

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Shareholders and the Board of Directors of Major Cineplex Group Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2014, the related consolidated and company income statements, the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to interim financial information of Major Cineplex Group Public Company Limited and its subsidiaries, and of Major Cineplex Group Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

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

Bangkok  
9 May 2014

**MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL INFORMATION  
(UNAUDITED)**

**31 MARCH 2014**

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2014**

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
		311,461	495,682	236,006	394,325
		1,090,163	1,159,048	544,153	648,402
		-	-	584,100	526,664
		158,929	174,908	43,127	58,360
		109,668	61,140	-	-
		34,154	34,154	9,473	9,473
		189,974	211,990	40,483	60,131
		<u>1,894,349</u>	<u>2,136,922</u>	<u>1,457,342</u>	<u>1,697,355</u>
<b>Non-current assets</b>					
		609,016	820,572	609,016	820,572
		4,470	4,453	-	-
		12,669	12,728	-	-
		-	-	2,741,450	2,741,450
		2,197,645	2,212,868	2,164,537	2,168,240
		254,883	255,757	237,491	237,491
		2,907	3,198	665,693	755,969
		6,665,104	6,696,318	3,366,642	3,360,543
		287,065	287,065	-	-
		327,240	368,597	50,729	50,445
		265	316	-	-
		478,745	487,284	157,035	159,403
		342,750	343,680	256,526	230,985
		<u>11,182,759</u>	<u>11,492,836</u>	<u>10,249,119</u>	<u>10,525,098</u>
		<u>13,077,108</u>	<u>13,629,758</u>	<u>11,706,461</u>	<u>12,222,453</u>

Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying condensed notes are an integral part of these interim financial information.

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2014**

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2014	2013	2014	2013
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions					
		1,835,116	2,238,928	1,145,000	1,545,703
	12	1,664,812	1,736,382	1,122,746	1,218,516
	11	209,608	203,847	40,236	40,265
	12	25,000	25,000	681,044	610,514
	20	64,710	37,982	33,013	17,104
		108,611	109,414	33,832	38,716
		<u>3,907,857</u>	<u>4,351,553</u>	<u>3,055,871</u>	<u>3,470,818</u>
<b>Non-current liabilities</b>					
	12	2,313,979	2,351,862	1,871,091	1,881,137
		295,155	333,774	46,193	91,600
		23,082	22,919	16,519	16,006
		465,765	470,322	86,598	86,928
		<u>3,097,981</u>	<u>3,178,877</u>	<u>2,020,401</u>	<u>2,075,671</u>
		<u>7,005,838</u>	<u>7,530,430</u>	<u>5,076,272</u>	<u>5,546,489</u>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 896,266,347 shares					
(31 December 2013: 896,266,347 shares)					
at par value of Baht 1 each					
		<u>896,266</u>	<u>896,266</u>	<u>896,266</u>	<u>896,266</u>
Issued and fully paid-up share capital					
Ordinary shares, 887,576,343 shares					
(31 December 2013: 887,576,343 shares)					
at paid-up of Baht 1 each					
		887,576	887,576	887,576	887,576
		3,919,499	3,919,499	3,919,499	3,919,499
	13	23,008	21,442	22,490	20,990
Retained earnings					
Appropriated					
		90,600	90,600	90,600	90,600
		962,335	822,279	1,180,779	1,058,809
		192,337	361,582	529,245	698,490
		<u>6,075,355</u>	<u>6,102,978</u>	<u>6,630,189</u>	<u>6,675,964</u>
	14	(4,085)	(3,650)	-	-
		<u>6,071,270</u>	<u>6,099,328</u>	<u>6,630,189</u>	<u>6,675,964</u>
		<u>13,077,108</u>	<u>13,629,758</u>	<u>11,706,461</u>	<u>12,222,453</u>

The accompanying condensed notes are an integral part of these interim financial information.

**Major Cineplex Group Public Company Limited**  
**Income Statement (Unaudited)**  
**For the three-month period ended 31 March 2014**

		Unit: Baht'000			
		Consolidated		Company	
Notes		2014	2013	2014	2013
<b>Revenues</b>					
	Services income	1,283,677	1,289,372	788,898	765,605
	Sales	419,759	384,523	194,930	182,282
	<b>Total revenues</b>	<b>1,703,436</b>	<b>1,673,895</b>	<b>983,828</b>	<b>947,887</b>
<b>Costs</b>					
	Cost of services	(883,908)	(860,405)	(585,875)	(541,259)
	Cost of sales	(231,810)	(226,830)	(65,374)	(57,868)
	<b>Total costs</b>	<b>(1,115,718)</b>	<b>(1,087,235)</b>	<b>(651,249)</b>	<b>(599,127)</b>
	<b>Gross profit</b>	<b>587,718</b>	<b>586,660</b>	<b>332,579</b>	<b>348,760</b>
	Other income	47,188	182,075	92,100	224,913
	Selling expenses	(120,476)	(108,152)	(38,730)	(37,500)
	Administrative expenses	(327,648)	(295,623)	(207,685)	(177,093)
	Finance costs	(45,276)	(31,203)	(37,325)	(26,472)
	Share of result of investments - equity method	39,398	44,765	-	-
	<b>Profit before income tax</b>	<b>180,904</b>	<b>378,522</b>	<b>140,939</b>	<b>332,608</b>
	Income tax	(41,283)	(78,092)	(18,969)	(62,810)
	<b>Profit for the period</b>	<b>139,621</b>	<b>300,430</b>	<b>121,970</b>	<b>269,798</b>
<b>Attributable profit to:</b>					
	Shareholders of the parent	140,056	300,697	121,970	269,798
	Non-controlling interests	(435)	(267)	-	-
		<b>139,621</b>	<b>300,430</b>	<b>121,970</b>	<b>269,798</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Earnings per share</b>					
	Basic earnings per share	0.16	0.34	0.14	0.30
	Diluted earnings per share	0.16	0.34	0.14	0.30

The accompanying condensed notes are an integral part of these interim financial information.

