsidiaries have a total of 44 employees follows:

Company	Employee (person)
1. Executives and Employees of M Pictures Entertainment PLC.	14
2. Executives and Employees of M Pictures Co., Ltd	25
3. Executives and Employees of M Thirty Nine Co., Ltd.	5
<b>Total</b>	<b>44</b>

The company has a total of 44 executives and employees. In 2021, the company has paid remuneration to the executives and employees in sum of 28.67 million baht for salary, social security welfare and provident fund.

**7.3 Audit Fee**

According to the resolution of the 2021 Annual General Meeting of Shareholders resolved to appoint PricewaterhouseCoopers ABAS Company Limited is the auditor of the Company and its subsidiaries for the year 2021 by designating one of the following auditors: The person who audited and gave an opinion on the Company's financial statements, namely Ms. Tithinun Vankeo, Certified Public Accountant No. 9432, Ms. Sakuna Yamsakul, Certified Public Accountant No. 4906, Ms. Nuntika. Limwiriyaalert Certified Public Accountant No. 7358.

Ms. Tithinun Vankeo and Ms. Nuntika Limwiriyaalert was nominated to be appointed as the Company's auditor and subsidiaries for the first time and Miss Sakuna Yamsakul was approved by the Board of Directors meeting and the shareholders' meeting to be the Company's auditor and subsidiaries during the year 2017-2020. In the event that the above-mentioned certified auditor cannot audit financial statement, Price Waterhouse Coopers ABAS Co., Ltd. can appoint another one of Price Waterhouse Coopers ABAS Co., Ltd. to be the auditor, The Board of Directors will supervise the auditor to prepare the financial statements within the specified period.

## Comparison of the auditor's fee during 2019-2021

<b>Audit Fee</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>1. Audit fee of the Company</b>	2,350,000	2,350,000	2,150,000
<b>2. Audit fee of the subsidiary</b>	1,560,000	1,530,000	1,440,000
<b>3. Other Fee</b>	- none -	- none -	- none -
<b>Total</b>	<b>3,910,000</b>	<b>3,880,000</b>	<b>3,590,000</b>

## 8. Report on key operating results on Corporate Governance

### **Board of Directors**

In 2021 Board of Directors organized a total of 4 meetings convened strictly in compliance with Articles of Association and Public Limited Company Act B.E. 2535. Meeting agendas and relevant information were sent to directors to study and consider averagely 7 days in advance of the meeting date, and directors were allowed to discuss significant issues cautiously and thoroughly. Secretary of Board of Directors and legal advisor participated in the meetings and recorded minutes of the meetings, enquiries and recommendations of directors for directors and parties concerned to pursue and examine.

### **Executive Committee**

During 2021 Executive Committee performed duties in managing the Company's business, considered stipulating policies, business plan, investment plan and 2022 annual budget plan of the Company for presentation to Board of Directors for approval, supervision and control to ensure achievement of the targets of the work plan approved by Board of Directors and as assigned by Board of Directors, and reported on the Company's operation results of each quarter of 2021, including the annual operation results to Board of Directors meetings for information.

In respect of a portion of good corporate governance principles not yet implemented by the Company, the Company would consider to find ways and means for appropriate implementation thereof.

In respect of a portion of good corporate governance principles not yet implemented by the Company, the Company would consider to find ways and means for appropriate implementation thereof.

1. Board of Directors should stipulate that independent directors would have a term of office of not exceeding 9 years consecutively from the date of first election to the independent director's office.
  - Board of Directors does not determine term of office of independent directors and directors because each director has good knowledge, capabilities and experiences in the Company's industry, which shall be of optimal benefits to the Company.
2. Board of Directors has independent directors holding office of directors in more than 5 listed companies

-Board of Directors does not determine the number of independent directors and directors holding director's office in listed companies each director has good knowledge, capabilities and experiences in the Company's industry, which shall be of optimal benefits to the Company.

### **Policy and practices on anti-corruption**

To ensure that directors, employee and any person acting on behalf of the Company Group operate the business properly, transparently, fairly and verifiably consistent with laws and business etiquettes, the Company stipulated policy and practices on anti-corruption. Board of Directors designated audit directors to be in charge and determine practices on anti-corruption. The Company stipulated policy and practices on anti-corruption in the regulations for processing of complaints or corruption traces and complainant protection.

#### **■ Practices on anti-corruption**

Whoever being aware of any matter or trace of corruption may submit complaint or the traces through complaint or trace submission channel. The Company encourages complainants to reveal themselves to the agency receiving the complaints. Said agency shall give protection to complainants or whistleblowers, and the information shall be kept confidential and not disclosed to anybody not involved, and the agency in charge shall compile, screen and examine the complaints or traces in accordance with steps. If the investigation concluded that the accused did commit the offense, the penalty shall be in accordance with policies, rules and regulations of the Company Group and majority votes of the offense investigation subcommittee as well as penalties under other laws. Head of Internal Audit Unit shall report on results of the corruption case to Audit Committee regularly every month.

In addition, the Company, with cooperation among agencies, i.e. Organization Sustainability Agency, Internal audit Agency and Human Resources Management Agency, organized anti-corruption guidelines training project, which is a continuing Project since 2019, to educate personnel at managerial and operative levels on good corporate governance principles and business etiquettes and risks on occurrences of corruption for awareness of the significance of ethical work performance, risk issues on occurrences of corruption and risk control to prevent corruption and strengthen the organization by setting good examples for others to follow, and encouraging personnel to help watching, preventing and monitoring corruption.

**No Gift Policy**

Gift receiving and giving, entertainment or any other benefit may be a starting point of opportunity for occurrence of corruption. The Company, therefore, stipulate practices as per the policy on anti-corruption regarding gift receiving and giving, entertaining or any other benefit applicable all over the organization for personnel of the Company Group to strictly comply with by refraining from demanding/receiving gifts, entertainment or any remuneration from those operating business jointly with the Company Group to prevent hesitation in the performance of their duties, discrimination or any action giving rise to conflict of interest, and communicates to third parties participating in the Company's business operation for their information to maintain the Company's performance to be in transparent, honest and lawful manner.

**Complaint or trace submission channel**

The Company has Audit Committee and Agency to provide advice and receive complaints on moral principles and ethics by receiving complaints, compiling and searching, and there is a committee to consider making decision on the matters. Information on the complainants, the accused, the complaints, witnesses shall be kept confidential. Personnel as well as stakeholders of all groups may submit complaints directly to the following addresses.

1. By mail, addressing to either of the following persons:

- Chairman of Business Supervisory Committee (independent director)
- Chairman of Audit Committee (independent director)
- Company Secretary

2. By sending to the Company Head Office address

M Pictures Entertainment PLC.

234, 234/1-3, Ratchayothin Avenue, 3<sup>rd</sup> Floor, Room No. B301-B306

Ratchadapisek Road, Latyao, Chatuchak, Bangkok 10900

**Corruption denier protection measure**

The Company gives fairness and protection to corruption deniers by stipulating corruption denier protection measure.

1. Keep the matter confidential and not disclose to anybody not involved.
2. Prohibit supervisor from forcing or threatening, directly and indirectly.

3. Not taking such matter in support of any punishment, not downgrading or giving negative effect to corruption deniers in all cases, even if such corruption denial would cause the Company to lose business opportunity.

4. If supervisor of such a corruption denier use the corruption denial in a discriminative manner, the Company deems that the supervisor violates the anti-corruption policy of the Company and shall be punished as appropriate.

## **9. Internal control and related parties transactions**

### **Internal control**

The 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 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.1/2022 hold on February 15, 2022 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. Monitoring**

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 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 2021 financial statements.

#### **Related Transaction**

The Company and subsidiary companies agreed to perform transactions with related parties. Such transactions were those as per normal course of business of the Company and subsidiary companies and general commercial conditions in compliance with requirements in Securities and Exchange Act No. 4 (B.E. 2551) Section 89/12 (1).

As regards related transaction approval steps, the Company would adhere to the same procedures as for other general transactions by determining power of those authorized to grant approval within such amounts as fixed. In addition, Audit Committee performed the duties to review related transactions of the

Company and subsidiary companies with related parties regularly every quarter to get rid of conflict of interest cautiously, chiefly taking into consideration benefits of the Company as a whole. Related transactions of the Company in the future would be performed in normal course of business using the policy on trading and bargaining as per the business market mechanism without conveying interests between the Company and a related business or party.

For the accounting year ending 31 December 2021 the Company and subsidiary companies had transactions with related parties, disclosed by auditor of the Company in notes to financial statement audited by auditors and Audit Committee already reviewed and considered that the Management performed such transactions chiefly for the Company's benefits as performed with third parties generally, with normal commercial conditions and reasonable price, and comparison was already made against the reference price of the market in such business. Details of the related transactions for 2021 are as follows.

Person/ who may have conflict of interest	Juristic person	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
Major Plc.	Cineplex Group	92.46% direct holding	<b>Revenue</b>		
			1. Revenue sharing	14.21	Revenue sharing from theatrical release. This is a normal business transaction.
			<b>Expense</b>		
			1. Theatrical services	1.53	This is a normal business transaction.
			2. Advertising	0.67	This is a normal business transaction.
			3. Rental and services	0.03	Rental space and services for company's office.
			Trade accounts receivable	0.01	This is a normal business transaction.
			Accrued income	42.85	This is a normal business transaction.
			Trade payables	0.24	This is a normal business transaction.
			Trade payables from related party	22.15	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
<b>M.P.I.C (Cambodia) Distribution Co., Ltd.</b>	Associate which 55% direct holding	<b>Revenue</b> 1. Film rights revenue	0.17	This is a normal business transaction.
		Trade accounts receivable	1.85	This is a normal business transaction
<b>Skybox Entertainment Co., Ltd.</b>	Associate which 45% direct holding	Trade payables from related party	0.45	This is a normal business transaction.
<b>Joint Venture Sang Krasue</b>	Associate which 30% indirect holding by M Pictures Co., Ltd.	<b>Revenue</b> 1. Management Fee	0.12	This is a normal business transaction
<b>Joint Venture Khun Phaen Fah Feun.</b>	Associate which 51% indirect holding by M Pictures Co., Ltd.	1. Management fee	0.12	This is a normal business transaction.
		2. Film rights revenue	0.65	This is a normal business transaction.
<b>Joint Venture That March</b>	Associate which 14% indirect holding by M Pictures Co., Ltd.	1. Film rights revenue	0.08	This is a normal business transaction.
<b>Joint Venture Our Love Forever</b>	Associate which 14% indirect holding by M Pictures Co., Ltd.	1. Film rights revenue	0.08	This is a normal business transaction
<b>Joint Venture Classic Again</b>	Associate which 39% indirect holding by M Pictures Co., Ltd.	1. Film rights revenue	0.09	This is a normal business transaction
		Trade accounts receivable	0.10	This is a normal business transaction
<b>Joint Venture Kuen Yuttitham</b>	Associate which 70% indirect holding by M Pictures Co., Ltd.	1. Management fee	0.12	This is a normal business transaction.
		2. Film rights revenue	0.23	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
<b>Joint Venture Daeng Prakanong</b>	Associate which 55% indirect holding by M Pictures Co., Ltd.	<b>Revenue</b> 1. Management fee	0.12	This is a normal business transaction.
		Trade accounts receivable	0.14	This is a normal business transaction
<b>Joint Venture Atchariya Tong Sang</b>	Associate which 35% indirect holding by Transformation Films Co., Ltd.	<b>Revenue</b> 1. Management fee	0.12	This is a normal business transaction.
<b>Joint Venture Hug Terd Tueng</b>	Associate which 55% indirect holding by M Pictures Co., Ltd.	1. Management fee	0.05	This is a normal business transaction.
		2. Film rights revenue	0.09	This is a normal business transaction.
<b>Joint Venture Bikeman</b>	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	<b>Revenue</b> 1. Management fee	0.04	This is a normal business transaction.
<b>Joint Venture Bikeman 2</b>	Joint operation which 55% indirect holding by M Thirty Nine Co., Ltd.	1. Management fee	0.05	This is a normal business transaction.
		2. Film rights revenue	0.13	This is a normal business transaction.
<b>Joint Venture Gang Tann Zing and Laan 25 Naa 24</b>	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	1. Management fee	0.06	This is a normal business transaction.
		2. Film rights revenue	0.65	This is a normal business transaction.
		Trade accounts receivable	0.22	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
		Accrued income	0.14	This is a normal business transaction.
		Trade payables	1.36	This is a normal business transaction.
<b>Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai</b>	Joint operation which 70% indirect holding by M Thirty Nine Co., Ltd.	<b>Revenue</b> 1. Management fee 2. Film rights revenue	0.07 0.05	This is a normal business transaction. This is a normal business transaction.
<b>Major Kantana Broadcasting Co., Ltd.</b>	Joint ventures with 44.99% direct holding	<b>Revenue</b> 1. Management fee 2. Film rights revenue	0.12 0.18	This is a normal business transaction. This is a normal business transaction.
<b>Transformation Films Co., Ltd.</b>	Joint ventures with 34.69% direct holding	<b>Revenue</b> 1. Management fee 2. Film rights revenue 3. Other income Trade accounts receivable Trade payables	0.36 1.02 0.01 1.14 0.53	This is a normal business transaction. This is a normal business transaction. This is a normal business transaction. This is a normal business transaction. This is a normal business transaction.
<b>MVP M-Pictures Film Distribution (Lao) Co., Ltd.</b>	Joint ventures with 40% direct holding	<b>Revenue</b> 1. Film rights revenue Trade accounts receivable	0.16 0.37	This is a normal business transaction. This is a normal business transaction.
<b>EGV Entertainment Plc.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b> 1. Revenue sharing	2.52	Revenue sharing from theatrical release. This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
<b>Expense</b>				
		1. Theatrical Service Fee	0.46	This is a normal business transaction.
		2. Advertising	0.15	This is a normal business transaction.
		Accrued income	8.46	This is a normal business transaction.
		Trade payables	0.13	This is a normal business transaction.
<b>Siam Cineplex Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b>		
		1. Revenue sharing	0.77	Revenue sharing from theatrical release. This is a normal business transaction.
<b>Expense</b>				
		1. Theatrical Service Fee	0.02	This is a normal business transaction.
		2. Advertising	0.09	This is a normal business transaction.
		Accrued income	0.83	This is a normal business transaction.
		Trade payables	0.10	This is a normal business transaction.
<b>Bangkok Imax Theatre Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b>		
		1. Revenue sharing	0.07	Revenue sharing from theatrical release. This is a normal business transaction.
<b>Major Bowl Group Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Expense</b>		
		1. Advertising	0.01	This is a normal business transaction.
		Receivables from related parties	0.01	This is a normal business transaction.

