**1 General information**

Matching Maximize Solution Public Company Limited, (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

Head office : located 305/12 Soi Sukhothai 6, Sukhothai Road, Dusit, Bangkok.

Branch : located 23/3 Moo 2 Nong Khang Phlu, Nong Khaem, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Company and its subsidiaries (the Group) is principally engaged in the business of producing television programs and commercial, providing film production equipment for rent and related services, selling of goods, providing services and renting of studio and production service and co-operation of movie film.

The interim consolidated and separate financial information have been approved by the Board of Directors on   
11 May 2020.

The interim consolidated and separate financial information has been reviewed, not audited.

**2 Significant events during the current period**

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has adverse effects on operating results for the three-month period ended 31 March 2020.

From 26 March 2020, the Group must abide the Announcements of the Bangkok Metropolitan and the State of emergency not to shoot the television programs, provide film production equipment for rent and related services, provide services and renting of studio and production service and co-operation of movie film.   
The operation continually stopped in April and May. However, the Group is still able to continue its business operations. The Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the Group operation while strategizing effective solutions.

**3 Basis of preparation**

The interim consolidated and separate financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

An English language version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

**4 Accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019. except for the following:

1. the adoption of the new financial reporting standards together with the application of the relevant relief measures as described in Note 5; and
2. the following application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COIVD-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020.

**Reversal of deferred tax assets**

The Group has chosen to exclude 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.

**Impairment of assets**

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

**5 Adoption of new financial reporting standards and changes in accounting policies**

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2018 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated financial information** | | | |
|  | **As at**  **31 December 2019**  **Previously reported** | **TAS 32 and**  **TFRS 9**  **Reclassifications and adjustments** | **TFRS 16**  **Reclassifications and adjustments** | **As at**  **1 January 2020**  **Restated** |
|  |  |  |  |  |
| **Assets** |  |  |  |  |
|  |  |  |  |  |
| **Current assets** |  |  |  |  |
| Trade and other receivables, net | 103,955 | (1.193) | - | 102,762 |
|  |  |  |  |  |
| **Non-current assets** |  |  |  |  |
| Right-of-use assets | - | - | 19,663 | 19,663 |
| Deferred tax assets, net | 11,764 | 239 | - | 12,003 |
|  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Trade and other payables | 41,093 | - | (749) | 40,344 |
| Current portion of liability |  |  |  |  |
| under finance lease | 3,258 | - | 3,569 | 6,827 |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Liability under finance lease | 1,181 | - | 16,843 | 18,024 |
|  |  |  |  |  |
| **Equity** |  |  |  |  |
| Deficits | (191,991) | (954) | - | (192,945) |

**5 Adoption of new financial reporting standards and changes in accounting policies** (Cont’d)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Separate financial information** | | | |
|  | **As at**  **31 December 2019**  **Previously reported** | **TAS 32 and**  **TFRS 9**  **Reclassifications and adjustments** | **TFRS 16**  **Reclassifications and adjustments** | **As at**  **1 January 2020**  **Restated** |
|  |  |  |  |  |
| **Assets** |  |  |  |  |
|  |  |  |  |  |
| **Current assets** |  |  |  |  |
| Trade and other receivables | 20,516 | 151 | - | 20,667 |
| Short-term loans to |  |  |  |  |
| subsidiaries, net | 545,900 | (87,194) | - | 458,706 |
|  |  |  |  |  |
| **Non-current assets** |  |  |  |  |
| Right-of-use assets | - | - | 11,731 | 11,731 |
| Deferred tax assets, net | 3,860 | (30) | - | 3,830 |
|  |  |  |  |  |
| **Liabilities and equity** |  |  |  |  |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Trade and other payables | 7,127 | - | (749) | 6,378 |
| Current portion of liability |  |  |  |  |
| under finance lease | - | - | 1,035 | 1,035 |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Liability under finance lease | - | - | 11,445 | 11,445 |
|  |  |  |  |  |
| **Equity** |  |  |  |  |
| Deficits | (148,948) | (87,073) | - | (236,021) |

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 4.86% and 5.86%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