**Major Cineplex Group Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 31 March 2014**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Profit for the period</b>	139,621	300,430	121,970	269,798
<b>Other comprehensive income:</b>				
Gain (loss) on remeasuring of available-for-sale investment, net of income tax of Baht 42.31 million	(169,245)	15,148	(169,245)	15,148
<b>Other comprehensive income (loss) for the period, net of income tax</b>	(169,245)	15,148	(169,245)	15,148
<b>Total comprehensive income (loss) for the period</b>	<u>(29,624)</u>	<u>315,578</u>	<u>(47,275)</u>	<u>284,946</u>
<b>Total comprehensive income (loss) attributable to:</b>				
Shareholders of the parent	(29,189)	315,845	(47,275)	284,946
Non-controlling interests	(435)	(267)	-	-
	<u>(29,624)</u>	<u>315,578</u>	<u>(47,275)</u>	<u>284,946</u>

The accompanying condensed notes are an integral part of these interim financial information.

Major Cineplex Group Public Company Limited  
Statement of Changes in Shareholders' Equity (Unaudited)  
For the three-month period ended 31 March 2014

Unit: Baht'000

	Consolidated												
	Attributable to owners of the parent												
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Share premium - Treasury share	Change in parent's ownership interest in subsidiaries	Other components of shareholders' equity		Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
				Legal reserve	Unappropriated			Other comprehensive income (expense) Available-for-sale investment					
			Appropriated										
<b>Opening balance at 1 January 2013</b>	887,576	3,919,499	9,191	90,600	640,387	288,425	(12,986)	51,532	326,971	5,874,225	87,145	5,961,370	
<b>Changes in equity for period</b>													
Warrants	-	-	2,966	-	-	-	-	-	-	2,966	-	2,966	
Addition investment in subsidiary by purchasing shares from non-controlling interests	-	-	-	-	-	-	(81,509)	-	(81,509)	(81,509)	(4,740)	(86,249)	
Total comprehensive income	-	-	-	-	300,697	-	-	15,148	15,148	315,845	(267)	315,578	
<b>Closing balance at 31 March 2013</b>	<u>887,576</u>	<u>3,919,499</u>	<u>12,157</u>	<u>90,600</u>	<u>941,084</u>	<u>288,425</u>	<u>(94,495)</u>	<u>66,680</u>	<u>260,610</u>	<u>6,111,527</u>	<u>82,138</u>	<u>6,193,665</u>	
<b>Opening balance at 1 January 2014</b>	887,576	3,919,499	21,442	90,600	822,279	288,425	(336,908)	410,065	361,582	6,102,978	(3,650)	6,099,328	
<b>Changes in equity for period</b>													
Warrants (Note 13)	-	-	1,566	-	-	-	-	-	-	1,566	-	1,566	
Total comprehensive income	-	-	-	-	140,056	-	-	(169,245)	(169,245)	(29,189)	(435)	(29,624)	
<b>Closing balance at 31 March 2014</b>	<u>887,576</u>	<u>3,919,499</u>	<u>23,008</u>	<u>90,600</u>	<u>962,335</u>	<u>288,425</u>	<u>(336,908)</u>	<u>240,820</u>	<u>192,337</u>	<u>6,075,355</u>	<u>(4,085)</u>	<u>6,071,270</u>	

The accompanying condensed notes are an integral part of these interim financial information.

Major Cineplex Group Public Company Limited  
Statement of Changes in Shareholders' Equity (Unaudited)  
For the three-month period ended 31 March 2014

Unit: Baht'000

	Company								
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
				Appropriated		Share premium- Treasury share	Other comprehensive income (expense)		
				Legal reserve	Unappropriated		Available- for-sale investment	Total other component of equity	
<b>Opening balance at 1 January 2013</b>	887,576	3,919,499	8,900	90,600	1,136,292	288,425	51,532	339,957	6,382,825
<b>Changes in equity for period</b>									
Warrants	-	-	2,361	-	-	-	-	-	2,361
Total comprehensive income	-	-	-	-	269,798	-	15,148	15,148	284,946
<b>Closing balance at 31 March 2013</b>	<u>887,576</u>	<u>3,919,499</u>	<u>11,261</u>	<u>90,600</u>	<u>1,406,090</u>	<u>288,425</u>	<u>66,680</u>	<u>355,105</u>	<u>6,670,132</u>
<b>Opening balance at 1 January 2014</b>	887,576	3,919,499	20,990	90,600	1,058,809	288,425	410,065	698,490	6,675,964
<b>Changes in equity for period</b>									
Warrants (Note 13)	-	-	1,500	-	-	-	-	-	1,500
Total comprehensive income	-	-	-	-	121,970	-	(169,245)	(169,245)	(47,275)
<b>Closing balance at 31 March 2014</b>	<u>887,576</u>	<u>3,919,499</u>	<u>22,490</u>	<u>90,600</u>	<u>1,180,779</u>	<u>288,425</u>	<u>240,820</u>	<u>529,245</u>	<u>6,630,189</u>

The accompanying condensed notes are an integral part of these interim financial information.



