

AUDITOR'S REPORT

To the Shareholders of Major Cineplex Group Public Company Limited

I have audited the accompanying consolidated and company financial statements of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company income statements, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited as at 31 December 2013, and consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Ltd.

Bangkok
13 February 2014

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2013

Major Cineplex Group Public Company Limited
Statements of Financial Position
As at 31 December 2013

					Unit: Baht		
		Consolidated			Company		
		31 December	31 December	Restated	31 December	31 December	Restated
Notes	2013	2012	1 January	2012	2013	2012	1 January
		2013	2012	2012	2013	2012	2012
Assets							
Current assets							
Cash and cash equivalents	8	495,681,689	480,732,922	460,800,247	394,325,295	331,372,894	358,312,884
Short-term investment		-	-	50,595,828	-	-	50,595,828
Trade account and other receivables	10	1,159,047,792	1,453,975,069	1,090,004,044	648,402,246	850,623,961	782,886,695
Short-term loans to related parties	36	-	-	-	526,664,219	462,148,376	475,369,892
Inventories, net	11	174,908,045	132,240,700	153,850,831	58,359,623	38,110,958	33,255,926
Films under production		61,140,461	38,426,052	17,799,723	-	-	-
Current portion of prepaid rents	18	34,153,853	34,653,397	34,657,257	9,472,507	9,472,507	9,472,507
Other current assets	12	211,989,966	162,839,694	184,660,948	60,130,726	26,826,609	36,317,087
Total current assets		2,136,921,806	2,302,867,834	1,992,368,878	1,697,354,616	1,718,555,305	1,746,210,819
Non-current assets							
Available-for-sale investment	9	820,571,703	372,406,147	177,457,846	820,571,703	372,406,147	177,457,846
Restricted cash		4,453,282	7,932,206	5,989,137	-	-	-
Finance lease receivables		12,727,726	12,782,128	12,381,352	-	-	-
Account receivable - long-term contract		-	20,132,597	38,788,773	-	20,132,597	38,788,773
Investment in subsidiaries, net	13	-	-	-	2,741,449,932	2,351,200,286	1,911,916,647
Investment in associates	13	2,212,868,495	1,714,929,163	1,789,228,485	2,168,239,563	1,716,422,344	1,792,353,449
Interest in joint ventures	13	255,757,329	235,204,047	110,151,257	237,490,575	216,793,035	103,119,735
Long-term loans to related parties	36	3,197,578	6,612,057	10,695,183	755,968,861	1,006,612,936	1,274,419,154
Property, plant and equipment, net	14	6,696,317,791	5,332,125,834	5,180,795,378	3,360,543,354	2,432,848,855	2,268,640,894
Goodwill, net	15	287,065,399	287,065,399	342,112,936	-	-	-
Intangible assets, net	16	368,597,032	366,907,289	424,759,957	50,444,706	49,475,279	30,062,430
Deferred income tax assets	17	316,412	253,259	19,922,563	-	-	19,728,004
Long-term prepaid rents	18	487,283,860	520,938,169	555,324,895	159,403,371	168,875,879	178,348,386
Other non-current assets	19	343,679,936	150,173,271	156,765,502	230,986,061	118,111,686	124,468,205
Total non-current assets		11,492,836,543	9,027,461,566	8,824,373,264	10,525,098,126	8,452,879,044	7,919,303,523
Total assets		13,629,758,349	11,330,329,400	10,816,742,142	12,222,452,742	10,171,434,349	9,665,514,342

Director _____

Director _____

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2013

		Consolidated			Company		
				Restated			Unit: Baht
Notes	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012	
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term							
	borrowings from financial institutions 21 2,238,928,172 801,468,051 473,121,537 1,545,703,160 200,000,000 -						
	Trade account and other payables 20 1,736,382,154 1,527,442,595 1,260,879,916 1,218,515,977 945,118,841 908,306,016						
	Current portion of long-term borrowings 21 203,846,510 880,790,505 1,546,393,362 40,264,935 840,297,642 1,540,048,220						
	Short-term loans from related parties 36 25,000,000 - - 610,514,424 467,777,630 65,607,579						
	Accrued income tax 37,982,207 126,244,198 82,854,356 17,103,698 93,895,593 52,916,986						
	Other current liabilities 22 109,413,805 137,820,724 142,112,152 38,715,401 36,591,961 42,836,904						
	Total current liabilities 4,351,552,848 3,473,766,073 3,505,361,323 3,470,817,595 2,583,681,667 2,609,715,705						
Non-current liabilities							
Long-term borrowings from financial							
	institutions 21 2,351,861,649 1,169,696,005 967,003,723 1,881,137,363 1,121,402,298 960,859,937						
	Deferred income tax liabilities 17 333,773,783 251,779,749 248,416,330 91,600,342 12,655,147 -						
	Employee benefit obligations 23 22,919,045 18,869,662 16,532,500 16,006,045 10,431,741 9,191,596						
	Other non-current liabilities 24 470,322,788 454,847,501 442,522,322 86,926,910 60,438,414 20,252,900						
	Total non-current liabilities 3,178,877,265 1,895,192,917 1,674,474,875 2,075,670,660 1,204,927,600 990,304,433						
	Total liabilities 7,530,430,113 5,368,958,990 5,179,836,198 5,546,488,255 3,788,609,267 3,600,020,138						
Shareholders' equity							
Share capital 25							
Authorised share capital							
	Ordinary shares, 896,266,347 shares (31 December 2012: 904,500,900 shares, 1 January 2012: 906,000,000 shares) at par value of Baht 1 each 896,266,347 904,500,990 906,000,000 896,266,347 904,500,990 906,000,000						
Issued and fully paid-up share capital							
	Ordinary shares, 887,576,343 shares (31 December 2012: 887,576,343 shares, 1 January 2012: 881,897,219 shares) at paid-up of Baht 1 each 887,576,343 887,576,343 881,897,219 887,576,343 887,576,343 881,897,219						
	Share premium 25 3,919,499,372 3,919,499,372 3,839,673,605 3,919,499,372 3,919,499,372 3,839,673,605						
	Warrants 21,441,823 9,191,064 - 20,989,867 8,900,000 -						
Retained earnings							
Appropriated							
	Legal reserve 27 90,600,000 90,600,000 90,600,000 90,600,000 90,600,000 90,600,000						
	Unappropriated 822,278,811 640,387,269 483,262,178 1,058,809,437 1,136,292,344 1,068,726,448						
	Other components of shareholders' equity 361,581,619 326,970,948 184,596,932 698,489,468 339,957,023 184,596,932						
	Equity attributable to owners of the parent 6,102,977,968 5,874,224,996 5,480,029,934 6,675,964,487 6,382,825,082 6,065,494,204						
	Non-controlling interest 28 (3,649,732) 87,145,414 156,876,010 - - -						
	Total shareholders' equity 6,099,328,236 5,961,370,410 5,636,905,944 6,675,964,487 6,382,825,082 6,065,494,204						
	Total liabilities and shareholders' equity 13,629,758,349 11,330,329,400 10,816,742,142 12,222,452,742 10,171,434,349 9,665,514,342						

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Income Statements
For the year ended 31 December 2013

		Unit: Baht			
		Consolidated		Company	
	Notes	2013	2012	2013	2012
Revenues	7				
Services income		6,075,747,301	5,224,404,943	3,572,849,381	2,948,657,598
Sales		1,634,790,045	1,740,856,065	916,626,744	714,902,804
Total revenues		7,710,537,346	6,965,261,008	4,489,476,125	3,663,560,402
Costs					
Cost of providing services		(4,115,908,837)	(3,603,853,287)	(2,667,962,354)	(2,215,768,554)
Cost of sales		(895,139,818)	(1,113,573,416)	(280,506,546)	(246,943,842)
Total costs		(5,011,048,655)	(4,717,426,703)	(2,948,468,900)	(2,462,712,396)
Gross profit		2,699,488,691	2,247,834,305	1,541,007,225	1,200,848,006
Other operating income	29	339,734,506	432,695,044	509,788,146	628,473,270
Selling expenses		(527,167,834)	(451,926,049)	(189,941,115)	(158,040,640)
Administrative expenses		(1,251,543,821)	(1,214,965,106)	(776,010,555)	(627,030,029)
Finance costs	31	(149,013,467)	(133,087,371)	(121,822,387)	(102,839,750)
Share of profit of investments in associates and joint ventures	13	189,156,607	176,292,034	-	-
Profit before income tax		1,300,654,682	1,056,842,857	963,021,314	941,410,857
Income tax	32	(276,313,524)	(266,136,565)	(170,768,275)	(184,950,501)
Profit for the year		1,024,341,158	790,706,292	792,253,039	756,460,356
Attributable profit to:					
Shareholders of the parent		1,051,627,488	846,019,550	792,253,039	756,460,356
Non-controlling interest	28	(27,286,330)	(55,313,258)	-	-
		1,024,341,158	790,706,292	792,253,039	756,460,356
Earnings per share	33				
Basic earnings per share		1.18	0.96	0.89	0.86
Diluted earnings per share		1.18	0.95	0.89	0.85

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2013

	Notes	Unit: Baht			
		Consolidated		Company	
		2013	2012	2013	2012
Profit for the year		1,024,341,158	790,706,292	792,253,039	756,460,356
Other comprehensive income (expense):					
Gain on remeasuring of available-for-sale investments	9	358,532,445	155,360,091	358,532,445	155,360,091
Other comprehensive income for the year, net of income tax		358,532,445	155,360,091	358,532,445	155,360,091
Total comprehensive income for the year		<u>1,382,873,603</u>	<u>946,066,383</u>	<u>1,150,785,484</u>	<u>911,820,447</u>
Total comprehensive income attributable to:					
Shareholders of the parent		1,410,159,933	1,001,379,641	1,150,785,484	911,820,447
Non-controlling interest	28	(27,286,330)	(55,313,258)	-	-
		<u>1,382,873,603</u>	<u>946,066,383</u>	<u>1,150,785,484</u>	<u>911,820,447</u>

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity
For the year ended 31 December 2013

Unit: Baht

	Consolidated											
	Attributable to owners of the parent											
						Other components of shareholders' equity						
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Share premium - Treasury share (Note 25)	Change in parent's ownership interest in subsidiaries	Other comprehensive income (expense)		Total other component of equity	Total owners of the parent	Non-controlling interest
Legal reserve				Unappropriated	Available-for-sale investment							
Opening balance as at 1 January 2012	881,897,219	3,839,673,605	-	90,600,000	928,699,746	288,424,625	-	(129,755,466)	158,669,159	5,899,539,729	156,876,010	6,056,415,739
Retrospective adjustment from change in accounting policy (Note 6)	-	-	-	-	(445,437,568)	-	-	25,927,773	25,927,773	(419,509,795)	-	(419,509,795)
Opening balance after adjustment	881,897,219	3,839,673,605	-	90,600,000	483,262,178	288,424,625	-	(103,827,693)	184,596,932	5,480,029,934	156,876,010	5,636,905,944
Changes in equity for period												
Increase during the period	5,679,124	79,825,767	-	-	-	-	-	-	-	85,504,891	(3,546,664)	81,958,227
Warrants	-	-	9,191,064	-	-	-	-	-	-	9,191,064	-	9,191,064
Addition of investment in subsidiary by purchasing shares from non-controlling interest	-	-	-	-	-	-	(12,986,075)	-	(12,986,075)	(12,986,075)	-	(12,986,075)
Dividends payment (Note 34)	-	-	-	-	(688,894,459)	-	-	-	-	(688,894,459)	(10,870,674)	(699,765,133)
Total comprehensive income for the period	-	-	-	-	846,019,550	-	-	155,360,091	155,360,091	1,001,379,641	(55,313,258)	946,066,383
Closing balance as at 31 December 2012	<u>887,576,343</u>	<u>3,919,499,372</u>	<u>9,191,064</u>	<u>90,600,000</u>	<u>640,387,269</u>	<u>288,424,625</u>	<u>(12,986,075)</u>	<u>51,532,398</u>	<u>326,970,948</u>	<u>5,874,224,996</u>	<u>87,145,414</u>	<u>5,961,370,410</u>
Opening balance as at 1 January 2013	887,576,343	3,919,499,372	9,191,064	90,600,000	1,050,946,989	288,424,625	(12,986,075)	64,415,497	339,854,047	6,297,667,815	87,145,414	6,384,813,229
Retrospective adjustment from change in accounting policy (Note 6)	-	-	-	-	(410,559,720)	-	-	(12,883,099)	(12,883,099)	(423,442,819)	-	(423,442,819)
Opening balance after adjustment	887,576,343	3,919,499,372	9,191,064	90,600,000	640,387,269	288,424,625	(12,986,075)	51,532,398	326,970,948	5,874,224,996	87,145,414	5,961,370,410
Changes in equity for period												
Warrants	-	-	12,250,759	-	-	-	-	-	-	12,250,759	-	12,250,759
Addition of investment in subsidiary by purchasing shares from non-controlling interest (Note 13)	-	-	-	-	-	-	(323,921,774)	-	(323,921,774)	(323,921,774)	(63,508,816)	(387,430,590)
Dividends payment (Note 34)	-	-	-	-	(869,735,946)	-	-	-	-	(869,735,946)	-	(869,735,946)
Total comprehensive income for the period	-	-	-	-	1,051,627,488	-	-	358,532,445	358,532,445	1,410,159,933	(27,286,330)	1,382,873,603
Closing balance as at 31 December 2013	<u>887,576,343</u>	<u>3,919,499,372</u>	<u>21,441,823</u>	<u>90,600,000</u>	<u>822,278,811</u>	<u>288,424,625</u>	<u>(336,907,849)</u>	<u>410,064,843</u>	<u>361,581,619</u>	<u>6,102,977,968</u>	<u>(3,649,732)</u>	<u>6,099,328,236</u>

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
 Statements of Changes in Shareholders' Equity
 For the year ended 31 December 2013