**5 Adoption of new financial reporting standards and changes in accounting policies** (Cont’d)

|  |  |  |
| --- | --- | --- |
|  | **Unit: Baht’000** | |
|  | **Consolidated financial information** | **Separate  financial information** |
|  |  |  |
| Operating lease commitments disclosed as at |  |  |
| 31 December 2019 | 19,299 | 13,389 |
| Less: Discounted using the lessee’s incremental borrowing |  |  |
| rate of at the date of initial application | (4,954) | (4,258) |
| Add: Finance lease liabilities recognised as at 31 December 2019 | 4,439 | - |
| Add: Adjustments as a result of a different treatment of extension |  |  |
| and termination options | 6,067 | 3,349 |
|  |  |  |
| **Lease liability recognised as at 1 January 2020** | 24,851 | 12,480 |
|  |  |  |
| Current lease liabilities | 6,827 | 1,035 |
| Non-current lease liabilities | 18,024 | 11,445 |
|  |  |  |
| Total | 24,851 | 12,480 |

The associated right-of-use assets for property leases were measured by the Group on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March**  **2020** | **1 January**  **2020** | **31 March**  **2020** | **1 January**  **2020** |
|  |  |  |  |  |
| Properties | 18,747 | 19,663 | 11,473 | 11,731 |
|  |  |  |  |  |
| **Total right-of-use assets** | 18,747 | 19,663 | 11,473 | 11,731 |

Practical expedients applied

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

* reliance on previous assessments on whether leases are onerous before initial application of TFRS 16
* the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
* the exclusion of initial direct costs for the measurement of the right-of-use asset.
* the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease
* elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17

**5 Adoption of new financial reporting standards and changes in accounting policies** (Cont’d)

**Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases**

**Investments and other financial assets**

**Classification and measurements**

From January 2020, the Group classifies its financial assets as follows:

* those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
* those to be measured at amortised cost

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

**Impairment**

From 1 January 2020, the Group has chosen to apply the temporary measures to relieve the impact from   
COVID-19 announced by TFAC by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. As at 31 March 2020, the expected credit loss was assessed based on historical credit loss together with the management’s judgement in estimating the expected credit loss.

For the reporting periods ending between 1 January 2020 and 31 December 2020, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables together with the management’s judgement in estimating the expected credit loss.

**Leases**

The Group leases various land and office building. Some rental contracts have extension options. Before 2020 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, 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.

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
* payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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 of 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.

**6 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

**7 Segment and revenue information**

Operating segments are reported in a manner consistent with the internal reporting provide to the chief operating decision - maker. The chief operating decision - maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

**7 Segment and revenue information** (Cont’d)

Financial information by business segment are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | | |
|  | **Consolidated financial information** | | | | |
|  |  | **Equipment** | **Studio** |  |  |
|  | **Television** | **rental and** | **rental and** | **Sales of** |  |
|  | **programs** | **service** | **service** | **products** | **Total** |
|  |  |  |  |  |  |
| **For the three-month period ended 31 March 2020** |  |  |  |  |  |
| Revenues |  |  |  |  |  |
| Gross segment revenues | 11,036 | 85,900 | 10,528 | 839 | 108,303 |
| Inter - segment revenues | - | (1,161) | (5,798) | (10) | (6,969) |
|  |  |  |  |  |  |
| Net revenues from third parties | 11,036 | 84,739 | 4,730 | 829 | 101,334 |
|  |  |  |  |  |  |
| Segment result | (2,127) | 8,904 | (12,295) | 448 | (5,070) |
| Other income |  |  |  |  | 3,823 |
| Interest paid |  |  |  |  | (2,366) |
| Unallocated cost/expenses |  |  |  |  | (10,402) |
| Share of profit of investment in joint venture |  |  |  |  | - |
| Income tax |  |  |  |  | (794) |
|  |  |  |  |  |  |
| Loss attributable to owners of the parent |  |  |  |  | (14,809) |
| Gain attributable to non-controlling interests |  |  |  |  | - |
|  |  |  |  |  |  |
| Net loss for the period |  |  |  |  | (14,809) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Timing of revenue recognition** |  |  |  |  |  |
| At a point in time | 11,036 | - | - | 829 | 11,865 |
| Over time | - | 84,739 | 4,730 | - | 89,469 |
|  |  |  |  |  |  |
| Total revenue | 11,036 | 84,739 | 4,730 | 829 | 101,334 |

