CASE STUDY

Nov-Dec 2023

Total marks: 100 **Time allowed:** 4:30 hours

Instructions:

1. Check that your question paper contains all the exhibits as mentioned in page 3. The consecutive page numbering may be found under the base line at the foot of each page.

2. Use the answer script provided by the Institute. Write your name, roll no., registration no. and name of the subject on the upper portion of the cover page of the answer script.

3. Candidates are asked not to write any particulars of identification in any other place of the answer script and additional pages if taken.

4. Questions must be answered in English.

5. The answer should be referenced to the relevant workings.

6. Answer script and additional page(s) taken to write answer, used or unused, must not be removed or taken away from the Examination Hall.

Requirements & Marks Allocation:

You are Imtiaz Hussain and recently joined as manager at Amir & Hamza (AHC), a Chartered Accountancy firm registered under Institute of Chartered Accountants of Bangladesh (ICAB) and Financial Reporting Council (FRC). You report to Mr. Malik Hamza FCA, Partner of AHC. You have been assigned in an advisory engagement with Neon Multiplex Limited (Neon). Your reporting partner Mr. Hamza has forwarded an email (**Exhibit-1**) to you which he received from Mr. Adil Abdullah, Managing Director of Neon Multiplex Limited, requesting advisory service on several matters. Mr. Hamza has asked you to prepare a draft report covering all the requirements stated in the e-mail sent by Mr. Abdullah. In addition, Mr. Hamza has forwarded emails containing business reports and news (**Exhibit 7** and **Exhibi-8**) which he believes may be relevant for preparing the report.

Requirements:

You are required to prepare a draft report for Mr. Malik Hamza FCA which should comprise the following elements:

- ❖ An executive summary
- ❖ Your responses to the detailed requirements (a), (b) and (c) set out in Exhibit-1**.**
- ❖ State clearly any assumptions that you make.

Marks Allocation:

All of the marks in the Case Study are awarded for the demonstration of professional skills, allocated broadly as follows:

Requirements	**Professional Skills**					**Total**
	Assimilating and using information	Structuring Problems and solutions	Applying Judgment	Conclusions and making recommendations	Integrative & multidisciplinary skills	
Executive Summary	3	4	3	3	2	**15**
Requirement (a) (i)	3	4	4	3	2	**16**
(ii)	3	3	2	2	0	**10**
Requirement (b) (i)	2	2	2	2	2	**10**
(ii)	3	4	4	2	2	**15**
(iii)	3	4	3	2	2	**14**
Requirement (c) (i)	2	2	2	2	2	**10**
(ii)	2	2	2	2	2	**10**
Total	**21**	**25**	**22**	**18**	**14**	**100**

In planning your report, you should be aware that not attempting one of the requirements, including an executive summary, will have a significantly detrimental effect on your chances of success. In addition, as indicated above, all skills areas will be assessed under each element of your report.

You should be clear that marks are awarded for demonstrating your professional skills, not for reproducing facts from the case. To be successful, you will need to:

- Demonstrate your knowledge of the case material and make use of your analysis.
- Carryout relevant analysis of the problems and structure your proposed solutions.
- Apply your judgment based on the analysis that you have carried out
- Draw conclusions from your analysis and judgment in developing practical commercial recommendations.
- Ethical issues may cover the following topic-
  - Lack of professional independence or objectivity
  - Conflict of interest among stakeholders
  - Doubtful accounting or commercial practice or market competition or Market proximity
  - Inappropriate pressure to achieve a reported result.
  - Compliance of local laws and regulations
- Integrative & multidisciplinary skills may cover the following areas-
  - Depletion and wastage of natural resources and its impact on environment and climate change.
  - Impact on pollution, on the public health and productivity and on the national health budget.
  - Social impacts, e.g., social unrest for allowing use of alcohol, bar, etc.
  - Economic impacts, e.g., on employment generation and improvement in connectivity using ICT.

LIST OF EXHIBITS

List of persons in the Case and their Roles

SL.	Names	Roles
1	Imtiaz Hussain (You)	Manager at AHC
2	Malik Hamza FCA	Partner at AHC
3	A B M Harun-or-Rashid	Chairman of the Board, Neon Multiplex Limited
4	Adil Abdullah	Managing Director
5	Habibur Rahman	Director of Administration & HR
6	Mamun-or-Rashid	Director of Operations
7	Abidur Rahman FCA	Director of Finance & Accounts
8	Tanvir Chowdhury	Shareholder of Neon Multiplex
9	Lutfur Rahman	Shareholder of Neon Multiplex
10	Motaher Ali	Independent & Non-Executive Director

EXHIBIT – 1

E-MAIL

From	: Mr. Adil Abdullah, Managing Director, Neon Multiplex Limited
To	: Mr. Malik Hamza FCA, Partner, AHC
Subject	: Commencement of consulting work and submission of report to the Neon Board.
Date	: 05 November 2023

Dear Mr. Hamza,

Congratulations once again on winning the consulting engagement with Neon Multiplex Limited (Neon). We now want you to commence the consulting works. As communicated earlier, your scope of works will include among others:

- Assessing and analyzing business operations for formulating business strategies.
- Evaluating strategic options and viability of financing for investment opportunities considering past performances & prospects of the company and related business issues.
- Assisting us in raising funds through initial public offering (IPO) of shares, issuance of Bond and perform necessary evaluation of investment options, Risk Management, Governance, Due Diligence, Restructuring, etc.
- Reviewing and advising on various Accounting, Tax, financial and internal control related issues of the company.
- Supporting on various regulatory and secretarial matters as and when solicited.

Board of Neon Multiplex Limited (Neon) has been reviewing the financial and business positions of Neon. They have been discussing several strategic options available at hand. We have a board meeting coming up and we need your analysis and advice on our financial positions and strategic alternatives that will be helpful to the board. In connection to this, I am sharing a brief background of Neon and about its operations & plans **(Exhibit 2)**. I am also sharing the extracts of financial statements for the year ended 30 June 2023 (**Exhibit 3).** I have recently read an article on Movie Theatre Industry of Bangladesh (**Exhibit 4**). You will receive emails from our Finance Director (**Exhibit 5**) and Operations Director (**Exhibit 6**) regarding accounting issues and investment options. In addition, we expect you to consider information provided in **Exhibits 7 & 8** for your analysis and to draw your conclusion and recommendations for the requirements stated below.

We expect a ***draft report*** along with your workings (where applicable) addressing to the board. Your report should include an ***Executive Summary*** and cover:

(a) (i) Evaluation of financial and non-financial performances of Neon and its current financial position after making the required adjustments for reporting and compliance issues stated in **Exhibit-5**.