**Major Cineplex Group Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the three-month period ended 31 March 2014**

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2014	2013	2014	2013
<b>Cash flows from operating activities</b>					
Cash generated from operations	19	430,798	396,956	213,826	229,466
Interest paid		(40,373)	(36,672)	(36,967)	(32,766)
Income tax paid		(16,772)	(9,486)	(6,156)	(4,381)
Net cash generated from operating activities		373,653	350,798	170,703	192,319
<b>Cash flows from investing activities</b>					
Short-term loans made to related parties	20	-	-	(270,250)	(316,383)
Short-term loans payments received from related parties	20	-	-	212,814	289,092
Loans payments received from third parties		-	3,664	-	3,664
Long-term loans made to related parties	20	-	(16)	(30,000)	(205,016)
Long-term loans payments received from related parties and others	20	276	1,185	120,276	190,991
Payments on investment from non-controlling interests		-	(86,249)	-	-
Payments on investment in associate	9	(13,409)	(143,659)	(13,409)	(230,908)
Proceeds from disposals of investment in associate	9	33,584	181,441	33,584	181,441
Purchase of property, plant and equipment		(148,335)	(133,876)	(88,767)	(91,291)
Proceeds from disposals of equipment		318	106	275	644
Purchase of intangible assets		(42,597)	(131,644)	(4,945)	(2,644)
Interest received		24,943	3,357	23,214	16,308
Dividends received	9	28,859	26,680	28,859	26,680
Net cash (used in) received from investing activities		(116,361)	(279,011)	11,651	(137,422)
<b>Cash flows from financing activities</b>					
Increase in restricted cash		(17)	(17)	-	-
Proceeds from short-term loans from related parties	20	-	-	425,001	255,381
Payments on short-term loans from related parties	20	-	-	(354,471)	(221,210)
Decrease in bank overdrafts	12	(52,112)	(36,668)	(703)	-
Proceeds from short-term borrowings		1,650,600	541,500	1,540,000	500,000
Payments on short-term borrowings		(2,002,300)	(464,600)	(1,940,000)	(400,000)
Payments on finance lease liabilities		(23,196)	(846)	(500)	(498)
Payments on long-term borrowings	12	19,500	30,400	-	-
Proceeds from long-term borrowings	12	(33,988)	(20,975)	(10,000)	(10,000)
Net cash (used in) received from financing activities		(441,513)	48,794	(340,673)	123,673
<b>Net (decrease) increase in cash and cash equivalents</b>		(184,221)	120,581	(158,319)	189,190
Opening balance of cash and cash equivalents		495,682	480,733	394,325	331,373
Closing balance of cash and cash equivalents		311,461	601,314	236,006	520,563

The accompanying condensed notes are an integral part of these interim financial information.

**Major Cineplex Group Public Company Limited**  
**Statements of Cash Flows (Unaudited) (Cont'd)**  
**For the three-month period ended 31 March 2014**

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		Unit: Baht'000	
Consolidated		Company	
2014	2013	2014	2013

**Non-cash transactions**

Significant non-cash transactions for the three-month periods ended 31 March 2014 and 2013 are as follows:

Purchase of property, plant and equipment, not yet paid	18,327	146,820	19,636	149,279
Purchase of film rights, not yet paid	33,020	3,567	-	-
Disposals of investment in associate, not yet received	-	34,320	-	34,320
Disposals of equipment, not yet received	23	47	-	-
Offsetting amount due from related parties with loans from related parties	15	-	-	-
Dividend received from associates	21,000	-	21,000	-

The accompanying condensed notes are an integral part of these interim financial information.

## **1 General information**

Major Cineplex Group Public Company Limited (“the Company”) is a public limited 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.

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

These group interim consolidated and company financial information have been authorised for issue by the Board of Directors on 9 May 2014.

These group interim consolidated and company financial information have been reviewed, not audited.

## **2 Accounting policies**

### **2.1 Basis of preparation**

These interim consolidated and company financial information are 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. The primary financial information (i.e. statement of financial position, income statement, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2012) “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2013 except as described in note 3.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

**2 Accounting policies (Cont'd)**

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

The following amendments and related interpretations are effective for the periods beginning on or after 1 January 2014 and are relevant to the Group.

TFRIC 13 Customer Loyalty Programmes

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 Group has already adopted this interpretation.

**3 New accounting policy**

**Customer loyalty programmes**

The Group offers customer loyalty programmes (“loyalty points”) for member of M-Generation card as a part of sales and services. The member will receive loyalty points that could be redeemed in the future by customers for selected goods or services with no consideration paid based on terms and conditions as specified in the M-Generation card.

TFRIC 13 deals with the recognition of loyalty award credits granted to customers as part of loyalty programmes. These awards are granted on the sale of goods or services and can be redeemed in the future against free goods or services.

Under TFRIC 13, credits granted to a customer are considered as a separately identifiable component of the sale transaction. The consideration received in respect of the sale transaction is allocated between:

- the initial sale of goods or supply of services, for which the corresponding revenue is recognised immediately in income; and
- credits awarded and redeemable in the future, for which the corresponding revenue is deferred until the customer redeems the awards and the entity fulfils its obligations to supply the awards

The Group measure the consideration allocated to the award credits with reference to fair value.