**7 Segment and revenue information** (Cont’d)

Financial information by business segment are as follows: (Cont’d)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | | | |
|  | **Consolidated financial information** | | | | | |
|  |  | **Equipment** | **Studio** |  |  |  |
|  | **Television** | **rental and** | **rental and** | **Sales of** | **Post** |  |
|  | **programs** | **service** | **service** | **products** | **production** | **Total** |
|  |  |  |  |  |  |  |
| **For the three-month period ended 31 March 2019** |  |  |  |  |  |  |
| Revenues |  |  |  |  |  |  |
| Gross segment revenues | 10,662 | 107,869 | 16,989 | 1,402 | 3,741 | 140,663 |
| Inter - segment revenues | - | (635) | (5,796) | (6) | - | (6,437) |
|  |  |  |  |  |  |  |
| Net revenues from third parties | 10,662 | 107,234 | 11,193 | 1,396 | 3,741 | 134,226 |
|  |  |  |  |  |  |  |
| Segment result | 343 | 25,593 | (8,219) | 822 | (2,372) | 16,167 |
| Other income |  |  |  |  |  | 81 |
| Interest paid |  |  |  |  |  | (1,489) |
| Unallocated cost/expenses |  |  |  |  |  | (10,310) |
| Share of loss of investment in joint venture |  |  |  |  |  | (135) |
| Income tax |  |  |  |  |  | (2,422) |
|  |  |  |  |  |  |  |
| Gain attributable to owners of the parent |  |  |  |  |  | 1,892 |
| Loss attributable to non-controlling interests |  |  |  |  |  | (87) |
|  |  |  |  |  |  |  |
| Net income for the period |  |  |  |  |  | 1,805 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Timing of revenue recognition** |  |  |  |  |  |  |
| At a point in time | 10,662 | - | - | 1,396 | 3,741 | 15,799 |
| Over time | - | 107,234 | 11,193 | - | - | 118,427 |
|  |  |  |  |  |  |  |
| Total revenue | 10,662 | 107,234 | 11,193 | 1,396 | 3,741 | 134,226 |

**8 Trade and other receivables, net**

As at 31 March 2020 and 31 December 2019, trade receivables and accrued income, included in trade and other receivables in statements of financial position, can analyse aging as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Trade accounts receivable and  accrued income |  |  |  |  |
| Current | 68,513 | 66,056 | 9,405 | 10,369 |
| Overdue less than 3 months | 23,277 | 20,119 | 1,982 | 3,914 |
| Overdue 3 to 6 months | 10,015 | 6,600 | 43 | - |
| Overdue 6 to 12 months | 7,848 | 5,529 | - | - |
| Overdue over 12 months | 25,859 | 28,592 | 2,366 | 2,366 |
|  |  |  |  |  |
|  | 135,512 | 126,896 | 13,796 | 16,649 |
| Less Allowance for doubtful debts | (32,356) | (31,869) | (2,430) | (2,583) |
|  |  |  |  |  |
| Trade accounts receivable and accrued  income, net | 103,156 | 95,027 | 11,366 | 14,066 |

**9 Investment in subsidiaries, net**

**9.1 Investments in subsidiaries detail**

As at 31 March 2020 and 31 December 2019, investments in subsidiaries are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Paid-up** | |  | |
|  |  |  | **Share capital (Baht’000)** | | **% Ownership interest** | |
|  |  |  | **31 March** | **31 December** | **31 March** | **31 December** |
| **Subsidiaries company** | **Type of business** | **Relationship** | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |  |  |
| Gear Head Co., Ltd. | Provide film production equipment | Direct shareholder | 175,500 | 175,500 | 99.99 | 99.99 |
|  | for rent and related services |  |  |  |  |  |
| The Studio Park (Thailand) Co., Ltd. | Provide services and renting of studio | Direct shareholder | 780,000 | 780,000 | 99.99 | 99.99 |
| Book Maker Co., Ltd. | Production and distribution of magazines | Direct shareholder | 5,000 | 5,000 | 99.99 | 99.99 |
| Time Lapse Co., Ltd. | Post production and edition of visual and | Direct shareholder | - | 40,000 | - | 96.75 |
|  | audio effect of film services |  |  |  |  |  |
| TSP Production Services Co., Ltd. | Production service and co-operation | Direct shareholder | 2,000 | 2,000 | 99.99 | 99.99 |
|  | of movie film |  |  |  |  |  |

All subsidiaries are incorporated in Thailand. All holdings are investments in ordinary shares.