(ii) Perform a SWOT analysis on Neon multiples' business and operations.

(b) (i) Assess whether the investment options are compatible with the strategies, vision and missions of Neon.

(ii) Based on your forgoing analysis and assessment, recommend to the Board with justification(s), the best investment option to be executed.

(iii) Determine the disposable value of the outer restaurant business for the consideration of the board. Comment on the suitability of financing the recommended investment option by selling the outer restaurant business vis-à-vis financing through bank loan.

(c) (i) Comment on the ethical issues of Neon's business and operations; and

(ii) Assess Sustainability of Neon's operations considering Human, Social, Economic and Environmental factors.

I look forward to receiving your draft report on or before 13 November 2023.

Yours sincerely,
Adil Abdullah
Managing Director, Neon Multiplex Limited

EXHIBIT – 2

A brief note on Neon Multiplex Limited and its business operations.

About Neon Multiplex Limited

Neon Multiplex Limited (Neon) was established in the year 1998 as a single screen movie theatre in Dhaka. The theatre was established by a local businessman named Mr. Anisur Rahman. Mr. Rahman realized that there was no movie theatre in the nearby area and local residents need to travel to a different part of the city to watch movies. He rented a two-story building and converted into a movie theatre. He soon started to run different Bangladeshi and Indian movies.

The theatre became very popular among local residents and great source of entertainment for the locality. It used to run 3 shows a day: Afternoon Show at 3 PM, Evening Show at 7 PM and Late-night Show at 11 PM. It passed its golden days till 2004 after when its business started to go downhill and incur losses. Movies that were releasing during the time were not up to the mark and were not able to attract viewers to the movie theatres. In order to attract viewers to the show, Neon lowered the ticket prices. Furthermore, to reduce cost, it decreased it shows times. But it was not successful to bootup the business.

In 2006 Mr. Anisur Rahman sold the movie theatre to Mr. A B M Harun-or-Rashid, another local businessman, who was looking for diversification of the business. Mr. Rashid conducted market research and identified several reasons for Neon's downhill under previous management. One of the key reasons that he identified that the projection screen of the theatre was outdated, and viewer preference has changed. Furthermore, the location and building were no longer ideal for the theatre. Based on these research findings, Mr. Rashid planned to relocate the theatre with equip with latest projection screen. He also planned to make the theatre into multiplex (*a movie theatre with multiple screens within a single complex*) and renovate the seating arrangements. The plan also included introducing food carts within and outside the movie theatre. However, these triggered large financing requirements. It was difficult to finance the restructuring the business as sole-proprietorship business. Therefore, he converted the business as private company and formed Neon Multiplex Limited in January 2007.

Forming the private limited company helped Mr. Rashid to raise necessary finance to renovate and modernise Neon Movie Theatre. According to the plan, Neon was relocated to newly built shopping mall. An entire floor space covering 10,000 square feet was leased from the shopping mall authority. Entire space was divided into two 90:10 ratio. 90% of the spaces was allocated for show area which included Two big and one medium screening room. Viewing area also included two snacks bar for the viewers to grab snacks and beverages during movie break. 10% space has been allocated for ticketing area and outside food court. Viewers can enjoy foods while they wait for purchasing ticket or entering into viewing area. Outer food court is also accessible to the shopping mall visitors.

This business model was extremely successful. Movie theatres were able to generate revenue not only from movie tickets but also from sale of foods and beverage. Furthermore, inner food court (inside show area) could charge premium pricing as no outside food is allowed within show area and it is the only available option for the viewer to buy food when they are in show area.

Since relaunching the business in 2007, Neon have experienced significant growth over the year. At present Neon has three branches in 3 different large shopping malls which together screens 250 shows per week on average. Each of these branches are multiplex and showing mostly Bollywood (Indian), Hollywood (American) and Dhallywood (Bangladesh) movies. In addition, Neon also screen British, French, Spanish and other popular international movies.

Mission & Vision

Neon states its mission statement as "*Creating memorable cinematic experiences that entertain, inspire, and unite family, friends and the community*." It wants to achieve its vision of "*Setting the standard for immersive, innovative, and inclusive cinema experiences and becoming the premier destination for film enthusiasts*." By carrying out its mission.

Board of Directors and Key Management Personnel

Board members of Neon Multiplex Limited comes from diverse background. Most of the directors are shareholding directors and participates in daily business operation. Board also includes one non-executive independent director who is a prominent cultural personality. In addition to the board members, Neon has following key management personnel:

Persons	Ownership %	Position at the board
A B M Harun-or-Rashid	50%	Chairman of the board
Adil Abdullah	-	Managing Director
Habibur Rahman	12%	Director of Administration & HR
Mamun-or-Rashid	12%	Director of Operations
Abidur Rahman FCA	12%	Director of Finance & Accounts
Tanvir Chowdhury	7%	Shareholder
Lutfur Rahman	7%	Shareholder
Motaher Ali	0%	Independent & Non-Executive Director

Business Model

Neon divides its business into two segments. First segment is the show business, and second part is restaurant business. Show business constitutes of selling movie tickets to the viewers and running advertisement before screening movie and during the screening intermissions. Major cost of this segment is the commission fees and distributor fee paid to the distributors and movie producers. Restaurant business earns revenue from inner and outer restaurants located in the multiplexes. Major costs of restaurants are raw materials for the food court.

Show Business:

Neon's primary source of revenue is earned through selling tickets. In each of its multiplex locations (i.e., branches), it has two large and one medium hall rooms where movies are shown. Large rooms have seating capacity of 250 persons and medium rooms have seating capacity of 200 persons. Almost 70% of the seats are premium seats and rest 30% seats are regular seats. Neon sells premium seats at BDT 600 and regular sears at BDT 500. Tickets can be purchased online or at the multiplex locations two days prior to the screening date.

In general Neon runs 2 morning shows, 2 afternoon shows and 1 late night shows in each of the halls per day. During the working days, mornings show experiences 40% occupancy and 70% occupancy in afternoon and late-night shows. However, this the holidays, occupancy reaches to 60% in the morning shows and 90% in the afternoon and late-night shows. Neon runs 120 shows on an average in its multiplexes. However, number of shows and occupancy rate increases during public holidays and when superhit films are released.

Neon shows Classic and new Bangla movies, latest Bollywood, and Hollywood movies. It also shows British, French, Spanish and other popular international movies. Movies from all genres including animated movies are shown in Neon's multiplexes. Neon has general practice of showing movies at least one Bangladeshi movie and one English movie per day. Combination are changes based on demand and popularity of movies being screened.