Unit: Baht

	Company									
	Retained earnings					Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Warrants	Appropriated		Share premium-Treasury share (Note 25)	Other comprehensive income (expense)		Total other component of equity	Total shareholders' equity
				Legal reserve	Unappropriated		Available-for-sale investment			
Opening balance as at 1 January 2012	881,897,219	3,839,673,605	-	90,600,000	1,074,926,216	288,424,625	(129,755,466)	158,669,159	6,045,766,199	
Retrospective adjustment from change in accounting policy (Note 6)	-	-	-	-	(6,199,769)	-	25,927,773	25,927,773	19,728,004	
Opening balance after adjustment	881,897,219	3,839,673,605	-	90,600,000	1,068,726,447	288,424,625	(103,827,693)	184,596,932	6,065,494,203	
Changes in equity for period										
Increase during the period	5,679,124	79,825,767	8,900,000	-	-	-	-	-	94,404,891	
Dividends payment (Note 34)	-	-	-	-	(688,894,459)	-	-	-	(688,894,459)	
Total comprehensive income for the period	-	-	-	-	756,460,356	-	155,360,091	155,360,091	911,820,447	
Closing balance as at 31 December 2012	<u>887,576,343</u>	<u>3,919,499,372</u>	<u>8,900,000</u>	<u>90,600,000</u>	<u>1,136,292,344</u>	<u>288,424,625</u>	<u>51,532,398</u>	<u>339,957,023</u>	<u>6,382,825,082</u>	
Opening balance as at 1 January 2013	887,576,343	3,919,499,372	8,900,000	90,600,000	1,136,064,392	288,424,625	64,415,497	352,840,122	6,395,480,229	
Retrospective adjustment from change in accounting policy (Note 6)	-	-	-	-	227,952	-	(12,883,099)	(12,883,099)	(12,655,147)	
Opening balance after adjustment	887,576,343	3,919,499,372	8,900,000	90,600,000	1,136,292,344	288,424,625	51,532,398	339,957,023	6,382,825,082	
Changes in equity for period										
Warrants	-	-	12,089,867	-	-	-	-	-	12,089,867	
Dividends payment (Note 34)	-	-	-	-	(869,735,946)	-	-	-	(869,735,946)	
Total comprehensive income for the period	-	-	-	-	792,253,039	-	358,532,445	358,532,445	1,150,785,484	
Closing balance as at 31 December 2013	<u>887,576,343</u>	<u>3,919,499,372</u>	<u>20,989,867</u>	<u>90,600,000</u>	<u>1,058,809,437</u>	<u>288,424,625</u>	<u>410,064,843</u>	<u>698,489,468</u>	<u>6,675,964,487</u>	

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2013

		Unit: Baht				
		Consolidated		Company		
Notes		2013	2012	2013	2012	
Cash flows from operating activities						
	Cash generated from operations	35	1,572,529,521	1,800,445,566	667,076,369	816,801,754
	Interest paid		(134,429,805)	(127,680,454)	(121,246,475)	(96,188,720)
	Income tax paid		(403,309,017)	(238,524,872)	(258,248,087)	(150,399,615)
	Net cash generated from operating activities		<u>1,034,790,699</u>	<u>1,434,240,240</u>	<u>287,581,807</u>	<u>570,213,419</u>
Cash flows from investing activities						
	Proceeds from sales of short-term investment		-	53,222,751	-	53,222,751
	Short-term loans made to related parties	36	-	(1,800,000)	(1,084,050,228)	(1,565,892,864)
	Proceeds from settlements of short-term loans to related parties	36	-	1,800,000	1,019,534,385	1,583,453,389
	Long-term loans made to related parties	36	(910,750)	(1,419,976)	(410,886,000)	(1,193,551)
	Proceeds from settlements of long-term loans to related parties	36	4,305,230	5,633,351	607,771,482	260,999,769
	Loans to third parties		(701,475)	(7,800,000)	(701,475)	(7,800,000)
	Proceeds from loans to third parties		8,193,239	21,856,480	8,193,239	11,356,480
	Payments for investment in subsidiaries	13	-	-	(389,429,888)	(486,532,739)
	Proceeds from shares reduction of subsidiaries	13	-	-	10,619,784	44,249,100
	Payments for investment in associates	13	(526,839,775)	(33,025,890)	(526,839,775)	(33,025,890)
	Proceeds from disposals of investment in associates	13	313,027,450	220,048,357	313,027,450	220,048,357
	Payments for investment in joint ventures	13	(38,697,500)	(113,673,300)	(38,697,500)	(113,673,300)
	Purchases of property, plant and equipment		(696,683,925)	(465,447,643)	(518,092,328)	(275,528,309)
	Proceeds from disposals of property, plant and equipment		3,216,905	21,998,224	1,197,584	7,236,240
	Payments for intangible assets		(419,739,809)	(488,884,390)	(17,043,978)	(29,500,709)
	Dividends received from subsidiaries and associates	13	135,658,232	121,345,342	135,658,232	159,529,571
	Dividends received from long-term investments		1,296,070	2,779,970	1,296,070	2,779,970
	Interest received		38,112,236	20,337,355	87,066,008	112,639,926
	Net cash used in investing activities		<u>(1,179,763,872)</u>	<u>(643,029,369)</u>	<u>(801,376,938)</u>	<u>(57,631,809)</u>

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

	Notes	Unit: Baht			
		Consolidated		Company	
		2013	2012	2013	2012
Cash flows from financing activities					
Increase (decrease) in restricted cash		3,478,924	(1,943,069)	-	-
Proceeds from short-term loans from related parties	36	25,000,000	-	1,459,015,999	1,238,610,875
Repayments of short-term loans from related parties	36	-	-	(1,316,279,205)	(832,779,833)
Proceeds from bank overdrafts		23,750,120	10,146,514	703,160	-
Proceeds from short-term loans from financial institutions		4,024,010,000	2,659,500,000	3,535,000,000	2,250,000,000
Repayments of short-term loans from financial institutions		(2,610,300,000)	(2,341,300,000)	(2,190,000,000)	(2,050,000,000)
Repayments of finance lease liabilities		(64,151,805)	(4,379,976)	(1,995,006)	(1,995,006)
Proceeds from long-term borrowings	21	123,990,000	91,800,000	-	-
Repayments of long-term borrowings	21	(108,727,293)	(54,340,616)	(40,000,000)	(40,000,000)
Proceeds from issuance of debenture	21	800,000,000	1,000,000,000	800,000,000	1,000,000,000
Repayments of debentures	21	(800,000,000)	(1,500,000,000)	(800,000,000)	(1,500,000,000)
Proceeds from exercised warrants	25	-	85,504,891	-	85,504,891
Dividends paid to shareholders	34	(869,697,416)	(688,862,527)	(869,697,416)	(688,862,527)
Payments for investment purchased from non-controlling interest	13	(387,430,590)	(16,532,739)	-	-
Dividends paid to non-controlling interest	28	-	(10,870,674)	-	-
Net cash received (used in) from financing activities		159,921,940	(771,278,196)	576,747,532	(539,521,600)
Net increase (decrease) in cash and cash equivalents		14,948,767	19,932,675	62,952,401	(26,939,990)
Opening balance of cash and cash equivalents		480,732,922	460,800,247	331,372,894	358,312,884
Closing balance of cash and cash equivalents	8	<u>495,681,689</u>	<u>480,732,922</u>	<u>394,325,295</u>	<u>331,372,894</u>

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2013

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Non-cash transactions				
Significant non-cash transactions are as follows:				
Investment in property, plant and equipment, not yet paid	889,456,439	305,407,282	736,968,597	150,629,857
Purchases of intangible assets, not yet paid	6,787,680	35,823,055	-	-
Purchases of equipment under finance leases	474,745,715	2,026,486	-	1,094,000
Disposal of property, plant and equipment, not yet received	29,055,423	1,348,031	-	-
Disposal of investment in associates, not yet received	-	141,111,020	-	141,111,020
Dividends paid, not yet paid	38,530	31,932	38,530	31,932
Offsetting long-term loans to related parties with loans from related parties	-	130,250	-	-
Offsetting amount due from related parties with long-term loan to related parties	20,000	-	10,000,000	-
Offsetting long-term loans to related parties with trade accounts payable related parties	-	-	43,758,594	-
Purchase of investment in subsidiary by share swap	-	-	43,439,541	-
Addition of warrants	12,250,759	9,191,064	12,089,867	8,900,000

The accompanying notes on pages 12 to 78 are an integral part of these financial statements.

1 General information

Major Cineplex Group Public Company Limited (“the Company”) is a public company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

1839,1839/1-6 Phaholyothin road, Ladyao, Jatujak, Bangkok 10900.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group principally engages in cinema operations and entertainment services. The principal business operations of the Group are summarised as follows:

- Cinema operations
- Advertising and media services
- Bowling and Karaoke services
- Rental and services
- Movie content

These consolidated and company financial statements were authorised for issue by the Board of Directors on 13 February 2014.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

- 1 New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Group are:

TAS 12	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes is provided in Note 2.18 and the significant impact to the Company are described in Note 6.

TAS 21 (Revised 2009) requires the Group to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Group assessed and concluded that Thai Baht is the Group's functional currency. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.22. The impact to the Group in applying this standard is only on a disclosure.

- 2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

a) Revised accounting standards which are effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

a) Revised accounting standards which are effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. The management is currently assessing the impact of applying this standard.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2014. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2014. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2014. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. The management is currently assessing the impact of applying this standard.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

a) Revised accounting standards which are effective for the periods beginning on or after 1 January 2014 (Cont'd)

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. The management is currently assessing the impact of applying this standard.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. The management is currently assessing the impact of applying this standard.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. The management is currently assessing the impact of applying this standard.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. The management is currently assessing the impact of applying this standard.

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 (Cont'd)

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. This interpretation is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. This interpretation is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. This interpretation is not relevant to the Group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The management is currently assessing the impact of applying this interpretation.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2 Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 (Cont'd)

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". The accounting shall reflect the substance of the arrangement. The management is currently assessing the impact of applying this interpretation.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

c) New accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Group accounting - Investments in subsidiaries and associates and interests in joint ventures

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are fully considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

a) Subsidiaries (Cont'd)

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries and the financial effects of acquisitions and disposals of subsidiaries are shown in Note 13.

b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

, unless it has incurred obligations or made payments on behalf of the associate.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. (see Note 2.12 for the impairment of assets including goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the Company's separate financial statements, investments in associates are accounted for using the cost method of accounting.

A list of the Group's principal associates and the financial effects of acquisitions and disposals of associates are shown in Note 13.

d) Joint ventures

The Group's interests in jointly controlled entities are initially recorded at cost and accounted for by the equity method in the consolidated financial statements. The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the interest in joint ventures. When the Group's share of losses in joint ventures equal or exceed its interest in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

In the Company's separate financial statements, interest in jointly controlled entities are accounted for using the cost method.

A list of the Group's joint ventures and the financial effects of the acquisitions and disposals of joint ventures are shown in Note 13.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and company financial statements are presented in Thai Baht, which is the company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

c) Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within administrative expenses.

2 Accounting policies (Cont'd)

2.7 Inventories and films under production

Inventories consist of foods and beverages, cinema supplies, and VCD and DVD.

Inventories are stated at the lower of cost or net realisable value. Costs of foods and beverages and cinema supplies are determined by the first-in, first-out (FIFO) method. Costs of VCD and DVD are determined using weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

Films under production are costs of films under production which will be recognised as cost of films upon the sale or release of the films, basing on the future revenue expected from various channels. Costs of films comprise costs directly attributable to films production and are stated at cost.

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Available for sale investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the National Stock Exchange of India Limited. The unrealised gains and losses of available for sale investments are recognised in equity.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation is calculated on the straight-line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life or, if it is shorter, the lease term, as follows:

Building	20 years
Cinema and cinema improvement	10, 20 years and the lease contracts periods
Utility system	5, 10, 15 years
Tool equipment and fixture	5, 10, 15, 20 years
Office equipment	5 years
Vehicle	5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in income statements.

2.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2 Accounting policies (Cont'd)

2.11 Other intangible assets

Film rights

Film rights are capitalised at the purchase price including costs directly attributable to the acquisition of rights. Film rights are amortised and charged to direct costs of exhibition, VCD and DVD and TV broadcasting at the ratio relating to the expected revenue earned from each of the revenue-generated channels over the lifetime of rights. In the event that an ultimate loss is projected for each right, an amount equivalent to this loss will be written-off in the income statement immediately.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of 5 years.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reversed for possible impairment loss of the estimation of the recoverable amount were changed in subsequent period after the Group's recognition of impairment.

2 Accounting policies (Cont'd)

2.13 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain building and equipment. Leases of building or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are multi-purpose property, the significant portions are owner-occupied property held for use in the supply of goods and services, therefore are included in building and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar building and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Borrowings

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2 Accounting policies (Cont'd)

2.15 Employee benefits

Employee benefits obligations

Group companies operate various employee benefit schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit obligations is the present value of the defined benefit obligation at the end of the reporting period with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated every three years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income statement in the period in which they arise.

Past-service costs are recognised immediately in income statement, unless the changes to the retirement plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to trustee-administered fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.16 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (warrant) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to stay).

2 Accounting policies (Cont'd)

2.16 Share-based payment (Cont'd)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

For share-based payment transaction where the Company issued options prior to 2011, the Company will record the transaction when the options are exercised. The Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for goods returns in related to VCDs and DVDs is estimated based on historical experience and other relevant market factors. Provision for goods returns are provided for the sales profit margins and presented netting this of sales.

The Company sets aside the provision for bonus point redemption based on consideration of historical redemption rate and bonus point outstanding balance on the financial position date.

2 Accounting policies (Cont'd)

2.18 Current and deferred income taxes

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The effects of the adoption of the standard on the consolidated and company financial statements of the Group are shown in Note 6.

2.19 Share capital

Ordinary shares are classified as equity.

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

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2 Accounting policies (Cont'd)

2.20 Revenue recognition

Revenues of the Group consist principally admissions, concession sales, advertising services, bowling and Karaoke services, rental and services, sales of VCD/DVD and film rights distribution and sponsorship income.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from providing services is recognised when the services are rendered.

Where royalties from film rights or film production are charged at fixed amounts for which the licensee cannot be refunded and the licensor has no further obligations subsequent to granting of the rights, the royalties are recognised as income in full when the licensee is entitled to exploit the rights under the terms of the agreement.

Revenue from advertising is recognised when the media are appeared.

Revenue from cable television service is recognised when the services are rendered over the contract periods.

Revenue from leases and services are recognised over the period of the lease agreement.

Deferred revenue from leases and services are recognised when services are rendered.

Other revenues are recognised on the following basis:

Interest income - on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income - when the right to receive payment is established.

2.21 Dividend payment

Dividend payment is recorded in the consolidated and company financial statements in the period in which they are approved by the shareholders.

2.22 Segment reporting

Segment information has been prepared based on the internal report of the Group, which disaggregates its business by services or products.

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

3 Financial risk management

3.1 Financial risk factors

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

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The group has foreign exchange transaction from purchase of film rights mainly dominated in various currencies, primarily with respect to USD. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.1.2 Interest rate risk

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

3.1.3 Credit risk

The Group has no significant concentrations of credit risks due to the large number of customer from which the income is charged in cash. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

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

3.2 Fair value

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

4 Critical accounting estimates, assumptions and judgements

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell as appropriate. These calculations require the use of estimates (Note 15).