**9 Investments in subsidiaries, net** (Cont’d)

**9.1 Investments in subsidiaries detail** (Cont’d)

|  |  |  |
| --- | --- | --- |
|  | **Unit: Baht’000** | |
|  | **Separate financial statements** | |
|  | **31 March** | **31 December** |
|  | **2020** | **2019** |
|  |  |  |
| Investments in subsidiaries | 962,500 | 1,000,200 |
| Less Allowance for impairment | (5,000) | (32,848) |
|  |  |  |
| Investments in subsidiaries, net | 957,500 | 968,352 |

**9.2 Movement of investments in subsidiaries**

Movements of investments in subsidiaries are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit: Baht’000** | |
|  | **Separate**  **financial statements** | |
|  | **31 March** | **31 December** |
|  | **2020** | **2019** |
|  |  |  |
| Opening net book amount | 968,352 | 974,825 |
| Additional investment | - | 1,000 |
| Disposal | (32,895) | - |
| Decrease in capital of subsidiaries | (5,805) | - |
| Impairment on investment | - | (7,473) |
| Reversal of impairment on investment | 27,848 | - |
|  |  |  |
| Closing net book amount | 957,500 | 968,352 |

**2020**

On 27 January 2020, the Company received a refund capital from Time lapse Co., Ltd. for capital reduction of 60,000 shares at Baht 100 par value, totalling Baht 6 million. The Company received refund capital for Baht 5.81 million in proportion of ownership interest.

On 27 February 2020, the Company disposed the investment in Time Lapse Co., Ltd. to third parties and director for 328,950 shares, totalling Baht 6.62 million. On 29 December 2019, the Company received deposit for Baht 2 million. The Company recognised loss from disposal of Baht 26.28 million. The related allowance for impairment of Baht 27.85 million has been reversed. This resulted in reversal of   
non-controlling interest in consolidated financial statements.

**10 Investments in joint venture, net**

**10.1 Investment in joint venture detail**

As at 31 March 2020 and 31 December 2019, investment in joint venture is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **% Ownership interest** | |
|  | **Nature of** | **Nature of** | **31 March** | **31 December** |
| **Joint venture** | **Business** | **relationship** | **2020** | **2019** |
|  |  |  |  |  |
| Transformation Film Co., Ltd. | Production of film,  advertisement, television  programmes, and  providing entertainment  service in all forms | Direct  shareholder | 10.20 | 10.20 |

Joint venture is incorporated in Thailand. All holdings are investments in ordinary shares.

**10.2 Movement of investment in joint venture**

Movements of investment in joint venture are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | | **Unit: Baht’000** | |
|  | | **Consolidated**  **financial statements** | |
|  | **31 March** | **31 December** |
|  | **2020** | **2019** |
|  |  |  |
| Opening net book amount | - | 1,885 |
| Impairment on investment |  | (1,059) |
| Share of loss of investment in joint venture | - | (826) |
|  |  |  |
| Closing net book amount | - | - |

Investment in joint venture is accounted at cost method in the separate financial information.