Person/ Juristic person who may have conflict of interest	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
<b>Ratchayothin Management Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Expense</b> 1. Other expense	0.02	This is a normal business transaction.
<b>Tai Major Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b> 1. Management fee 2. Film rights revenue	0.08 2.30	This is a normal business transaction. This is a normal business transaction.
<b>CJ Major Entertainment Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b> 1. Management fee	0.08	This is a normal business transaction.
<b>Major Join Film Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b> 1. Film rights revenue 2. Other income Trade accounts receivable Accrued income Trade payables	50.81 0.01 3.23 1.17 0.12	This is a normal business transaction. This is a normal business transaction. This is a normal business transaction. This is a normal business transaction. This is a normal business transaction.
<b>Well Cineplex Co., Ltd.</b>	Related companies with Major Cineplex Group Plc.	<b>Revenue</b> 1. Revenue sharing Trade accounts receivable Accrued income	0.16 0.04 0.17	Revenue sharing from theatrical release. This is a normal business transaction. This is a normal business transaction. This is a normal business transaction.
<b>Major Cineplex Lifestyle Leasehold Property Fund</b>	Related companies with Major Cineplex Group Plc.	<b>Expense</b> 1. Rental and services	0.97	This is a normal business transaction.

Person/ who may have conflict of interest	Juristic person	% of Ownership	Type of transaction	Amount (MB)	Detail/Condition
Ratchayothin Avenue Management Co., Ltd.		Related companies with Major Cineplex Group Plc.	<b>Expense</b>		
			1. Rental and services	1.13	This is a normal business transaction.
			Trade accounts from related parties	0.03	This is a normal business transaction.

**Part 3**

**For the year ended 31 December 2021**

**M PICTURES ENTERTAINMENT PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

## **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 and the separate financial statements present fairly, in all material respects, the consolidated financial position of M Pictures Entertainment Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, 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 (TFRS).

### **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 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

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

### **Key audit matters**

Key audit matters are those matters that, in my professional judgement, 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><b>Goodwill impairment assessment</b></p> <p>Refer to note 8 (Critical accounting estimates, assumptions, and judgements) and note 19 (Goodwill), 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 20% of total assets.</p> <p>Management tests the impairment of goodwill annually by engaging an independent specialist to perform the assessment and calculating its recoverable amount by applying value in use.</p> <p>Management has forecasted the future cash flow based on the actual average revenue from film right for the past 3 years (2019 - 2021) under the assumption that COVID-19 situation will gradually be recovered. Management has estimated the revenue from film right from the average actual revenue in the past 3 year (2019 - 2021). Management has concluded that there is no additional impairment of goodwill in respect of investment in M Pictures Co., Ltd. as at 31 December 2021.</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 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 CGUs and the process by which they were computed, including verifying the mathematical accuracy of the underlying calculations. I compared the cash flow forecasts to the latest budgets plan which are in line with the plans for movie production and distribution, and also compared to the average past performance.</p> <p>I found that the information in those reports used in the recoverable amount calculations were consistent with latest budgets plan based on the plans for movie production and distribution, and consistent with the average past performance. 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 1 February 2022 with the goodwill's carrying value.</p> <p>I also tested these significant assumptions:</p> <ol style="list-style-type: none"> <li>1. the growth rates used in the cash flow forecasts by comparing them to historical results and economic and industry forecasts, and</li> <li>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.</li> </ol> <p>I found, based on my audit work, the key assumptions used in relation to the recoverable amount calculations appeared reasonable and appropriate.</p>

### **Emphasis of matter**

I draw attention to note 4.3 of the financial information, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2021 and 31 December 2021. My opinion is not modified in respect to this matter.

### **Other information**

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

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

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

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

### **Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Tithinun Vankeo**

Certified Public Accountant (Thailand) No. 9432

Bangkok

15 February 2022

**M Pictures Entertainment Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2021**

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash on hand and cash equivalents	10	124,114,745	94,723,327	21,957,089	16,413,391
Trade and other receivables, net	11	146,100,513	203,011,084	693,322	1,574,745
Short-term loans to related parties	34 d)	-	-	96,953,808	134,000,000
Films under production	20	66,040,587	107,209,920	-	-
VAT receivables		10,655,910	7,864,166	-	-
Withholding tax deducted at sources		23,541,191	24,607,079	502,377	430,019
Other current assets	13	713,718	2,037,605	18,922	15,477
<b>Total current assets</b>		<b>371,166,664</b>	<b>439,453,181</b>	<b>120,125,518</b>	<b>152,433,632</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	14	-	-	237,130,105	237,130,105
Investments in associates	15	35,979,380	44,556,233	10,907,300	8,457,300
Joint arrangements, net	16	42,735,045	46,348,090	36,304,000	36,304,000
Buildings and equipment, net	17	11,044,718	13,470,363	528,433	1,065,415
Rights-of-use asset	18	9,086,400	11,068,887	-	-
Goodwill, net	19	139,142,506	139,142,506	-	-
Computer program, net	20	360,212	516,219	55,188	79,436
Film rights, net	20	62,247,307	41,932,032	-	-
Deferred tax assets	21	10,323,218	13,928,963	200,323	1,225,229
Other non-current assets, net	22	11,235	11,235	11,235	11,235
<b>Total non-current assets</b>		<b>310,930,021</b>	<b>310,974,528</b>	<b>285,136,584</b>	<b>284,272,720</b>
<b>Total assets</b>		<b>682,096,685</b>	<b>750,427,709</b>	<b>405,262,102</b>	<b>436,706,352</b>

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 2021**

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings					
from financial institutions	23	35,000,000	35,000,000	-	-
Trade and other payables	24	162,657,134	202,451,798	3,405,004	3,423,639
Contract liabilities	28	34,051,231	36,819,131	-	-
Current portion of lease liability		1,827,932	1,726,498	-	-
Undue output VAT		1,371,220	3,793,576	-	-
Other current liabilities		1,259,479	2,774,439	93,648	147,155
<b>Total current liabilities</b>		<b>236,166,996</b>	<b>282,565,442</b>	<b>3,498,652</b>	<b>3,570,794</b>
<b>Non-current liabilities</b>					
Lease liabilities		7,640,938	9,468,870	-	-
Employee benefit obligations	25	3,798,460	4,803,253	968,388	3,078,342
<b>Total non-current liabilities</b>		<b>11,439,398</b>	<b>14,272,123</b>	<b>968,388</b>	<b>3,078,342</b>
<b>Total liabilities</b>		<b>247,606,394</b>	<b>296,837,565</b>	<b>4,467,040</b>	<b>6,649,136</b>

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 2021**

		Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Notes					
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital	26				
1,313.11 million ordinary shares of par Baht 0.50 each		656,558,588	656,558,588	656,558,588	656,558,588
Issued and fully paid-up share capital					
1,300.11 million ordinary shares of par Baht 0.50 each		650,059,588	650,059,588	650,059,588	650,059,588
Share premium	26	132,612,302	132,612,302	132,612,302	132,612,302
Surplus from business combination under common control		(20,106,431)	(20,106,431)	-	-
Surplus from share reduction	26	-	387,835,695	-	387,835,695
Deficits					
Appropriated - legal reserve	27	-	-	-	-
Unappropriated		(301,182,403)	(669,048,565)	(381,876,828)	(740,450,369)
Other components of equity		(26,892,765)	(27,762,445)	-	-
Equity attributable to owners of the parent		434,490,291	453,590,144	400,795,062	430,057,216
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<b>434,490,291</b>	<b>453,590,144</b>	<b>400,795,062</b>	<b>430,057,216</b>
<b>Total liabilities and equity</b>					
		<b>682,096,685</b>	<b>750,427,709</b>	<b>405,262,102</b>	<b>436,706,352</b>

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 2021**

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Management fee income		1,513,000	1,538,000	14,030,000	14,090,000
Revenues from films production and film rights distribution		156,483,290	279,720,970	-	-
Sales of goods		-	70,900	-	-
Advertising income		1,970,155	5,720,218	-	425,701
<b>Total revenues</b>		<b>159,966,445</b>	<b>287,050,088</b>	<b>14,030,000</b>	<b>14,515,701</b>
<b>Cost of sales and services</b>					
Cost of film production and film rights sold		102,961,794	167,906,198	-	-
Cost of advertising		-	406,000	-	-
<b>Total cost of sales and services</b>		<b>102,961,794</b>	<b>168,312,198</b>	<b>-</b>	<b>-</b>
<b>Gross profit</b>		<b>57,004,651</b>	<b>118,737,890</b>	<b>14,030,000</b>	<b>14,515,701</b>
Other income		5,798,293	3,046,088	7,666,539	7,652,410
Selling expenses		(12,505,763)	(55,016,775)	-	(3,682,721)
Administrative expenses		(53,976,165)	(50,086,258)	(19,920,918)	(17,810,066)
Expected credit loss		(2,800,000)	(37,149,500)	(31,000,000)	-
Loss from impairment of investments in joint venture	16	(1,895,777)	(7,300,000)	-	(28,000,000)
Finance costs	30	(1,677,944)	(1,651,391)	-	-
Share of loss of associate and joint ventures	15, 16	(6,502,055)	(21,825,793)	-	-
<b>Loss before income tax</b>		<b>(16,554,760)</b>	<b>(51,245,739)</b>	<b>(29,224,379)</b>	<b>(27,324,676)</b>
Income tax	31	(4,243,779)	(13,135,219)	(827,479)	(1,091,325)
<b>Loss for the year</b>		<b>(20,798,539)</b>	<b>(64,380,958)</b>	<b>(30,051,858)</b>	<b>(28,416,001)</b>

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

**M Pictures Entertainment Public Company Limited**
**Statement of Comprehensive Income (Cont'd)**
**For the year ended 31 December 2021**

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Other comprehensive income :</b>					
<b>Items that will not subsequently be reclassified to profit or loss</b>					
Remeasurements of post-employment benefit obligations		1,036,258	-	987,130	-
Income tax on items that will not subsequently be reclassified to profit or loss		(207,252)	-	(197,426)	-
<b>Total items that will not subsequently be reclassified to profit or loss</b>		829,006	-	789,704	-
<b>Items that will subsequently be reclassified to profit or loss</b>					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	15, 16	869,680	48,999	-	-
<b>Total items that will subsequently be reclassified to profit or loss</b>		869,680	48,999	-	-
<b>Other comprehensive income for the year, net of tax</b>		1,698,686	48,999	789,704	-
<b>Total comprehensive expense for the year</b>		<u>(19,099,853)</u>	<u>(64,331,959)</u>	<u>(29,262,154)</u>	<u>(28,416,001)</u>
<b>Loss attributable to:</b>					
Owners of the parent		(20,798,539)	(64,380,958)	(30,051,858)	(28,416,001)
Non-controlling interests		-	-	-	-
		<u>(20,798,539)</u>	<u>(64,380,958)</u>	<u>(30,051,858)</u>	<u>(28,416,001)</u>
<b>Total comprehensive expense attributable to:</b>					
Owners of the parent		(19,099,853)	(64,331,959)	(29,262,154)	(28,416,001)
Non-controlling interests		-	-	-	-
		<u>(19,099,853)</u>	<u>(64,331,959)</u>	<u>(29,262,154)</u>	<u>(28,416,001)</u>
<b>Loss per share</b>	32				
Basic loss per share		(0.02)	(0.05)	(0.02)	(0.02)
Diluted loss per share		(0.02)	(0.05)	(0.02)	(0.02)

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 2021

Consolidated financial statements													
Attributable to shareholders of the parent													
Note	Issued and fully paid-up share capital Baht	Share premium Baht	Share surplus from business under common control Baht	Surplus from share reduction Baht	Legal reserve Baht	Unappropriate deficits Baht	Other components of equity						
							Warrants	Change in parent's ownership interest in subsidiaries Baht	Share of other comprehensive income (expense) of joint venture Baht	Total other component of equity Baht	Total parent's shareholders' equity Baht	Non- controlling interests Baht	Total equity Baht
<b>Opening balance as at 1 January 2020</b>	650,059,588	132,612,302	(20,106,431)	387,835,695	-	(609,205,270)	4,537,663	(27,340,683)	(470,761)	(23,273,781)	517,922,103	-	517,922,103
<b>Changes in equity for the year</b>													
Warrant	-	-	-	-	-	4,537,663	(4,537,663)	-	-	(4,537,663)	-	-	-
Total comprehensive expense for the year	-	-	-	-	-	(64,380,958)	-	-	48,999	48,999	(64,331,959)	-	(64,331,959)
<b>Closing balance as at 31 December 2020</b>	<u>650,059,588</u>	<u>132,612,302</u>	<u>(20,106,431)</u>	<u>387,835,695</u>	<u>-</u>	<u>(669,048,565)</u>	<u>-</u>	<u>(27,340,683)</u>	<u>(421,762)</u>	<u>(27,762,445)</u>	<u>453,590,144</u>	<u>-</u>	<u>453,590,144</u>
<b>Opening balance as at 1 January 2021</b>	650,059,588	132,612,302	(20,106,431)	387,835,695	-	(669,048,565)	-	(27,340,683)	(421,762)	(27,762,445)	453,590,144	-	453,590,144
<b>Changes in equity for the year</b>													
Distributions to deficits	26	-	-	(387,835,695)	-	387,835,695	-	-	-	-	-	-	-
Total comprehensive expense for the year		-	-	-	-	(19,969,533)	-	-	869,680	869,680	(19,099,853)	-	(19,099,853)
<b>Closing balance as at 31 December 2021</b>	<u>650,059,588</u>	<u>132,612,302</u>	<u>(20,106,431)</u>	<u>-</u>	<u>-</u>	<u>(301,182,403)</u>	<u>-</u>	<u>(27,340,683)</u>	<u>447,918</u>	<u>(26,892,765)</u>	<u>434,490,291</u>	<u>-</u>	<u>434,490,291</u>