**4 Change in accounting policies and reclassifications**

As described in Note 3, the Group has adopted TFRIC 13 “Customer loyalty programmes”, effective on 1 January 2014, and has accounted for the adoption retrospectively in accordance with the accounting standard.

The Group had recorded unearned income - customer loyalty programmes with fair value since 1 January 2011, however, the Group recorded such transactions as a liabilities and charging to selling expense. The recording of this transaction according to TFRIC 13 should increase liabilities and reduce sales. Therefore, the adoption of the new accounting policy as mentioned above only on the income statement for the three-month period ended 31 March 2013 as follows;

	Consolidated			Company		
	As previously stated Baht	Adjustments Baht	Restated Baht	As previously stated Baht	Adjustments Baht	Restated Baht
Services income increase	1,286,969	2,403	1,289,372	763,202	2,403	765,605
Sales increase	384,256	267	384,523	182,015	267	182,282
Selling expenses increase	105,482	2,670	108,152	34,830	2,670	37,500

**5 Estimates**

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

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

**6 Segment information**

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.

**Major Cineplex Group Public Company Limited**  
**Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)**  
**For the three-month period ended 31 March 2014**

**6 Segment information**

Financial information by business segments is as follows:

	Consolidated					Unit: Million Baht
	Cinema business	Advertising business	Bowling and karaoke business	Rental and services business	Movie content business	Total
<b>For the three-month period ended 31 March 2014</b>						
Revenues						
Gross segment revenues	1,241	144	139	152	234	1,910
Inter-segment revenues	(106)	-	(18)	(24)	(59)	(207)
Net revenues	<u>1,135</u>	<u>144</u>	<u>121</u>	<u>128</u>	<u>175</u>	<u>1,703</u>
Segment results	<u>123</u>	<u>94</u>	<u>2</u>	<u>17</u>	<u>(45)</u>	191
Gain on disposal of investment						15
Unallocated costs						<u>(19)</u>
Operating profit						<u>187</u>
<b>For the three-month period ended 31 March 2013</b>						
Revenues						
Gross segment revenues	1,207	157	123	148	239	1,874
Inter-segment revenues	(65)	-	(19)	(25)	(91)	(200)
Net revenues	<u>1,142</u>	<u>157</u>	<u>104</u>	<u>123</u>	<u>148</u>	<u>1,674</u>
Segment results	<u>186</u>	<u>108</u>	<u>(15)</u>	<u>13</u>	<u>(58)</u>	234
Gain on disposal of investment						156
Unallocated costs						<u>(25)</u>
Operating profit						<u>365</u>

There has been no material change in total assets or total liabilities from the amounts disclosed in the last annual financial statements.

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**7 Trade and other receivables**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2014</b>	<b>31 December 2013</b>
Third parties				
- Trade accounts receivable	608,783	773,229	46,532	150,520
- Unbilled revenue	225,691	154,373	101,700	13,718
Total	834,474	927,602	148,232	164,238
<u>Less</u> Allowance for doubtful accounts	(38,560)	(52,600)	-	-
Trade accounts receivable - third parties	795,914	875,002	148,232	164,238
Trade accounts receivable				
- related parties (Note 20)	33,879	33,056	77,081	100,586
Amounts due from related parties (Note 20)	84,890	73,415	197,005	253,806
Other accounts receivable	114,886	117,690	85,426	86,195
Prepaid expenses	60,594	59,885	36,409	43,577
Trade account receivables, net	<u>1,090,163</u>	<u>1,159,048</u>	<u>544,153</u>	<u>648,402</u>

Outstanding trade and other receivables can be analysed as follows:

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Third parties</b>				
Unbilled revenue	225,691	154,373	101,700	13,718
Trade accounts receivable				
Current	242,503	341,661	6,814	89,197
Overdue less than 3 months	171,760	237,080	30,814	47,056
3 - 6 months	62,022	49,687	6,826	4,465
Over 6 months	132,498	144,801	2,078	9,802
Total	834,474	927,602	148,232	164,238
<u>Less</u> Allowance for doubtful accounts	(38,560)	(52,600)	-	-
Trade accounts receivable - third parties, net	<u>795,914</u>	<u>875,002</u>	<u>148,232</u>	<u>164,238</u>
<b>Related parties</b>				
Unbilled revenue	267	359	3,547	91
Trade accounts receivable				
Current	5,258	3,316	67,863	70,151
Overdue less than 3 months	5,641	3,556	4,886	25,060
3 - 6 months	97	12,713	-	4,993
Over 6 months	22,616	13,112	785	291
Total	33,879	33,056	77,081	100,586
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable - related parties, net	<u>33,879</u>	<u>33,056</u>	<u>77,081</u>	<u>100,586</u>

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**8 Available-for-sale investment**

As of 31 March 2014, information relating to available-for-sale investment is as follows:

	<u>Unit: Baht'000</u> <u>Consolidated</u> <u>and Company</u> <u>31 March</u> <u>2014</u>
Available-for-sale investment - at cost	307,991
<u>Add</u> Unrealised gain	<u>301,025</u>
Total available-for-sale investment	<u>609,016</u>

Movements of available-for-sale investment are as follows:

	<u>Unit: Baht'000</u> <u>Consolidated</u> <u>and Company</u> <u>31 March</u> <u>2014</u>
Opening book value	820,572
Change in fair value of available-for-sale investment	<u>(211,556)</u>
Closing book value	<u>609,016</u>