**11 Investment property, net**

Investment property under Gear Head Co., Ltd. are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Unit: Baht’000** | |
|  | **Consolidated**  **financial information** | |
|  | **31 March** | **31 December** |
|  | **2020** | **2019** |
|  |  |  |
| Land and building - Kanchanaburi Province | 1,960 | 1,960 |
| Less Provision for impairment | (1,960) | (1,960) |
|  |  |  |
| Net book amount | - | - |

**12 Property, plant and equipment and intangible assets, net**

Movements of property, plant and equipment and intangible assets for three-month period ended 31 March 2020 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Property, plant** | **Intangible** | **Building** | **Intangible** |
|  | **and equipment** | **assets** | **and equipment** | **assets** |
|  |  |  |  |  |
| Opening net book amount | 1,249,973 | 3,082 | 28,573 | 212 |
| Additions | 5,820 | - | 48 | - |
| Disposals and write-off, net | (1,785) | - | - | - |
| Depreciation and amortisation | (10,115) | (200) | (1,234) | (21) |
| Reversal of provision for impairment | 1,780 | - | - | - |
|  |  |  |  |  |
| Closing net book amount | 1,245,673 | 2,882 | 27,387 | 191 |

**13 Assets for rent, net**

Movements of assets for rent for three-month period ended 31 March 2020 are as follows:

|  |  |
| --- | --- |
|  | **Unit: Baht’000** |
|  | **Consolidated**  **financial information** |
|  |  |
| Opening net book amount | 270,911 |
| Additions | 10,902 |
| Disposals and write-off, net | (7,931) |
| Depreciation charge | (14,484) |
|  |  |
| Closing net book amount | 259,398 |

Assets for rent represent equipment of Gear Head Co., Ltd. which are for rental for single usage. There was no long-term rental contract committed.

**14 Long-term borrowing from bank, net**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | **Unit: Baht’000** | |
|  |  | | **Consolidated**  **financial information** | |
|  |  |  | **31 March** | **31 December** |
|  |  |  | **2020** | **2019** |
|  |  |  |  |  |
| Current portion of long-term borrowings |  |  | 24,264 | 14,556 |
| Long-term borrowings payable over 1 year but less than 5 years | | | 134,170 | 98,051 |
|  |  |  |  |  |
|  |  |  | 158,434 | 112,607 |

**14 Long-term borrowing from bank, net** (Cont’d)

Movements of borrowing from bank for the three-month period ended 31 March 2020 as follows:

|  |  |
| --- | --- |
|  | **Unit: Baht’000** |
|  | **Consolidated**  **financial information** |
|  |  |
| Beginning balance | 112,607 |
| Additions | 50,000 |
| Repayment of borrowings | (4,173) |
|  |  |
| Ending balance | 158,434 |

Borrowing from bank is denominated in Thai Baht, bearing interest at Minimum Loan Rate minus a stipulated margin (MLR-margin) per annum to Minimum Loan Rate (“MLR”) per annum. These loans are secured by the Company and land of The Studio Park (Thailand) Co., Ltd. (Note 15.4).

**15 Commitments and contingencies**

**15.1 Letter of guarantee**

As at 31 March 2020, there are letters of guarantee issued by a commercial bank in respect of television   
air time contracts, performance, and electricity usage, on behalf of the Group totalling Baht 3.59 million   
(31 December 2019: Baht 2.91 million).

15.2 Capital commitments

As at 31 March 2020 and 31 December 2019, capital expenditure contracted but not recognised as liabilities is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Unit : Bath’000** | | | | |
|  | **Consolidated**  **financial statements** | | **Separate**  **financial statements** | | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Property, plant and equipment | 296 | 3,518 | - | - |

**15.3 Operating leases - where the Group is the lessee**

The Group leases land and building under non-cancellable operating lease agreement.

As at 31 March 2020 and 31 December 2019, commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Not later than 1 year | - | 4,649 | - | 1,615 |
| Later than 1 year but not later |  |  |  |  |
| than 5 years | - | 5,830 | - | 2,954 |
| Later than 5 years | - | 8,820 | - | 8,820 |
|  |  |  |  |  |
|  | - | 19,299 | - | 13,389 |

**15 Commitments and contingencies**

**15.4 Guarantee**

a) As at 31 March 2020, the Company has provided guarantees for long-term bank borrowing in Gear Head Co., Ltd. for a total of Baht 50 million (31 December 2019: Baht 90 million) (Note 14).

b) As at 31 March 2020, The Studio Park (Thailand) Co., Ltd. pledged its land as a security for   
long-term bank borrowing of Baht 537 million (31 December 2019: Baht 537 million) (Note 14).