When movies are shown in the screen, Neon runs several advertisements before starting the movie and at the time of transmission of the movie. As viewers concentrates toward the big screen throughout the time, they are in the hall room, they are very much receptive to any information shown during that time. Research shows that advertisements or information presented in the movie Theatre trends to be more effective than any other advertisement media. Neon takes this opportunity to run advertisements and creating a revenue stream. On an average Neon shows ads 5 minutes before screening the movie and 5 minutes during intermission. Charge for ads varies based on duration (i.e., 10 Seconds/15 seconds/ 20 Seconds/ 30 seconds), show time (morning or afternoon) and day of the week (weekdays vs. holidays).

Movies that Neon shows in its multiplexes are normally sourced from distributors. Neon only source movies from produces in special circumstances when superhit movies which are directly managed by the producers. Generally, the producers sell the theatrical rights of the movie to the distributors and distributors sells rights to the movie theatres for a fixed amount. Movie theatres recovers the cost from selling tickets. If theatres sell tickets more than the cost, it makes a profit. Entire profit belongs to the movie theatre. Another practice is selling theatre rights to movie theatres in exchange of certain percentage of movie tickets. There could be a fixed amount per ticket up to certain threshold of ticket and a fixed percentage of ticket price when number of tickets exceeds the threshold limit. Neon prefers commission basis and shares 40% of ticket revenues with distributors and producers. Neon directly negotiates with producers only in case of superhit Bangla movies. In all other cases, it sources movies from distributors.

Restaurant Business:

All Neon multiplexes have one inner restaurant and outer restaurant. Inner restaurants serve popcorns, chicken wings, Chicken pops, potato wages, water bottle and one or two soft drink options. This restaurant only serves to the viewers when they enter into the viewing area. Inner restaurants only serve these limited items to avoid customers' food selection time during movie intermission and to serve the customer with increased efficiency. This also helps viewers to order quickly and receive the food within in very short time. Inner restaurants charges premium pricing on the products. However, it earns major part of the inner restaurant profit from sale of soft drinks.

Outer restaurants are located outside the viewing area and targets most the viewers waiting for purchasing tickets or waiting to enter the viewing area. It also serves to the customers of the shopping malls. All sort of fast-food items including Burger, Pizza, Fried Chicken, and other American, Mexican and Indian foods are sold in the outer restaurants. It serves juice and other local drinks in addition to multiple option for soft drinks.

Neon sources the raw food material from a third party and prepares the food at the restaurants through its own employees. To maintain same taste, and quality of the products, it has developed a standard recipe that is followed in every restaurant. It also provides uniform and training to its employees to ensure same level of service quality in every location.

Neon's operating departments:

Neon has three key departments which are Administrations & HR, Finance & Accounts and Operations. Each of these departments are directly monitored and managed by a director.

Administration & HR Department

Administration section primarily deals with property management and legal compliance. It looks for suitable locations for branch expansion, negotiates with management for long term lease. It also regularly updates the lease contracts. Another important function of the administration section is to monitor restaurant business, ensuring constant supply of raw materials, maintenance of health & hygiene code. It negotiates with suppliers for timely delivery of high quality raw and frozen foods. Administration section ensures necessary laws and regulations are complied with including company act, income tax and VAT act. It is responsible for acquiring and maintaining assets. Any kind of purchases need to be approved by this section. To perform these duties, administration section regularly coordinates with other departments and section.

Human resource section within admin department is responsible for ensuring the business has sufficient resources and they are adequately paid. It hires personnel for show business, restaurants and to staff all the departments. It also ensures everyone follows their job description and complies with HR policy. HR section has developed specialized trainings to the employees directly engaged with providing service or interact with the customers. Furthermore, it ensures all necessary labor related laws are complied with and the business maintain a healthy work environment. HR section aims to create equal employment opportunity in every recruitment and encourages demographic diversity. At present Neon has more than 150 employees out of which 30% are female.

Operations Department

Operation department is primarily responsible for show business. It identifies and selects the movies to be shown. It also makes the screening schedules and allocates hall rooms. Operation department maintains regular communications and negotiates with movie distributors and producers. Operations department also ensures that Neon uses latest technology in its multiplexes. It always looks for the high-quality sound system and digital projectors that can offer excellent 2D and 3D viewing experience to the viewers. At present Neon is using Christie CP4450-RGB pure laser cinema projector which are capable of displaying HFR titles in 4K at 120 frames per second and delivering artifact-free images in 2D and 3D. It has also installed Dolby Atmos sound system in all of its theatres.

Operations department identifies the equipment and facilities needed within the screening rooms that can ensure premium and the best movie experiences to the viewers. It also ensures the theatres are neat and clean. Each multiplex has at least 15 employees working directly under operations department who are responsible for cleaning the halls after the show ends. They also distribute 3D glasses before a 3D show and collects them back after the show. These employees also help viewers to find their seat and any challenges they face while watching movies.

Finance & Accounts Department

Finance and Accounts department ensures proper accounting of transactions, maintain finances, determine the source and use of funds, develops investment and finance strategy based on strategy formulated by administration and operations department as well as considering boards long term vision. Accounts department monitors ticket revenue on weekly basis and determines commission payable to the movie distributors and producers. It also ensures timely payment to the creditors and tax authorities. It prepares its financial statements annual basis and get it audited.

Future plans

Neon always aims to provide the best movie experience to its viewers. In order to do so, it plans to regularly renovate its theatres. It also plans to increase its location within and other major cities of Bangladesh. It is planning to create a movie club among movie enthusiast and regularly hold movie weeks with various themes. It also plans to co-produce movies to increase its revenue stream.

Financing strategy

Current practice within Neon is to finances its business and assets from retained earnings and bank loans. In case of new multiplex locations, it takes long-term from the bank. However, Neon is open to any financing options if it has suitable and better terms than bank loan.

Financial reporting

Neon's financial year ends on 30 June. It prepares its financial statement in accordance with International Financial Reporting Standards (IFRSs). Its financial year has recently ended, and accounting department has prepared its draft financial statements for the year ended 30 June 2023 (**EXHIBIT – 3**). The draft is ready to be shared with auditors but currently being reviewed by Finance & Accounts Director.

Neon has appointed Jamilur Reza & Co. Chartered Accountants (JRC) as auditor of the financial statements for the year ended 30 June 2023. JRC has audited Neon's financial statements for last 7 years and maintained a good relationship with Neon. It helped Neon on various accounting and compliance requirements. Some of JRC alumni works at Neon's finance & accounts department who have shown excellent performance. All these made the Board is very satisfied with JRC. As a result, board sometime invites its partner Mr. Jamilur Reza to attend the board meeting to share his comments on investments and business matters.