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 2021**

		Separate financial statements						
	Note	Issued and fully paid-up share capital	Share premium	Surplus from share reduction	Legal reserve	Unappropriate retained deficits	Other components of equity	Total equity
Opening balance as at 1 January 2020 previously reported		650,059,588	132,612,302	387,835,695	-	(662,572,031)	4,537,663	512,473,217
Retrospective adjustments from changes in accounting policy		-	-	-	-	(54,000,000)	-	(54,000,000)
Opening balance at 1 January 2020 Restated		650,059,588	132,612,302	387,835,695	-	(716,572,031)	4,537,663	458,473,217
Changes in equity for the year								
Distributions to deficits		-	-	-	-	4,537,663	(4,537,663)	-
Total comprehensive expense for the year		-	-	-	-	(28,416,001)	-	(28,416,001)
Closing balance as at 31 December 2020		650,059,588	132,612,302	387,835,695	-	(740,450,369)	-	430,057,216
Opening balance at 1 January 2021		650,059,588	132,612,302	387,835,695	-	(740,450,369)	-	430,057,216
Changes in equity for the year								
Distributions to deficits	26	-	-	(387,835,695)	-	387,835,695	-	-
Total comprehensive expense for the year		-	-	-	-	(29,262,154)	-	(29,262,154)
Closing balance as at 31 December 2021		650,059,588	132,612,302	-	-	(381,876,828)	-	400,795,062

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 2021**

		Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Notes					
<b>Cash flows from operating activities</b>					
		(16,554,760)	(51,245,739)	(29,224,379)	(27,324,676)
Loss before income tax					
Adjustments for:					
		94,755,402	131,530,804	626,206	819,513
Depreciation and amortisation charge	17, 18, 20				
		(12,050)	(8,786)	(7,510,767)	(7,638,906)
Interest income					
		1,677,944	1,651,390	-	-
Interest expense					
		2,800,000	37,149,500	31,000,000	-
Expected credit loss					
		-	(150,000)	-	-
Reversed provision for sales returns					
		-	(17,085)	-	-
Reversed allowance for inventory obsolescence and diminution in value of inventories					
		-	33,410,822	-	-
Loss from impairment of film under production	20				
		(13,583)	-	(13,583)	-
Profit on disposal of equipment					
		463,370	6,535,851	-	-
Loss on write off of intangible assets	20				
		2,300,000	-	-	-
Loss from impairment of film rights	20				
		1,895,777	7,300,000	-	28,000,000
Loss from impairment of investments in joint ventures	16				
		31,465	501,231	(76,632)	267,841
Employee benefits obligations					
		6,502,055	21,825,793	-	-
Share of loss from associate and joint ventures	15, 16				
		585,602	818,067	-	17,171
Write off withholding tax					
Changes in working capital:					
		54,110,571	(49,318,720)	244,483	1,161,674
trade and other receivables					
		-	163,057	-	-
inventories					
		(30,102,870)	(132,014,771)	-	-
films under production					
		(2,791,744)	(3,817,627)	-	-
VAT receivables					
		1,323,887	493,655	(3,445)	9,371
other current assets					
		-	1,946,607	-	1,252,580
other non-current assets					
		(35,983,449)	23,716,234	(75,635)	(983,259)
trade and other payables					
		(2,767,900)	19,024,221	-	-
contract liabilities					
		(2,422,356)	1,618,868	-	(72,100)
undue output VAT					
		(1,514,960)	(3,470,189)	(53,507)	(41,498)
other current liabilities					
		-	(80,289)	(1,046,192)	(43,828)
employee benefit obligations paid					
Cash flows from (used in) operating activities					
		74,282,401	47,562,894	(6,133,451)	(4,576,117)
Interest received					
		12,050	8,786	8,147,708	7,338,542
Income tax received					
		11,559,799	12,430,857	430,019	659,339
Interest paid					
		(1,677,944)	(1,651,390)	-	-
Income tax paid					
		(16,273,700)	(14,841,330)	(502,377)	(430,019)
Net cash flows from operating activities					
		67,902,606	43,509,817	1,941,899	2,991,745

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 2021**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Purchase of equipment		(1,311,381)	(13,458,998)	(8,000)	(400,000)
Proceed from disposal of equipment		13,607		13,607	
Purchase of computer program		-	(169,137)	-	-
Purchase of film rights		(40,148,662)	(30,436,159)	-	-
Short-term loans granted to subsidiaries	34 d)	-	-	-	(100,000)
Short-term loans repaid from subsidiaries	34 d)	-	-	6,046,192	13,700,000
Purchase of investments in associate	15	(2,450,000)	(20,125,000)	(2,450,000)	(5,000,000)
Proceed from return of investments in associate	15	7,111,746	5,337,000	-	-
Net cash flows (used in) from investing activities		(36,784,690)	(58,852,294)	3,601,799	8,200,000
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institutions	33	-	35,000,000	-	-
Repayment of short-term borrowings from financial institutions	33	-	(22,000,000)	-	-
Payment of principal elements of lease liabilities	33	(1,726,498)	(699,556)	-	-
Net cash flows (used in) from financing activities		(1,726,498)	12,300,444	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>					
		29,391,418	(3,042,033)	5,543,698	11,191,745
Opening balance of cash and cash equivalents		94,723,327	97,765,360	16,413,391	5,221,646
<b>Closing balance of cash and cash equivalents</b>		<b>124,114,745</b>	<b>94,723,327</b>	<b>21,957,089</b>	<b>16,413,391</b>
<b>Non-cash transactions</b>					
Outstanding payable arising from purchase of equipment		2,687	54,313	57,000	-
Outstanding payables arising from acquisition of film rights		-	535,000	-	-

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 in Thailand.

On 1 January 2021, the Company changed its registered office address to 234, 234/1-3 Ratchayothin Avenue Building, 3rd Floor, Room No. B301-B306, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok 10900 (Old address : 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 media, marketing services and distribution of film rights, and film production.

These Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 15 February 2022.

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

The outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, has adverse effects on operating results for the period ended 31 December 2021 especially on film rights distribution and film production businesses.

The series of precautionary measures that continued to be implemented across regions including restrictions and controls over production and line-up of movies affected the delay of production and movie releasing during Q2 to Q3 2021. Although all cinema theatres were fully reopened in Q4 2021, customers are still worried about watching the movie in the theatre. Consequently, the revenues from films production and film right distribution dropped compared to prior year. The Group is now paying close attention to the development of the COVID-19 situation and evaluating its impacts on the operation while strategizing effective solutions.

## **3 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 8.

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

#### 4 New and amended financial reporting standards

##### 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and are relevant to the Group

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

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

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

All revised financial reporting standards mentioned above has no significant impacts to the Group.

##### 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Group

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

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

**b) Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic**

The Group which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt and ECL calculation regarding unused credit line. The expected impact arises from applying the accounting guidance is a low receivable turnover ratio as the Group's account receivable tend to be collected lower than normal.

## **5 Accounting policies**

### **5.1 Principles of consolidation and equity accounting**

**a) Subsidiaries**

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

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

**b) Associates**

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

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

**c) Joint arrangements**

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

*Joint operations*

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

*Joint ventures*

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Investment in joint ventures is 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 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 reduction of the ownership interest in associates and joint ventures is recognised 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.

**5.2 Business combination**

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

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

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

***Acquisition-related cost***

Acquisition-related cost are recognised as expenses in consolidated financial statements

***Step-up acquisition***

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

***Changes in fair value of contingent consideration paid/received***

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

#### *Business combination under common control*

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

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

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

### **5.3 Foreign currency translation**

#### **a) Functional and presentation currency**

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

#### **b) Transactions and balances**

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

Foreign exchange gains and losses resulting from 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 is 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.

### **5.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with other short-term highly liquid investments with maturities of three months or less from acquisition date and overdrafts.

In the consolidated and separate statement of financial position, bank overdrafts are shown in current liabilities.

### **5.5 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 5.6(e).

## **5.6 Financial asset**

### **a) Classification**

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

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

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

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

### **b) Recognition and derecognition**

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

#### *Measurement*

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

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

### **c) Debt instruments**

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

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

**d) Equity instruments**

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

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

**e) Impairment**

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

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

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2021 and 31 December 2021 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables, and other receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in note 6.1.2 (b).

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

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

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

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

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

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

**5.7 Films under production**

Films under production are costs to produce film 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.

## **5.8 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. The carrying amount of the replaced part is derecognised.

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

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

Buildings	20 years
Building improvements	3, 5 years
Office equipment	3, 5 years
Motor vehicles (including vehicles under lease liabilities)	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.

## **5.9 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.

## **5.10 Intangible assets**

### *Acquired intangible assets*

Separately acquired intangible assets such as film rights are measured at historical cost.

The assets with indefinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method or other method of depreciation over their estimated useful lives.

### *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, Cable TV, TV broadcasting, and video on demand 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 3 years.

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

### **5.11 Impairment of assets**

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

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

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2021 and 31 December 2021 by excluding information related to COVID-19 as an indication of the impairment of assets.

### **5.12 Leases**

#### **Leases - where a Group Company is the lessee**

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

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

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

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

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

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

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

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

### **5.13 Financial liabilities**

#### **a) Classification**

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

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

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

#### **b) Measurement**

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

#### **c) Derecognition and modification**

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

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

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

### **5.14 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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2021 and 31 December 2021 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

#### **5.15 Employee benefits**

##### **a) Short-term employee benefits**

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

##### **b) Defined contribution 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.

##### **c) 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.

##### **d) Other long-term benefits**

In 2020, the Group gives rewards equivalent to Baht 15,000 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.

#### **5.16 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.

#### **5.17 Share capital**

Ordinary shares are classified as equity.

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

### **5.18 Revenue recognition**

Revenue includes 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.

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

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

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

#### **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 are set off against contract assets.

## **6 Financial risk management**

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

### **6.1 Financial risk**

#### **6.1.1 Market risk**

##### **a) Foreign exchange risk**

The Group operates internationally and is exposed to foreign currency risk arising from trading transactions and purchase of film rights in various currencies. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

##### *Exposure*

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

	<b>Consolidated financial statements</b>	
	<b>As at 31 December 2021 US Dollar currency Baht</b>	<b>As at 31 December 2020 US Dollar currency Baht</b>
Trade and other receivables, net	19,274,780	20,676,248

The aggregate net foreign gains/losses recognised in profit or loss were:

	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Total net foreign exchange loss (profit) recognised in profit before income tax for the year	(1,034,225)	528,538

##### *Sensitivity*

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

	<b>Consolidated financial statements</b>	
	<b>Impact to net profit</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
US Dollar to Baht exchange rate - increase 9% (2020: 9%)*	1,734,730	1,860,862
US Dollar to Baht exchange rate - decrease 9% (2020: 9%)*	(1,734,730)	(1,860,862)

\* Holding all other variables constant

##### **b) Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no long-term loan that bears floating interest rates.

### 6.1.2 Credit risk

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

#### i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. Risk control assesses the credit quality of the customer by taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external rating in accordance with limits set by the board. The compliance with credit limits by customer is regularly monitored by line management.

#### ii) Impairment of financial assets

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

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

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

#### Trade and other receivables

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

Expected credit loss was assessed based on historical payment received from sales in the 24 to 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rate might be adjusted to reflect the current situation and forward-looking information affecting the customers' ability to pay. As there is no relationship between the change in accounts receivable and the macroeconomic, the Group adjusted the expected credit loss rate by taking into account the difference between the settlement period and normal credit term.

The loss allowance for trade receivables and contract assets was determined as follows:

	Consolidated financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As of 31 December 2021</b>						
Gross carrying amount						
- Trade receivables and accrued income	114,682,937	20,148,215	450,985	5,453,251	35,809,600	176,544,988
- Amounts due from related parties	7,196	-	-	-	-	7,196
Loss allowance	(730,000)	(750,000)	(100,000)	(2,700,000)	(35,669,500)	(39,949,500)
<b>As of 31 December 2020</b>						
Gross carrying amount						
- Trade receivables and accrued income	181,644,849	13,646,131	7,679,008	6,898,967	22,996,437	232,865,392
- Amounts due from related parties	7,196	-	-	-	-	7,196
Loss allowance	(1,015,000)	(3,260,000)	(3,240,000)	(6,640,000)	(22,994,500)	(37,149,500)

**M Pictures Entertainment Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2021**

	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
<b>As of 31 December 2021</b>						
Gross carrying amount						
- Trade receivables and accrued income	-	-	-	-	-	-
- Amounts due from related parties	-	-	-	-	7,348,342	7,348,342
Loss allowance	-	-	-	-	(7,348,342)	(7,348,342)
<b>As of 1 January 2021</b>						
Gross carrying amount						
- Trade receivables and accrued income	-	-	-	-	-	-
- Amounts due from related parties	-	-	-	-	7,348,342	7,348,342
Loss allowance	-	-	-	-	(7,348,342)	(7,348,342)

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

	Consolidated financial statements			
	Trade receivables and accrued income		Amounts due from related parties	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Opening loss allowance at 1 January</b>	37,149,500	-	-	-
Increase in loss allowance recognised in profit or loss during the year	2,800,000	37,149,500	-	-
<b>Closing loss allowance at 31 December</b>	39,949,500	37,149,500	-	-
	Separate financial statements			
	Trade receivables and accrued income		Amounts due from related parties	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Opening loss allowance at 1 January</b>	-	-	7,348,342	7,348,342
Increase in loss allowance recognised in profit or loss during the year	-	-	-	-
<b>Closing loss allowance at 31 December</b>	-	-	7,348,342	7,348,342

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

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

#### *Loans to Related Parties*

The Company has measured loans to related parties by preparing the cash flow projection which is based on the related party's business plan for considering the ability to repay and calculating the expected credit loss. The Company regularly reassessed the incremental of related party's credit risk.

### 6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows.

#### a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Floating rate</b>				
Expiring within one year				
- Bank overdraft	10,000,000	10,000,000	-	-
Expiring beyond one year				
- Bank loans	206,500,000	206,500,000	-	-
	216,500,000	216,500,000	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. The unsecured bill acceptance facility may be drawn at any time and is subject to annual review. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Thai Baht and have an average maturity of 3 months (2020: 3 months).