**16 Related party transactions**

The Company is controlled by The BBTV Productions Co., Ltd. incorporated in Thailand, which owns 74.50% of the Company’s shares. The remaining 25.50% of the shares are widely held.

The following material transactions were carried out with related parties:

**16.1 Transactions with related parties**

Transactions with related parties for the three-month period ended 31 March 2020 and 31 March 2019 are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **31 March** | **31 March** | **31 March** | **31 March** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| **Revenues from rental and service** |  |  |  |  |
| Related company | - | 406 | - | - |
|  |  |  |  |  |
| **Revenues from sale** |  |  |  |  |
| Related company | 327 | - | - | - |
|  |  |  |  |  |
| **Revenue from management fee** |  |  |  |  |
| Subsidiaries | - | - | 7,272 | 7,647 |
|  |  |  |  |  |
| **Interest income** |  |  |  |  |
| Subsidiaries | - | - | 8,060 | 7,471 |
|  |  |  |  |  |
| **Cost of services** |  |  |  |  |
| Subsidiary | - | - | 1,158 | 641 |
| Related companies | 3,570 | 2,826 | 3,570 | 2,763 |
|  |  |  |  |  |
|  | 3,570 | 2,826 | 4,728 | 3,404 |
|  |  |  |  |  |
| **Operating expenses** |  |  |  |  |
| Related companies | 859 | 1,254 | 474 | 356 |
|  |  |  |  |  |
| **Building rental** |  |  |  |  |
| Director | - | 174 | - | - |
|  |  |  |  |  |
| **Interest expenses** |  |  |  |  |
| Subsidiary | - | - | - | 105 |

**16 Related party transactions** (Cont’d)

The following material transactions were carried out with related parties: (Cont’d)

**16.2 Outstanding balances arising from sales and purchases of goods and services**

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit: Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **31 March** | **31 December** | **31 March** | **31 December** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| **Trade accounts receivable** |  |  |  |  |
| Related company | - | 63 | - | - |
|  |  |  |  |  |
| **Accrued income** |  |  |  |  |
| Subsidiaries | - | - | 4,402 | - |
|  |  |  |  |  |
| **Other receivables** |  |  |  |  |
| Subsidiaries | - | - | - | 4,314 |
|  |  |  |  |  |
| **Trade accounts payable** |  |  |  |  |
| Subsidiary | - | - | 802 | 714 |
| Related companies | 10 | 33 | 10 | 10 |
|  |  |  |  |  |
|  | 10 | 33 | 812 | 724 |
|  |  |  |  |  |
| **Accrued expense** |  |  |  |  |
| Related companies | 318 | 356 | 112 | 111 |

**16.3 Short-term loans to subsidiaries**

Movements of short-term loans to subsidiaries for the three-month period ended 31 March 2020 are as follows:

|  |  |
| --- | --- |
|  | **Unit: Baht’000** |
|  | **Separate**  **financial information** |
|  | **31 March** |
|  | **2020** |
|  |  |
| Beginning balance - previously reported | 545,900 |
| Effect from changes in accounting policy (Note 5) | (87,194) |
|  |  |
| Beginning balance - restated | 458,706 |
| Loans granted during the period | 11,500 |
| Allowance for doubtful | (11,500) |
| Repayments received during the period | (30,500) |
|  |  |
| Ending balance | 428,206 |

Loans to subsidiaries represent promissory notes, carry interest at the rates of 6.00% per annum and are due at call. Loans are unsecured.

**16 Related party transactions** (Cont’d)

The following material transactions were carried out with related parties: (Cont’d)

**16.4 Directors and executive remuneration**

Key management includes directors. The compensation paid or payable to key management are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unit : Baht’000** | | | |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period ended** | **31 March** | **31 March** | **31 March** | **31 March** |
|  | **2020** | **2019** | **2020** | **2019** |
|  |  |  |  |  |
| Salaries and other short-term |  |  |  |  |
| employee benefits | 5,066 | 8,589 | 4,752 | 3,719 |
| Post-employee benefits | 129 | 278 | 129 | 108 |
|  |  |  |  |  |
|  | 5,195 | 8,867 | 4,881 | 3,827 |