**9 Investments in subsidiaries, associates and interest in joint ventures**

**9.1 Investment in subsidiaries**

Movements of investment in subsidiaries can be analysed as follows:

	<u>Unit: Baht'000</u> <u>Consolidated</u> <u>and Company</u> <u>31 March</u> <u>2014</u>
Opening net book amount	2,744,450
<u>Less</u> Impairment	<u>(3,000)</u>
Closing net book amount	<u>2,741,450</u>
Opening net book amount	<u>2,741,450</u>
Closing net book amount	<u>2,741,450</u>



**9 Investments in subsidiaries, associates and interest in joint ventures (Cont'd)**

**9.2 Investment in associates**

Movements of investment in associates can be analysed as follows:

	<b>Unit: Baht'000</b>	
	<u><b>Consolidated</b></u>	<u><b>Company</b></u>
<b>For the three-month period ended 31 March 2014</b>		
Opening net book amount	2,212,868	2,168,240
Acquisitions	13,409	13,409
Disposals	(19,045)	(17,112)
Dividends received	(49,859)	-
Share of results	40,272	-
	<u>2,197,645</u>	<u>2,164,537</u>
Closing net book amount		

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the three-month period ended 31 March 2014, the Group realised gain on disposals of Baht 4.08 million in the consolidated income statement.

During the three-month period ended 31 March 2014, the Company received dividends income from associates amounting to Baht 49.86 million (31 March 2013: Baht 26.68 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.

**Siam Future Development Public Company Limited ("SF")**

**Additional of investment in associate**

During the three-month period ended 31 March 2014, the Company has made additional investment in SF of 2.5 million shares totalling Baht 13.41 million.

**Disposal of investment in associate**

During the three-month period ended 31 March 2014, the Company disposed its investment in SF of 5.42 million shares for the considerations of Baht 33.58 million and recognised gain from disposal amounting to Baht 14.54 million, and Baht 16.47 million, which included in "Other income" in the consolidated and company income statements, respectively.

The aforesaid additional and disposal of investment resulted in the change to shareholding percentage from 23.72% to 23.49%.

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**9 Investments in subsidiaries, associates and interest in joint ventures (Cont'd)**

**9.3 Interest in joint ventures**

Movements of interest in joint ventures can be analysed as follows:

	Unit: Baht'000	
	Consolidated	Company
<b>For the three-month period ended 31 March 2014</b>		
Opening net book amount	255,757	237,491
Share of result	(874)	-
Closing net book amount	254,883	237,491

**9.4 The details of investments in subsidiaries, associates and interest in joint ventures are as follows:**

Subsidiaries	Nature of business	Nature of relationship	% Ownership interest	
			31 March 2014	31 December 2013
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
Rachayothin Management Co., Ltd.	Utilities services	Shareholder	99.99	99.99
Rachayothin Cinema Co., Ltd.	Land and building space for rent	Shareholder	99.99	99.99
Rachayothin 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
Udonr 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 ("EGV")	Cinema services	Shareholder	99.98	99.98
M Picture Entertainment Public Company Limited ("MPIC")	Publishing, advertising and distribution of film rights	Shareholder	91.37	91.37
Major Holding International Co., Ltd.	Holding business	Shareholder	99.96	99.96
Digital Projector Management Co., Ltd.	Projector rental and system management	Shareholder	99.99	99.99
<b>Subsidiaries under EGV</b>				
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

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**9 Investments in subsidiaries, associates and interest in joint ventures (Cont'd)**

**9.4 The details of investments in subsidiaries, associates and interest in joint ventures are as follows:**  
(Cont'd)

Subsidiaries	Nature of business	Nature of relationship	% Ownership interest	
			31 March 2014	31 December 2013
<b>Subsidiaries under MPIC</b>				
TV Forum Co., Ltd.	Television media business	Indirect shareholding	91.37	91.37
M Picture Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	91.37	91.37
M.V.D. Co., Ltd. ("MVD")	Distribution of VCD/DVD and film rights	Indirect shareholding	91.37	91.37
M Thirtynine Co., Ltd.	File production	Indirect shareholding	91.37	91.37
Talent One Co., Ltd. ("TLO")	Film production and services for all forms of entertainment and sales of pocket books	Indirect shareholding	82.23	82.23
<b>Subsidiary under MVD</b>				
Pacific Media Sale Co., Ltd.	Distribution of CD, VCD and DVD	Indirect shareholding	90.82	90.82
<b>Associates</b>				
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	23.49	23.72
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	11.75	11.86
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	33.00	33.00
			40.00	40.00
<b>Joint ventures</b>				
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
<b>Joint Venture under MPIC</b>				
Major Kantana Broadcasting Company Limited ("MKB")	Sattellite broadcasting and distribution of file rights	Shareholder	41.11	41.11

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

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**10 Property, plant, equipment and intangible assets**

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
<b>For the three-month period ended 31 March 2014</b>				
Opening net book amount	6,696,318	368,597	3,360,543	50,445
Additions	166,662	75,617	108,403	4,945
Disposals	(2,518)	-	(2,355)	-
Write-off	(2,175)	-	-	-
Depreciation/amortisation	(180,683)	(119,665)	(87,449)	(4,661)
Impairment of asset	(12,500)	2,691	(12,500)	-
Closing net book amount	<u>6,665,104</u>	<u>327,240</u>	<u>3,366,642</u>	<u>50,729</u>

Capital expenditure contracted for at the statement of financial position date, but not recognised in the financial statements is presented as follows:

	Currency	Consolidated		Company	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	21,492	45,772	21,492	45,772
Intangible assets	THB	88,000	78,000	-	-
	USD	4,073	4,737	-	-
	EURO	33	33	-	-
Total	THB	109,492	123,772	21,492	45,772
	USD	4,073	4,737	-	-
	EURO	33	33	-	-
Total in Thai Baht		<u>243,659</u>	<u>281,322</u>	<u>21,492</u>	<u>45,772</u>

**11 Trade and other payables**

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Trade account payables	618,526	620,359	457,081	481,790
Amounts due to related parties (Note 20)	26,464	72,947	31,879	99,653
Other payables	387,169	473,007	272,409	326,997
Accrued expenses	287,383	255,722	154,237	130,725
Unearned rental and services income	345,270	314,347	207,140	179,351
Trade account and other payables	<u>1,664,812</u>	<u>1,736,382</u>	<u>1,122,746</u>	<u>1,218,516</u>

Unearned rental and service income included cash advanced from customers amounting to Baht 62.64 million (31 December 2013: Baht 49.74 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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**12 Borrowings**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Current</b>				
Bank overdrafts	8,306	60,418	-	703
Short-term loans from financial institutions	1,826,810	2,178,510	1,145,000	1,545,000
Total bank overdrafts and short-term loans from financial institutions	1,835,116	2,238,928	1,145,000	1,545,703
Current portion of long-term borrowings:				
- Finance lease liabilities	72,834	71,922	236	265
- Bank borrowings	136,774	131,925	40,000	40,000
Total current portion of long-term borrowings	209,608	203,847	40,236	40,265
<b>Non-current portion of long-term borrowings</b>				
- Finance lease liabilities	424,863	443,409	21,091	21,137
- Bank borrowings	89,116	108,453	50,000	60,000
- Debentures	1,800,000	1,800,000	1,800,000	1,800,000
Total non-current portion of long-term borrowings	2,313,979	2,351,862	1,871,091	1,881,137
Total borrowings	4,358,703	4,794,637	3,056,327	3,467,105

The movements in long-term borrowings (excluding finance lease liabilities) can be analysed as follows:

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2014</b>		
Opening amount	240,378	100,000
Additions	19,500	-
Repayments	(33,988)	(10,000)
Closing amount	225,890	90,000

Long-term bank borrowings bear interest at the rate at ranging from 4.60% to 6.25% per annum, and are secured by pledge of property, building, leasehold rights and operating lease contracts.

**Debentures**

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2014</b>		
Opening amount	1,800,000	1,800,000
Closing amount	1,800,000	1,800,000

**Borrowing facilities**

As at 31 March 2014, the available credit facilities from financial institutions of the Group and the Company are Baht 3,088.99 million and Baht 2,580.00 million, respectively (31 December 2013: Baht 2,295.70 million and Baht 1,879.30 million, respectively). The facilities, mainly expiring within 3 years, are subject to review at various dates. The facilities have been arranged to mainly used for cinema construction and working capital.

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**13 Warrants**

**Warrants issued and offered to directors and employees (ESOP)**

The Company and a subsidiary issued and offered warrants (ESOP-W4 and ESOP-W1, respectively) to directors and employees 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.

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2014</b>		
Opening balance	21,442	20,990
Expense during the period	1,566	1,500
Closing balance	<u>23,008</u>	<u>22,490</u>

During the three-month period ended 31 March 2014, warrants have not been exercised until 30 June 2014.

During the three-month period ended 31 March 2014, there is no change in the condition of warrants (ESOP - W4 and ESOP - W1).

**14 Non-controlling interest**

	<b>Unit: Baht'000</b>
	<b>Consolidated</b>
<b>For the three-month period ended 31 March 2014</b>	
Opening balance	(3,650)
Share of result	<u>(435)</u>
Closing balance	<u>(4,085)</u>

**15 Other income**

Significant transactions including in other income for the interim period are as follows:

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
<b>For the three-month periods ended</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Dividend income	-	-	49,859	26,681
Gain on disposals of investment in associate (Note 9)	14,539	156,441	16,472	166,794
Management fee income	12,754	10,402	11,852	9,992
Interest income	1,675	2,680	13,768	16,629

**16 Income tax**

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 20% (31 March 2013: 20% per annum).

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**17 Earnings per share**

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

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the three-month periods ended	<b>Unit: Shares'000</b>	
	<b>Consolidated and Company</b>	
	<b>31 March 2014</b>	<b>31 March 2013</b>
Number of weighted average shares:		
- basic	887,576	887,576
- diluted	888,513	888,513

**18 Commitments and contingencies**

**i) Bank guarantees and letter of credits**

As at 31 March 2014, there are outstanding bank guarantees and letter of credits given on behalf of the Group to third parties amounting to Baht 174.76 million (31 December 2013: Baht 167.83 million).

**ii) Guarantees**

As at 31 March 2014, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and associate for a total of Baht 826.01 million (31 December 2013: Baht 833.61 million).

**iii) Operating lease commitments - where a 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:

	<b>Unit: Million Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2014</b>	<b>31 December 2013</b>
Not later than 1 year	472	573	516	618
Later than 1 year but not later than 5 years	1,952	1,941	1,948	2,023
Later than 5 years	4,706	4,847	2,362	2,429
	<b>7,130</b>	<b>7,361</b>	<b>4,826</b>	<b>5,070</b>

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) Commitment from film productions**

As at 31 March 2014, the Group has commitments in respect of payments to film directors amounting to Baht 54.54 million (31 December 2013: Baht 47.28 million).