#### b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Consolidated financial statements (Unit: Baht)					
Due date of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>As at 31 December 2021</b>					
Short-term loans from financial institutions	35,000,000	-	-	35,000,000	35,000,000
Trade and other payables	162,657,134	-	-	162,657,134	162,657,134
Lease liabilities	2,136,942	8,244,874	-	10,381,816	9,468,870
<b>Total financial liabilities</b>	199,794,076	8,244,874	-	208,038,950	207,126,004

Consolidated financial statements (Unit: Baht)					
Due date of financial liabilities	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount
<b>As at 31 December 2020</b>					
Short-term loans from financial institutions	35,000,000	-	-	35,000,000	35,000,000
Trade and other payables	202,451,798	-	-	202,451,798	202,451,798
Lease liabilities	2,136,942	9,007,765	1,374,051	12,518,758	11,195,368
<b>Total financial liabilities</b>	239,588,740	9,007,765	1,374,051	249,970,556	248,647,166

	Separate financial statements (Unit: Baht)				Carrying amount
	Within 1 year	1 - 5 years	Over 5 years	Total	
<b>Due date of financial liabilities As at 31 December 2021</b>					
Trade and other payables	3,405,004	-	-	3,405,004	3,405,004
<b>Total financial liabilities</b>	3,405,004	-	-	3,405,004	3,405,004

	Separate financial statements (Unit: Baht)				Carrying amount
	Within 1 year	1 - 5 years	Over 5 years	Total	
<b>Due date of financial liabilities As at 31 December 2020</b>					
Trade and other payables	3,423,639	-	-	3,423,639	3,423,639
<b>Total financial liabilities</b>	3,423,639	-	-	3,423,639	3,423,639

## 6.2 Capital management

### 6.2.1 Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may consider transferring the surplus from share reduction to offset with the residual deficit.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity. The ratios at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Total debt	247,606,394	296,837,565	4,467,040	6,649,136
Total equity	434,490,291	453,590,144	400,795,062	430,057,216
<b>Net debt to equity ratio</b>	<b>56.99%</b>	<b>65.44%</b>	<b>1.11%</b>	<b>1.55%</b>

The net debt to equity ratio decreased from 65.44% to 56.99% as a result of the tighter monitoring of trade debtor payments and the negotiation on extending the repayment period, which has resulted in an increase of operating cash flows and cash held by the Group at the end of the year.

## 7 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.

## **8 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 a 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 19. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### **b) 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.

### **c) 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.

### **d) 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.

### **e) 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 25.

### **f) Deferred tax asset for carried forward tax losses**

The company has incurred the losses from the dissolution of the subsidiary, which was set impairment on investment, finished in 2016. The deferred tax assets related to carried-forward tax losses of the Group. The Group has concluded that the deferred tax assets arising from the carried-forward tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. It is expected that the losses carried forward will be utilised within 5 years.

### **g) Determination of lease terms**

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

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

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

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

The Group determines the incremental borrowing rate as follows:

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

**i) Impairment of financial assets**

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

## **9 Segment information**

The Group's strategic steering committee, consisting of the board of directors, examines the Group's performance from the group of products 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 2021**

Financial information by business segments is as follows:

	Consolidated financial statements				
	Film rights distribution Baht	Film production and related business Baht	Sales of goods Baht	Others Baht	Consolidated Baht
<b>For the year ended 31 December 2021</b>					
Revenue					
Gross segment revenue	87,140,316	74,650,858	-	16,000,155	177,791,329
Inter - segment revenue	(5,142,883)	(165,000)	-	(12,517,000)	(17,824,883)
Net revenue from third parties	81,997,433	74,485,858	-	3,483,155	159,966,445
<b>Timing of revenue recognition</b>					
At a point in time	58,636,467	74,485,858	-	-	133,122,325
Over time	23,360,965	-	-	3,483,155	26,844,120
Total revenue	81,997,432	74,485,858	-	3,483,155	159,966,445
Segment result	(12,616,808)	17,019,539	-	716,725	5,119,456
Unallocated costs					(19,292,509)
Other income					5,798,293
Finance costs					(1,677,944)
Share of profit of associate and joint ventures					(6,502,055)
Profit before income tax					(16,554,760)
Income tax					(4,243,779)
Net loss for the year					(20,798,539)
Film right, net	62,247,307	-	-	-	62,247,507
Film underproduction, net	-	66,040,587	-	-	66,040,587
Unallocated assets					553,808,791
Total assets					682,096,685

**M Pictures Entertainment Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2021**

	<b>Consolidated financial statements</b>				
	<b>Film rights distribution Baht</b>	<b>Film production and related business Baht</b>	<b>Sales of goods Baht</b>	<b>Others Baht</b>	<b>Consolidated Baht</b>
<b>For the year ended 31 December 2020</b>					
Revenue					
Gross segment revenue	122,961,232	174,710,806	70,900	15,847,601	313,590,539
Inter - segment revenue	(13,812,750)	-	-	(12,727,701)	(26,540,451)
Net revenue from third parties	109,148,482	174,710,806	70,900	3,119,900	287,050,088
<b>Timing of revenue recognition</b>					
At a point in time	89,020,907	174,710,806	70,900	-	263,802,613
Over time	20,127,575	-	-	3,119,900	23,247,475
Total revenue	109,148,482	174,710,806	70,900	3,119,900	287,050,088
Segment result	10,642,193	(16,307,909)	70,900	(8,268,821)	(13,836,637)
Unallocated costs					(16,951,006)
Other income					3,046,088
Finance costs					(1,651,391)
Share of profit of associate and joint ventures					(21,825,793)
Profit before income tax					(51,245,739)
Income tax					(13,135,219)
Net loss for the year					(64,380,958)
Film right, net	41,932,032	-	-	-	41,932,032
Film underproduction, net	-	107,209,920	-	-	107,209,920
Unallocated asset					601,285,757
Total assets					750,427,709

## 10 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Cash on hand	70,000	70,000	15,000	15,000
Deposits held at call with banks	124,044,745	94,653,327	21,942,089	16,398,391
<b>Total</b>	<b>124,114,745</b>	<b>94,723,327</b>	<b>21,957,089</b>	<b>16,413,391</b>

## 11 Trade and other receivables, net

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Trade accounts receivable				
- Third parties	75,076,404	106,608,656	-	-
- Related parties (Note 34)	7,111,166	34,109,830	-	-
<b>Total trade accounts receivable</b>	<b>82,187,570</b>	<b>140,718,486</b>	<b>-</b>	<b>-</b>
Accrued income				
- Third parties	40,744,410	46,479,119	-	-
- Related parties (Note 34)	53,613,008	45,667,787	-	-
<b>Total accrued income</b>	<b>94,357,418</b>	<b>92,146,906</b>	<b>-</b>	<b>-</b>
<b>Total trade accounts receivable and accrued income</b>	<b>176,544,988</b>	<b>232,865,392</b>	<b>-</b>	<b>-</b>
<u>Less</u> Loss allowance	<u>(39,949,500)</u>	<u>(37,149,500)</u>	<u>-</u>	<u>-</u>
<b>Total trade accounts receivable and accrued income</b>	<b>136,595,488</b>	<b>195,715,892</b>	<b>-</b>	<b>-</b>
Amounts due from related parties	7,196	7,196	7,348,342	7,985,282
<u>Less</u> Loss allowance	<u>-</u>	<u>-</u>	<u>(7,348,342)</u>	<u>(7,348,342)</u>
<b>Total amounts due from related parties (Note 34)</b>	<b>7,196</b>	<b>7,196</b>	<b>-</b>	<b>636,940</b>
Other account receivables	421,533	666,011	11,400	361,000
Prepaid expenses	9,076,296	6,621,985	681,922	576,805
<b>Total trade accounts and other receivables</b>	<b>146,100,513</b>	<b>203,011,084</b>	<b>693,322</b>	<b>1,574,745</b>

## 12 Financial assets and liabilities

The classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	124,114,745	94,723,327	21,957,089	16,413,391
Trade and other receivables	176,973,717	233,538,599	7,359,742	8,346,282
<u>Less</u> Loss allowance	(39,949,500)	(37,149,500)	(7,348,342)	(7,348,342)
Loan to related parties	-	-	506,953,808	513,000,000
<u>Less</u> Loss allowance	-	-	(410,000,000)	(379,000,000)
<b>Liabilities at amortised cost</b>				
Short term loan from financial in institutions	35,000,000	35,000,000	-	-
Trade and other payables	162,657,134	202,451,798	3,405,004	3,423,639

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest

## 13 Other current assets

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Other current assets				
Undue input VAT	713,718	1,995,043	18,922	15,477
Others	-	42,562	-	-
<b>Total</b>	<b>713,718</b>	<b>2,037,605</b>	<b>18,922</b>	<b>15,477</b>

## 14 Investments in subsidiaries

	Separate financial statements	
	2021 Baht	2020 Baht
Investment in subsidiaries	1,188,426,107	1,188,426,107
<u>Less</u> Allowance for impairment	(951,296,002)	(951,296,002)
Investment in subsidiaries, net	237,130,105	237,130,105

### a) Movements of investments in subsidiaries

	Separate financial statements	
	2021 Baht	2020 Baht
<b>Investment in subsidiaries</b>		
Opening net book amount	237,130,105	237,130,105
Disposal of a subsidiary	-	-
Closing net book amount	237,130,105	237,130,105

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

The subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares. The proportion of ownership interests held by the Group is equal to voting right in subsidiaries held by the Group.

Subsidiaries	Nature of business	Nature of relationship	Country of incorporation	% ownership interest of company/group		% ownership interest of non-controlling interest	
				2021 %	2020 %	2021 %	2020 %
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
M V D Company Limited	Distribution of VCD/DVD, Blu-ray and film rights	Shareholder	Thailand	99.99	99.99	0.01	0.01
M Thirty Nine Company Limited	Film production	Shareholder	Thailand	99.99	99.99	0.01	0.01
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

**15 Investments in associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Investments in associates	35,979,380	44,556,233	10,907,300	8,457,300
<u>Less</u> Allowance for impairment	-	-	-	-
Investments in associates, net	35,979,380	44,556,233	10,907,300	8,457,300

**a) Movement of investments in associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Investments in associates</b>				
Opening net book amount	44,556,233	41,032,778	8,457,300	3,457,300
Acquisition of investment	2,450,000	20,125,000	2,450,000	5,000,000
Returned of investment	(7,111,746)	(5,337,000)	-	-
Share of loss	(4,604,697)	(11,307,935)	-	-
Share of comprehensive income	689,590	43,390	-	-
Closing net book amount	35,979,380	44,556,233	10,907,300	8,457,300

**Year 2021**

**Addition of investment**

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

1. "Last Idol (Thailand) Co., Ltd." amounting to Baht 2.00 million on 6 May 2021.
2. "Skybox Entertainment Co., Ltd.", on 16 December 2021, which the Company has percentage of interest 45% with respect to the joint investment agreement. The Company paid 100% of investment on 10 January 2022 which calculated to Baht 0.45 million.

**Return of Investment**

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

1. "Joint Venture Classic Again" amounting to Baht 3.24 million on 16 June 2021.
2. "Joint Venture THAT MARCH" amounting to Baht 0.43 million on 16 June 2021.
3. "Joint Venture OUR LOVE FOREVER" amounting to Baht 1.44 million on 17 June 2021.
4. "Joint Venture Keun Yuttitham" amounting to Baht 2.00 million on 2 August 2021.

**Year 2020**

**Addition of investment**

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

1. The Company invested in "Last Idol (Thailand) Co., Ltd.", on 2 October 2020, which the Company has percentage of interest 20% with respect to the joint investment agreement. The Company paid 25% of investment, equivalent to Baht 5.00 million.

M Pictures Company Limited invested in associate as follows:

1. "Joint Venture Daeng Prakanong", 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 15.13 million on 30 September 2020.

**Return of investment**

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

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

b) The details of investments in associates

Associates	Country of incorporation	Nature of Business	Nature of relationship	% of ownership interest	
				2021	2020
Associates under M Pictures Entertainment Public Company Limited					
M.P.I.C. (Cambodia) Distribution Co., Ltd.	Cambodia	Distribution of film rights for cinema	Direct shareholder	55.00	55.00
Last Idol (Thailand) Co., Ltd.	Thailand	Entertainment	Direct shareholder	20.00	20.00
Skybox Entertainment Co., Ltd.	Thailand	Entertainment	Direct shareholder	45.00	-
Associates under M Pictures Company Limited					
Joint venture Sangkrasue	Thailand	Film production	Indirect shareholder	30.00	30.00
Joint venture Khun Phaen Fah Feun	Thailand	Film production	Indirect shareholder	51.00	51.00
Joint venture THAT MARCH	Thailand	Film production	Indirect shareholder	14.00	14.00
Joint venture OUR LOVE FOREVER	Thailand	Film production	Indirect shareholder	14.00	14.00
Joint venture CLASSIC AGAIN	Thailand	Film production	Indirect shareholder	39.00	39.00
Joint venture Keun Yuttitham	Thailand	Film production	Indirect shareholder	70.00	70.00
Joint venture Daeng Prakanong	Thailand	Film production	Indirect shareholder	55.00	55.00

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.

**c) 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.

	<b>Joint venture Daeng Prakanong</b>		<b>Joint venture CLASSIC AGAIN</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Summarised of performance</b>				
Revenue	-	-	1,800,000	20,745,827
Profit (loss) from continuing operations	(201,032)	(102,940)	528,289	(14,633,212)
<b>Summarised of statement of financial position</b>				
Current assets	27,396,028	27,777,960	11,464,283	19,320,467
Non-current assets	-	-	-	-
Current liabilities	(200,000)	(380,900)	(8,834,396)	(8,900,642)
Net assets	27,196,028	27,397,060	2,629,887	10,419,825
<b>Reconcile to carrying amount</b>				
Group's share in associates (%)	55.00	55.00	39.00	39.00
Associates carrying amount	14,957,815	15,068,383	1,025,656	4,063,732

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

	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Aggregate carrying amount of individually Immaterial associates</b>		
Investment at equity method	19,995,909	25,424,118
Aggregate amounts of the Group's share of:		
Loss from continuing operations	(4,700,162)	(5,544,365)
Other comprehensive income	689,590	43,390
Total comprehensive loss	(4,010,573)	(5,500,976)

## **16 Joint Arrangement**

### **16.1 Investment in joint operation**

#### **Investment in joint operation under M Pictures Company Limited**

<b>Joint operation</b>	<b>Nature of Business</b>	<b>Nature of relationship</b>	<b>Country of incorporation</b>	<b>% of ownership interest</b>	
				<b>2021 %</b>	<b>2020 %</b>
Joint Venture Hug Terd Tueng	Film production	Indirect shareholder	Thailand	55.00	55.00

#### **Investment in joint operation under M Thirty Nine Company Limited**

<b>Joint operation</b>	<b>Nature of Business</b>	<b>Nature of relationship</b>	<b>Country of incorporation</b>	<b>% of ownership interest</b>	
				<b>2021 %</b>	<b>2020 %</b>
Joint Venture Bikeman	Film production	Indirect shareholder	Thailand	70.00	70.00
Joint Venture Gang Tann Zing and Laan25 Naa24	Film production	Indirect shareholder	Thailand	70.00	70.00
Joint Venture Bikeman 2	Film production	Indirect shareholder	Thailand	55.00	55.00
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bung Fai	Film production	Indirect shareholder	Thailand	70.00	70.00

The Group holds 55-70% of the voting right in Joint venture Bikeman, Joint venture Gang Tann Zing 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 2021**

##### **Return of investment**

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

1. "Joint Venture Hug Terd Tueng" amounting to Baht 1.98 million on 2 April 2021.