If the estimated cost of capital used in determining the pre-tax discount rate applied to the discounted cash flows had been 1% higher than management's estimates (for example, 11.1% instead of 10.1%), goodwill for all business would have not been impaired. In the preparation of forecast financial statement; however, management based on the past operating result and the expected growth in the industry, the growth rate is consistent with the past actual result. The base case is considered as the appropriate base in evaluation of goodwill.

b) Impairment of receivables

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

c) Allowance for obsolete, slow-moving and defective inventories

The Group has made allowance, where necessary, for obsolete, slow moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experience, management's knowledge of the industry and future market trends.

d) Provision for goods returns

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

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

4.1 Critical accounting estimates and assumptions (Cont'd)

e) Valuation of films under production

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

f) Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 23.

g) Provision for customers loyalty program

The Company sets aside the provision for bonus point redemption based on consideration of historical redemption rate and bonus point outstanding balance on the date of statement of financial position.

5 Capital risk management

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

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

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6 Change in accounting policies

As described in Note 2, the Group has adopted the Accounting Standard No.12 Income taxes, effective on 1 January 2013, and has accounted for the adoption retrospectively in accordance with the accounting standard. The comparative financial statements and financial information have been restated accordingly.

The effects of the adoption on the statements of financial position of the Group as at 1 January 2012 are as follows;

	Unit: Baht					
	Consolidated					
	At 1 January 2012			At 31 December 2012		
	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated
Increase in deferred tax assets	-	19,922,563	19,922,563	-	253,259	253,259
Increase in deferred tax liabilities	-	(248,416,330)	(248,416,330)	-	(251,779,749)	(251,779,749)
Decrease in investment in associates and interest in joint ventures	2,090,395,770	(191,016,028)	1,899,379,742	2,122,049,539	(171,916,329)	1,950,133,210
Decrease in retained earnings	928,699,746	(445,437,568)	483,262,178	1,050,946,989	(410,559,720)	640,387,269
Increase (decrease) in other components of shareholders' equity	(129,755,466)	25,927,773	(103,827,693)	64,415,497	(12,883,099)	51,532,398

	Unit: Baht					
	Company					
	At 1 January 2012			At 31 December 2012		
	Originally stated	Adjustments	Restated	Originally stated	Adjustments	Restated
Increase in deferred tax assets	-	19,728,004	19,728,004	-	-	-
Increase in deferred tax liabilities	-	-	-	-	(12,655,147)	(12,655,147)
Decrease (increase) in retained earnings	1,074,926,216	(6,199,769)	1,068,726,447	1,136,064,392	227,952	1,136,292,344
Decrease (increase) in other components of shareholders' equity	(129,755,466)	25,927,773	(103,827,693)	64,415,497	(12,883,099)	51,532,398

The effect on the income statements and the statement of comprehensive income for the year ended 31 December 2012 are as follows;

	Unit: Baht					
	Consolidated			Company		
	Originally Stated	Adjustments	Restated	Originally stated	Adjustments	Restated
Increase in share of result of investments - equity method	157,192,335	19,099,699	176,292,034	-	-	-
Decrease in income tax	281,914,714	(15,778,149)	266,136,565	191,378,222	(6,427,721)	184,950,501
Increase in profit for the period	811,141,702	34,877,848	846,019,550	750,032,635	6,427,721	756,460,356
Decrease in other comprehensive income for the period	194,170,963	(38,810,872)	155,360,091	194,170,963	(38,810,872)	155,360,091
Basic earnings per share (Baht)	0.92	0.04	0.96	0.85	0.01	0.86
Diluted earnings per share (Baht)	0.91	0.04	0.95	0.85	-	0.85

During the year, the Group has presented change in accounting policies in preparation the interim 2013 consolidated and company financial information. The effect of the adoption on such policies which has presented in the interim consolidated and company for prior period were adjusted due to error in calculation.

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7 Segment information

Financial information by business segment is follows:

	Consolidated					Unit: Million Baht
For the year ended 31 December 2013	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services business	Movie content business	Total
Revenues						
- Gross segment revenues	5,790	789	562	589	770	8,500
- Inter segment revenues	(339)	(1)	(72)	(108)	(270)	(790)
Net revenues	<u>5,451</u>	<u>788</u>	<u>490</u>	<u>481</u>	<u>500</u>	<u>7,710</u>
Segment results	<u>794</u>	<u>569</u>	<u>46</u>	<u>31</u>	<u>(295)</u>	1,145
Compensation income						13
Gain on disposal of investment						221
Unallocated income						<u>(119)</u>
Operating profit						1,260
Finance costs						(149)
Share of profit of associates and joint ventures						<u>189</u>
Profit before income tax						1,300
Income tax						<u>(276)</u>
Net profit						<u>1,024</u>
Segment fixed assets	4,521	54	796	1,307	18	6,696
Investments in associates and interest in joint ventures						2,469
Unallocated assets						<u>4,465</u>
Consolidated total assets						<u>13,630</u>

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7 Segment information (Cont'd)

	Unit: Million Baht					
	Consolidated					
For the year ended 31 December 2012	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services business	Movie content business	Total
Revenues						
- Gross segment revenues	4,699	669	597	605	981	7,551
- Inter segment revenues	(258)	(20)	(85)	(100)	(123)	(586)
Net revenues	<u>4,441</u>	<u>649</u>	<u>512</u>	<u>505</u>	<u>858</u>	<u>6,965</u>
Segment results	<u>505</u>	<u>425</u>	<u>7</u>	<u>51</u>	<u>(210)</u>	<u>778</u>
Compensation income						68
Gain on disposal of investment						214
Impairment of goodwill	(5)				(50)	(55)
Unallocated income						<u>9</u>
Operating profit						1,014
Finance costs						(133)
Share of profit of associates and joint ventures						<u>176</u>
Profit before income tax						1,057
Income tax						<u>(266)</u>
Net profit						<u>791</u>
Segment fixed assets	3,074	46	807	1,386	19	5,332
Investments in associates and interest in joint ventures						1,950
Unallocated assets						<u>4,048</u>
Consolidated total assets						<u>11,330</u>

7 Segment information (Cont'd)

Unallocated costs represent corporate expenses. Segment assets consist primarily property and equipment, intangible assets, inventories, receivables and operating cash and mainly exclude investments.

Liabilities are mainly borrowings purposed to be used for all segments and for the Group's liquidity. Accordingly, the Group does not present the liabilities segment information.

8 Cash and cash equivalents

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Cash on hand	38,613,426	31,471,741	30,025,415	22,895,066
Deposits held at call with banks	457,068,263	449,261,181	364,299,880	308,477,828
Cash and cash equivalents	<u>495,681,689</u>	<u>480,732,922</u>	<u>394,325,295</u>	<u>331,372,894</u>

The effective interest rates on short-term bank deposit are ranging from 0.10% to 2.25% per annum (2012: 0.10% to 3.25% per annum).

9 Available-for-sale investment

The movement of available-for-sale investment over the year is as follows:

	Unit: Baht	
	Consolidated and Company	
	2013	2012
Opening book value	372,406,147	177,457,846
Change in fair value of investments	448,165,556	194,948,301
<u>Less</u> allowance for impairment	-	-
Closing book value	<u>820,571,703</u>	<u>372,406,147</u>

The fair values of the investments are as follows:

	Unit: Baht	
	Consolidated and Company	
	2013	2012
Cost	307,990,650	307,990,650
Unrealised gain	512,581,053	64,415,497
Fair value	<u>820,571,703</u>	<u>372,406,147</u>

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10 Trade account and other receivables

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Third parties				
- Trade accounts receivable	773,228,671	828,289,046	150,520,060	65,915,475
- Unbilled revenue	154,373,471	147,506,084	13,718,332	36,203,791
Total	927,602,142	975,795,130	164,238,392	102,119,266
Less Allowance for doubtful accounts	(52,600,177)	(50,436,954)	-	-
Trade accounts receivable - Third parties, net	875,001,965	925,358,176	164,238,392	102,119,266
Trade accounts receivable				
- Related parties (Note 36)	33,055,941	8,860,461	100,585,964	132,621,634
Amounts due from related parties (Note 36)	73,415,497	43,904,035	253,805,874	280,199,584
Other accounts receivable	117,689,640	397,502,420	86,195,151	283,912,002
Prepaid expenses	59,884,749	78,349,977	43,576,865	51,771,475
Trade account and other receivables	1,159,047,792	1,453,975,069	648,402,246	850,623,961

Outstanding trade accounts receivable - third parties as at 31 December can be analysed according to ages as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Unbilled revenue	154,373,471	147,506,084	13,718,332	36,203,791
Trade accounts receivable				
Current	341,661,124	392,684,328	89,196,843	32,465,406
Overdue less than 3 months	237,080,251	220,243,525	47,055,641	31,110,275
3 - 6 months	49,686,876	75,602,717	4,464,700	545,044
Over 6 months	144,800,420	139,758,476	9,802,876	1,794,750
Total	927,602,142	975,795,130	164,238,392	102,119,266
Less Allowance for doubtful accounts	(52,600,177)	(50,436,954)	-	-
Trade accounts receivable, net	875,001,965	925,358,176	164,238,392	102,119,266

11 Inventories, net

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Foods and beverages	69,267,049	48,594,571	51,039,170	33,104,262
VCD and DVD, net of allowance	82,359,982	71,267,512	-	-
Supplies and others	21,359,087	11,650,351	7,320,453	5,006,696
Goods in transit	1,921,927	728,266	-	-
Inventories, net	174,908,045	132,240,700	58,359,623	38,110,958

Cost of inventory was recognised as an expense and included in cost amounting to Baht 429.78 million and Baht 280.49 million in the consolidated and company income statements, respectively (2012: Baht 500.40 million and Baht 246.94 million).

The Group recorded loss from obsolescence and allowance for diminution in value to inventories in the consolidated income statement for the year ended 31 December 2013 amounting to Baht 12.86 million (2012: Baht 32.95 million).

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12 Other current assets

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Value added tax receivable	158,962,592	122,038,261	53,116,646	23,629,542
Withholding tax deducted at sources	28,582,099	26,437,635	-	-
Others	24,445,275	14,363,798	7,014,080	3,197,067
	<u>211,989,966</u>	<u>162,839,694</u>	<u>60,130,726</u>	<u>26,826,609</u>

13 Investments in subsidiaries and associates and interests in joint ventures, net

a) Movements of investments in subsidiaries and associates and interests in joint ventures are as follows:

Investment in subsidiaries, net

	Unit: Baht	
	Company	
	2013	2012
Investment in subsidiaries	2,744,449,932	2,354,200,286
<u>Less</u> Allowance for impairment	(3,000,000)	(3,000,000)
Investment in subsidiaries, net	<u>2,741,449,932</u>	<u>2,351,200,286</u>

For the years ended 31 December

Opening net book amount	2,351,200,286	1,911,916,647
Acquisitions	432,869,430	486,532,739
Disposals	(32,000,000)	-
Share reduction	(10,619,784)	(44,249,100)
Impairment	-	(3,000,000)
Closing net book amount	<u>2,741,449,932</u>	<u>2,351,200,286</u>

Addition of investment in subsidiaries

M Picture Entertainment Public Company Limited (“MPIC”)

During the year ended 31 December 2013, the Company made an additional investment in MPIC of 165.89 million shares for a total of consideration of Baht 426.87 million. Consideration paid included cash payment of Baht 383.43 million (mainly through tender offer) and exchange of ordinary shares of subsidiary “TLO” and joint venture “MKB” totalling amount Baht 43.44 million. The acquisition resulted in the change in shareholding percentage from 67.86% to 91.37%. The difference between consideration paid and amount of non-controlling interests of Baht 318.71 million was recognised as “Changes in parent’s ownership interest in subsidiaries” in the consolidated shareholders’ equity.

On 3 October 2013, a subsidiary made additional investment in Subsidiary TLO of 0.04 million shares totalling Baht 4.00 million. The acquisition resulted in the change in shareholding percentage from 80.00% to 90.00%. The difference from additional investment of Baht 5.21 million was recognised as “Change in parents’ ownership interest in subsidiaries” presented under shareholders’ equity.

Digital Projector Management Co., Ltd. (“DPM”)

On 3 May 2013, the Company purchased 99.99% of shares in DPM, a service provider for projector and system management, totalling Baht 5.00 million.

Major Holding International Co., Ltd. (“MHD”)

On 8 January 2013, the Company purchased 99.96% of shares in MHD, a holding company, totalling Baht 1.00 million.

13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint ventures are as follows:**
(Cont'd)

Investment in subsidiaries, net (Cont'd)

Disposal of investment in subsidiaries

Talent One Co., Ltd. (“TLO”)

During the year ended 31 December 2013, the Company exchanged 0.32 million ordinary shares of TLO with 7.04 million ordinary shares of MPIC. Loss from the share swap of Baht 13.55 million was recognised as “Other income” in the company income statements. The discount, which is a difference between the consideration paid and amount of non-controlling interests of Baht 1.11 million was recognised as “Changes in parent’s ownership interest in subsidiaries” under shareholder’s equity in the consolidated financial statements.

Share reduction of subsidiaries

Chiangmai Cineplex Co., Ltd. (“CMC”)

The shareholders of CMC have approved to decrease the registered share capital from par value of Baht 25 per share to Baht 7 per share for 200,000 shares, totalling Baht 3.60 million. The Company received a share reduction totalling Baht 3.60 million on 2 January 2013.

Udon Five Star Cineplex Co., Ltd. (“UDF”)

The shareholders of UDF have approved to decrease the registered share capital from par value of Baht 25 per share to Baht 7 per share for 390,000 shares, totalling Baht 7.02 million. The Company received a share reduction totalling Baht 7.02 million on 2 January 2013.

Investment in associates

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Opening net book amount	1,883,886,016	1,977,166,901	1,716,422,344	1,792,353,449
Effect from change in accounting policy	(168,956,853)	(187,938,416)	-	-
Opening balance after adjustment	1,714,929,163	1,789,228,485	1,716,422,344	1,792,353,449
Acquisitions	526,839,775	33,025,890	526,839,775	33,025,890
Disposals	(91,545,034)	(150,892,414)	(75,022,556)	(108,956,995)
Dividend received	(128,908,248)	(121,345,342)	-	-
Share of result	191,552,839	164,912,544	-	-
Closing net book amount	<u>2,212,868,495</u>	<u>1,714,929,163</u>	<u>2,168,239,563</u>	<u>1,716,422,344</u>

The Group’s intercompany gain on disposals of assets to Major Cineplex Lifestyle Leasehold Property Fund is realised on the straight-line basis over the lease contracts periods of the buildings leased out to the Property Fund. During 2013, the Group realised gain on disposal in the consolidated income statement of Baht 16.32 million (2012: Baht 16.32 million).

