



- Translation -

No. LMJG/SET/2020/013
May 18th, 2020

Subject: Clarification for the change of Operating Results more than 20%
Attention: The President
The Stock Exchange of Thailand

Impact from the COVID-19 pandemic

Due to the outbreak situation of the COVID-19 virus as well as the government's recent decision to activate the state of emergency by travel restrictions and the closure of venues considered high-risk area, the Company has committed to support and operate in compliance with the government's measures and orders by temporary closure the cinemas, bowling, karaoke and ice-skate in every branches all over Thailand and overseas from 18th March 2020 including the closure of the rental and service business from 22nd March 2020 intended to limit the spread of COVID-19. The health and safety of our staff and customers remains our top priority. The Company constantly evaluate the situation and take proactive action to manage up-to-date under condition that are changing rapidly by aware of the benefits for all stakeholders. The company has a policy to manage costs and resources of the company to maximize efficiency, including managing cash flow sufficient for business operations in the current situation.

Management and operation under the COVID-19 pandemic

As the Company temporary closure the cinemas, bowling, karaoke and ice-skate in every branches all over Thailand and overseas including the closure of the rental and service business according to the COVID-19 outbreak control measures intended to limit the spread of COVID-19. The company measures of working from home to reduce the risk of spreading and the company has proceed a plan to reduce costs and various operating expenses to be eased to impact on revenue and profitability by reducing sales and administrative expenses, such as utilities expenses, outsource service expenses due to reduced workloads including the reduced of general expensed from the branch closure and the work from home measures. In addition, the company also has measures to reduce unnecessary expenses throughout the company as well as negotiating conditions with partners to control costs concisely.

COVID-19 surveillance sanitation policy

Throughout the business temporary closed period regarding of the government regulations, the company prioritize employees and customer hygiene first. Therefore, the services preparation for the cinemas, bowling, karaoke, and ice skate during the past temporary closed period has cleaned the place by sterilize and ozone treatment surround the area including seating equipment, bowling alley, karaoke room, ice skate rink and provided equipment. Implementation of measures during service hours, all service employees must wear masks, face shields and gloves. Also passing through the screening process to check the temperature before perform duties. And set the screening point to detect the temperature for customers in accordance with the COVID-19 surveillance sanitation policy, providing alcohol gel and Install clear plastic screen at the movie ticket sales counters area between staff and customers, clean with antiseptic every 60 minutes on the touch screen (E-Ticket) and line queue barricade Including the popcorn and beverages selling counter every 30 minutes. Provide a system to support online payment in order to reduce physical contact with a minimum distance of 1 meter between each other at the service waiting point, including theater entrance. In the cinema, seats will be arrange to be spaced 2 seats for each row, alternating serrated and perform ozone sterilization for every period before and after the services including bowling alley, karaoke room, ice skate rink and equipment.



The effect from the adoption of Thai Accounting Standard, New financial reporting standards and Changes in accounting policies from 1st January 2020

Thai Accounting Standard and Financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9)

The Company has by applying the modified retrospective approach, but has not restated comparatives for the 2018 reporting period, as permitted in the standards.

Thai Financial Reporting Standard no.16 (TFRS 16), Leases

The Company has adopted that Thai Financial Reporting Standard by applying the new standard retrospectively and have restated comparatives for the prior year presented (full retrospective approach).

Changes in accounting policies: Thai Accounting Standard no.40 (TAS 40), Investment Property

The Company changes the measurement of the investment property from cost model to fair value model retrospectively (full retrospective approach).

Changes in accounting policies: Thai Accounting Standard no.27 (TAS 27), Separate Financial Statements

The Company changes the accounting for the carrying value of investments in subsidiaries, associates and joint ventures in separate financial statements from cost method to equity method applying Thai Accounting Standard no.28 (TAS 28): Investments in Associates and Joint Ventures, 1 January 2020 retrospectively (full retrospective approach).



Details of the changes to the Consolidated financial information are as follows:

Consolidated financial information

Balance Sheet (million baht)	As at 31 December 2019				As at 1 January 2019				
	Previously reported	Adjustments and Reclassifications			Restated	Previously reported	Adjustments and Reclassifications		Restated
		TAS 32 and TFRS 9	TFRS 16	TAS 40			TFRS 16	TAS 40	
Assets									
Current assets									
Current portion of prepaid rents and services	49	-	(39)	-	10	48	(39)	-	10
Non-current assets									
Investment in associates	3,818	-	-	1,769	5,587	3,375	-	1,420	4,795
Property, plant and equipment	6,620	-	(176)	(486)	5,959	7,242	(201)	(546)	6,495
Investment property	-	-	151	362	513	-	188	405	593
Right-of-use assets	-	-	2,758	-	2,758	-	2,986	-	2,986
Goodwill	98	-	-	(23)	75	153	-	(23)	130
Deferred tax asset	90	-	(20)	-	70	77	84	(112)	50
Long-term prepaid rents and services	548	-	(435)	-	113	579	(466)	-	113
Liabilities									
Current liabilities									
Current portion of long-term borrowings	383	-	(0)	-	383	588	(0)	-	588
Current portion of lease liabilities	-	-	228	-	228	-	209	-	209
Non-current liabilities									
Long-term borrowings from financial institutions	1,522	-	(22)	-	1,500	1,906	(23)	-	1,883
Lease liabilities	-	-	2,692	-	2,692	-	2,859	-	2,859
Deferred income tax liabilities	218	-	(132)	224	310	216	(30)	38	224
Other non-current liabilities	561	-	(2)	-	559	561	(2)	-	559
Equity									
Retained earnings unappropriated	1,516	(6)	(515)	1,398	2,393	1,557	(460)	1,106	2,204
Other components of equipment	(395)	-	(5)	-	(400)	381	-	-	381
Non-controlling interests	151	-	(5)	-	146	123	(2)	-	120