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

1. "Joint Venture Gang Tann Zing and Laan25 Naa24" amounting to Baht 10.15 million on 27 January 2021.
2. "Joint Venture Sam Gler Hua Kaeng and Juad Kathoei Bang Fai" amounting to Baht 3.29 million on 2 May 2021.

## **Year 2020**

### **Addition of investment**

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

1. "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 10.85 million on 8 January 2020.

### **Return of investment**

M Thirty Nine Company Limited received return of investment in joint operation as follows:

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

## **16.2 Investments in joint ventures, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Investments in joint ventures	51,930,822	53,648,090	122,074,049	122,074,049
<u>Less</u> Allowance for impairment	(9,195,777)	(7,300,000)	(85,770,049)	(85,770,049)
Investments in joint ventures, net	42,735,045	46,348,090	36,304,000	36,304,000

### **a) Movements of investments in joint ventures are as follows:**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Investments in joint ventures</b>				
Opening net book amount	46,348,090	64,160,339	36,304,000	64,304,000
Share of loss	(1,897,358)	(10,517,858)	-	-
Share of comprehensive income	180,090	5,609	-	-
Allowance for impairment	(1,895,777)	(7,300,000)	-	(28,000,000)
Closing net book amount	42,735,045	46,348,090	36,304,000	36,304,000

## **Year 2021**

As of 31 December 2021, the Group recognized impairment on investments in Transformation Films Company Limited in statement of income, in total amount of Baht 1.90 million.

## **Year 2020**

As of 31 December 2020, the Group recognized impairment on investments in Transformation Films Company Limited in statement of income, in total amount of Baht 7.30 million. The Company recognized impairment on investments in Transformation Films Company Limited and Major Kantana Broadcasting Company Limited in separate statement of income, in total amount of Baht 28.00 million which was primarily due to the significant decrease in projected revenue arising from external factors as well as market situation and trend.

**b) The details of investments in joint ventures**

Jointly ventures	Nature of Business	Nature of relationship	Country of incorporation	Ownership Interest	
				2021 (%)	2020 (%)
Major Kantana Broadcasting Company Limited	Satellite broadcasting and distribution of film rights	Direct shareholder	Thailand	44.99	44.99
Transformation Films Company Limited	Advertising film production, TV broadcasting and services for all forms of entertainment	Direct shareholder	Thailand	34.69	34.69
MVP M-Pictures Film Distribution Lao Co., Ltd.	Distribution of film rights for cinema, VCD/DVD production and TV broadcast	Direct shareholder	The Lao People's Democratic Republic	40.00	40.00

**c) 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**

	Transformation Films Company Limited		Major Kantana Broadcasting Company Limited	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenue	71,074,948	41,812,653	95,108,672	136,175,667
Cost	(39,170,489)	(39,440,280)	(107,321,048)	(138,921,365)
Other revenue	1,119,586	742,683	822,575	12,183,118
Share of profit of investments in joint ventures	108,775	(845,295)	2,480,017	1,896,081
Interest income	15,074	35,076	10,832	16,610
Selling and administration expense	(14,641,037)	(22,202,731)	(6,703,352)	(15,939,003)
Depreciation and amortisation	(622,884)	(315,853)	(597,640)	(1,254,507)
Interest expense	(95,496)	(20,854)	(206,933)	(552,207)
<b>Profit (loss) from continuing operations</b>	<b>17,788,477</b>	<b>(20,234,601)</b>	<b>(16,406,877)</b>	<b>(6,395,606)</b>
Income tax expense	-	-	-	(946,648)
<b>Post-tax profit (loss) from continuing operations</b>	<b>17,788,477</b>	<b>(20,234,601)</b>	<b>(16,406,877)</b>	<b>(7,342,254)</b>
<b>Other comprehensive loss</b>	<b>(2,710,842)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>15,077,635</b>	<b>(20,234,601)</b>	<b>(16,406,877)</b>	<b>(7,342,254)</b>

**Summarised statement of financial position**

	<b>Transformation Films Company Limited</b>		<b>Major Kantana Broadcasting Company Limited</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Cash and cash equivalents	11,911,625	1,739,997	13,610,992	27,661,370
Other current assets	118,041,379	85,496,006	58,027,679	84,445,064
	129,953,004	87,236,003	71,638,671	112,106,434
<b>Total current assets</b>	<b>5,254,549</b>	<b>7,843,112</b>	<b>50,698,944</b>	<b>56,231,842</b>
Non-current assets				
Financial liabilities (excluding trade payables)	-	-	-	9,309,480
Other current liabilities (including trade payables)	66,146,373	43,380,982	82,065,115	98,710,416
<b>Total current liabilities</b>	<b>66,146,373</b>	<b>43,380,982</b>	<b>82,065,115</b>	<b>108,019,896</b>
Other non-current liabilities	3,948,867	1,663,455	-	3,639,003
<b>Total non-current liabilities</b>	<b>3,948,867</b>	<b>1,663,455</b>	<b>-</b>	<b>3,639,003</b>
<b>Net assets</b>	<b>65,112,313</b>	<b>50,034,678</b>	<b>40,272,500</b>	<b>56,679,377</b>

**Reconciliation of summarised financial information**

	<b>Transformation Films Company Limited</b>		<b>Major Kantana Broadcasting Company Limited</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Opening net assets</b>	50,034,678	70,269,279	56,679,377	64,021,631
Profit (loss) for the period	17,788,477	(20,234,601)	(16,406,877)	(7,342,254)
Other comprehensive income	(2,710,842)	-	-	-
<b>Closing net assets</b>	<b>65,112,313</b>	<b>50,034,678</b>	<b>40,272,500</b>	<b>56,679,377</b>
Interest in joint venture (34.69% and 44.99%)	22,587,461	17,357,030	18,122,585	25,505,663
Effect from change of percentage of ownership interest	946,214	1,901,599	-	-
<b>Carrying value</b>	<b>23,533,675</b>	<b>19,258,629</b>	<b>18,122,585</b>	<b>25,505,663</b>

**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.

	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Aggregate carrying amount of individually immaterial joint venture</b>		
Investment at equity method	1,078,785	1,583,798
Aggregate amounts of the Group's share of:		
Loss from continuing activities	(685,102)	(194,468)
Other comprehensive income	180,090	5,609
<b>Total comprehensive income</b>	<b>(505,012)</b>	<b>(188,859)</b>

**17 Buildings and equipment, net**

	<b>Consolidated financial statements</b>			
	<b>Buildings and improvements Baht</b>	<b>Office equipment Baht</b>	<b>Construction in progress Baht</b>	<b>Total Baht</b>
<b>At 1 January 2020</b>				
Cost	10,704,330	22,899,594	-	33,603,924
<u>Less</u> Accumulated depreciation	(9,659,040)	(21,465,415)	-	(31,124,455)
<u>Less</u> Allowance for impairment	-	(294,029)	-	(294,029)
Net book amount	1,045,290	1,140,150	-	2,185,440
<b>For the year ended 31 December 2020</b>				
Opening net book amount	1,045,290	1,140,150	-	2,185,440
Additions	58,520	3,562,334	9,892,457	13,513,311
Transfer in (out)	4,947,196	4,945,261	(9,892,457)	-
Write-offs, net	-	(377)	-	(377)
Depreciation charge	(907,944)	(1,320,067)	-	(2,228,011)
Closing net book amount	5,143,062	8,327,301	-	13,470,363
<b>At 31 December 2020</b>				
Cost	15,710,047	27,500,367	-	43,210,414
<u>Less</u> Accumulated depreciation	(10,566,985)	(18,879,037)	-	(29,446,022)
<u>Less</u> Allowance for impairment	-	(294,029)	-	(294,029)
Net book amount	5,143,062	8,327,301	-	13,470,363
<b>For the year ended 31 December 2021</b>				
Opening net book amount	5,143,062	8,327,301	-	13,470,363
Additions	953,367	360,700	-	1,314,067
Disposals, net	-	(24)	-	(24)
Depreciation charge	(1,580,558)	(2,159,130)	-	(3,739,688)
Closing net book amount	4,515,871	6,528,847	-	11,044,718
<b>At 31 December 2021</b>				
Cost	16,663,414	27,683,776	-	44,347,190
<u>Less</u> Accumulated depreciation	(12,147,543)	(20,860,900)	-	(33,008,443)
<u>Less</u> Allowance for impairment	-	(294,029)	-	(294,029)
Net book amount	4,515,871	6,528,847	-	11,044,718

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	<b>Separate financial statements</b>		
	<b>Buildings and building improvements Baht</b>	<b>Office equipment Baht</b>	<b>Total Baht</b>
<b>At 1 January 2020</b>			
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 amount	1,045,290	405,012	1,450,302
<b>For the year ended 31 December 2020</b>			
Opening net book amount	1,045,290	405,012	1,450,302
Additions	-	400,000	400,000
Depreciation charge	(492,093)	(292,794)	(784,887)
Closing net book amount	553,197	512,218	1,065,415
<b>At 31 December 2020</b>			
Cost	10,704,330	9,290,466	19,994,796
<u>Less</u> Accumulated depreciation	(10,151,133)	(8,778,248)	(18,929,381)
Net book amount	553,197	512,218	1,065,415
<b>For the year ended 31 December 2021</b>			
Opening net book amount	553,197	512,218	1,065,415
Additions	-	65,000	65,000
Disposals, net	-	(24)	(24)
Depreciation charge	(459,802)	(142,156)	(601,958)
Closing net book amount	93,395	435,038	528,433
<b>At 31 December 2021</b>			
Cost	10,704,330	9,178,174	19,882,504
<u>Less</u> Accumulated depreciation	(10,610,935)	(8,743,136)	(19,354,071)
Net book amount	93,395	435,038	528,433

## 18 Right-of-use assets

As at 31 December, right-of-use asset balance are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Building and building improvements	9,086,400	11,068,887	-	-
Total	9,086,400	11,068,887	-	-

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Depreciation charge of right-of-use assets:				
Building	1,982,487	826,036	-	-
Total	1,982,487	826,036	-	-
Addition to the right-of-use assets during the year	-	11,894,923	-	-
Total cash outflow for leases	2,136,942	890,393	-	-

## 19 Goodwill

	Consolidated financial statements	
	2021 Baht	2020 Baht
<b>At 1 January</b>		
Cost	439,069,516	439,069,516
<u>Less</u> Accumulated allowance for impairment	(299,927,010)	(299,927,010)
Net book amount	139,142,506	139,142,506
<b>For the year ended 31 December</b>		
Allowance for impairment	-	-
Closing net book amount	139,142,506	139,142,506
<b>At 31 December</b>		
Cost	439,069,516	439,069,516
<u>Less</u> Accumulated allowance for impairment	(299,927,010)	(299,927,010)
Net book amount	139,142,506	139,142,506

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 incurred.

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

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

	Consolidated financial statements							
	31 December 2021				31 December 2020			
	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
<u>Less</u> 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 Group tests whether goodwill has suffered any impairment on an annual basis. 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 two-year period. Cash flows beyond the two-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:

	<u>M Pictures Company Limited</u>
Gross margin of M Pictures Company Limited <sup>1</sup>	60.00%
Growth rate <sup>2</sup>	0.40%
Discount rate <sup>3</sup>	13.28%

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> 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.

Recoverable amount calculated based on value in use. If the discount rate is increased by 1% from the rate estimated by the Group, the recoverable amount is still higher than carrying amount of goodwill.

**20 Intangible assets, net**

	Consolidated financial statements			Separate financial statements
	Computer program Baht	Movies Under Production Baht	Film rights Baht	Computer program Baht
<b>At 1 January 2020</b>				
Cost	5,960,039	125,321,344	1,395,234,471	3,530,234
<u>Less</u> Accumulated amortisation	(4,443,143)	-	(1,342,091,021)	(2,395,112)
Accumulated allowance for impairment	(1,021,060)	(10,000,000)	(13,709,489)	(1,021,060)
Net book amount	495,836	115,321,344	39,433,961	114,062
<b>For the year ended 31 December 2020</b>				
Opening net book amount	495,836	115,321,344	39,433,961	114,062
Additions	169,137	132,014,771	30,646,175	-
Transfer in (out)	-	(101,215,373)	101,215,373	-
Amortisation	(148,751)	-	(128,328,006)	(34,626)
Write-off, net	(3)	(5,500,000)	(1,035,471)	-
impairment	-	(33,410,822)	-	-
Closing net book amount	516,219	107,209,920	41,932,032	79,436
<b>At 31 December 2020</b>				
Cost	5,580,176	150,620,742	1,377,055,499	3,530,234
<u>Less</u> Accumulated amortisation	(4,042,897)	-	(1,321,413,978)	(2,429,738)
Accumulated allowance for impairment	(1,021,060)	(43,410,822)	(13,709,489)	(1,021,060)
Net book amount	516,219	107,209,920	41,932,032	79,436
<b>For the year ended 31 December 2021</b>				
Opening net book amount	516,219	107,209,920	41,932,032	79,436
Additions	-	30,712,870	40,683,662	-
Transfer in (out)	-	(71,247,203)	71,247,203	-
Disposals, net	-	(610,000)	-	-
Amortisation	(150,007)	-	(88,877,220)	(24,248)
Write-off, net	-	(25,000)	(438,370)	-
Impairment	-	-	(2,300,000)	-
Closing net book amount	360,212	66,040,587	62,247,307	55,188
<b>At 31 December 2021</b>				
Cost	5,580,176	109,451,409	1,320,404,638	3,530,234
<u>Less</u> Accumulated amortisation	(4,198,904)	-	(1,242,147,842)	(2,453,986)
Accumulated allowance for impairment	(1,021,060)	(43,410,822)	(16,009,489)	(1,021,060)
Net book amount	360,212	66,040,587	62,247,307	55,188