Health & Safety policy

Neon has developed health & safety policy which all employees are encouraged to follow strictly. As part of the policy, it has installed security check post while entering the viewing area. Security personnel are equipped with latest search equipment to ensure contactless security check. It also ensures proper sanitization in its multiplexes. All theatres and 3D glasses are thoroughly sanitized before each and every show. Rest rooms within the viewing area are cleaned and sanitized twice a day. Neon ensures best quality foods are served in its restaurants. It requires its suppliers clear mention the expiry dates and restaurant managers regularly check for product expiry dates to ensure expired products are not used in cooking. To ensure viewers and employee safety, movie theatres and general viewing area in all multiplex locations are equipped with firefighting equipment to prevent any fire related accidents. Furthermore, employees working in show area given firefighting and safety trainings to fight fire related accidents and save the movie viewers.

Corporate Social responsibility

Neon Take social responsibilities very seriously. As part of Corporate Social Responsibilities, Neon work with various schools, charities and community groups across the city. It arranges different charity screenings and free shows to underprivileged students and persons. Neon also donates in various charities and cultural events. Neon also has introduced a scholarship program under newly established Bangladesh Film and Television Institute to inspire, empower, celebrate and provide opportunities to future leaders in the film industry.

Environmental policy

As part of environmental policy, Neon aims to reduce uses of fossil fuel generated electricity. It is gradually adopting solar energy usages in various places within multiplex locations. Furthermore, it always encourages energy efficient equipment. In order to reduce paper usage, it encourages e-ticketing through its website. Furthermore, it also encourages email communications and digital documentations to avoid paper within its office.

EXHIBIT – 3

Summary and Extracts of Financial Statements of the Neon Multiplex Limited

Statement of Financial Position
As of 30 June 2023

	30-Jun-23	30-Jun-22
Assets		
Non-current assets		
Property, plant and equipment	83,682,280	79,866,020
Intangible Assets	6,834,240	7,532,080
Right-of-use assets	67,838,240	72,494,000
Other financial assets	75,890,720	54,843,600
Deferred tax asset	15,036,487	21,333,040
	249,281,967	**236,068,740**
Current assets		
Inventories	3,553,280	2,191,920
Trade and other receivables	3,056,704	1,454,320
Advances, deposits and prepayments	6,974,800	3,227,920
Cash and bank equivalents	5,773,920	3,255,040
	19,358,704	**10,129,200**
Total assets	**268,640,671**	**246,197,940**
Equity and liabilities		
Capital and reserves		
Share capital (Per share face value @ 10)	68,215,760	68,215,760
Retained earnings	94,596,210	50,070,587
	162,811,970	**118,286,347**
Non-current Liability		
Long term borrowings	19,595,520	39,628,440
Lease Liabilities	28,097,200	40,178,600
Post-employment benefit obligations	5,174,560	3,693,069
	52,867,280	**83,500,109**
Current liabilities		
Lease Liabilities-current portion	12,084,640	12,084,640
Short term borrowings	9,262,951	9,456,480
Trade and other payables	13,623,680	12,637,400
Income tax provision	17,990,150	10,232,964
	52,961,421	**44,411,484**
Total liabilities	**105,828,701**	**127,911,593**
Total equity and liabilities	**268,640,671**	**246,197,940**

Statement of Changes in Equity
As of 30 June 2023

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on 01 July 2021	**68,215,760**	**28,508,270**	**96,724,030**
Profit for the year 2022	-	21,562,317	21,562,317
Balance as on 30 June 2022	**68,215,760**	**50,070,587**	**118,286,347**
Profit for the year 2023	-	44,525,623	44,525,623
Balance as on 30 June 2023	**68,215,760**	**94,596,210**	**162,811,970**

Neon Multiplex Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	30-Jun-23	30-Jun-22
Revenue	1	337,935,600	242,352,000
Cost of Revenue	2	(135,520,000)	(111,975,000)
Gross profit		**202,415,600**	**130,377,000**
Administrative expenses		(123,089,600)	(78,226,560)
Selling & Advertisement expenses		(18,930,700)	(15,645,240)
Finance costs		(9,791,280)	(10,177,040)
Income from operation		**50,604,020**	**26,328,160**
Non-operating income		5,615,200	2,908,880
Profit before tax		**56,219,220**	**29,237,040**
Current tax (expense)/income		(17,990,150)	(10,232,964)
Deferred tax (expense)/income		6,296,553	2,558,241
Profit for the year		**44,525,623**	**21,562,317**
Other comprehensive income		-	-
Total Comprehensive Income		**44,525,623**	**21,562,317**

Notes to the financial statements

		2023	2022
Note-01	**Revenue**		
	Admission Ticket	162,540,000	105,840,000
	Food service	95,898,600	84,672,000
	Advertisements & others	79,497,000	51,840,000
		337,935,600	**242,352,000**
Note-02	**Cost of Revenue**		
	Film Cost (Commission & Fees)	69,892,200	50,803,000
	Cost of food service	53,703,246	50,804,000
	Costs related to ad revenue	11,924,554	10,368,000
		135,520,000	**111,975,000**
Note-03	**Other related information**		
	Number of shows screened	18,068	12,960
	Monthly average of audiences	27,090	25,200
	Seating capacity	2,100	2,100
	Average Occupancy rate	43%	40%

5 Year Financial Highlights

Figures in BDT

Financial highlights	2023	2022	2021	2020	2019
Revenue	337,935,600	242,352,000	181,764,000	43,623,360	99,970,200
Gross Profit	202,415,600	130,377,000	96,478,980	22,190,165	52,098,649
Profit Before Tax	56,219,220	29,237,040	19,004,076	(10,832,323)	9,311,997
Profit After Tax	44,525,623	21,562,317	15,955,822	(7,799,273)	6,783,907
Shareholder’s Equity	162,811,970	118,286,347	96,724,030	80,768,208	88,567,481
Total Assets	268,640,671	246,197,940	221,926,440	194,146,500	198,419,300
Total Current Assets	19,358,704	10,129,200	11,318,248	8,930,739	8,730,449
Total Current Liabilities	52,961,421	44,411,484	58,845,133	65,759,409	57,122,946
Total Non-Current Liabilities	52,867,280	83,500,109	66,357,277	47,618,883	52,728,873