As at 31 December 2013, investment in associates included net book value of goodwill in the consolidated financial statements amounting to Baht 44.12 million (2012: Baht 44.12 million). During the year ended 31 December 2013, the Company received dividends income from associates amounting to Baht 128.91 million, which was recognised in “Other income” in the company income statement and recognised in “Investment in associates” in the consolidated statement of financial position.

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13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

Investment in associates (Cont'd)

a) Movements of investments in subsidiaries and associates and interests in joint ventures are as follows: (Cont'd)

Investment in subsidiaries, net (Cont'd)

The Group's share of results of its associates and its share of the assets liabilities, revenues and result of the joint ventures are as follows:

	<u>Assets Baht</u>	<u>Liabilities Baht</u>	<u>Revenues Baht</u>	<u>Profit (loss) Baht</u>	<u>% Ownership interest</u>
Year ended 31 December 2013					
<u>Associates</u>					
Siam Future Development Public Company Limited	1,991,605,412	944,480,076	324,094,030	38,074,999	23.72
Ratchayothin Avenue Company Limited	351,061,686	178,206,004	29,106,661	5,352,046	50.00
			Indirect shareholding via SF		11.86
Major Cineplex Lifestyle Leasehold Property Fund	1,352,231,079	37,910,281	152,733,656	126,384,240	33.00
Thaiticketmajor Company Limited	102,368,385	76,384,276	100,845,796	21,741,554	40.00
Year ended 31 December 2012					
<u>Associates</u>					
Siam Future Development Public Company Limited	1,464,330,270	823,707,872	301,242,584	8,775,319	20.49
Ratchayothin Avenue Company Limited	353,483,538	183,669,738	27,669,724	3,710,040	50.00
			Indirect shareholding via SF		10.25
Major Cineplex Lifestyle Leasehold Property Fund	1,347,087,413	39,504,367	160,145,398	132,242,348	33.00
Thaiticketmajor Company Limited	70,235,897	45,555,900	82,468,560	20,184,837	40.00

Ratchayothin Avenue Company Limited is controlled by Siam Future Development Public Company Limited.

13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint venture are as follows:**
(Cont'd)

Investment in associates (Cont'd)

Siam Future Development Public Company Limited (“SF”)

Addition of investment in associate

During the year ended 31 December 2013, the Company made additional investment in SF of 102.97 million shares totalling Baht 526.84 million.

Disposal of investment in associate

During the year ended 31 December 2013, the Company disposed investment in SF of 30.52 million shares for the considerations of Baht 313.02 million and recognised gain on disposal of investment amounting to Baht 221.48 million, and Baht 238.00 million, which included in “Other income” in the consolidated and company income statements, respectively.

The aforesaid change of investment resulted in addition of shareholding percentage from 20.49% to 23.72%.

Interest in joint ventures

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Opening book amount	238,163,523	113,228,869	216,793,035	103,119,735
Effect from change in accounting policy	(2,959,476)	(3,077,612)	-	-
Opening balance after adjustment	235,204,047	110,151,257	216,793,035	103,119,735
Additional investment	38,697,500	113,673,300	38,697,500	113,673,300
Additional investment in joint venture under control of a subsidiary	28,229,350	-	-	-
Disposal	(28,229,350)	-	(17,999,960)	-
Dividend income	(15,747,986)	-	-	-
Share of result	(2,396,232)	11,379,490	-	-
Closing book amount	<u>255,757,329</u>	<u>235,204,047</u>	<u>237,490,575</u>	<u>216,793,035</u>

13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

Interest in joint ventures (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint venture are as follows:**
(Cont'd)

Interest in joint ventures

The Group's share of results of its joint ventures and its share of the assets, liabilities revenue and expenses are as follows:

	Unit: Baht	
	Consolidated	
	2013	2012
Non-current assets	280,466,623	248,215,462
Current assets	109,390,462	81,848,504
Total assets	389,857,085	330,063,966
Non-current liabilities	30,764,700	53,862,406
Current liabilities	130,254,828	63,955,830
Total liabilities	161,019,528	117,818,236
Net assets	228,837,557	212,245,730
Revenue	206,258,459	143,120,183
Expenses	207,120,383	133,002,997
Proportionate interest in joint venture commitments	Nil	Nil

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Addition of investment in joint ventures

PVR BluO Entertainment Co., Ltd. ("PVR bluO")

On 11 November 2011, the Board of Directors Meeting No. 4/2554, the directors approved for the additional investment of Rupee 276.00 million to retain the percentage of shareholding at 49%. On 25 November 2011, the Company paid for a share subscriber in PVR bluO of Rupee 40.00 million, equivalent to Baht 25.20 million, the remaining will be paid in the year 2013.

On 15 May 2013, the Company paid for a share subscriber in PVR bluO of Rupee 67.30 million, equivalent to Baht 38.70 million to retain the percentage of shareholding at 49%.

Disposal of investment in joint venture

Major Kantana Broadcasting Company Limited ("MKB")

During the year ended 31 December 2013, the Company exchanged 1.80 million ordinary shares of MKB with 9.54 million ordinary shares of MPIC. Gain from the share swap of Baht 7.00 million was recognised as "Other income" in the company income statements. The discount, which is a difference between the consideration paid and amount of non-controlling interests of Baht 7.02 million was recognised as "Changes in parent's ownership interest in subsidiaries" under Shareholder's equity in the consolidated shareholders' equity.

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13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

b) The details of investments in subsidiaries and associates and interests in joint ventures are as follows:

Subsidiaries	Nature of business	Nature of relationship	% Ownership Interest	
			2013	2012
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.93	99.93
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
EGV Entertainment Public Company Limited	Cinema services	Shareholder	99.98	99.98
M Picture Entertainment Public Company Limited ("MPIC")	Publishing, advertising and distribution of film rights	Shareholder	91.37	67.86
Talent One Co., Ltd. ("TLO")	Film production and services for all forms of entertainment	Shareholder	-	80.00
Major Holding International Co., Ltd.*	Holding business	Shareholder	99.96	-
Digital Projector Management Co., Ltd.	Projector rental and system management	Shareholder	99.99	-
Subsidiaries under EGV				
Entertain Golden Village Exhibition Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96	99.96
EGV Exhibition Co., Ltd.	Cinema services, advertising services, area for rent	Indirect shareholding	99.96	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96	99.96
Subsidiaries under MPIC				
TV Forum Co., Ltd.	Television media business	Indirect shareholding	91.37	67.86
M Picture Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	91.37	67.86
M.V.D. Co., Ltd.	Distribution of VCD/DVD, Blu-ray and film rights	Indirect shareholding	91.37	67.86
M Thirtynine Co., Ltd.	Film production	Indirect shareholding	91.37	67.86
Talent One Co., Ltd. ("TLO")	Film production, services for all forms of entertainment and sales of packet books	Indirect shareholding	82.23	-

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13 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

b) The details of investments in subsidiaries and associates and interests in joint ventures are as follows: (Cont'd)

Subsidiaries	Nature of business	Nature of relationship	% Ownership Interest	
			2013	2012
Subsidiary under MVD				
Pacific Media Sale Co., Ltd.	Distribution of CD, VCD and DVD	Indirect shareholding	90.82	67.46
Associates				
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	23.72	20.49
Rachayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00	50.00
Major Cineplex Lifestyle Leasehold Property Fund	Rental of building and utilities services	Indirect shareholding via SF	11.86	10.25
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	33.00	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00	40.00
Joint ventures				
PVR blu-O Entertainment Limited ("PVR blu-O")	Bowling, Karaoke and entertainment	Shareholder	49.00	49.00
K Arena Co.,Ltd.	Karaoke services	Shareholder	50.00	50.00
Major Kantana Broadcasting Company Limited ("MKB")	Sattellite broadcasting and distribution of film rights	Shareholder	-	44.99
Joint venture under MPIC				
Major Kantana Broadcasting Company Limited ("MKB")	Sattellite broadcasting and distribution of film rights	Shareholder	41.11	-

All subsidiaries, associates and joint ventures are incorporated in Thailand except PVR bluO which is incorporated in India. All holdings are investments in ordinary shares and investment unit in the Property Fund.

* New company established in this period.

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14 Property, plant and equipment, net

		Consolidated							Unit: Baht	
		Land	Building and building improvement	Cinema and cinema improvement	Utility system	Tool, equipment and fixture	Office equipment	Vehicle	Construction in progress	Total
At 1 January 2012										
Cost		208,316,998	1,414,363,876	3,265,393,123	1,049,659,221	3,912,109,628	305,922,849	16,112,643	51,176,153	10,223,054,491
<u>Less</u> Accumulated depreciation		-	(355,308,318)	(1,506,008,513)	(474,330,533)	(2,438,774,929)	(253,567,156)	(7,869,695)	-	(5,035,859,144)
Allowance for impairment		-	-	-	(1,148,681)	(4,875,603)	(375,685)	-	-	(6,399,969)
Net book value		<u>208,316,998</u>	<u>1,059,055,558</u>	<u>1,759,384,610</u>	<u>574,180,007</u>	<u>1,468,459,096</u>	<u>51,980,008</u>	<u>8,242,948</u>	<u>51,176,153</u>	<u>5,180,795,378</u>
For the year ended 31 December 2012										
Opening net book value		208,316,998	1,059,055,558	1,759,384,610	574,180,007	1,468,459,096	51,980,008	8,242,948	51,176,153	5,180,795,378
Additions		-	3,843,449	100,260,183	58,284,311	314,110,638	21,192,114	4,136,153	271,054,563	772,881,411
Transfer		-	8,537,752	102,765,163	16,653,552	78,523,364	10,295,451	-	(216,775,282)	-
Reclassification		-	223,592,872	(212,128,647)	-	(11,464,225)	-	-	-	-
Disposals, net		-	(3,298)	(364,209)	(2,362,578)	(12,904,708)	(817,070)	-	-	(16,451,863)
Write-off, net		-	(1,763,163)	(2,420,510)	(8,457,150)	(34,869,677)	(10,408)	-	-	(47,520,908)
Depreciation charge		-	(85,523,535)	(151,962,887)	(60,820,828)	(221,130,847)	(31,657,891)	(3,513,958)	-	(554,609,946)
Impairment charge		-	-	-	(495,770)	(2,178,439)	(294,029)	-	-	(2,968,238)
Closing net book value		<u>208,316,998</u>	<u>1,207,739,635</u>	<u>1,595,533,703</u>	<u>576,981,544</u>	<u>1,578,545,202</u>	<u>50,688,175</u>	<u>8,865,143</u>	<u>105,455,434</u>	<u>5,332,125,834</u>
At 31 December 2012										
Cost		208,316,998	1,810,314,486	3,054,524,305	1,103,862,201	4,037,033,307	287,732,842	20,248,796	105,455,434	10,627,488,369
<u>Less</u> Accumulated depreciation		-	(602,574,851)	(1,458,990,602)	(525,236,206)	(2,451,434,064)	(236,374,953)	(11,383,653)	-	(5,285,994,329)
Allowance for impairment		-	-	-	(1,644,451)	(7,054,041)	(669,714)	-	-	(9,368,206)
Net book value		<u>208,316,998</u>	<u>1,207,739,635</u>	<u>1,595,533,703</u>	<u>576,981,544</u>	<u>1,578,545,202</u>	<u>50,688,175</u>	<u>8,865,143</u>	<u>105,455,434</u>	<u>5,332,125,834</u>

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14 Property, plant and equipment, net (Cont'd)

	Unit: Baht								
	Consolidated								
	Land	Building and building improvement	Cinema and cinema improvement	Utility system	Tool, Equipment and fixture	Office equipment	Vehicle	Construction in progress	Total
For the year ended 31 December 2013									
Opening net book value	208,316,998	1,207,739,635	1,595,533,703	576,981,544	1,578,545,202	50,688,175	8,865,143	105,455,434	5,332,125,834
Additions	-	21,444,531	144,751,364	100,247,154	849,650,086	27,156,877	1,697,603	923,452,470	2,068,400,085
Transfer	-	989,891	194,667,602	62,554,064	497,073,975	89,490,200	-	(844,775,732)	-
Reclassification	-	170,000	(170,000)	(12,789)	12,789	-	-	-	-
Disposals, net	-	-	(310,243)	(8,544,815)	(24,191,423)	(40,623)	(1,358,466)	-	(34,445,570)
Write-off, net	-	-	-	(601,094)	(3,070,993)	(32,992)	(1)	-	(3,705,080)
Depreciation charge	-	(89,367,338)	(146,561,384)	(64,200,455)	(285,590,481)	(45,068,538)	(2,802,103)	-	(633,590,299)
Reversal of impairment	-	-	-	262,317	1,770,504	-	-	-	2,032,821
Impairment charge	-	-	(3,500,000)	(1,000,000)	(30,000,000)	-	-	-	(34,500,000)
Closing net book value	<u>208,316,998</u>	<u>1,140,976,719</u>	<u>1,784,411,042</u>	<u>665,685,926</u>	<u>2,584,199,659</u>	<u>122,193,099</u>	<u>6,402,176</u>	<u>184,132,172</u>	<u>6,696,317,791</u>
At 31 December 2013									
Cost	208,316,998	1,832,918,909	3,386,889,108	1,251,366,000	5,279,925,986	331,095,990	18,787,587	184,132,172	12,493,432,750
<u>Less</u> Accumulated depreciation	-	(691,942,190)	(1,598,978,066)	(583,297,939)	(2,660,442,791)	(208,233,177)	(12,385,411)	-	(5,755,279,574)
Allowance for impairment	-	-	(3,500,000)	(2,382,135)	(35,283,536)	(669,714)	-	-	(41,835,385)
Net book value	<u>208,316,998</u>	<u>1,140,976,719</u>	<u>1,784,411,042</u>	<u>665,685,926</u>	<u>2,584,199,659</u>	<u>122,193,099</u>	<u>6,402,176</u>	<u>184,132,172</u>	<u>6,696,317,791</u>

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14 Property, plant and equipment, net (Cont'd)