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**19 Cash flows from operating activities**

Reconciliation of profit before income tax to cash flows from operating activities:

For the three-month periods ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		31 March 2014	31 March 2013	31 March 2014	31 March 2013
Profit before income tax		180,904	378,522	140,939	332,608
Adjustments for:					
Depreciation	10	300,348	247,624	92,110	64,635
Amortisation of prepaid rents		8,538	8,538	2,368	2,368
Doubtful debts (reversal)		10,859	(759)	544	-
Loss on diminution in value of inventories		-	1,204	-	-
Provision for sales returns (reversal)		4,400	(849)	-	-
Provision for interest receivable		17	-	-	-
Impairment charge		9,809	2,768	12,500	-
Loss (gain) on disposals of equipment		2,165	40	2,079	(46)
Loss from write-off of equipment	10	2,175	12,774	-	350
Gain on disposals of investments in associate	9	(14,539)	(156,440)	(16,472)	(166,795)
Shares of results of investments in associates and joint ventures	9	(39,398)	(44,765)	-	-
Unearned income - customers loyalty program		(240)	(2,670)	(240)	(2,670)
Employee benefit obligations		163	579	513	332
Warrants	13	1,566	2,966	1,500	2,361
Dividends income		-	-	(49,858)	(26,680)
Interest income		(1,675)	(2,679)	(13,768)	(16,629)
Finance costs		45,276	31,203	37,325	26,472
Changes in operating assets and liabilities:					
- trade and other receivables		55,796	136,824	115,259	113,915
- inventories		15,979	10,346	15,233	9,222
- movies under productions		(48,527)	(20,567)	-	-
- other current assets		29,244	6,575	21,022	(3,011)
- finance lease receivables		59	42	-	-
- long-term account receivable		-	4,920	-	4,920
- other non-current assets		930	2,515	(25,540)	1,518
- trade and other payables		(123,531)	(196,974)	(116,714)	(112,154)
- other current liabilities		(4,963)	(21,052)	(4,644)	(853)
- other non-current liabilities		(4,557)	(3,729)	(330)	(397)
Cash flows from operating activities		<u>430,798</u>	<u>396,956</u>	<u>213,826</u>	<u>229,466</u>



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**20 Related party transactions**

The significant investments in subsidiaries, associates and joint ventures are set out in Note 21.

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

The following significant transactions were carried out with related parties:

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

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>For the three-month periods ended 31 March</b>				
<b>Sales of goods and services</b>				
Subsidiaries	-	-	75,866	67,874
Associates	1,276	825	21,874	534
Leasehold Property Fund	15,823	14,603	39,260	35,438
Joint Ventures	3,657	1,221	120	126
Related parties	15,642	19,809	4,228	1,501
	<u>36,398</u>	<u>36,458</u>	<u>141,348</u>	<u>105,473</u>
<b>Sale of equipment</b>				
Subsidiaries	-	-	-	556

**ii) Purchases of goods and services and others**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>For the three-month periods ended 31 March</b>				
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	75,390	51,010
Associates	6,011	9,919	4,611	7,711
Leasehold Property Fund	36,820	36,086	27,927	26,271
Joint venture	369	-	-	-
Related parties	38,900	30,732	35,368	28,597
	<u>82,100</u>	<u>76,737</u>	<u>143,296</u>	<u>113,589</u>
<b>Purchases of fixed assets</b>				
Subsidiaries	-	-	120	-

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**20 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

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

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Trade accounts receivable (include unbilled revenue)</b>				
Subsidiaries	-	-	75,155	98,326
Associates	3,438	3,158	65	1,257
Joint venture	23,461	26,787	222	240
Related parties	6,980	3,111	1,639	763
	<u>33,879</u>	<u>33,056</u>	<u>77,081</u>	<u>100,586</u>
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	157,225	226,702
Associates	54,794	37,720	28,276	11,073
Joint venture	523	4,388	103	4,087
Related parties	29,573	31,307	11,401	11,944
	<u>84,890</u>	<u>73,415</u>	<u>197,005</u>	<u>253,806</u>
<b>Deposit (included in "Other non-current assets")</b>				
Subsidiaries	-	-	44,528	18,688
Associates	8,979	8,979	3,460	3,460
Related parties	-	200	-	200
	<u>8,979</u>	<u>9,179</u>	<u>47,988</u>	<u>22,348</u>
<b>Finance lease receivables</b>				
Related parties	1,758	1,768	-	-
	<u>1,758</u>	<u>1,768</u>	<u>-</u>	<u>-</u>

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**20 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<b>Trade accounts payable</b> (included in "Trade account payables")				
Subsidiaries	-	-	116,734	101,173
Associates	30	978	1	1
Related parties	1,512	1,014	1,404	901
	<u>1,542</u>	<u>1,992</u>	<u>118,139</u>	<u>102,075</u>
<b>Other payables</b> (included in "Amounts due to related parties")				
Subsidiaries	-	-	12,011	44,083
Associates	11,332	5,647	10,543	4,864
Joint venture	1,866	2,026	-	-
Related parties	10,616	61,516	6,675	47,406
Directors	2,650	3,758	2,650	3,300
	<u>26,464</u>	<u>72,947</u>	<u>31,879</u>	<u>99,653</u>
<b>Advance received for rental and services</b> (included in "Other non-current liabilities")				
Associate	27,841	28,103	-	-
Related parties	15,201	15,579	-	-
	<u>43,042</u>	<u>43,682</u>	<u>-</u>	<u>-</u>
<b>Deposits received</b> (included in "Other non-current liabilities")				
Subsidiaries	-	-	983	983
Associates	120,003	120,003	-	-
Joint venture	420	420	-	-
Related parties	5,238	5,238	135	135
	<u>125,661</u>	<u>125,661</u>	<u>1,118</u>	<u>1,118</u>
<b>Finance lease liabilities</b> (included in "Long-term borrowings from financial institutions")				
Associates	12,428	12,392	12,428	12,392
Related parties	8,286	8,262	8,286	8,262
	<u>20,714</u>	<u>20,654</u>	<u>20,714</u>	<u>20,654</u>