<u>EXHIBIT</u> – 4

<u>A brief note on Movie Theatre Industry in Bangladesh.</u>

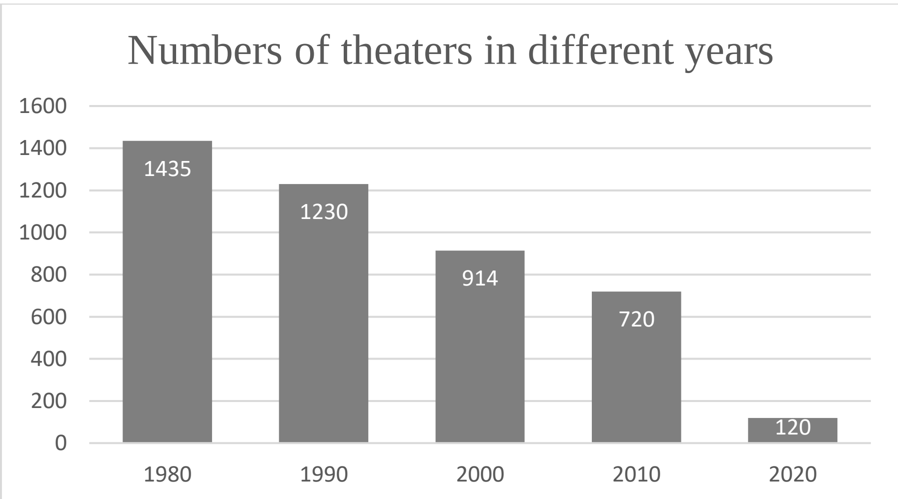
Moving pictures or films have always been a subject of fascination for people of all ages. Pictures projected from a celluloid tape had a certain appeal to it. Although the era of celluloid has long gone, that appeal remains the same. Cinema was introduced in Bangladesh in 1896 by the Bradford Bioscope Company. The first film was shown at the Crown Theatre, Dhaka and later shown throughout the region, including in Bhola, Manikganj, Gazipur, Rajbari, and Faridpur. The show featured very short news items and other short features including footage of the jubilee of Queen Victoria, battles between Greek and Turkish forces, and the French underground railway.

Since then, movie theatre industry has grown significantly overtime together with film industry. In Bangladesh, for long-time cinema halls were the only medium of entertainment. At certain point of time, there were 1435 cinema halls across the country altogether. But this number has plummeted due to economic instability, social, and political reasons. At present Bangladesh has less than a hundred of movie theatres.

Most cinema halls stand today have their roots steeped in history. Although some are more popular than others, there is no doubt that these cinema halls have an appeal that transcends time itself. There are other famous cinema halls in different parts of country which may not be in great condition today but were once very popular among the moviegoers. Balaka Cineworld (Dhaka), Modhumita (Dhaka), Avishar (Dhaka), Monihar (Jashsore), Upohar (Rajshahi) are among the oldest and most popular cinema halls of the country. These traditional cinema halls haven't lost its appeal and still draws people from different parts the locality. Some of the most popular cinema halls that have stood witness to many memories of the past includes Shaheen Cinema, Rajmoni, Jonaki, Poonam and Geet.

Most of these cinema theatres has been closed down due to financial crisis. Existing theatres are also facing similar issues. This financial crisis is arising due to poor number of viewers visiting the theatres. Viewers are not visiting because the theatres infrastructures like projectors, sound system and seating arrangements are not upgraded with time. Again, this has not been upgraded due to lack of finance. Viewers are also not visiting because of poor quality of movies.

Since independence of the country, at least one quality film was released annually. This got people interested in going to theatres and watching movies, leading to many movie theatres being built across Bangladesh. People used to watch movies with family and friends during holidays, making most films commercially successful then. However, the 1990s marked the dark ages for Bangladeshi cinema. Except for a few directors, most pursued vulgar, boring stories for commercial reasons. The number of quality film releases dropped substantially. As a result, discerning audiences gradually stopped going to cinemas.



There were 1,435 movie theatres or halls across Bangladesh even in the early 1990s. Until 2000, there were over twenty halls in each district. However, the number of operational halls has now dropped to just 100 theatres with around 175 screens nationwide. Currently, 25 districts have no functioning cinema halls. Unable to sustain businesses, most owners have demolished old halls and constructed multi-storied buildings or markets instead.

As technology progressed, cable TV followed by CDs/DVDs were being introduced in Bangladeshi homes, making Bollywood and Hollywood movies easily accessible. Consequently, people got accustomed to watching rented CDs/DVDs at home instead of going to theatres. Widespread internet also led to movie piracy from Torrent and other Movie Servers. Due to these factors, cinema attendance declined sharply, threatening the Bangladeshi movie theatre industry.

With rise of fast internet, various app-based company like Netflix started online streaming. Although these were not that much popular initially, but they became sole source of entertainment during Covid-19 pandemic. Many local and international streaming services/ OTT platforms pooped up. These Streaming/OTT platforms allows streaming content via the internet across devices including mobile phones, smart TVs, computers, and tablets. This made local and international movies, TV series accessible easily and on demand. As people’s lifestyles are getting busy, local and global OTT platforms are gaining preferences over movie theatres.

In the last two decades, there has been tremendous efforts to government, film development authorities, movie producers and directors to return to the golden days of film and movie theatres. As part of the effort many movie theatres has been digitalized with subsidy and grants from government as well as movie producers & distributors. Theatres were renovated with comfortable seating arrangements, clean toilets, and neat settings. High quality Digital projectors and sound systems have been installed. In many cases, movie theatres were also updated for 3D movie projection. Movie tickets prices were set at a reasonable price to ensure affordability of the audience and maximize audience number. Most of the modern movie theatres offers online ticketing to smooth ticketing process. With these efforts, slowly people became interested to watch movies in cinema halls again and the number of cinema-viewers began to increase.

While theatres were renovated, many quality movies were released by the movie producers and director. Films like Paraan, Hawa, Suranga and Priyatma, along with others like Daruchini Dwip, Amar Chai Jal, Manpura, Television, Ayanabaaji, Dub, Devi have drawn more viewers to multiplexes and surviving cinemas. Their decent commercial success indicates recovering audience interest. Movies like Hawa, Suranga and Priyatma are screened in single screens countrywide, as well as in big multiplexes. As a result, ‘Hawa’ and ‘Paraan’ made 16 crore and 12 crore BDT respectively, and ‘Priyatama’ made 27 crore BDT in one and a half months. This indicates that theatres can be revived with good quality movies.