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cost of goods sold	88,877,220	128,328,006	-	-
Administrative expense	156,007	148,751	24,248	34,626

## 21 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Deferred tax assets	12,140,498	16,142,740	200,323	1,225,229
Deferred tax liabilities	(1,817,280)	(2,213,777)	-	-
<b>Deferred tax, net</b>	<b>10,323,218</b>	<b>13,928,963</b>	<b>200,323</b>	<b>1,225,229</b>

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

	Consolidated financial statements			
	1 January 2020 Baht	(Increase) decrease in profit or loss Baht	(Increase) decrease in profit or loss in other comprehensive income Baht	31 December 2020 Baht
<b>Deferred income tax assets</b>				
Tax losses carried forward	1,739,255	(1,139,292)	-	599,963
Investment in associates at equity method	4,831,024	2,846,860	-	7,677,884
Depreciation of building improvements	6,433	3,164	-	9,597
Amortisation of film rights	14,327,481	(10,031,909)	-	4,295,572
Employee benefits	876,462	84,188	-	960,650
Expected credit loss	-	360,000	-	360,000
Right-of-use assets	-	2,239,074	-	2,239,074
<b>Total</b>	<b>21,780,655</b>	<b>(5,637,915)</b>	<b>-</b>	<b>16,142,740</b>
<b>Deferred income tax liabilities</b>				
Lease liabilities	-	(2,213,777)	-	(2,213,777)
<b>Total</b>	<b>-</b>	<b>(2,213,777)</b>	<b>-</b>	<b>(2,213,777)</b>

Consolidated financial statements				
	1 January 2021 Baht	(Increase) decrease in profit or loss Baht	(Increase) decrease in profit or loss in other comprehensive income Baht	31 December 2021 Baht
<b>Deferred income tax assets</b>				
Tax losses carried forward	599,963	(599,963)	-	-
Investment in associates at equity method	7,677,884	(1,601,019)	-	6,076,865
Depreciation of building improvements	9,597	(2,951)	-	6,646
Amortisation of film rights	4,295,572	(1,393,178)	-	2,902,394
Employee benefits	960,650	(212,579)	(207,252)	540,819
Expected credit loss	360,000	360,000	-	720,000
Right of use	2,239,074	(345,300)	-	1,893,774
Total	16,142,740	(3,794,990)	(207,252)	12,140,498
<b>Deferred income tax liabilities</b>				
Lease liabilities	(2,213,777)	396,497	-	(1,817,280)
Total	(2,213,777)	396,497	-	(1,817,280)
Separate financial statements				
	1 January 2020 Baht	(Increase) decrease in profit or loss Baht	(Increase) decrease in profit or loss in other comprehensive income Baht	31 December 2020 Baht
<b>Deferred income tax assets</b>				
Tax losses carried forward	1,739,255	(1,139,292)	-	599,963
Depreciation of building improvements	6,433	3,164	-	9,597
Employee benefits	570,866	44,803	-	615,669
Total	2,316,554	(1,091,325)	-	1,225,229
Separate financial statements				
	1 January 2021 Baht	(Increase) decrease in profit or loss Baht	(Increase) decrease in profit or loss in other comprehensive income Baht	31 December 2021 Baht
<b>Deferred income tax assets</b>				
Tax losses carried forward	599,963	(599,963)	-	-
Depreciation of building improvements	9,597	(2,951)	-	6,646
Employee benefits	615,669	(224,566)	(197,426)	193,677
Total	1,225,229	(827,480)	(197,426)	200,323

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 impairment of film rights, employee benefits obligation and tax losses carried forward. As at 31 December 2021, the Group did not recognise deferred income tax assets of Baht 68.99 million in respect of tax losses carried forward approximately Baht 344.97 million. A summary of the tax losses carried forward and the expiry dates are set out below:

	<b>Consolidated financial statements Baht Million</b>	<b>Separate financial statements Baht Million</b>
<b>Expiry year</b>		
2022	158.92	-
2023	33.48	-
2024	129.38	9.04
2025	14.52	-
2026	8.67	-
	<b>344.97</b>	<b>9.04</b>

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.

## **22 Other non-current assets, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Guarantees on buildings rental and others	11,235	11,235	11,235	11,235
Other non-current assets, net	11,235	11,235	11,235	11,235

## **23 Borrowings**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Current</b>				
Short-term borrowings from financial institutions	35,000,000	35,000,000	-	-

The borrowings include secured liabilities (bank borrowings) in a total amount of Baht 35.00 million for the Group (2020: Baht 35.00 million for the Group). The bank borrowings are secured over a part of ultimate parent company.

## 24 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade accounts payable - third parties	129,426,733	129,187,913	-	-
Trade accounts payable - related parties (Note 34)	2,478,380	23,956,216	-	-
Amounts due to related parties (Note 34)	22,963,806	36,763,185	783,000	374,612
Accrued expenses	4,429,838	7,675,552	920,311	1,279,566
Other payables	3,358,377	4,868,932	1,701,693	1,769,461
Total	162,657,134	202,451,798	3,405,004	3,423,639

## 25 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Statement of financial position:				
Retirement benefits				
Retirement benefits by law	3,798,460	4,317,927	968,388	2,752,435
Post-employment benefits	-	351,279	-	289,867
	3,798,460	4,669,206	968,388	3,042,302
Other long-term employee benefits	-	134,047	-	36,040
Liability in the statement of financial position	3,798,460	4,803,253	968,388	3,078,342

### Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements in the defined benefit obligation for the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	4,669,206	4,267,048	3,042,302	2,824,132
Current service cost	458,480	407,998	223,317	224,158
Past service cost	(378,490)	-	(306,819)	-
Interest expense	85,522	74,449	42,910	37,840
	4,834,718	4,749,495	3,001,710	3,086,130
Remeasurements:				
Loss from change in demographic assumptions	830,755	-	44,548	-
Loss from change in financial assumptions	(615,802)	-	(111,207)	-
Experience gain	(1,251,211)	-	(920,471)	-
	(1,036,258)	-	(987,130)	-

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Payment from plans:				
Benefit payment	-	(80,289)	-	(43,828)
Employee transfer	-	-	(1,046,192)	-
At 31 December	3,798,460	4,669,206	968,388	3,042,302

The significant actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Discount rate	1.69%	1.38%	1.69%	1.32%
Inflation rate	2.00%	-	2.00%	-
Salary growth rate	3.00%	3.50% - 9.00%	3.00%	3.50% - 9.00%
Turnover rate	6.00% - 25.00%	0.00% - 37.00%	6.00% - 25.00%	0.00% - 37.00%
Gold price	-	20,000 Baht/ 1 Baht (Gold)	-	20,000 Baht/ 1 Baht (Gold)
Gold price increasing rate	-	3.50%	-	3.50%

Sensitivity analysis for each significant assumption used is as follows:

<b>Consolidated financial statements</b>						
<b>Impact on retirement benefits</b>						
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Discount rate	1.00%	0.50%	Decrease by 5.28%	Decrease by 2.23%	Increase by 4.94%	Increase by 2.35%
Salary growth rate	1.00%	0.50%	Increase by 4.91%	Increase by 3.01%	Decrease by 4.56%	Decrease by 2.88%
Turnover rate	20.00%	10.00%	Decrease by 0.51%	Decrease by 8.50%	Increase by 0.62%	Increase by 0.02%

<b>Separate financial statements</b>						
<b>Impact on retirement benefits</b>						
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Discount rate	1.00%	0.50%	Decrease by 2.80%	Decrease by 2.23%	Increase by 2.72%	Increase by 2.35%
Salary growth rate	1.00%	0.50%	Increase by 14.64%	Increase by 3.01%	Decrease by 13.56%	Decrease by 2.88%
Turnover rate	20.00%	10.00%	Decrease by 1.54%	Decrease by 8.50%	Increase by 0.47%	Increase by 0.02%

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 retirement benefits obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in 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.

## 26 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
<b>At 1 January 2020</b>	1,313,117,176	1,300,119,176	650,059,588	132,612,302
<b>At 31 December 2020</b>	1,313,117,176	1,300,119,176	650,059,588	132,612,302
<b>At 31 December 2021</b>	1,313,117,176	1,300,119,176	650,059,588	132,612,302

On 8 April 2021, the Annual General Meeting of Shareholders of 2021 approved the transfer of surplus from share reduction of Baht 387,835,695 to offset the deficit.

The total numbers of authorised ordinary shares are 1,313.11 million shares (2020: 1,313.11 million shares) with a par value of Baht 0.50 per share (2020: Baht 0.50 per share).

## 27 Legal reserve

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

## 28 Contract liabilities

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Contract liabilities				
- Current	34,051,231	36,819,131	-	-
- Non-current	-	-	-	-
Total contract liabilities	34,051,231	36,819,131	-	-

### *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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenues from films production and film rights distribution	7,907,602	17,794,910	-	-

## 29 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Staff costs	28,672,519	28,380,234	10,770,616	10,849,671
Depreciation on building and equipment (Note 17)	3,739,688	2,228,011	601,958	784,887
Depreciation charge of right-of-use assets (Note 18)	1,982,487	826,036	-	-
Amortisation of intangible assets				
- Computer software (Note 20)	156,007	148,751	24,248	34,626
- Film rights (Note 20)	88,877,220	128,328,006	-	-
Write-off intangible assets				
- Film Under Production (Note 20)	25,000	5,500,000	-	-
- Film rights (Note 20)	438,370	1,035,471	-	-
Impairment of assets				
- Film under production (Note 20)	-	33,410,822	-	-
- Film rights (Note 20)	2,300,000	-	-	-
Impairment of inventories (reversal)	-	(17,085)	-	-

## 30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest and finance charges paid for lease liabilities	410,444	190,837	-	-
Loan from financial institutions	1,267,500	1,460,554	-	-
Total finance costs	1,677,944	1,651,391	-	-

## 31 Income tax

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current income tax	845,285	5,283,527	-	-
Deferred income tax :				
Origination and reversal of temporary differences	3,398,494	7,851,692	827,479	1,091,325
Income tax	4,243,779	13,135,219	827,479	1,091,325

**M Pictures Entertainment Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2021**

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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Loss before income tax	(16,554,760)	(51,245,739)	(29,224,379)	(27,324,676)
Tax calculated at a tax rate of 20% (2020: 20%)	(3,310,952)	(10,249,148)	(5,844,876)	(5,464,935)
Tax effect of:				
Associate and joint ventures' results reported net of tax	1,278,656	4,898,299	-	-
Income not subject to tax	-	(3,417)	-	-
Expenses not deductible for tax purpose	159,162	697,542	1,520	53,908
Temporary differences in which no deferred income tax asset was recognised	7,508,142	16,441,075	9,009,238	9,341,646
Utilisation of previously unrecognised tax losses	(3,898,266)	(4,514,646)	(2,938,366)	(2,839,294)
Tax losses for which no deferred income tax asset was recognised	1,874,074	5,885,514	-	-
Unrealised gain (losses) from intercompany transaction	33,000	(20,000)	-	-
Adjustment in respect of prior year	599,963	-	599,963	-
Tax charge	4,243,779	13,135,219	827,479	1,091,325

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	<b>Consolidated financial statements</b>					
	<b>2021</b>			<b>2020</b>		
	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>
Remeasurement on retirement benefit obligations	1,036,258	(207,252)	829,006	-	-	-
<b>Other comprehensive income</b>	1,036,258	(207,252)	829,006	-	-	-
Current tax	-	-	-	-	-	-
Deferred income tax (note 21)	(207,252)	-	-	-	-	-
	(207,252)	-	-	-	-	-

	<b>Separate financial statements</b>					
	<b>2021</b>			<b>2020</b>		
	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>
Remeasurement on retirement benefit obligations	987,130	(197,426)	789,704	-	-	-
<b>Other comprehensive income</b>	987,130	(197,426)	789,704	-	-	-
Current tax	-	-	-	-	-	-
Deferred income tax (note 21)	(197,426)	-	-	-	-	-
	(197,426)	-	-	-	-	-

32 Loss per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Reconciliations of earnings used in calculating loss per share</b>				
<b>Basic loss per share</b>				
Profit attributable to the ordinary equity holders of the company used in calculating basic loss per share:				
From continuing operations	(20,798,539)	(64,380,958)	(30,051,858)	(28,416,001)
	(20,798,539)	(64,380,958)	(30,051,858)	(28,416,001)
<b>Diluted loss per share</b>				
Loss attributable to the ordinary equity holders of the company:				
Used in calculating basic loss per share	(20,798,539)	(64,380,958)	(30,051,858)	(28,416,001)
Loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share	(20,798,539)	(64,380,958)	(30,051,858)	(28,416,001)
<b>Weighted average number of shares used as the denominator</b>				
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	1,300,119,176	1,300,119,176	1,300,119,176	1,300,119,176
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	1,300,119,176	1,300,119,176	1,300,119,176	1,300,119,176
<b>Basic loss per share</b>				
From continuing operations attributable to the ordinary equity holders of the company	(0.02)	(0.05)	(0.02)	(0.02)
<b>Diluted loss per share</b>				
From continuing operations attributable to the ordinary equity holders of the company	(0.02)	(0.05)	(0.02)	(0.02)

There are no potential dilutive ordinary shares in issue for the years ended 2021.

### 33 Change in liabilities arising from financing activities

	Consolidated financial statements		
	Short term borrowing Baht	Lease Liabilities Baht	Total Baht
<b>Liabilities as at 1 January 2020</b>	22,000,000	-	22,000,000
Cash in flows	35,000,000	-	35,000,000
Acquisitions - lease liabilities	-	13,409,151	13,409,151
Other non-cash movements			
- Accrued interest	-	(1,323,390)	(1,323,390)
Cash outflows			
- Principle	(22,000,000)	(699,556)	(22,699,556)
- Interest	-	(190,837)	(190,837)
<b>Liabilities as at 31 December 2020</b>	35,000,000	11,195,368	46,195,368
Other non-cash movements			
- Accrued interest	-	410,444	410,444
Cash outflows			
- Principle	-	(1,726,498)	(1,726,498)
- Interest	-	(410,444)	(410,444)
<b>Liabilities as at 31 December 2021</b>	35,000,000	9,468,870	44,468,870

### 34 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 (2020: 92.46%). All subsidiaries and associates of Major Cineplex Group Company Limited are considered as related parties.