**20 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (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’s Group”) for the use of financing to other Major’s Group companies. The short-term loans to related parties as at 31 March 2014 comprise unsecured loans repayable within 1 month which carry interest at the rate of 4.00% per annum.

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

	<u>Unit: Baht'000</u>
	<u>Company</u>
<b>For the three-month period ended 31 March 2014</b>	
Opening balance	526,664
Loans advanced during the period	270,250
Loans repayments received during the period	<u>(212,814)</u>
Closing balance	<u>584,100</u>

The related interest income in the company income statement was Baht 5.13 million. As at 31 March 2014, the accrued interest income in the company statement of financial position was Baht 1.87 million.

**v) Long-term loans to related parties and others**

	<u>Unit: Baht'000</u>	
	<u>Consolidated</u>	<u>Company</u>
<b>For the three-month period ended 31 March 2014</b>		
<b>Subsidiaries and associates and employees</b>		
Opening balance	3,198	755,969
Loans advanced during the period	-	30,000
Loans repayments received during the period	<u>(291)</u>	<u>(120,276)</u>
Closing balance	<u>2,907</u>	<u>665,693</u>

The long-term loans to related parties are carrying interest at the rate of 4.00% per annum and there is no specific repayment date.

The interest income in the consolidated and company income statements were Baht 0.11 million and Baht 7.64 million, respectively. As at 31 March 2014, the accrued interest incomes in the company statements of financial position were Baht 136.59 million.

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**20 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**vi) Short-term loans from related parties**

The short-term loans from related parties are loans from subsidiaries of Major Cineplex Group Public Company Limited (“Major’s Group”) for the use of financing to other Major’s Group companies. The short-term loans from related parties as at 31 March 2014 comprise unsecured loans repayable within 1 month which carry interest at the rate of 4.00% per annum and 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.

	<b>Unit: Baht’000</b>	
	<u>Consolidated</u>	<u>Company</u>
<b>For the three-month period ended 31 March 2014</b>		
Opening balance	25,000	610,514
Loans borrowed during the period	-	425,001
Loans repaid during the period	-	(354,471)
Closing balance	<u>25,000</u>	<u>681,044</u>

The related interest expense in the company income statement was Baht 6.67 million. As at 31 March 2014, the accrued interest expense in the company statement of financial position was Baht 2.97 million.

**vii) Key management’s remunerations**

	<b>Unit: Baht’000</b>			
	<u>Consolidated</u>		<u>Company</u>	
<b>For the three-month periods ended 31 March</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Short-term employee benefits	10,020	10,415	8,989	5,599
Retirement benefits	251	314	240	265
Share-based payments	385	606	385	606
	<u>10,656</u>	<u>11,335</u>	<u>9,614</u>	<u>6,470</u>

## **21 Subsequent events**

21.1.1 At the Annual General Shareholders Meeting held on 3 April 2014, the shareholders passed the resolution to approved dividends payment in respect of the operating results for the period from July to December 2013 at Baht 0.48 per share, totaling Baht 443.79 million. The dividend will be distributed to shareholders listed in the register on 16 April 2014. The dividends were distributed to the shareholders on 2 May 2014.

21.1.2 At the Board of Directors Meeting held on 9 May 2014, the Board passed a resolution to approve an additional investment of authorised shares in MPIC to maintain the percentage of ownership interest at 91.37% of authorised share capital or 601,065,240 shares at Baht 1.50 per share with the consideration paid of Baht 901,597,860.

### **Subsidiaries**

21.2.1 At the Board of Directors (“the Board”) Meeting of a subsidiary held on 11 February 2014, the Board passed a resolution to approve 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 subsidiary will own 40%. It is expected that this new company will be incorporated by the end of the 2<sup>st</sup> quarter of 2014.

21.2.2 At the Annual General Meeting of a subsidiary for the year ending 2014 held on 23 April 2014, the shareholders approved the decrease of the subsidiary’s authorised capital by cancelling 11,660,022 unissued authorised shares at par value of Baht 1 per share. This results the subsidiary’s authorised capital of 664,242,478 shares with a par value of Baht 1 per share.

21.2.3 At the Board of Directors Meeting of a subsidiary held on 6 May 2014, the Board passed a resolution to approve an increase of authorised share capital of 657,829,978 shares at par value of Baht 1 per share after the decrease of authorised share capital as detailed in Note 21.2.2. The authorised share capital will be equal to 1,322,072,456 shares at a par value of Baht 1 per share. The increased shares will offer to the old investors at Baht 1.50 per share for the use of restructure of the subsidiary’s capital to support establishment of new business. The subsidiary will enter into the above transaction after the approval by the Extraordinary Shareholders’ Meeting of a subsidiary, schedule on 22 July 2014.