Although many high-quality films are being released every year, Multiplexes always prefers to show Hollywood and Bollywood movies. According to these multiplexes, viewers prefer high quality cinematography and Computer Aided Imagery (CGI), good storyline, convincing action scenes, proper execution of dialogs and body language which are often missing in the Bangladeshi movies. In absence of quality Bangladeshi movies, theatres are somewhat bound to show foreign movies paying high percentage of commission and distribution fee. In addition to Hollywood and Bollywood movies, there are also demand for religious movies & short films, history-based movies and documentaries.

Every year Hollywood releases 500-600 movies and Bollywood releases nearly 1000 movies, whereas Bangladesh released only 30 movies on an average due to limited budgets. It is difficult to finance movie productions as investors finds this industry risky and unpredictable. As a result, Bangladeshi movies are still lagging behind in terms of quality and quantity. Until quality of the local movies is improved, foreign movies will always be a competition for Bangladeshi Movies.

<u>EXHIBIT</u> – 5

E-mail on Reporting and Compliance issues

From : Abidur Rahman FCA, Director of Finance & Accounts

To : Mr. Malik Hamza FCA, Partner, AHC

Subject : Current Reporting and Compliance issues.

Date : 07 November 2023

I like to congratulate you for winning the consulting engagement with us. I like to formally welcome you Neon Multiplex family as valued business partner. I am sure we will be benefited greatly from your advice and works. I am writing today for your advice on some issues we have been facing. We have prepared our draft financial statements in **EXHIBIT-3** which will be shared with our auditors. We have come across with issues while preparing the draft financial statements which need to be incorporated in the final financial statements. We need your assistance to make corrections in the final financial statements in light of applicable financial reporting standards including IAS 16, IAS 20, IAS 36, IAS 37, IFRS 9 & IFRS 16.

Loan from government:

On 30 June 2023, Neon received a cheque of BDT 15,000,000 as loan from Government's Cinema Hall construction and renovation fund. Purpose of the fund is to renovate Neon's existing theatres. Government has issued the loan at 5% interest. Loan has to be repaid in 5 annual installments of BDT 3,464,622 payable at the end of year. Neon's incremental borrowing rate is determined at 10%.

Reversal of Impairment loss:

During June 2021, Neon performed impairment assessment of its screening projectors. During assessments it identified its three 3D projectors has experienced impairments. These Projectors were purchased on 01 January 2021 for BDT 1,500,000 each and expected to have useful life of 5 years. On 30 June, recoverable amount per projector was determined at BDT 900,000 and accordingly impairment was recognized. On 30 June 2023, recoverable value was reassessed to BDT 1,000,000 per projector. Our policy is to recognize the assets on cost model under IAS 16.

Audience loyalty program:

During the year we have introduced a loyalty program. Audience who purchases tickets through their accounts in our website are eligible to participate in the loyalty program. Under this program, if anyone purchase and use minimum 12 tickets in a year, the audience will be entitled to a free ticket which can be redeemed within six months from the entitled date. Furthermore, an audience purchasing six tickets in a year will enjoy 15% discount on the next ticket if purchased within 6 months from the date of entitlement. Our average ticket price is BDT 550. At the year end, we have estimated that approximately 100 account holders are entitled of free ticket and further 250 account holders are entitled for the discount. We expect that 50% accounts holders will redeem the discount and 75% account holder will redeem the free ticket.

Disputes with distributor:

Neon occasionally holds movie weeks with specific themes and genre. Prominent weeks are Classic Movie Week, Si-Fi week, and horror weeks. In one of these weeks, Neon has shown one Si-Fi movie without obtaining permission from the distributors erroneously. This came into distributors attention when one of its employees attended one show with family. Distributor has accordingly sent a claim letter to Neon. Board finds the claim to be too high as it exceeds the ticket revenue from that movie show. Neon has refused to pay the claim but proposed to pay 50% of the ticket revenue which is much higher than regular revenue sharing arrangement. Distributor declined Neon's offer and filed lawsuit against Neon. Management estimates that it is more likely than not to pay BDT 5,500,000 against distributors claim. They also expect that Neon will incur legal expenses of BDT 2,500,000 for legal proceedings.

Expired meat within inventories:

On a recent inspection, some expired meat packet was identified by Bangladesh Food Safety Authority (BFSA). They have fined us BDT 200,000 for this. We have further investigated the matter and identified that our supplier has supplied a batch of expired meat which was not detected by our quality inspection team. We have discovered that our inspection team colluded with our supplier and accepted the expired meat. Accordingly, we have immediately raised a claim of BDT 350,000 to supplier for the payments we have made against delivery of expired meat. We further have claimed a penalty charge of BDT 250,000 to supplier for violating supplier contract. We have removed the entire batch from the storage. However, supplier declined the allegation and refused to pay. We have also terminated two of our quality inspectors withholding the payment of company contribution in their post-employment benefits which amounts to BDT 180,000 as penalty. However, the terminated inspectors challenged the withholding of the payment in the labor court.

EXHIBIT – 6

E-Mail on Strategic investment options and financing alternatives

From : Mr. Mamun-or-Rashid, Director of Operations, Neon Multiplex Limited
To : Mr. Mr. Malik Hamza FCA, Partner, AHC
Subject : Strategic investment options and financing alternatives.
Date : 10 November 2023

Congratulations on winning Neon Consulting engagement. I am writing today for you input regarding the investment and business decisions Neon's Board members are currently considering. Board is currently considering two investment options which are mutually exclusive. First option is to set up a new multiplex location. A new shopping mall in Sylhet is under construction. Management of the shopping mall has shown keen interest to let out a floor for movie theatre. Board is considering opening a branch in that shopping mall. Second option is to set up Neon's own over-the-top (OTT) streaming platform. As the demand and users of OTT platform is increasing globally, Neon's board members believe it could be a good opportunity for Neon. They have shown their keen interest to enter into this OTT market.

For apprising the investment options, board requires the discount rate be determined considering applying Capital Asset Pricing Model (CAPM). In this regard following information has been gathered:

Six months Moving Average Rate of Treasury bill (SMART) : 7.2%	Market Return : 12%	Current Market beta : 1.625

For analysis purpose, the board has disregarded any tax effects. It is also assumed that all cash flows, other than initial cash outflow, accrue at the year end.