	Company							Unit: Baht
	Land	Buildings, cinema and cinema Improvement	Utility system	Tool, equipment and fixture	Office equipment	Vehicle	Construction in progress	Total
At 1 January 2012								
Cost	173,406,998	1,913,062,573	353,771,647	1,469,436,699	170,221,532	7,444,586	31,140,844	4,118,484,879
Less Accumulated depreciation	-	(740,189,727)	(92,031,778)	(877,760,137)	(135,045,469)	(4,816,874)	-	(1,849,843,985)
Net book value	<u>173,406,998</u>	<u>1,172,872,846</u>	<u>261,739,869</u>	<u>591,676,562</u>	<u>35,176,063</u>	<u>2,627,712</u>	<u>31,140,844</u>	<u>2,268,640,894</u>
For the year ended 31 December 2012								
Opening net book value	173,406,998	1,172,872,846	261,739,869	591,676,562	35,176,063	2,627,712	31,140,844	2,268,640,894
Additions	-	89,408,658	14,944,220	133,889,829	13,864,606	1,557,300	173,587,554	427,252,167
Transfer	-	95,865,713	11,465,599	50,196,620	3,791,873	-	(161,319,805)	-
Disposals, net	-	(359,709)	-	(4,525)	(145)	-	-	(364,379)
Write-off, net	-	(14,754)	-	-	-	-	-	(14,754)
Depreciation charge	-	(118,211,028)	(25,083,591)	(96,843,764)	(21,191,230)	(1,335,460)	-	(262,665,073)
Closing net book value	<u>173,406,998</u>	<u>1,239,561,726</u>	<u>263,066,097</u>	<u>678,914,722</u>	<u>31,641,167</u>	<u>2,849,552</u>	<u>43,408,593</u>	<u>2,432,848,855</u>
At 31 December 2012								
Cost	173,406,998	2,084,728,464	377,971,505	1,616,393,062	180,068,344	9,001,886	43,408,593	4,484,978,852
Less Accumulated depreciation	-	(845,166,738)	(114,905,408)	(937,478,340)	(148,427,177)	(6,152,334)	-	(2,052,129,997)
Net book value	<u>173,406,998</u>	<u>1,239,561,726</u>	<u>263,066,097</u>	<u>678,914,722</u>	<u>31,641,167</u>	<u>2,849,552</u>	<u>43,408,593</u>	<u>2,432,848,855</u>

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14 Property, plant and equipment, net (Cont'd)

Unit: Baht

	Company							Total
	Land	Building, cinema and cinema improvements	Utility system	Tool, Equipment and fixture	Office equipment	Vehicle	Construction in progress	
For the year ended 31 December 2013								
Opening net book value	173,406,998	1,239,561,726	263,066,097	678,914,722	31,641,167	2,849,552	43,408,593	2,432,848,855
Additions	-	133,534,389	71,445,831	231,624,102	21,804,278	1,697,603	794,954,722	1,255,060,925
Transfer	-	168,360,984	44,900,848	408,283,737	73,562,914	-	(695,108,483)	-
Disposals, net	-	(252,174)	(555,081)	(1,389,380)	(211)	-	-	(2,196,846)
Write-off, net	-	-	-	(703,064)	(30,438)	(1)	-	(733,503)
Depreciation charge	-	(114,776,884)	(28,814,232)	(113,057,396)	(32,388,325)	(899,240)	-	(289,936,077)
Impairment charge	-	(3,500,000)	(1,000,000)	(30,000,000)	-	-	-	(34,500,000)
Closing net book value	173,406,998	1,422,928,041	349,043,463	1,173,672,721	94,589,385	3,647,914	143,254,832	3,360,543,354
At 31 December 2013								
Cost	173,406,998	2,380,057,344	493,740,669	2,159,417,653	203,304,166	10,639,676	143,254,832	5,563,821,338
<u>Less</u> Accumulated depreciation	-	(953,629,303)	(143,697,206)	(955,744,932)	(108,714,781)	(6,991,762)	-	(2,168,777,984)
Allowance for impairment	-	(3,500,000)	(1,000,000)	(30,000,000)	-	-	-	(34,500,000)
Net book value	173,406,998	1,422,928,041	349,043,463	1,173,672,721	94,589,385	3,647,914	143,254,832	3,360,543,354

14 Property, plant and equipment, net (Cont'd)

As at 31 December 2013, the costs of fully depreciated properties and equipments that are still in use are amounting to Baht 1,762.67 million (2012: Baht 1,780.07 million), and Baht 925.57 million (2012: Baht 921.34 million) in the consolidated and the company financial statements, respectively.

As at 31 December 2013, the Group has pledged land and buildings with the net book value of Baht 37.57 million (2012: Baht 38.12 million) to be used pledged as collateral for debts or performance under the land and building rental contract.

During 2013, additions in the consolidated financial statements included assets acquired under finance lease agreements amounting to Baht 422.40 million (2012: Baht 2.03 million).

Leased assets included above, where the Group and the Company are lessees under finance lease, comprise lease space, motor vehicles and equipments:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Cost - capitalised finance leases	610,167,936	27,852,687	21,906,697	21,906,697
<u>Less</u> Accumulated depreciation	(169,503,884)	(6,169,094)	(4,741,581)	(3,566,517)
Net book amount	<u>440,664,052</u>	<u>21,683,593</u>	<u>17,165,116</u>	<u>18,340,180</u>

15 Goodwill, net

	Unit: Baht	
	Consolidated	
	2013	2012
At 1 January		
Cost	342,112,936	342,112,936
<u>Less</u> Allowance for impairment	(55,047,537)	-
Net book value	<u>287,065,399</u>	<u>342,112,936</u>
For the years ended 31 December		
Opening net book value	287,065,399	342,112,936
Impairment	-	(55,047,537)
Closing net book value	<u>287,065,399</u>	<u>287,065,399</u>
At 31 December		
Cost	342,112,936	342,112,936
<u>Less</u> Allowance for impairment	(55,047,537)	(55,047,537)
Net book value	<u>287,065,399</u>	<u>287,065,399</u>

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15 Goodwill, net (Cont'd)

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Consolidated					Unit : Baht
	Cinema business	Advertising business	Bowing and Karaoke business	Rental and services business	Movie content business	Total
Goodwill allocation						
For the year ended 31 December 2013						
Cost	25,207,060	-	1,327,239	52,746,610	262,832,027	342,112,936
<u>Less</u> Allowance for impairment	(5,047,537)	-	-	-	(50,000,000)	(55,047,537)
Net book value	<u>20,159,523</u>	<u>-</u>	<u>1,327,239</u>	<u>52,746,610</u>	<u>212,832,027</u>	<u>287,065,399</u>
For the year ended 31 December 2012						
Cost	25,207,060	-	1,327,239	52,746,610	262,832,027	342,112,936
<u>Less</u> Allowance for impairment	(5,047,537)	-	-	-	(50,000,000)	(55,047,537)
Net book value	<u>20,159,523</u>	<u>-</u>	<u>1,327,239</u>	<u>52,746,610</u>	<u>212,832,027</u>	<u>287,065,399</u>

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15 Goodwill, net (Cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest level of each identifiable cash flows (cash-generating unit). For goodwill of movie content segment which is significant to financial statements, the Group has engaged an independent certified financial advisor to assess the recoverable amount. The recoverable amount assessment is based on a ten-year pre-tax cash flow projection by referring to an approved financial and business plan by management.

Key assumptions used in the recoverable amount assessment include:

	Cinema business	Bowling and Karaoke business	Rental and services business	Movie content business
Gross margin ¹	15%	9%	6%	20% - 50%
Growth rate ²	3%	3%	5% - 10%	3%
Discount rate ³	12.9%	12.9%	13.4%	10.1%

¹ Budgeted gross margin.

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

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

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

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

16 Intangible assets, net

	Consolidated			Unit: Baht
	Film rights	Computer program	Total	Company Computer program
At 1 January 2012				
Cost	2,832,964,628	50,443,502	2,883,408,130	42,346,845
<u>Less</u> Accumulated amortisation	(2,385,411,902)	(16,915,425)	(2,402,327,327)	(12,284,415)
Allowance for impairment	(56,320,846)	-	(56,320,846)	-
Net book value	<u>391,231,880</u>	<u>33,528,077</u>	<u>424,759,957</u>	<u>30,062,430</u>
For the year ended 31 December 2012				
Opening net book value	391,231,880	33,528,077	424,759,957	30,062,430
Additions	420,686,803	31,959,077	452,645,880	29,500,709
Write-off	(2,696,763)	(241,496)	(2,938,259)	-
Amortisation	(482,901,412)	(10,887,084)	(493,788,496)	(10,087,860)
Impairment charge	(12,455,784)	(1,316,009)	(13,771,793)	-
Closing net book value	<u>313,864,724</u>	<u>53,042,565</u>	<u>366,907,289</u>	<u>49,475,279</u>
At 31 December 2012				
Cost	3,250,954,667	82,048,579	3,333,003,246	71,847,554
<u>Less</u> Accumulated amortisation	(2,868,313,312)	(27,690,005)	(2,896,003,317)	(22,372,275)
Allowance for impairment	(68,776,631)	(1,316,009)	(70,092,640)	-
Net book value	<u>313,864,724</u>	<u>53,042,565</u>	<u>366,907,289</u>	<u>49,475,279</u>

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16 Intangible assets, net (Cont'd)

	Consolidated			Unit: Baht
	Film rights	Computer program	Total	Company
				Computer program
For the year ended 31 December 2013				
Opening net book value	313,864,724	53,042,565	366,907,289	49,475,279
Additions	394,058,471	18,893,660	412,952,131	17,043,978
Amortisation	(380,528,247)	(16,858,598)	(397,386,845)	(16,074,551)
Impairment charge	(13,875,543)	-	(13,875,543)	-
Closing net book value	<u>313,519,405</u>	<u>55,077,627</u>	<u>368,597,032</u>	<u>50,444,706</u>
At 31 December 2013				
Cost	3,645,013,138	100,942,239	3,745,955,377	88,891,532
<u>Less</u> Accumulated amortisation	(3,248,841,559)	(44,548,603)	(3,293,390,162)	(38,446,826)
Allowance for impairment	(82,652,174)	(1,316,009)	(83,968,183)	-
Net book value	<u>313,519,405</u>	<u>55,077,627</u>	<u>368,597,032</u>	<u>50,444,706</u>

17 Deferred income tax assets and liabilities

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

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	6,881,653	7,711,083	641,858	476,441
Deferred tax asset to be recovered after more than 12 months	139,498,108	52,404,994	29,828,484	16,503,497
Total	<u>146,379,761</u>	<u>60,116,077</u>	<u>30,470,342</u>	<u>16,979,938</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(14,423,882)	(21,703,169)	(922,672)	(324,952)
Deferred tax liability to be settled after more than 12 months	(465,413,250)	(289,939,398)	(121,148,012)	(29,310,133)
	<u>(479,837,132)</u>	<u>(311,642,567)</u>	<u>(122,070,684)</u>	<u>(29,635,085)</u>
Deferred tax, net	<u>(333,457,371)</u>	<u>(251,526,490)</u>	<u>(91,600,342)</u>	<u>(12,655,147)</u>

The gross movement and the deferred income tax account is as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
At 1 January	(251,526,490)	(228,493,767)	(12,655,147)	19,728,004
Credited to profit or loss	7,702,230	15,778,149	10,687,916	6,427,721
Tax charged directly to equity	(89,633,111)	(38,810,872)	(89,633,111)	(38,810,872)
At 31 December	<u>(333,457,371)</u>	<u>(251,526,490)</u>	<u>(91,600,342)</u>	<u>(12,655,147)</u>

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17 Deferred income taxes (Cont'd)

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

	Consolidated			Unit: Baht
	At 1 January 2013	Charged (credited) to profit or loss	Charged directly to equity	At 31 December 2013
Deferred tax assets				
Impairment loss of investment	600,000	-	-	600,000
Depreciation	2,295,344	(679,206)	-	1,616,138
Impairment loss of assets	-	6,900,000	-	6,900,000
Fixed assets under				
finance lease contracts	40,008,723	(5,663,879)	-	34,344,844
Prepaid rents	422,340	(24,568)	-	397,772
Finance lease liabilities	4,435,811	78,945,082	-	83,380,893
Employee benefit	2,913,479	380,255	-	3,293,734
Provision for customers loyalty program	3,374,000	(514,000)	-	2,860,000
Construction grants	6,066,380	6,920,000	-	12,986,380
Total	60,116,077	86,263,684	-	146,379,761
Deferred tax liabilities				
Available-for-sale investment	(12,883,099)	-	(89,633,111)	(102,516,210)
Investment in associates and				
joint ventures	(23,498,737)	(1,521,024)	-	(25,019,761)
Amortisation	(6,640,588)	1,845,609	-	(4,794,979)
Finance lease receivables	(2,558,691)	2,265	-	(2,556,426)
Depreciation	(32,119,473)	(91,464,312)	-	(123,583,785)
Prepaid rental and services income	(233,941,979)	12,576,008	-	(221,365,971)
Total	(311,642,567)	(78,561,454)	(89,633,111)	(479,837,132)
Deferred tax, net	(251,526,490)	7,702,230	(89,633,111)	(333,457,371)

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17 Deferred income taxes (Cont'd)

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

	Consolidated			Unit: Baht
	At 1 January 2012	Charged (credited) to profit or loss	Charged directly to equity	At 31 December 2012
Deferred tax assets				
Available-for-sale investment	26,106,561	-	(26,106,561)	-
Impairment loss of investment	-	600,000	-	600,000
Depreciation	3,473,177	(1,177,833)	-	2,295,344
Fixed assets under				
finance lease contracts	46,198,880	(6,190,157)	-	40,008,723
Prepaid rents	436,433	(14,093)	-	422,340
Finance lease liabilities	4,391,338	44,473	-	4,435,811
Employee benefit	2,554,425	359,054	-	2,913,479
Provision for customers loyalty program	3,703,000	(329,000)	-	3,374,000
Construction grants	-	6,066,380	-	6,066,380
Total	86,863,814	(641,176)	(26,106,561)	60,116,077
Deferred tax liabilities				
Available-for-sale investment	(178,788)	-	(12,704,311)	(12,883,099)
Investment in associates and				
joint ventures	(29,693,985)	6,195,248	-	(23,498,737)
Amortisation	(8,483,361)	1,842,773	-	(6,640,588)
Finance lease receivables	(2,470,468)	(88,223)	-	(2,558,691)
Depreciation	(26,923,853)	(5,195,620)	-	(32,119,473)
Prepaid rental and services income	(247,607,126)	13,665,147	-	(233,941,979)
Total	(315,357,581)	16,419,325	(12,704,311)	(311,642,567)
Deferred tax, net	(228,493,767)	15,778,149	(38,810,872)	(251,526,490)