The following significant transactions were carried out with related parties:

**i) Sales of goods/services and others**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
<b>Management fee income</b>				
Subsidiaries	-	-	12,000	12,000
Associate	600	530	-	-
Related companies	160	-	1,550	1,370
Joint operation	273	288	-	-
Joint ventures	480	720	480	720
	1,513	1,538	14,030	14,090
<b>Sales of goods and services</b>				
Parent company	14,207	89,405	-	-
Associate	1,297	22,582	-	-
Related companies	56,640	21,051	-	-
Joint operation	916	4,222	-	-
Joint ventures	1,355	3,855	-	-
	74,415	141,115	-	-
<b>Advertising income</b>				
Subsidiaries	-	-	-	176
Related companies	-	2,000	-	100
Joint operation	-	45	-	-
Joint ventures	-	150	-	150
	-	2,195	-	426
<b>Interest income</b>				
Subsidiaries	-	-	7,511	7,639
	-	-	7,511	7,639
<b>Other income</b>				
Related companies	7	-	-	-
Joint ventures	2	-	-	-
	9	-	-	-

**ii) Purchase of goods/services and others**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Purchase of goods and services</b>				
Parent company	1,535	1,112	-	-
Related companies	482	277	-	-
	<b>2,017</b>	<b>1,389</b>	<b>-</b>	<b>-</b>
<b>Advertising expense</b>				
Parent company	670	730	-	-
Related companies	249	176	-	-
Joint venture	-	3	-	-
	<b>919</b>	<b>909</b>	<b>-</b>	<b>-</b>
<b>Rental and service expenses</b>				
Parent company	-	313	-	313
Related companies	2,096	1,130	-	-
	<b>2,096</b>	<b>1,443</b>	<b>-</b>	<b>313</b>
<b>Other expenses</b>				
Parent company	34	-	-	-
Related companies	17	-	15	-
	<b>51</b>	<b>-</b>	<b>15</b>	<b>-</b>

Pricing policies for related party transactions are as follows:

	<b>Pricing policies</b>
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 rate at 4.00% per annum
Management fees	Agreed prices as stipulated in the agreements

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Trade accounts receivable</b> (included in "Trade accounts receivable and other receivables")				
Parent company	1	15,895	-	-
Associate	2,092	8,112	-	-
Related companies	3,293	3,097	-	-
Joint operation	221	1,514	-	-
Joint ventures	1,504	5,492	-	-
<b>Total trade accounts receivable</b>	<b>7,111</b>	<b>34,110</b>	<b>-</b>	<b>-</b>
<b>Accrued income</b>				
Parent company	42,850	34,104	-	-
Associate	-	330	-	-
Related companies	10,628	8,531	-	-
Joint operation	135	1,430	-	-
Joint ventures	-	1,273	-	-
<b>Total accrued income</b>	<b>53,613</b>	<b>45,668</b>	<b>-</b>	<b>-</b>
Trade accounts receivable and accrued income, net	60,724	79,778	-	-
<u>Less</u> Loss allowance	-	-	-	-
Trade accounts receivable and accrued income, net	60,724	79,778	-	-
<b>Amount due from related parties</b>				
Subsidiaries	-	-	7,348	7,985
Related companies	7	7	-	-
<b>Total amount due from related parties</b>	<b>7</b>	<b>7</b>	<b>7,348</b>	<b>7,985</b>
<u>Less</u> Loss allowance	-	-	(7,348)	(7,348)
<b>Amount due from related parties, net</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>637</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
<b>Trade accounts payable</b> (included in "Trade accounts payable and other payables")				
Parent company	237	726	-	-
Associate	-	14,699	-	-
Related companies	347	317	-	-
Joint operation	1,359	1,625	-	-
Joint venture	535	6,589	-	-
<b>Total trade accounts payable</b>	<b>2,478</b>	<b>23,956</b>	<b>-</b>	<b>-</b>
<b>Amount due to related parties</b>				
Parent company	22,150	36,086	-	57
Associate	450	-	450	-
Joint operation	31	-	-	-
Related companies	-	360	-	-
Committee	333	317	333	317
<b>Total amount due to related parties</b>	<b>22,964</b>	<b>36,763</b>	<b>783</b>	<b>374</b>
<b>Liabilities under lease related companies</b>				
Related companies	9,469	11,195	-	-

**iv) Short-term loans to related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
<b>Subsidiaries</b>				
At 1 January - net	-	-	134,000	147,600
Loans made during the year	-	-	-	100
Loans repaid during the year	-	-	(6,046)	(13,700)
<u>Less</u> Loss allowance	-	-	(31,000)	-
<b>At 31 December - net</b>	<b>-</b>	<b>-</b>	<b>96,954</b>	<b>134,000</b>

Loans to subsidiaries are unsecured and carry interest at the rate of 4.00% per annum (2020: 4.00% per annum) and are due at call.

Loans to related parties are measured at amortised cost. Management considered that the book value is nearly to the fair value since management regularly reassessed the expected credit loss.

**v) Key management compensation**

The compensation paid to key management for the year ended 31 December is shown below:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>	<b>2021 Thousand Baht</b>	<b>2020 Thousand Baht</b>
Short-term employee benefits	3,050	4,958	1,045	1,336
Retirement benefit by law	133	127	78	76
Post-employee benefits	-	5	-	4
Other long term benefit	-	-	-	-
	<b>3,183</b>	<b>5,090</b>	<b>1,123</b>	<b>1,416</b>

**35 Commitments**

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

As at 31 December 2021, the Company and its subsidiaries had commitments in respect of long-term lease and service of equipment and building service contracts to a related party and third parties. The future aggregate minimum lease and service payments under non-cancellable contracts are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Million Baht</b>	<b>2020 Million Baht</b>	<b>2021 Million Baht</b>	<b>2020 Million Baht</b>
Not later than 1 year	1.93	1.96	0.06	0.11
Later than 1 year but not later than 5 years	1.20	3.00	0.09	0.02
Total	<b>3.13</b>	<b>4.96</b>	<b>0.15</b>	<b>0.13</b>

**ii) Commitments from purchase of film rights**

As at 31 December 2021, the Group had commitments in respect of purchases of film rights amounting to USD 0.78 million payable within two years (2020: USD 0.84 million).

**iii) Commitments from film productions**

As at 31 December 2021, 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 3.25 million (2020: Baht 35.23 million).

**Part 4****Certification of Information for Submission of 56-1 One Report**

The Company has already reviewed all information containing in annual registration statement /annual report carefully. The company hereby certifies that the information is accurate, complete, no false or misleading, and without any lack of material fact information that should be notified. In addition, the company would like to certifies that:

(1) Financial statements and financial information, attached to this filing, are represent accurate and complete without any lack of material fact about the financial status, performance and cash flows of the company and the subsidiaries.

(2) The company is responsible to provide the good disclosure system of the information of the company to ensure that the company disclosure the material fact of the company and the subsidiaries accurately and completely, the company also supervises compliance the practice of the systems.

(3) The company is responsible to provide the internal control system and supervise the practice of that system. The company already inform the result on the latest date available to the Auditor and the Audit Committee of the company which covers deficiencies and change of internal control as well as false practice that may influent the preparation of financial report of the Company and the subsidiaries.

As evidence that all documents are identical to those certified by the company, the company has assigned Ms. Thitapat Issarapornpat to sign on every page of this documents, Therefore, if Ms. Thitapat Issarapornpat sign is missing on any document shall be deemed that has not been certified by the Company.

	Position	Signature
1. Mr. Thanakorn Puriwekin	Director	.....[Signed].....
2. Ms. Thitapat Issarapornpat	Director	.....[Signed].....

	Position	Signature
Authorized person: Ms. Thitapat Issarapornpat	Director	.....[Signed].....

## Attachment 1

**Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company**

<b>Name / Position / Appointed date</b>	<b>Age (years)</b>	<b>Education / Training</b>	<b>Experience</b>
Mr. Tirachai Vuttithum  / Independent Director and Chairman of the Board of Director/  29 March 2007	71	<b><u>Education</u></b> - 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 <b><u>Training</u></b> - Directors Accreditation Program (DAP) class 2003, IOD - Executive Program , Capital Market Academy	<b><u>Current Position</u></b> - Independent Director and Chairman of the Board of Director, M Pictures Entertainment Plc. <b><u>Experience:</u></b> - Chairman of the Board, the Government Pharmaceutical Organization - Chairman of Public Warehouse - Director, Thai Airways Public Company Limited. - Vice President, Soccer Association of Thailand Patron: His Majestic the King - Advisor, Royal Thai Army Radio - Vice President, Rattana Bundit University - Chairman, Thailand Football Development Foundation - Executive committee, Aeronautical Radio of Thailand Co., Ltd. - Committee, Sports Authority of Thailand - Chairman, Sport Association of Bangkok Province - Chairman, Football Association of Thailand under the Royal Patronage - Chairman, Ruby Association of Thailand under the Royal Patronage - Vice Chairman, University Sports of Thailand - Commissioner, Tourism and Sports
Shareholding (%)		-Nil-	
Management Relationship		-Not Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Vicha Poolvaraluk  / Director and Vice Chairman of the Board of Director/  (Signatory of the Company)  29 April 2008	58	<b><u>Education</u></b> - United State International University of San Diego, U.S.A, Master Degree of Business Administration - Chulalongkorn University, Bachelor Degree of Business Administration <b><u>Training</u></b> - Directors Certification Program (DCP) Class 9/2003 (IOD)	2008 – Present: Director and Vice Chairman of the Board of Director, M Pictures Entertainment Plc. 1995 – Present: Director and Chief Executive Officer, Major Cineplex Group Plc. 2012 – Present: Chairman, Major Care Foundation. 2003 – 2021: Director, Siam Future Development Plc.
Shareholding (%)		-Nil-	
Management Relationship		-Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Thanakorn Puriwekin  /Director/  (Signatory of the Company)  5 November 2013	65	<b><u>Education</u></b> - United State International University of San Diego, U.S.A, Master Degree of Business Administration - Bangkok University, Bachelor Degree of Business Administration <b><u>Training</u></b> - Director Accreditation Program (DAP) Class 22/2004 (IOD)	2021- Present: Director, Skybox Entertainment Co.,Ltd. 2563 - Present: Director, Last Idol (Thailand) Co.,Ltd. 2562- Present: Director, Tai Major Co.,Ltd. 2557 - Present: Director, Transformation Films Co.,Ltd. 2556 - Present: Director, M Pictures Entertainment Plc. 2538 – Present:Director, Major Cineplex Group Plc.
Shareholding (%)		-Nil-	
Management Relationship		-Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Thanachai Santichaikul  /Independent Director, Chairman of Audit Committee and Risk Committee /  10 May 2014	67	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>- Thammasat University, Master Degree of Business Administration</li> <li>- Chulalongkorn University, Bachelor degree of Accountancy</li> <li>- Chulalongkorn University, Faculty of Commerce and Accountancy, Certificate of Accounting Auditing</li> </ul> <p><b><u>Training</u></b></p> <ul style="list-style-type: none"> <li>- DCP Class 18/2012 (IOD)</li> <li>- Executive Program , Capital Market Academy</li> <li>- Politics and Governance in Democracy Program for Executives, King Prajadhipok's Institute</li> <li>- AC HOT UPDATE, Federation of Accounting Profession</li> </ul>	<p>2018 – Present: Audit Committee, Nation Multimedia Group Plc.</p> <p>2018 - Present: Director / Executive Director, Salee Printing Plc.</p> <p>2013 - Present: Independent Director/ Chairman of Audit Committee/ Risk Committee, M Pictures Entertainment Plc.</p> <p>2013 - Present: Independent Director/ Audit Committee, Eastern Polymer Group Plc.</p> <p>2018 – Present: Chairman, AIM Real Estate Management Co., Ltd.</p> <p>2016 - Present: Chairman, Siam Syndicate Technology Plc.</p> <p>2016 - Present: Chairman, AIM Riet Management Co., Ltd.</p> <p>2012 - Present: Executive Committee, Chulalongkorn University Book Center</p> <p>2012 - Present: Advisor, Printing and Packaging Industry Federation of Thai Industries</p> <p>2012 - Present: Advisor, Alumni Association of Faculty of Commerce and Accountancy, Chulalongkorn University</p> <p>2012 - Present: Advisor, VIV Inter Cham Group</p> <p>2010 – Present: Advisor, Thai Printing Association</p> <p>2007 - Present: Advisor, Publishers and Booksellers Association of Thailand</p>
Shareholding (%)		-Nil-	
Management Relationship		-Not Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Natchanont Komutputipong  /Independent Director, Audit Committee and Risk Committee /  11 November 2020	48	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>- Ph.D. in Accounting and Finance, Lancaster University, Lancaster, UK</li> <li>- Master of Accounting, The University of North Carolina at Chapel Hill, NC, USA</li> <li>- Master of Science in Professional Accounting, Michigan State University, MI, USA</li> <li>- Bachelor of Arts, Ramkhamhaeng University</li> <li>- Bachelor of Accountancy, Chulalongkorn University</li> </ul> <b><u>Training</u></b> <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 167/2019 (IOD)</li> </ul>	2020 – Present: Independent Director, Audit Committee and Audit Committee, M Pictures Entertainment Plc.  2019 – Present: Independent Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee and the Nomination Committee, Noble Development Plc.  2016 – Present: Assistant to the President for Accounting and Finance, Chulalongkorn University.
Shareholding (%)	-Nil-		
Management Relationship	-Not Management-		