Option 1: Setting up Multiplex:
Neon board is considering renting out the floor allotted for movie theatre in the under-construction shopping mall. Market analysis shows that there is a very strong demand for a movie theatre in the location and Board finds it strategically viable opportunity to open two halls with total 400 seating capacity. However, its financial viability is yet to be assessed. Finance department have made an investment forecasted for 5 years which includes BDT 25,000,000 as initial advance for renting out the facility, further BDT 30,000,000 for renovating the theatre and seats. An amount of BDT 25,000,000 will be required for projectors, sound system and other screening equipment. Finance department also estimates an annual outflow of BDT 40,000,000 for rent, salary, administrative and maintenance expenses. We expect to run 50 shows per week in this multiplex with 20% audience footfall in each show. We plan to charge BDT 300 per ticket to an audience and further make BDT 150 as food revenue each audience. Food costs are expected to be at 50% of revenue. We intend to share 45% ticket revenue with the producers and distributors. In addition to food revenue and ticket revenue, we expect to make net revenue of BDT 3,000,000 per annum from advertisements. We expect that cash flows will remain same for 5 years after which it will grow at 2% perpetually.

Option 2: Starting OTT platform:
In recent years, number of viewer admission have decreased in the movie theatres whereas users of OTT have been increasing significantly. Many streaming service/ OTT platforms has emerged locally and globally since Covid-19 pandemic when the demand for streaming services in mobile phone and other handheld devices was in high demand. Neon board is considering starting its own streaming service where local and international TV shows and movies can be streamed. Neon plans to stream the movies it has shown in the past as well as new and upcoming movies. In addition, Neon will acquire streaming license popular TV shows and animated series.

We have performed an initial market study which shows that development cost of an OTT platform will be around BDT 80,000,000. Study also shows that once the platform is launched, it will require BDT 25,000,000 per year for administrative and advertisement costs. Furthermore, to keep the platform updated, new contents (new movie, TV series and documentaries) need to be added which will require estimated cost of BDT 35,000,000 per Annum. We have forecasted following customer number for basic and premium subscriptions.

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Basic Subscribers	8,000	16,000	24,700	46,000	59,500
Premium Subscribers	3,750	5,600	9,200	13,000	18,500

First two years, we intend to charge annual fee of BDT 800 for basic subscription and BDT 1200 for premium subscription. However, after every two years, we plan to increase subsections by BDT 200 in each category. We expect cash flows will grow at 4% after 5th year.

Financing option:

Neon's board expect that borrowing rates will increase significantly in coming years. As a precaution, board is reducing its debt position. Board is not interested to finance the loan entirely through bank loan. In order to finance the investment option, Neon board is considering selling part of its restaurant business. They want to keep the restaurants inside show area but sell of restaurants outside show area. Board wants to know the estimated business value of outer restaurant business before engaging in sales negotiation process. They also want to assure themselves that selling of the business will generate sufficient fund to finance the investment options.

In this regard, our finance department have identified that 1/3rd of the food revenue reported in the draft financial statements (**Exhibit-3**) derived from outer restaurant business. Of the total cost of revenue for year in draft financial statements, 40% is attributable to the outer restaurant business. Furthermore, 6% of the operating costs (Admin and selling) is applicable to the outer restaurant business. However, if the outer restaurant business is continued, our assessment shows that revenue of the outer restaurant business will grow annually at 14% for next five years whereas cost of revenue and operating cost of the same will increase at 9% and 5% respectively. We are assuming that tax rate will remain constant at 25%. After 5th year, business is expected to grow at 5% perpetually. For valuation of outer restaurant business, CAPM rate can be used.

In case there is a shortage of financing even after selling the business, Board will take bank loan to finance the shortage amount. Board estimates that it can borrow from bank at 3% premium over SMART rate.

For your reference, I have added following 'Present Value Interest Factor' table.

Year / Rate	1	2	3	4	5	6	7	8	9	10
1%	0.9901	0.9803	0.9706	0.9610	0.9515	0.9420	0.9327	0.9235	0.9143	0.9053
2%	0.9804	0.9612	0.9423	0.9238	0.9057	0.8880	0.8706	0.8535	0.8368	0.8203
3%	0.9709	0.9426	0.9151	0.8885	0.8626	0.8375	0.8131	0.7894	0.7664	0.7441
4%	0.9615	0.9246	0.8890	0.8548	0.8219	0.7903	0.7599	0.7307	0.7026	0.6756
5%	0.9524	0.9070	0.8638	0.8227	0.7835	0.7462	0.7107	0.6768	0.6446	0.6139
6%	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584
7%	0.9346	0.8734	0.8163	0.7629	0.7130	0.6663	0.6227	0.5820	0.5439	0.5083
8%	0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	0.5002	0.4632
9%	0.9174	0.8417	0.7722	0.7084	0.6499	0.5963	0.5470	0.5019	0.4604	0.4224
10%	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132	0.4665	0.4241	0.3855
11%	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	0.3909	0.3522
12%	0.8929	0.7972	0.7118	0.6355	0.5674	0.5066	0.4523	0.4039	0.3606	0.3220
13%	0.8850	0.7831	0.6931	0.6133	0.5428	0.4803	0.4251	0.3762	0.3329	0.2946
14%	0.8772	0.7695	0.6750	0.5921	0.5194	0.4556	0.3996	0.3506	0.3075	0.2697
15%	0.8696	0.7561	0.6575	0.5718	0.4972	0.4323	0.3759	0.3269	0.2843	0.2472
16%	0.8621	0.7432	0.6407	0.5523	0.4761	0.4104	0.3538	0.3050	0.2630	0.2267
17%	0.8547	0.7305	0.6244	0.5337	0.4561	0.3898	0.3332	0.2848	0.2434	0.2080
18%	0.8475	0.7182	0.6086	0.5158	0.4371	0.3704	0.3139	0.2660	0.2255	0.1911
19%	0.8403	0.7062	0.5934	0.4987	0.4190	0.3521	0.2959	0.2487	0.2090	0.1756
20%	0.8333	0.6944	0.5787	0.4823	0.4019	0.3349	0.2791	0.2326	0.1938	0.1615

EXHIBIT – 7

Article on "Environmental, Health and Ethical Issues in Movie Theatre Industry"

Audience presence in the movie theatres has been declining over the years. Although there are many reasons for declining, increasing price of movie tickets are one of them. Owners of the theatre do not get full amount of the ticket price. Certain percentage of ticket or a fixed amount has to be shared with the distributors. This percentage could be ranged from 30% to 70% based on quality and viewers' interest on the movie. In order to maximize theatre income, price of the movie tickets is often increased. For the same reasons, theatres offer a variety of privileges like popcorn and beverages at high price for which no revenue is shared.

One of the major problems that film makers faces with Cinema halls are movie piracy which is one of the major forms of copyright infringement in Bangladesh. The unauthorized copying or reproduction of copyright materials for commercial purposes and the unauthorized commercial dealing in copied materials is treated as copyright piracy. There have been many cases in the past that newly released movies were pirated by recording from the movie theatre causing loss to the film directors and producers. Owners of movie theatres could make money by allowing movies to be recorded in secrete. Mostly of these piracies were done by the owners of local movie CD/ DVD rental business. Furthermore, these pirated movies were also shown in the theatre to avoid paying the commission and fees to the distributors. Till now there are theatres who download Bangladeshi or international movies over internet and show them in the theatres without proper approval or permission.