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17 Deferred income taxes (Cont'd)

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

	Company			Unit: Baht
	At 1 January 2013	Charged (credited) to profit or loss	Charged directly to Equity	At 31 December 2013
Deferred tax assets				
Impairment loss of investment	600,000	-	-	600,000
Depreciation	768,777	(127,858)	-	640,919
Provision for impairment of assets	-	6,900,000	-	6,900,000
Finance lease liabilities	4,084,432	46,320	-	4,130,752
Employee benefit	2,086,348	265,943	-	2,352,291
Provision for customers loyalty program	3,374,000	(514,000)	-	2,860,000
Construction grants	6,066,380	6,920,000	-	12,986,380
Total	16,979,937	13,490,405	-	30,470,342
Deferred tax liabilities				
Available-for-sale investment	(12,883,099)	-	(89,633,111)	(102,516,210)
Amortisation	(407,322)	(515,350)	-	(922,672)
Depreciation	(16,344,663)	(2,287,139)	-	(18,631,802)
Total	(29,635,084)	(2,802,489)	(89,633,111)	(122,070,684)
Deferred tax, net	(12,655,147)	10,687,916	(89,633,111)	(91,600,342)

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17 Deferred income taxes (Cont'd)

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

	Company			Unit: Baht
	At 1 January 2012	Charged (credited) to profit or loss	Charged directly to Equity	At 31 December 2012
Deferred tax assets				
Available-for-sale investment	26,106,561	-	(26,106,561)	-
Impairment loss of investment	-	600,000	-	600,000
Depreciation	916,218	(147,441)	-	768,777
Impairment loss of assets	-	-	-	-
Fixed assets under				
finance lease contracts	4,047,976	36,456	-	4,084,432
Employee benefit	1,838,319	248,029	-	2,086,348
Provision for customers loyalty program	3,703,000	(329,000)	-	3,374,000
Construction grants	-	6,066,380	-	6,066,380
Total	36,612,074	6,474,424	(26,106,561)	16,979,937
Deferred tax liabilities				
Available-for-sale investment	(178,788)	-	(12,704,311)	(12,883,099)
Amortisation	(732,274)	324,952	-	(407,322)
Depreciation	(15,973,008)	(371,655)	-	(16,344,663)
Total	(16,884,070)	(46,703)	(12,704,311)	(29,635,084)
Deferred tax, net	19,728,004	6,427,721	(38,810,872)	(12,655,147)

The financial position of deferred tax assets and liabilities is as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Deferred tax assets	316,412	253,259	-	-
Deferred tax liabilities	(333,773,783)	(251,779,749)	(91,600,342)	(12,655,147)
Deferred tax, net	(333,457,371)	(251,526,490)	(91,600,342)	(12,655,147)

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18 Prepaid rents

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Current portion	34,153,853	34,653,397	9,472,507	9,472,507
Long-term portion	487,283,860	520,938,169	159,403,371	168,875,879
Total prepaid rents	<u>521,437,713</u>	<u>555,591,566</u>	<u>168,875,878</u>	<u>178,348,386</u>

As at 31 December 2013, leasehold rights with the net book value of Baht 22.80 million (2012: Baht 24.00 million) are pledged as collateral for bank borrowings (Note 21).

19 Other non-current assets, net

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Deposits	227,671,185	137,624,983	116,373,421	106,207,283
Others	116,008,751	12,548,288	114,612,640	11,904,403
	<u>343,679,936</u>	<u>150,173,271</u>	<u>230,986,061</u>	<u>118,111,686</u>

20 Trade account and other payables

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Trade account payables	620,359,485	642,280,408	481,790,127	443,585,649
Amounts due to related parties (Note 36)	72,947,147	35,392,103	99,652,944	114,534,989
Other payables	473,006,746	275,803,012	326,997,300	128,694,051
Accrued expenses	255,721,999	334,915,638	130,725,100	120,693,630
Rental and service incomes received in advance	314,346,777	239,051,434	179,350,506	137,610,522
Trade account and other payables	<u>1,736,382,154</u>	<u>1,527,442,595</u>	<u>1,218,515,977</u>	<u>945,118,841</u>

Rental and service incomes received in advance included cash advanced from customers amounting to Baht 49.74 million (2012: Baht 58.41 million), which received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

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21 Borrowings

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Current				
Bank overdrafts	60,418,172	36,668,051	703,160	-
Short-term loans from financial institutions	2,178,510,000	764,800,000	1,545,000,000	200,000,000
Total bank overdrafts and short-term loans from financial institutions	2,238,928,172	801,468,051	1,545,703,160	200,000,000
Current portion of long-term borrowings:				
- Finance lease liabilities	71,922,239	1,336,177	264,935	297,642
- Bank borrowings	131,924,271	79,454,328	40,000,000	40,000,000
- Debentures	-	800,000,000	-	800,000,000
Total current portion of long-term borrowings	203,846,510	880,790,505	40,264,935	840,297,642
Non-current portion of long-term borrowings				
- Finance lease liabilities	443,408,418	24,035,538	21,137,363	21,402,298
- Bank borrowings	108,453,231	145,660,467	60,000,000	100,000,000
- Debentures	1,800,000,000	1,000,000,000	1,800,000,000	1,000,000,000
Total non-current portion of long-term borrowings	2,351,861,649	1,169,696,005	1,881,137,363	1,121,402,298
Total borrowings and debentures	4,794,636,331	2,851,954,561	3,467,105,458	2,161,699,940

The interest rates exposure on the borrowings of the Group and the Company (excluded finance leases liabilities) are as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Borrowings:				
- Fixed rates	4,078,510,000	2,704,800,000	3,445,000,000	2,140,000,000
- Floating rates	200,795,674	121,782,846	703,160	-
	4,279,305,674	2,826,582,846	3,445,703,160	2,140,000,000

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21 Borrowings (Cont'd)

The exposure of the Group's and the Company's borrowings (excluded finance leases liabilities) to interest rate changes and the contractual re-pricing dates at the statement of financial position dates are as follows:

	Unit: Baht			
	Consolidated			
	6 months or less	6 - 12 months	1 - 5 years	Total
At 31 December 2013	2,198,510,000	20,000,000	1,860,000,000	4,078,510,000
Total borrowings	2,198,510,000	20,000,000	1,860,000,000	4,078,510,000
At 31 December 2012	1,584,800,000	20,000,000	1,100,000,000	2,704,800,000
Total borrowings	1,584,800,000	20,000,000	1,100,000,000	2,704,800,000

	Unit: Baht			
	Company			
	6 months or less	6 - 12 months	1 - 5 years	Total
At 31 December 2013	1,565,000,000	20,000,000	1,860,000,000	3,445,000,000
Total borrowings	1,565,000,000	20,000,000	1,860,000,000	3,445,000,000
At 31 December 2012	1,020,000,000	20,000,000	1,100,000,000	2,140,000,000
Total borrowings	1,020,000,000	20,000,000	1,100,000,000	2,140,000,000

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

	Consolidated		Company	
	2013	2012	2013	2012
- Bank overdrafts	7.38% - 8.00%	7.38% - 7.90%	7.38% - 8.00%	-
- Bank borrowings	2.86% - 6.75%	3.08% - 7.00%	2.86% - 4.60%	3.08% - 4.62%
- Debentures	3.54% - 4.60%	2.99% - 4.60%	3.54% - 4.60%	2.99% - 4.60%

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21 Borrowings (Cont'd)

The carrying amounts and fair values of certain long-term borrowings (excluded finance leases liabilities) are as follows:

	Unit: Baht			
	Consolidated			
	Carrying amounts		Fair values	
	2013	2012	2013	2012
Long-term bank borrowings	108,453,231	145,660,467	107,297,645	179,407,556
Debentures	1,800,000,000	1,000,000,000	1,824,643,350	1,001,570,580
	<u>1,908,453,231</u>	<u>1,145,660,467</u>	<u>1,931,940,995</u>	<u>1,180,978,136</u>
	Unit: Baht			
	Company			
	Carrying amounts		Fair values	
	2013	2012	2013	2012
Long-term bank borrowings	60,000,000	100,000,000	58,844,414	133,747,089
Debentures	1,800,000,000	1,000,000,000	1,824,643,350	1,001,570,580
	<u>1,860,000,000</u>	<u>1,100,000,000</u>	<u>1,883,487,764</u>	<u>1,135,317,669</u>

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term borrowings, and lease obligations approximate their fair values.

Finance lease liabilities-minimum lease payments are as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Not later than 1 year	92,800,133	3,300,369	1,979,656	1,995,006
Later than 1 year but not later than 5 years	449,965,161	10,611,218	6,715,163	8,694,819
Later than 5 years	62,052,420	48,072,405	45,602,210	45,602,210
	604,817,714	61,983,992	54,297,029	56,292,035
<u>Less</u> Future finance charges on finance leases	(89,487,057)	(36,612,277)	(32,894,731)	(34,592,095)
Present value of finance lease liabilities	<u>515,330,657</u>	<u>25,371,715</u>	<u>21,402,298</u>	<u>21,699,940</u>

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21 Borrowings (Cont'd)

The present value of finance lease liabilities is as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Not later than 1 year	71,922,239	1,336,177	264,935	297,642
Later than 1 year	443,408,418	24,035,538	21,137,363	21,402,298
	<u>515,330,657</u>	<u>25,371,715</u>	<u>21,402,298</u>	<u>21,699,940</u>

The movements in bank borrowings (exclude finance lease liabilities) can be analysed as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Opening balance	225,114,795	187,655,411	140,000,000	180,000,000
Additions	123,990,000	91,800,000	-	-
Repayments	(108,727,293)	(54,340,616)	(40,000,000)	(40,000,000)
Closing balance	<u>240,377,502</u>	<u>225,114,795</u>	<u>100,000,000</u>	<u>140,000,000</u>

Maturity of bank borrowings is as follows:

Within 1 year	131,924,271	79,454,328	40,000,000	40,000,000
Between 1 year and 2 years	88,453,231	74,321,079	40,000,000	40,000,000
Between 2 years and 5 years	20,000,000	71,339,388	20,000,000	60,000,000
	<u>108,453,231</u>	<u>145,660,467</u>	<u>60,000,000</u>	<u>100,000,000</u>
	<u>240,377,502</u>	<u>225,114,795</u>	<u>100,000,000</u>	<u>140,000,000</u>

Short-term loans from financial institutions represent bills of exchange and promissory notes denominated in Thai Baht bearing interest at the rates ranging from 2.86% to 6.50% per annum (2012: 3.08% to 6.50% per annum).

Long-term bank borrowings bear interest at the rates ranging from 4.60% to 6.75% per annum (2012: 4.60% to 7.00% per annum) and are secured by the pledge of building and leasehold rights (Note 14 and Note 18). Lease liabilities are effectively secured as the right to the leased asset revert to lessor in the event of default.

21 Borrowings (Cont'd)

Debentures

	Unit: Baht	
	Consolidated	Company
Opening amount	1,800,000,000	1,800,000,000
Issuance of debenture	800,000,000	800,000,000
Repayment of debenture	(800,000,000)	(800,000,000)
Closing amount	<u>1,800,000,000</u>	<u>1,800,000,000</u>

During 2013, the Company issued unsubordinated debenture of Baht 800.00 million. The debenture is one-time return the principal on maturity date, unsecured, with a representative of the bondholders. The term of the debenture is 3 years from the issuance date. The interest rate is 3.54% per annum. The Company received considerations of Baht 800.00 million on 15 May 2013. The Company used proceeds from the debentures to repay bank borrowings.

The Company issued a straight, unsecured and unsubordinated Baht debentures at par value of Baht 1,000 per unit. Details of the debentures are as follows:

Term	Issue date	Maturity date	Debentures Baht Million	Fixed interest rate (%) per annum
3 years	9 April 2010	17 May 2013	800	3.35
5 years	10 August 2012	10 August 2017	1,000	4.60
3 years	15 May 2013	15 May 2016	800	3.54

Interest is due for payment every three-month and six-month periods. The Company has to maintain the debt to equity ratio at the ratio stipulated in the prospectus.

The Company used proceeds from the debentures to repay borrowings from financial institutions, for operation and expansion of its business.

Borrowing facilities

As at 31 December 2013, the available credit facilities from financial institutions of the Group and the Company are Baht 2,295.70 million, and Baht 1,879.30 million, respectively, (2012: Baht 4,843.42 million, and Baht 4,375.00 million, respectively). The facilities expiring within 3 years are annual facilities subject to review at various dates during years which will mainly be used for cinema construction and working capital.

22 Other current liabilities

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Undue output value added tax	37,452,732	50,210,515	12,711,978	11,567,131
Provision for customers loyalty program	14,300,000	16,870,000	14,300,000	16,870,000
Provision for goods returned	30,152,640	28,943,703	-	-
Others	27,508,433	41,796,506	11,703,423	8,154,830
	<u>109,413,805</u>	<u>137,820,724</u>	<u>38,715,401</u>	<u>36,591,961</u>

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23 Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Present value of unfunded obligation	22,919,045	18,869,662	16,006,045	10,431,741
Liability in the statement of financial position	<u>22,919,045</u>	<u>18,869,662</u>	<u>16,006,045</u>	<u>10,431,741</u>

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

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
At 1 January	18,869,662	16,532,500	10,431,741	9,191,596
Current service cost	731,896	1,820,147	937,867	895,591
Interest cost	584,464	517,015	391,845	344,554
Actuarial losses	2,733,023	-	4,244,592	-
At 31 December	<u>22,919,045</u>	<u>18,869,662</u>	<u>16,006,045</u>	<u>10,431,741</u>

The amounts recognised in the income statements are as follows:

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Current service cost	731,896	1,820,147	937,867	895,591
Interest cost	584,464	517,015	391,845	344,554
Actuarial losses	2,733,023	-	4,244,592	-
Total, included in staff costs	<u>4,049,383</u>	<u>2,337,162</u>	<u>5,574,304</u>	<u>1,240,145</u>

Of the total charge, Baht 4.05 million and Baht 5.57 million (2012: Baht 2.34 million and Baht 1.24 million) are included in "administrative expenses" in consolidated and company financial statements, respectively.