Consolidated financial information

Income Statement (million baht)	For the three-month period ended 31 March 2020			
	Previously reported	Impacts from TFRS 16	Impacts from TAS 40	Restated
Cost of services	(1,395)	27	15	(1,352)
Other income	49	1	(19)	32
Administrative expenses	(479)	(8)	(10)	(497)
Finance costs	(26)	(35)	-	(61)
Share of profit (loss) from investment	65	-	33	97
Income tax	(58)	6	(1)	(53)
Profit for the period	212	(8)	17	221
Earnings per share	0.23	-	0.01	0.24



Details of the changes to the Separate financial information are as follows:

Separate financial information

Balance Sheet (million baht)	As at 31 December 2019				As at 1 January 2019				
	Previously reported	Adjustments and Reclassifications			Restated	Previously reported	Adjustments and Reclassifications		Restated
		TAS 32 and TFRS 9	TFRS 16	TAS 40			TFRS 16	TAS 40	
Assets									
Current assets									
Current portion of prepaid rents and services	24	-	(16)	-	7	24	(16)	-	7
Non-current assets									
Investment in subsidiaries	3,535	-	-	(656)	2,879	3,527	-	(305)	3,222
Investment in associates	3,348	-	-	2,198	5,546	3,100	-	1,685	4,785
Property, plant and equipment	4,309	-	(132)	-	4,176	4,560	(148)	-	4,413
Right-of-use assets	-	-	2,178	-	2,178	-	2,335	-	2,335
Deferred tax asset	42	-	(42)	-	a	50	77	(127)	-
Long-term prepaid rents and services	363	-	(269)	-	94	369	(278)	-	91
Liabilities									
Current liabilities									
Current portion of long-term borrowings	383	-	(0)	-	383	588	(0)	-	588
Current portion of lease liabilities	-	-	147	-	147	-	130	-	130
Non-current liabilities									
Long-term borrowings from financial institutions	1,521	-	(21)	-	1,500	1,904	(21)	-	1,883
Lease liabilities	-	-	2,078	-	2,078	-	2,171	-	2,171
Deferred income tax liabilities	-	-	(120)	324	204	-	-	104	104
Other non-current liabilities	269	-	(2)	-	268	260	(2)	-	258
Equity									
Retained earnings unappropriated	1,355	(68)	(365)	1,218	2,141	1,204	(307)	1,150	2,047

Separate financial information

Income Statement (million baht)	For the three-month period ended 31 March 2020			
	Previously reported	Impacts from TFRS 16	Impacts from TAS 40	Restated
Cost of services	(884)	8	-	(877)
Other income	83	1	(48)	36
Administrative expenses	(340)	1	3	(336)
Finance costs	(36)	(26)	-	(62)
Share of profit (loss) from investment	-	-	226	226
Income tax	(20)	7	(9)	(22)
Profit for the period	42	(9)	172	205
Earnings per share	0.05	(0.01)	0.19	0.23



The financial results of the Company and its subsidiaries for the three-month period ended March 31st,2020 which has been unaudited by auditor are as follows:

Table: Financial Summary for the three-month period of 1st quarter of 2020 and 1st quarter of 2019

Income Statement (million baht)	Financial Summary			
	Quater 1/2020	(Restated) Quater 1/2019	Increase (Decrease)	% Change
Service income	1,052	1,886	(834)	(44%)
Sales income	270	514	(244)	(47%)
Total revenues	1,322	2,400	(1,078)	(45%)
Cost of services and sales	(1,049)	(1,567)	(518)	(33%)
Gross profit	272	833	(561)	(67%)
Other income	19	32	(12)	(39%)
Selling and Administrative expenses	(586)	(627)	(41)	(7%)
Net impairment losses on financial assets	(7)	-	7	-
Finance costs	(56)	(61)	(5)	(8%)
Share of profit (loss) from investments	72	97	(25)	(26%)
Profit (loss) before income tax	(285)	273	(559)	(204%)
Income tax	31	(53)	84	159%
Non-controlling interests	(1)	(6)	(6)	(88%)
Profit (loss) for the period	(255)	214	(469)	(219%)

The Company's Net loss for the 1st quarter of year 2020 was Baht 255 million representing a decrease of Baht 469 million or down by 219% over the same period last year. The main reasons include:

Total revenues

The company has total revenues of Baht 1,322 million, comprised of service income was Baht 1,052 million and sales income was Baht 270 million compared with the same period of last year the total revenues had decreased Baht 1,078 million or 45% which were affected by the closure of all cinemas branches and the countermeasures taken by the government to control social gathering activities.

Cost of sales and services

The company has Cost of sales and services were Baht 1,409 million representing a decrease of Baht 518 million or 33% compared with the same period of last year after restated. The significant causes due to the decreased of Film hire cost which is consistent with the revenue decreased from the closure of the cinemas.

Selling and administrative expenses

The Company has selling and administrative expenses was Baht 586 million representing a decrease of Baht 41 million or 7% compared with the same period of last year after restated. The significant causes due to efficiency in the management of expenses.



Other income

The Company has other income was Baht 19 million representing a decrease of Baht 12 million or 39% compared with the same period of last year after restated. The significant causes of the company has no gain from sales of investments in associated company.

Share of profit (loss) from investment

The Company has the share of profit in associated and joint ventures was Baht 72 million representing a decrease of Baht 25 million or 26% compared with the same period of last year after restated. The significant causes due to the impact of the closure of shopping centers and cinemas in accordance with the government measures.

Please be informed accordingly.

- Signed -

Yours sincerely,
(Miss Thitapat Issarapornpat)
Company Secretary