Cinema audiences often feel thirsty during a movie and may choose to purchase bottled water. The preference for snacks and beverages to consume while watching a movie result in high usage of plastic and paper packaging. This comes in the form of popcorn buckets, drink cups, and plastic bottles. However, individuals do not consider the impacts of how they would dispose of plastic bottles. Separating and recycling waste is arguably the most cost-efficient method that can reduce environmental damage. By sharing the benefits and responsibilities of recycling with staff and making commitments to recycling, cinemas can effectively implement a recycling strategy.

Cinema theatres consumes huge amount of electricity. The energy usage to cool or heat the cinema, and screen movies worsens the demand for electricity. Most of the projecting, sound and lighting equipment used in the in the theatres are of old technology and not energy efficient. Movie theatres can easily become eco-friendlier by adopting LED lighting. Compared to regular bulbs, LED lighting can save between 50-60% of energy. Some theatres are also installing solar panels on the roof of the building, using popcorn bags of natural fibers, and proper waste management. All of these things are better for the environment and don't affect the quality of the theatre.

One major concern of the environment activist is that movie theatres cause sound pollution. Sounds in movie theatres range from 74 to 104 decibels, which is louder than normal conversation (60–70 decibels). The level of noise exposure that audience experiences in a movie Theatre is relatively high and could actually cause hearing damage. What's more, depending on the film, this damage can occur after just one movie. Depending on the length of the movie, the higher end of the movie theatre decibel range could be unsafe.

Movies are designed to psychologically manipulate the audience. Viewers who are hypersensitive could become anxious or depressed by certain films while watching movie in the theatre. Those who suffer from PTSD could also experience negative mental effects from certain scenes. Since cinemas involve watching a large screen in a dark room there is also the danger of developing eye strain or migraine. Strobe effects are common in modern movies. This could affect people with epilepsy.

As theatres begin to reopen after Covid-19 pandemic, it is crucial to have stricter cleanliness and sanitation policies in place to ensure safety and improve guest experience. One of the important factors to consider is indoor air quality. Indoor air quality (IAQ) is the status and condition of the air within a built environment such as cinemas and theatres. IAQ is known to have a great impact on comfort, health, and wellbeing of building occupants. When indoor air quality remains poor, it can present a number of problems including Virus Infection, Indoor air pollution and Decreased comfort due to bad odor and high concentrations of carbon dioxide. IAQ devices such as smart indoor air quality monitors can help cinema owners and staff improve indoor air quality. Additionally, the adoption of smart indoor air quality monitors promotes good publicity and brand value knowing that the health and wellbeing of people inside cinemas are prioritized.

EXHIBIT – 8

News clips about Neon and Bangladesh Movie Theatre Industry

Lights go out for Bangladesh's cinema halls (10 December 2021 on The Financial Express)

During 1980s, Manoshi Cinema Hall showed movies until the stroke of midnight. But now, with the drying up of the movie theatre audience, the reputed institution has closed its doors and turned off the lights. Manoshi ended its journey of over 80 years in 2019. The signboard in front of the building now directs pedestrian to the Manoshi Complex, a shopping mall. Other halls are also waiting for the same fate. Piracy, scarcity of quality movies, lack of modern technology led to drought of viewers in the theatres.

Multiplex theatres grow bigger as investment surges (28 December 2021 on The Daily Star)

Poonam cinema hall, located in Kadamtali in the Dhaka was a popular place for movie-viewers in the 1990s. Like many other, this single screen theatre has been closed in recent years. This is caused by the years of under investment leading to dilapidated infrastructure and a lack of high-quality movies and then by the coronavirus pandemic, which brought forward early demise for many than expected. However, the picture is different for multiplexes as the theatres with multiple cinemas have grown in popularity since its introduction in Bangladesh in 2002. Investment in multiplexes has increased more than 15 times in two decades and seen expanding branches. Viewer admission has increased significantly in these multiplexes due to multiple quality movie options in single places, and outstanding movie-watching experiences like 3D. This clearly indicates investment in movie theatres can increase audiences.

Will OTT platform takeover the Movie Theatre? (26 February 2023 on Times of India)

The world of entertainment has undergone a significant transformation with the advent of Over-the-top (OTT) platforms which offers a wide variety of contents that can be accessed on any viewing devices with internet. They offer original content, which is often not available on cable or satellite TV channels. Because of its accelerated growth, questions have been raised that "will OTT platform takeover the Movie Theatre?". With the rise of OTT platforms, the traditional movie/cinema hall industry has taken a hit. OTT is not expected to replace the cinema experience but are offering an alternative viewing experience. While there has been a significant decline in movie theatre attendance, theatres are also adapting to the change. Many theatres have started offering a more immersive viewing experiences like IMAX and 3D technology which are not available through streaming services. Theatres also offering diverse range of content, such as live events, sports broadcasts, and even video game tournaments.

BFSA fines restaurants of Neon Multiplex (15 October 2023 on The Real Time News)

The Bangladesh Food Safety Authority (BFSA) conducted a sudden inspection at restaurants of a Neon Multiplex branch. They also found expired meat pack within packs kept for use. Accordingly, the Authority fined the restaurants BDT 200,000 and issued verbal warning to increase monitoring process. Although not treated as any offence, authority questioned pricing its foods 5 times higher compared to regular restaurants.

Government announces BDT 10 billion Fund to finance construction and renovation of the cinema hall
(11 December 2022 on The Daily Prothom Alo)

Bangladesh government has taken initiatives to revive the Cinema Hall industry. It has announced a fund with BDT 10 Billion to provide loan to build or renovate movie theatres. Each theatre will be able take loan up to BDT 100 million with maximum 8-year term at 4%-5% interest. Industry related persons apprised the initiative but urged to lower the VAT on tickets and introduce tax holiday/exemptions for the theatres to until the industry stands again.

Protest by religious group against setting up of the cinema hall (28 October 2023 on The Sylhet Daily)

A protest was held yesterday by a religious group in front of under construction shopping mall against setting up a cinema hall within. Protesters claim that it will degrade social values. However, Muftis and Scholars, when asked by the journalists about their view, mentioned that this may be an opportunity to show movies that support religious and social values. They believe it is up to the viewers who will decide on which movies to watch and which one to ignore.

---The End---