The principal actuarial assumptions used are as follows:

	Consolidated		Company	
	2013	2012	2013	2012
Discount rate	4.10%	3.80%	4.10%	3.80%
Inflation rate	3.00%	3.00%	3.00%	3.00%
Future salary increases	3.00% - 9.00%	3.00% - 9.00%	3.00% - 9.00%	3.00% - 9.00%

24 Other non-current liabilities

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Deposit received	221,778,071	209,904,513	21,995,010	22,106,514
Rental and services income received in advance	183,612,817	206,611,088	-	-
Construction grants	64,931,900	38,331,900	64,931,900	38,331,900
	<u>470,322,788</u>	<u>454,847,501</u>	<u>86,926,910</u>	<u>60,438,414</u>

During 2013, the Company received construction grants from the lessors amounting to Baht 28.60 million (2012: Baht 38.40 million). Such amount is recognised as a discount rental fee based on period of lease agreements in consolidated and company financial statements.

25 Share capital and premium on share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of shares	Ordinary shares Baht	Share premium Baht
At 1 January 2012	906,000,000	881,897,219	881,897,219	3,839,673,605
Issuance of shares				
- Reserve for exercise of warrants - ESOP-W4	8,690,000	-	-	-
- Exercised warrant - ESOP-W3	-	5,679,124	5,679,124	79,825,767
Share reduction	(10,189,010)	-	-	-
At 31 December 2012	904,500,990	887,576,343	887,576,343	3,919,499,372
Share reduction	(8,234,643)	-	-	-
At 31 December 2013	<u>896,266,347</u>	<u>887,576,343</u>	<u>887,576,343</u>	<u>3,919,499,372</u>

The total authorised number of ordinary shares is 896,266,347 shares (2012: 904,500,990 shares) with a par value of Baht 1 per share (2012: Baht 1 per share). The issued and fully paid-up ordinary shares is 887,576,343 shares (2012: 887,576,343 shares).

At the Annual General Shareholders Meeting held on 3 April 2013, the shareholders approved the reduction of registered share capital from Baht 904,500,990 to Baht 896,266,347 by eliminating remaining unissued shares of the company for 8,234,643 shares at a par of Baht 1 per share totalling Baht 8,234,643 because of the expiration of warrants (ESOP-W3). The Company registered the decrease of share capital with the Ministry of Commerce on 24 July 2013.

At the Annual General Shareholders Meeting dated 3 April 2012, the shareholders approved the reduction of registered share capital from Baht 906,000,000 to Baht 895,810,990 by eliminating remaining unissued shares of the Company for 10,189,010 shares at a par of Baht 1 per share.

At the Annual General Shareholders Meeting dated 3 April 2012, the shareholders approved the increase of registered share capital from Baht 895,810,990 to Baht 904,500,990 by issuing new ordinary shares of 8,690,000 shares at a par value of Baht 1 per share to reserve for exercise of warrants (ESOP-W4). The Company registered the decrease and increase of share capital with the Ministry of Commerce on 12 April 2012 and 17 April 2012, respectively.

During 2012, warrants (ESOP-W3) have been exercised 5,679,124 options totalling Baht 85,504,891 including share premium of Baht 79,825,767.

Share premium - Treasury share

During 2009, the Company repurchased 40.91 million shares through the Stock Exchange of Thailand. The total amount paid to repurchase of the shares was Baht 267.92 million which has been presented as treasury shares under the shareholders' equity. The treasury shares are held for reissuance at a later date. The Company allocated retained earnings as a reserve for treasury shares amounting to Baht 267.92 million in accordance with section 66/1(2) of the Security and Exchange Act B.E. 2535 which requires the Company to set aside retained earnings as reserve.

During 2011, the Company sold all treasury shares for the considerations of Baht 556.34 million, gain from disposal of treasury shares amounting to Baht 288.42 million is recognised as "Share premium - treasury shares" under Shareholders' equity.

26 Share-based payment - Warrants

26.1 Warrants issued and offered to employees of the Company (ESOP)

The Company issued and offered grants of warrants to employees (ESOP) of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date.

The exercise ratio and price on issued date are detailed belows:

	<u>Issued date</u>	<u>Issued units Million</u>	<u>Exercise price Baht/unit</u>	<u>Exercise period</u>	
				<u>Start</u>	<u>End</u>
ESOP-W4	10 April 2012	8.69	15.440	30 June 2014	9 April 2017

The exercise prices and ratio of warrants are as follows:

	<u>Exercise Ratio unit/share</u>	<u>Exercise price Baht/unit</u>
ESOP-W4	1.017	15.182

26.2 Warrants issued and offered to employees of a subsidiary (ESOP)

The subsidiary issued and offered grants of warrants to employees (ESOP) of the subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date.

The exercise ratio and price on issued date are detailed below:

	<u>Issued date</u>	<u>Issued units Million</u>	<u>Exercise price Baht/unit</u>	<u>Exercise period</u>	
				<u>Start</u>	<u>End</u>
ESOP-W1	10 April 2012	4.42	1.590	30 June 2014	23 April 2017

The exercise prices and ratios of warrants are as follows:

	<u>Exercise Ratio unit/share</u>	<u>Exercise price Baht/unit</u>
ESOP-W1	1.000	1.590

26 Share-based payment - Warrants (Cont'd)

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

	Consolidated		Company	
	Average exercise price Baht per share	Option	Average exercise price Baht per share	Option
At 1 January 2012	16.45	12,489,920	16.45	12,489,920
Granted				
by the Company ESOP - W4	15.44	8,690,000	15.44	8,690,000
by the subsidiary ESOP - W1	1.59	4,424,625	-	-
Exercised				
by the Company ESOP - W3	15.05	(5,097,960)	15.05	(5,097,960)
Expired				
by the Company ESOP - W3	15.05	<u>(7,391,960)</u>	15.05	<u>(7,391,960)</u>
At 31 December 2012		<u>13,114,625</u>		<u>8,690,000</u>
At 1 January 2013	10.77	13,114,625	15.44	8,690,000
Forfeited				
by the subsidiary ESOP - W1	1.59	(2,436,750)	-	-
Change in condition of warrants				
by the Company ESOP - W4	15.18	<u>(120,000)</u>	15.18	<u>(120,000)</u>
At 31 December 2013		<u>10,557,875</u>		<u>8,570,000</u>

During 2012, warrants (ESOP-W3) of 5,097,960 options have been exercised amount of Baht 85,504,891 (Note 25). The remaining warrants of 7,391,960 options have been expired on 15 November 2012.

As at 31 December 2013, the Company and its subsidiary have 8,570,000 and 1,987,875 outstanding warrants, respectively, exercisable (2012: the Company and its subsidiary have 8,690,000 and 4,424,625 outstanding warrants respectively). No option was exercisable until 30 June 2014.

26 Share-based payment - Warrants (Cont'd)

During the year ended 31 December 2013, there is no change in the condition of warrants (ESOP - W4 and ESOP - W1). However, the Company made a dividend payment higher than the dividend rate that met the condition as stipulated in the condition of warrants, resulted to change the exercise price and assumptions using the Black-Scholes valuation model as follows:

Condition of warrants	ESOP - W4		ESOP - W1
	Original	As adjusted	Original
Exercise price (Baht per share)	15.440	15.182	1.590
Exercise ratio (Unit per share)	1 : 1	1 : 1.017	1 : 1
Variable	Original assumptions	Adjusted assumptions	Original assumptions
Fair value of warrant (Baht per option)	3.90 - 4.69	5.58 - 6.00	0.28 - 0.65
Volatility (%)	32.01 - 37.58	24.34 - 29.67	37.15 - 62.70
Dividend yield (%)	4.41 - 6.55	4.72 - 5.23	2.12
Weighted average share price at the grant date (Baht per share)	18.20	21.30	1.49
Expected option life (year)	2.22 - 4.22	1.33 - 3.33	2.18 - 4.18
Risk-free interest rate (%)	3.39 - 3.59	2.76 - 2.94	3.34 - 3.47

Volatility is derived from historical fluctuation of MAJOR and MPIC stock price. Historical period under consideration is based on remaining life of MAJOR-ESOP-W4 and MPIC-ESOP-W1, given that value of MAJOR-ESOP-W4 and MPIC-ESOP-W1 will rise when there is high fluctuation of MAJOR and MPIC stock price, respectively.

As at 31 December 2013, the Group and the Company recognised the value of warrants over the vesting period. the amount of Baht 12,250,759 and Baht 12,089,867, respectively, are recognised as an expense in the consolidated and company income statements with a corresponding credit to the consolidated and company equity.

27 Legal reserve

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

28 Non-controlling interest

	Unit: Baht	
	Consolidated	
	2013	2012
Opening balance	87,145,414	156,876,010
Addition of investment in subsidiary by purchasing share from non-controlling interest	(63,508,816)	(3,546,664)
Share of profit from subsidiaries	(27,286,330)	(55,313,258)
Dividend payment	-	(10,870,674)
Closing balance	<u>(3,649,732)</u>	<u>87,145,414</u>

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29 Other operating income

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Dividend income	1,296,070	2,779,970	136,954,303	162,309,542
Gains on disposals of property, plant and equipment	(2,646,850)	6,100,475	-	6,871,861
Gains on disposals of investments (Note 13)	221,482,416	213,671,224	231,444,476	255,606,643
Management fee income	46,567,793	43,876,614	44,036,616	42,367,554
Interest income	12,804,745	19,011,178	66,694,384	82,384,322
Gain on exchange rate	939,520	3,093,939	-	1,028,477
Property tax income	24,425,915	25,124,574	3,062,213	3,175,701
Compensation income	12,935,954	67,828,723	12,935,954	57,961,638
Others	21,928,943	51,208,347	14,660,200	16,767,532
	<u>339,734,506</u>	<u>432,695,044</u>	<u>509,788,146</u>	<u>628,473,270</u>

30 Expenses by nature

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Depreciation of property and equipment (Note 14)	633,590,299	554,609,946	289,936,077	262,665,073
Amortisation of intangible assets				
- Film rights (Note 16)	380,528,247	482,901,412	-	-
- Computer software (Note 16)	16,858,598	10,887,084	16,074,551	10,087,860
Amortisation of prepaid rents	34,153,853	34,390,586	9,472,508	9,472,507
Impairment of investment (Note 13)	-	-	-	3,000,000
Impairment of goodwill (Note 15)	-	55,047,537	-	-
Impairment of assets (Notes 14 and 16)	46,342,721	16,740,031	34,500,000	-
Repairs and maintenance expenditure	78,099,404	60,418,305	45,461,481	31,076,737
Staff costs	820,064,550	693,374,686	475,636,731	372,550,412
Loss from written-off of property, plant, equipment and intangible assets	3,705,080	50,459,167	733,503	14,754
Doubtful debts and bad debts (reversal)	2,434,125	13,818,766	(37,810)	1,069,133
Loss on diminution in value of inventories	(12,861,069)	32,951,984	-	-
Loss on goods returns (reversal)	(1,208,937)	(23,473,259)	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	429,776,738	500,403,367	280,478,916	246,943,842

31 Finance costs

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Interest expenses:				
Bank borrowings	57,166,734	53,130,009	22,449,754	17,316,040
Borrowings from subsidiaries and associates	1,458,003	-	23,888,522	5,857,089
Finance lease	16,601,982	1,983,531	1,697,364	1,692,789
Debentures	73,786,748	77,973,831	73,786,747	77,973,832
	<u>149,013,467</u>	<u>133,087,371</u>	<u>121,822,387</u>	<u>102,839,750</u>

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32 Income tax

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Current tax:				
Current tax on profits for the year	283,010,825	281,510,506	180,533,696	191,126,733
Adjustments in respect of prior year	1,004,929	404,208	922,495	251,489
Total current tax	284,015,754	281,914,714	181,456,191	191,378,222
Deferred tax:				
Origination and reversal of temporary differences	(7,702,230)	(15,778,149)	(10,687,916)	(6,427,721)
Impact of change in tax rate	-	-	-	-
Total deferred tax	(7,702,230)	(15,778,149)	(10,687,916)	(6,427,721)
Total tax expense	276,313,524	266,136,565	170,768,275	184,950,501

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

	Unit: Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Profit before tax	1,300,654,682	1,056,842,857	963,021,314	941,410,857
Tax calculated at a tax rate of 20% (2012: 23%)	260,130,936	243,073,857	192,604,263	216,524,497
Tax effect of:				
Associate and joint ventures results reported net of tax	(36,423,379)	(46,742,417)	-	-
Income not subject to tax	(25,781,649)	(48,600,751)	(25,781,650)	(37,331,194)
Expenses not deductible for tax purpose	20,836,542	43,968,247	4,550,936	5,080,175
Expense that are deductible at a greater amount from actual expenses	(1,689,654)	(578,010)	(1,527,769)	(479,509)
Utilisation of previously unrecognised tax losses	(8,827,325)	(1,361,420)	-	-
Tax losses for which no deferred income tax asset was recognised	31,245,234	23,300,184	-	-
Unrealised losses from intercompany transaction	35,805,595	52,269,929	-	-
Re-measurement of deferred tax - change in tax rate	12,295	402,738	-	905,043
Adjustment in respect of prior year	1,004,929	404,208	922,495	251,489
Tax charge	276,313,524	266,136,565	170,768,275	184,950,501

The weighted average applicable tax rate was 21% (2012: 25%). The decrease is caused by a change in corporate income tax rate announced by the Government.

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32 Income tax (Cont'd)

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

	Consolidated and Company					
	2013			2012		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Fair value gains:						
Short-term investment	-	-	-	(777,338)	178,788	(598,550)
Available-for-sale financial asset	448,165,556	(89,633,111)	358,532,445	194,948,301	(38,989,660)	155,958,641
Other comprehensive income	448,165,556	(89,633,111)	358,532,445	194,170,963	(38,810,872)	155,360,091
Current tax		-			178,788	
Deferred tax		(89,633,111)			(38,989,660)	
		<u>(89,633,111)</u>			<u>(38,810,872)</u>	

33 Earnings per share

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

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: warrants (as detailed in Note 26). A calculation of warrants is made to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration.

The basic earnings per share and the diluted earnings per share are as follows:

	Consolidated					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
For the years ended 31 December	2013	2012	2013	2012	2013	2012
Basic earnings per share	1,051,627,488	846,019,550	887,576,343	884,194,660	1.18	0.96
The effect of dilutive potential shares	-	-	1,880,039	2,806,472	-	(0.01)
Diluted earnings per share	<u>1,051,627,488</u>	<u>846,019,550</u>	<u>889,456,382</u>	<u>887,001,132</u>	<u>1.18</u>	<u>0.95</u>
	Company					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
For the years ended 31 December	2013	2012	2013	2012	2013	2012
Basic earnings per share	792,253,039	756,450,356	887,576,343	884,194,660	0.89	0.86
The effect of dilutive potential shares	-	-	1,880,039	2,806,472	-	(0.01)
Diluted earnings per share	<u>792,253,039</u>	<u>756,450,356</u>	<u>889,456,382</u>	<u>887,001,132</u>	<u>0.89</u>	<u>0.85</u>

34 Dividends

For the year ended 31 December 2013

At the Board of Directors Meeting held on 9 August 2013, the directors passed the resolution to approve interim dividends in respect of the operating results for the period from January to June 2013 at Baht 0.50 per share, totalling Baht 443.78 million. The dividends were distributed to shareholders listed in the register on 28 August 2013. The dividends were distributed to the shareholders on 6 September 2013.