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Vachara Tuntariyanond  /Independent Director, Audit Committee and Chairman Risk Committee /  10 February 2016	64	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>- Master of Science in Management Administration, Northrop University, California , USA</li> </ul> <p><b><u>Training</u></b></p> <ul style="list-style-type: none"> <li>- ACP Class 41/2012 (IOD)</li> <li>- MFM Class 8/2012 (IOD)</li> <li>- MFR Class 16/2012 (IOD)</li> <li>- MIA Class 13/2012 (IOD)</li> <li>- MIR Class 13/2012 (IOD)</li> <li>- DCP Class 94/2007 (IOD)</li> </ul>	<p>2020- Present: Director, Southeast Capital Co., Ltd.</p> <p>2018- Present: Independent Director Audit Committee, Asset World Corp Plc.</p> <p>2017 - Present: Director, Thai Airways Plc.</p> <p>2016 - Present: Independent Director, Audit Committee and Chairman of Risk Committee M Pictures Entertainment Plc.</p> <p>2014 - Present: Director and Chairman of Board of Director, Krungthai Asset Management Plc.</p> <p>2013- Present: Director and Chairman of Board of Director, Eastern Polymer Group Plc.</p>
Shareholding (%)		-Nil-	
Management Relationship		-Not Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Ms. Thitapat Issarapornpat  /Director / Risk Committee/  (Signatory of the Company)  6 November 2012	53	<b><u>Education</u></b> - Chulalongkorn University, Master of Business Administration - Ramkhamhaeng University, Bachelor of Business Administration, Major in Accounting <b><u>Training</u></b> - PDPA: process and practice Class 4/2019 - Strategic CFO in Capital Markets Class 9/2019 - Strategic Financial Leadership Program (SFLP) 2018 - DCP - Director Certification Program Class 148/2011 - CFO Refresher Class 2/2521 - TLCA CFO CPD No 8/2021 “The modern CFO: Driving Digital Transformation of the Finance and Accounting”	2014- Present: Chief Finance Officer, Risk Committee, Compliance Committee and Company Secretary, Major Cineplex Group Plc. 2012- Present: Director and Risk Committee, M Pictures Entertainment Plc. Present: Director, Major Kantana Broadcasting Co.,Ltd Present: Director, EGV Entertainment Plc. Present: Director, ThaiTicketMajor Co., Ltd. Present: Director, Tai Major Co.,Ltd. Present: Director, CJ Major Entertainment Co.,Ltd. Present: Director and Treasurer, Major Care Foundation
Shareholding (%)		-Nil-	
Management Relationship		-Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Apichart Kongchai  /Director/  9 August 2017	56	<b><u>Education</u></b> <ul style="list-style-type: none"> <li>- New Haven University CT, U.S.A., MBA, Concentration Hotel &amp; Restaurant Management</li> <li>- Chiangmai University, Bachelor of Science Sociology and Anthropology</li> </ul>	2017 – Present: Director, M Pictures Entertainment Plc.  2014 – Present: Chief Cinema Officer, Major Cineplex Group Plc. (มหาชน)
Shareholding (%)	-Nil-		
Management Relationship	-Not Management-		

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Apirak Varachanonth  /Director and Risk Committee/  9 August 2017	48	<b><u>Education</u></b> - Mahidol University, Master of Arts (Population and Social Research) University of the Thai Chamber of Commerce - Bachelor of Business Administration (Human Resource Management) <b><u>Training</u></b> - Sustainable Development, Thailand Management Association (TMA) - Thailand HR Forum 2016, Personnel Management Association of Thailand (PMAT) - Design & Implementing Sales Incentive Program - Manpower Planning Cost Saving & Workforce Productivity - Talent Management & Leadership Development Strategies - Presentation Writing for Management Decision - Leaders Developing Leaders	2017 – Present: Director and Risk Committee, M Pictures Entertainment Plc. 2017- Present: Chief Human Resources Officer, Major Cineplex Group Plc.
Shareholding (%)		-Nil-	
Management Relationship		-Not Management-	

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Mr. Surachedh Assawaruenganun  /Chief Executive officer/  11 August 2021	48	<u><b>Education</b></u> - Bachelor of Business Administration, Assumption University - Master of Media Management, Kantana Institute	2018 – Present: Chief of Media, Major Cineplex plc.  2021 – Present: Chief Executive officer  2002- 2018: Chief of Content, Kantana Group Plc.
Shareholding (%)	-Nil-		
Management Relationship	-Management-		

Name / Position / Appointed date	Age (years)	Education / Training	Experience
Ms. Suwimol Saelim  /Accounting and Finance Director/  1 September 2016	48	<u>Education</u> - Master of MBA, NIDA - Bachelor of Accounting, University of the Thai Chamber of Commerce	2016 - Present: Accounting and Finance Director, M Pictures Entertainment Plc.
Shareholding (%)	-Nil-		
Management Relationship	-Management-		

**Company Secretary**

<b>Name / Position / Appointed date</b>	<b>Age (year s)</b>	<b>Education / Training</b>	<b>Experience</b>
Ms. Thitapat Issarapornpat  /Acting on behalf of company secretary/  6 November 2012	53	<b><u>Education</u></b> - Chulalongkorn University, Master of Business Administration - Ramkhamhaeng University, Bachelor of Business Administration, Major in Accounting <b><u>Training</u></b> - PDPA: process and practice Class 4/2019 - Strategic CFO in Capital Markets Class 9/2019 - Strategic Financial Leadership Program (SFLP) 2018 - DCP - Director Certification Program Class 148/2011 - CFO Refresher Class 2/2521 - TLCA CFO CPD No 8/2021 “The modern CFO : Driving Digital Transformation of the Finance and Accounting”	2014- Present: Chief Finance Officer, Risk Committee, Compliance Committee and Company Secretary, Major Cineplex Group Plc. 2012- Present: Director and Risk Committee, M Pictures Entertainment Plc. Present: Director, Major Kantana Broadcasting Co.,Ltd Present: Director, EGV Entertainment Plc. Present: Director, ThaiTicketMajor Co., Ltd. Present: Director, Tai Major Co.,Ltd. Present: Director, CJ Major Entertainment Co.,Ltd. Present: Director and Treasurer, Major Care Foundation
Shareholding (%)		-Nil-	
Management Relationship		-Management-	

**Responsibilities of Company Secretary**

The Board of Directors appoints Ms. Thitapat Issarapornpat as the Company Secretary for overseeing the Board of Directors' meetings, shareholders' meeting and other activities of the Board of Directors and also controlling all management of the Company complied with relevant laws and regulations as well as supporting corporate governance.

**Scope of Work and Responsibilities of Company Secretary**

The Company's secretary must perform duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. and honesty as well as to comply with the law, objectives, regulations, board resolutions as well as the resolutions of the shareholders' meeting. The legal duties of the secretary are as follows:

1. Prepare and maintain the following documents

- Register of Directors
- Notice of Board of Directors Meeting Minutes of the Board of Directors Meeting and the Company's Annual Report
- Notice of the shareholders' meeting and minutes of the shareholders' meeting

2. Keeping shareholder reports reported by directors or executives. and send a copy of the report on shareholding under Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date the company receives such report.

3. Perform other actions as announced by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties as assigned by the Board of Directors as follows:

- Organize shareholder meetings Meeting of the Board of Directors and specific committees in accordance with the law Articles of Association Each committee's charter and best practices.
- Notify the resolutions and policies of the Board of Directors and shareholders to the relevant executives for acknowledgment and follow up on the implementation of the resolutions and policies.
- Provide advice and preliminary recommendations to the Board of Directors and the sub-committees on issues related to laws, regulations, company articles of association and good corporate governance practices. Follow up to ensure proper and consistent compliance. including reporting significant changes to the Board of Directors.
- Supervise the disclosure of information and information reporting in the part responsible for the regulatory agency in accordance with the law. Regulations and information disclosure policy of the company.
- communicate with shareholders to be informed of the rights of shareholders and the Company's news.
- Ensuring that the Company's secretary unit is the center of corporate information (Corporate Records), such as documents, corporate registration, memorandum of association, articles of association, shareholder registration.
- Provide advice on the appointment of the newly appointed company director.
- Oversee the activities of the Board of Directors and take other actions as required by law or as assigned by the Board of Directors or as announced by the Capital Market Supervisory Board.

**Information of directors of The Company and Subsidiaries**

Name	MPIC	MP	MVD	M39	MTL
1. Mr. Tirachai Vuttithum	X	-	-	-	-
2. Mr. Vicha Poolvaraluk	//	-	-	-	-
3. Mr. Thanakorn Puriwekin	/	/	/	/	/
4. Mr. Thanachai Santichaikul	/	-	-	-	-
5. Mr. Natchanont Komutputipong	/	-	-	-	-
6. Mr. Vachara Tuntariyanond	/	-	-	-	-
7. Ms. Thitapat Issapornpat	//	-	-	-	-
8. Mr. Apichart Kongchai	/	-	-	-	-
9. Mr. Apirak Varachanonth	/	-	-	-	-
10. Mr. Surachedh Assawaruenganun	//	/	/	/	/

**Remark**

/ = Director

X = Chairman

// = Executive Committee

**Company and Subsidiaries**

MP : M Pictures Co.,Ltd.

M39 : M Thirty Co.,Ltd.

MVD : MVD Co.,Ltd.

MTL : M Talent Co.,Ltd.

**Attachment 2**  
**Directors of Subsidiaries**

<div style="text-align: center;">Company</div> <div style="text-align: center;">Name of directors</div>	Subsidiaries			
	M pictures Co.,Ltd.	M V D Co., Ltd.	M Thirty Nine Co., Ltd.	M Talent Co.,Ltd.
1. Mr. Thanakorn Puriwekin	/	/	/	/
2. Mr. Surachedh Assawaruenganun	/	/	/	/
3. Mr. Vinai Boonsadao	/	/	/	-

**Attachment 3****Details of the Heads of the Internal Audit and Compliance Units****1. Head of the Internal Audit**

<b>Name</b>	<b>Age (years)</b>	<b>Education / Training</b>	<b>Experience</b>
Mr. Nipon Sunthrajarn	46	<u><b>Education</b></u> - Bachelor of Business Management, Chiangmai University  <u><b>Training</b></u> - Risk Control and Investigation on SAP system (ISACA) - IT Essentials for Internal Auditors (IIA) - Corruption Risk and Control Workshop 2020 (IOD) - Risk Management Plan Workshop - Quality Assurance and Improvement Program (QAIP) - Transforming IA for the Digital Age - Anti-Corruption : The Practical Guide (ACPG) (IOD) - Cyber Security for internal audit and accounting - Accounting Report for Executive - Cyber Leadership Forum 2018 - Corporate Fraud Controls, Detection and Investigation 2018 - How To Develop a Risk Management Plan (NSTDA Academy) - IT Application Audit Process in the Digital (IOD)	2014 – Present : Internal Audit Director: M Pictures Plc  2013 – Present : Internal Audit Director: Major Cineplex Group Plc
Shareholding (%)		-Nil-	
Management Relationship		-Not Management-	

**2. Head of Compliance**

Name	Age (years)	Education / Training	Experience
Ms. Thitapat Issarapornpat	53	<p><b><u>Education</u></b></p> <ul style="list-style-type: none"> <li>- Chulalongkorn University, Master of Business Administration</li> <li>- Ramkhamhaeng University, Bachelor of Business Administration, Major in Accounting</li> </ul> <p><b><u>Training</u></b></p> <ul style="list-style-type: none"> <li>- PDPA: process and practice Class 4/2019</li> <li>- Strategic CFO in Capital Markets Class 9/2019</li> <li>- Strategic Financial Leadership Program (SFLP) 2018</li> <li>- DCP - Director Certification Program Class 148/2011</li> <li>- CFO Refresher Class 2/2521</li> <li>- TLCA CFO CPD No 8/2021 “The modern CFO : Driving Digital Transformation of the Finance and Accounting”</li> </ul>	<p>2014- Present: Chief Finance Officer, Risk Committee, Compliance Committee and Company Secretary, Major Cineplex Group Plc.</p> <p>2012- Present: Director and Risk Committee, M Pictures Entertainment Plc.</p> <p>Present: Director, Major Kantana Broadcasting Co.,Ltd</p> <p>Present: Director, EGV Entertainment Plc.</p> <p>Present: Director, ThaiTicketMajor Co., Ltd.</p> <p>Present: Director, Tai Major Co.,Ltd.</p> <p>Present: Director, CJ Major Entertainment Co.,Ltd.</p> <p>Present: Director and Treasurer, Major Care Foundation</p>
Shareholding (%)	-Nil-		
Management Relationship	-Management-		

**Attachment 4****Assets used in business**

The Company and its subsidiaries entered into the rental agreement for operating the business significant details as follows:

**(a) Building**

Company	Area (sq m)	Proprietary right	Remark
<u>M Pictures Entertainment Plc.</u> 1. Deed No. 5174, 16931 Chan Issara Tower 2 ,11 <sup>th</sup> Floor Room No. 2922/202	257.79	Ownership	-

**Office lease agreement**

Company	Location	Proprietary right	Area (sq m)	Period
M Pictures Co., Ltd.	234, 234/1-3 Ratchayothin Avenue, 3rd Floor, Room No. B301-B303, Ratchadapisek, Ladyao, Jatuchak, Bangkok	Major Cineplex Lifestyle Leasehold Property Fund	531.75	1 August 2020 - 31 July 2023
	234, 234/1-3 Ratchayothin Avenue, 3rd Floor, Room No. B304-B306, Ratchadapisek, Ladyao, Jatuchak, Bangkok	Ratchayothin Avenue Co., Ltd.	371.50	1 August 2020 - 31 July 2023

**(b) Films rights agreement**

Since the Group's main business is the distribution of film rights which operates under the name of M Pictures Co.,Ltd. meaning most of the company group assets are film rights from the Company entered into a contract to acquire foreign movie rights and Thai movies from many copyright owners both in the country and abroad which contract period are approximately 2-10 years and its value depend on each contract business terms

and condition with the copyright owner, movie genre, production budget. For the film production business operated by M Pictures Company Limited and M Thirty Nine Company Limited.

The copyrights of Thai films as of 31 December 2021 detail as follows;

<b>Company</b>	<b>Proprietary right</b>	<b>Amount (MB)</b>
M Pictures Co.,Ltd	Entitled from the copyright owner for the period of the contract / the copyright owner	31.81
M Thirty Nine Co., Ltd.	the copyright owner	23.50
Joint Venture Gang Tann Zing and Laan 25 Naa 24	the copyright owner	0.98
Joint Venture Sam Gler Hua Kaeng and Juad Kathoei bung Fai	Entitled from the copyright owner for the period of the contract	9.03
Total		<b>65.32</b>

**Attachment 5**

**Policy and guidelines on corporate governance and  
code of business conduct prepared by the Company**

- Refer to Attachment 5 of 56-1 One report Thai version.

**Attachment 6****Report of the Audit Committee**

Over the past 2021, 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 2021, 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 2021, the Audit Committee proposed 3 auditors to the Board of Directors namely; Ms. Tithinun Vankeo, a certified public accountant no. 9432, Ms. Sakuna Yamsakul, a certified public accountant no. 4906 or Ms. Nuntika Limviriyalers, a certified public accountant no. 7358. For the financial statement of 2022, the authorized auditors for the financial statement depend on the approval of the Annual General Meeting of Shareholders 2022 which will be hold on 7 April 2022.



(Mr.Thanachai Santichaikul)

Chairman of Audit Committee