At the Board of Directors Meeting held on 15 February 2013, the directors passed a resolution to approve dividends in respect of the operation results for the period from July to December 2012 at Baht 0.48 per share, totalling Baht 425.95 million. The dividends were distributed to the shareholders listed in the register on 5 March 2013 that approved by the Annual Ordinary Shareholders Meeting on 3 April 2013. The dividends were distributed to the shareholders on 2 May 2013.

For the year ended 31 December 2012

At the Board of Directors Meeting held on 14 August 2012, the directors passed a resolution to approve interim dividends in respect of the operating results for the period from January to June 2012 at Baht 0.39 per share, totalling Baht 344.96 million. The dividends were distributed to shareholders listed in the register on 28 August 2012. The dividends were distributed the shareholders on 11 September 2012.

At the Board of Directors Meeting held on 16 February 2012, the directors passed a resolution to approve dividends in respect of the operating results for the period from July to December 2011 at Baht 0.39 per share, totalling Baht 343.94 million. The dividends were distributed to the shareholders listed in the register on 5 March 2012 that approved by the Annual Ordinary Shareholders Meeting on 3 April 2012. The dividends were distributed the shareholders on 2 May 2012.

Major Cineplex Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
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35 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

	Notes	Unit: Baht			
		Consolidated		Company	
		2013	2012	2013	2012
Profit before income tax		1,300,654,682	1,056,842,857	963,021,314	941,410,857
Adjustments for:					
Depreciation and amortisation	30	1,065,282,397	1,082,789,028	315,483,135	282,225,440
Doubtful accounts and bad debts (reversal)	30	2,434,125	13,818,766	(37,810)	1,069,134
Provision for goods returns (reversal)	30	(1,208,937)	(23,473,259)	-	-
Loss on diminution in value of inventories (reversal)	11	(12,861,069)	32,951,984	-	-
Loss from allowance for doubtful of interest receivable		68,000	-	-	-
Loss on impairment of investment in subsidiary	13	-	-	-	3,000,000
Loss on impairment of assets		46,342,721	16,740,031	34,500,000	-
Loss on impairment of goodwill	15	-	55,047,537	-	-
Loss on written-off of assets		-	4,928,913	-	-
Loss (gain) on disposals of property, plant and equipment		10,311,393	(6,894,392)	999,262	(6,871,861)
Loss on write-off of property, plant and equipment and intangible assets	14, 16	3,705,080	50,459,167	733,503	14,754
Shares of profit from associates and joint ventures	13	(189,156,607)	(176,292,034)	-	-
Gain on disposals of investment in subsidiaries, associates and joint venture	13	(221,482,416)	(210,266,963)	(231,444,477)	(252,202,382)
Gain on disposal of short-term investment		-	(3,404,261)	-	(3,404,261)
Provision for loyalty program	22	(2,570,000)	770,000	(2,570,000)	770,000
Provision for employee benefit	23	4,049,383	2,337,162	5,574,304	1,240,145
Warrants	26	12,250,759	9,191,064	12,089,867	8,900,000
Dividend income	29	(1,296,070)	(2,779,970)	(136,954,303)	(162,309,542)
Interest income	29	(12,804,745)	(19,011,178)	(66,694,384)	(82,384,322)
Finance costs	31	149,013,467	133,087,371	121,822,387	102,839,750
Changes in operating assets and liabilities:					
- trade account and other receivable		310,574,097	(236,834,644)	181,887,901	42,049,015
- inventories		(29,806,277)	(11,441,853)	(20,248,665)	(4,855,031)
- films under production		(22,714,409)	(20,626,329)	-	-
- other current assets		88,393,708	6,401,103	18,283,685	9,490,477
- receivables under finance lease agreements		54,401	(400,776)	-	-
- accounts receivable long-term contract		20,132,597	18,656,177	20,132,597	18,656,177
- other non-current assets		(103,685,614)	3,035,752	(120,366,138)	2,800,038
- trade account and other payables		(783,872,677)	(6,579,993)	(460,317,747)	(118,807,204)
- other current liabilities		(74,753,755)	19,069,128	4,693,440	(7,014,943)
- other non-current liabilities		15,475,287	12,325,178	26,488,498	40,185,513
Cash flows from operating activities		<u>1,572,529,521</u>	<u>1,800,445,566</u>	<u>667,076,369</u>	<u>816,801,754</u>

36 Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Other related companies are companies belonging to directors and directors' family of the Company and is therefore related parties.

The following transactions were carried out with related parties:

i) Sales of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Sales of goods and services				
Subsidiaries	-	-	282,993	313,531
Associates	6,145	3,508	28,005	17,075
Leasehold property fund	62,309	62,994	143,545	143,532
Joint ventures	14,094	3,798	7,236	677
Related parties	68,432	57,528	8,525	10,805
	<u>150,980</u>	<u>127,828</u>	<u>470,404</u>	<u>485,620</u>
Sale of equipment				
Subsidiaries	-	-	614	-
Joint ventures	-	22,811	-	7,160
	<u>-</u>	<u>22,811</u>	<u>614</u>	<u>7,160</u>

ii) Purchase of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Purchases of goods and services				
Subsidiaries	-	-	230,505	175,584
Associates	31,229	41,837	24,396	31,604
Leasehold property fund	144,059	142,744	112,721	103,873
Joint ventures	375	-	20	-
Related parties	150,962	124,558	139,139	109,377
	<u>326,625</u>	<u>309,139</u>	<u>506,781</u>	<u>420,438</u>
Purchases of fixed assets				
Subsidiaries	-	-	27	-
	<u>-</u>	<u>-</u>	<u>27</u>	<u>-</u>
Management's remunerations				
Management	50,813	46,104	33,938	25,974
	<u>50,813</u>	<u>46,104</u>	<u>33,938</u>	<u>25,974</u>

36 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Trade accounts receivable (include unbilled revenue)				
Subsidiaries	-	-	98,326	130,858
Associates	3,158	3,984	1,257	1,075
Joint venture	26,787	1,647	240	436
Related parties	3,111	3,230	763	253
	<u>33,056</u>	<u>8,861</u>	<u>100,586</u>	<u>132,622</u>
Amounts due from related parties				
Subsidiaries	-	-	226,702	258,704
Associates	37,720	22,812	11,073	6,945
Joint venture	4,388	10,173	4,087	4,110
Related parties	31,307	10,919	11,944	10,441
	<u>73,415</u>	<u>43,904</u>	<u>253,806</u>	<u>280,200</u>
Deposit (included in "Other non-current assets")				
Subsidiaries	-	-	18,688	-
Associates	8,979	8,979	3,460	3,460
Related parties	200	2,600	200	2,600
	<u>9,179</u>	<u>11,579</u>	<u>22,348</u>	<u>6,060</u>
Finance lease receivables	1,768	1,827	-	-
Related parties	<u>1,768</u>	<u>1,827</u>	<u>-</u>	<u>-</u>

36 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	101,173	86,435
Associates	978	9,130	1	7,723
Related parties	1,014	1,056	901	952
	<u>1,992</u>	<u>10,186</u>	<u>102,075</u>	<u>95,110</u>
Other payables (included in "Amounts due to related parties")				
Subsidiaries	-	-	44,083	83,396
Associates	5,647	22,404	4,864	21,286
Joint venture	2,026	2,186	-	139
Related parties	61,516	6,960	47,406	6,414
Board	3,758	3,842	3,300	3,300
	<u>72,947</u>	<u>35,392</u>	<u>99,653</u>	<u>114,535</u>
Advance received for rental and services (included in "Other non-current liabilities")				
Associate	28,103	29,150	-	-
Related parties	15,579	17,090	-	-
	<u>43,682</u>	<u>46,240</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Subsidiaries	-	-	983	983
Associates	120,003	120,003	-	-
Joint venture	420	-	-	-
Related parties	5,237	5,796	135	135
	<u>125,660</u>	<u>125,799</u>	<u>1,118</u>	<u>1,118</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions")				
Associates	12,392	12,253	12,392	12,253
Related parties	8,262	8,169	8,262	8,169
	<u>20,654</u>	<u>20,422</u>	<u>20,654</u>	<u>20,422</u>

36 Related-party transactions (Cont'd)

iv) Short-term loans to related parties

The short-term loans to related parties are loans to subsidiaries of Major Cineplex Group Public Company Limited (“Major Group”) in Thailand for the use of financing to other companies under the Major Group in Thailand. The short-term loans to related parties as at 31 December 2013 are unsecured loans repayable within 1 month, carrying interest rate of 4.00% per annum.

The movements of short-term loans to related parties are shown below.

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Opening balance	-	-	462,148	475,370
Loans advanced during the year	-	1,800	1,084,050	1,565,893
Loans repayments during the year	-	(1,800)	(1,019,534)	(1,583,454)
Reclassification	-	-	-	4,339
Closing balance	-	-	526,664	462,148

The related interest income was Baht 18,711,003 (2012: Baht 18,859,251). At 31 December 2013, the accrued interest income was Baht 1,747,074 (2012: Baht 1,456,590).

v) Long-term loans to related parties

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Subsidiaries and associates and employees				
Opening balance	6,612	10,695	1,006,613	1,274,419
Loans advanced during the year	911	1,550	410,886	1,194
Loans repayments during the year	(4,325)	(5,633)	(661,530)	(261,000)
Reclassification	-	-	-	(8,000)
Closing balance	3,198	6,612	755,969	1,006,613

The loans to related parties are carrying interest at the rates ranging from 3.50% to 6.13% per annum (2012: 4.00% to 6.13% per annum) and there is no specific repayment date.

Staff loans of Baht 3.20 million and Baht 2.97 million (2012: Baht 6.61 million and Baht 5.85 million) in the consolidated and company financial statements, respectively, comprise of staff loan of Baht 2.41 million and Baht 2.40 million bearing no interest and Baht 0.79 million and Baht 0.57 million bearing interest rate of ranging of 2.00% - 3.00% per annum (2012: amount Baht 1.73 million and Baht 1.67 million bearing no interest and Baht 4.88 million and Baht 4.19 million bearing interest rate of 2.00% - 3.00% per annum).

36 Related-party transactions (Cont'd)

vi) Short-term loans from related parties

The short-term loans from related parties are loans from fellow subsidiaries of Major Cineplex Group Public Company Limited (“Major Group”) in Thailand for the use of financing to other companies under Major Group in Thailand. The short-term loans from related parties as at 31 December 2013 are unsecured loans repayable within 1 month, carrying interest rate of 4.00% per annum. On-call promissory note of Baht 25.00 million bears interest rate of 3.10% per annum.

The movements of short-term loans from related parties are shown below.

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Subsidiaries and associates				
Opening balance	-	-	467,778	65,608
Loans borrowed during the year	25,000	-	1,459,016	1,238,611
Loans repaid during the year	-	-	(1,316,279)	(832,780)
Reclassification	-	-	-	(3,661)
Closing balance	25,000	-	610,515	467,778

The related interest expense was Baht 23,888,522 (2012: Baht 5,857,089). At 31 December 2013, the accrued interest expense was Baht 2,446,932 (2012: Baht 1,650,662).

viii) Management’s remuneration

During 2013 the total remuneration of the directors and management approximate Baht 50.81 million (2012: Baht 46.10 million), including salaries and other benefits.

ix) Investments in subsidiaries, associates and joint ventures

Details of investments in subsidiaries, associates and joint ventures are set out in Note 13.

37 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 31 December 2013 the Group has outstanding bank guarantees and letter of credit Baht 167.83 million (2012: Baht 183.57 million) given to third parties.

ii) Guarantees

As at 31 December 2013, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and associates for a total of Baht 833.61 million (2012: Baht 681.71 million).

iii) Operating lease commitments - where the Group is the lessee

The Company and its subsidiaries have commitment obligations in terms of long-term lease of land, buildings and service contracts. The future aggregate non-cancellable minimum lease and service payments under the contracts are as follows:

	Unit: Million Baht			
	Consolidated		Company	
	2013	2012	2013	2012
Not later than 1 year	573	766	618	499
Later than 1 year but not later than 5 years	1,941	3,093	2,023	2,032
Later than 5 years	4,847	5,235	2,429	2,503
	7,361	9,094	5,070	5,034

In addition to the minimum lease and service payments, the Group also has obligations in respect of lease of buildings and service contracts based on revenue sharing with the lessors.

iv) Capital commitments

Capital expenditure contracted for at the balance sheet date, but not recognised in the financial statements is presented as follows:

	Currency	Unit : '000			
		Consolidated		Company	
		2013	2012	2013	2012
Property, plant and equipment	THB	45,772	67,286	45,772	45,207
Intangible assets	THB	78,000	43,500	-	-
	USD	4,737	6,671	-	-
	EURO	33	62	-	-
Total	THB	123,772	110,786	45,772	45,207
	USD	4,737	6,671	-	-
	EURO	33	62	-	-
Total in Thai Baht		281,322	318,650	45,772	45,207

v) Commitment for film productions

As at 31 December 2013, the Group has commitments in respect of payments to film directors amounting to Baht 47.28 million (2012: Baht 10.79 million).

38 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2013 are as follows:

	Unit: Baht'000			
	Consolidated		Company	
	2013	2012	2013	2012
Trade account receivable				
Trade account receivable (net of deposit received from customer)	-	6,549	-	1,069
<u>Less</u> Allowance for doubtful account	-	(6,549)	-	(1,069)
Trade account receivable, net	-	-	-	-

39 Events after the reporting date

At the Board of Directors Meeting held on 13 February 2014, the Board passed the following resolutions:

- a) Approved dividends in respect of the operating results for the period from July to December 2013 at Baht 0.50 per share, totaling Baht 443.79 million. The dividend will be distributed to shareholders listed in the register on 16 April 2014.

At the Board of Directors Meeting of a subsidiary held on 11 February 2014, the Board passed the following resolutions:

- a) Approved the incorporation of a Thai film production company, whose registered share capital is Baht 300,000,000 representing 3,000,000 ordinary shares at a par value of Baht 100 per share. The Company will own 40% or equivalent to Baht 120,000,000. It is expected that this new company will be incorporated by the end of the 1st quarter of 2014.