

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

31 MARCH 2017

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Major Cineplex Group Public Company Limited and its subsidiaries, and the interim separate financial information of Major Cineplex Group Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2017, and the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information 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 accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
Bangkok
11 May 2017

Major Cineplex Group Public Company Limited
Statement of Financial Position
As at 31 March 2017

| | Notes | Consolidated financial information | | Separate financial information | |
|-------------------------------------|-------|---------------------------------------|-------------------|-----------------------------------|-------------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 31 March | 31 December | 31 March | 31 December |
| | | 2017 | 2016 | 2017 | 2016 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 631,759 | 530,873 | 324,183 | 173,652 |
| Trade and other receivables | 6 | 1,279,920 | 1,256,315 | 690,696 | 712,396 |
| Short-term loans to related parties | 20 | 8,000 | 8,000 | 463,736 | 474,900 |
| Inventories | | 86,288 | 97,810 | 51,726 | 61,690 |
| Films under production | | 208,310 | 221,085 | - | - |
| Current portion of prepaid rents | | 44,665 | 44,666 | 19,978 | 19,978 |
| Other current assets | | 177,334 | 191,628 | 50,526 | 60,558 |
| Total current assets | | 2,436,276 | 2,350,377 | 1,600,845 | 1,503,174 |
| Non-current assets | | | | | |
| Available-for-sale investment | 7 | 498,633 | 512,699 | 498,633 | 512,699 |
| Restricted cash | | 4,595 | 4,587 | - | - |
| Finance lease receivables | | 11,438 | 11,479 | - | - |
| Investment in subsidiaries | 8 | - | - | 3,620,414 | 3,620,414 |
| Investment in associates | 8 | 2,705,163 | 2,751,690 | 2,534,668 | 2,501,310 |
| Interest in joint ventures | 8 | 290,738 | 288,168 | 245,168 | 245,168 |
| Long-term loans to related parties | 20 | 1,712 | 1,923 | 301,495 | 301,706 |
| Property, plant and equipment | 9 | 7,437,233 | 7,591,205 | 4,412,472 | 4,471,539 |
| Goodwill | | 205,381 | 205,381 | - | - |
| Intangible assets | 9 | 108,854 | 120,791 | 40,501 | 44,931 |
| Deferred income tax assets | | 10,531 | 9,066 | - | - |
| Long-term prepaid rents | | 598,302 | 609,468 | 350,564 | 355,559 |
| Other non-current assets | | 266,822 | 268,079 | 178,695 | 179,251 |
| Total non-current assets | | 12,139,402 | 12,374,536 | 12,182,610 | 12,232,577 |
| Total assets | | 14,575,678 | 14,724,913 | 13,783,455 | 13,735,751 |

Director _____

Director _____

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2017

| | Notes | Consolidated financial information | | Separate financial information | |
|--|-------|--|---|--|---|
| | | Unaudited 31 March 2017 Thousand Baht | Audited 31 December 2016 Thousand Baht | Unaudited 31 March 2017 Thousand Baht | Audited 31 December 2016 Thousand Baht |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings from financial institutions | 11 | 2,022,972 | 3,137,986 | 1,884,210 | 3,031,056 |
| Trade and other payables | 10 | 1,541,978 | 1,761,240 | 1,088,644 | 1,197,815 |
| Current portion of long-term borrowings | 11 | 1,422,560 | 1,337,408 | 1,337,671 | 1,253,632 |
| Short-term loans from related parties | 20 | 18,150 | 18,150 | 1,030,532 | 993,447 |
| Accrued income tax | | 112,469 | 79,438 | 46,943 | 15,911 |
| Other current liabilities | | 83,293 | 85,725 | 40,946 | 37,538 |
| Total current liabilities | | 5,201,422 | 6,419,947 | 5,428,946 | 6,529,399 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 11 | 1,595,275 | 763,914 | 1,433,131 | 580,133 |
| Deferred income tax liabilities | | 265,115 | 277,501 | 32,000 | 29,689 |
| Employee benefit obligations | | 42,500 | 41,384 | 28,706 | 28,046 |
| Other non-current liabilities | | 495,622 | 504,428 | 132,452 | 135,286 |
| Total non-current liabilities | | 2,398,512 | 1,587,227 | 1,626,289 | 773,154 |
| Total liabilities | | 7,599,934 | 8,007,174 | 7,055,235 | 7,302,553 |
| Equity | | | | | |
| Share capital | 12 | | | | |
| Authorised share capital | | | | | |
| Ordinary shares, 896,266,347 shares at par value of Baht 1 each | | 896,266 | 896,266 | 896,266 | 896,266 |
| Issued and fully paid-up share capital | | | | | |
| Ordinary shares, 894,533,377 shares at paid-up of Baht 1 each | 12 | 894,533 | 894,533 | 894,533 | 894,533 |
| Share premium | | 4,053,064 | 4,053,064 | 4,053,064 | 4,053,064 |
| Share premium - Treasury share | | 288,425 | 288,425 | 288,425 | 288,425 |
| Warrants | 13 | 5,288 | 5,288 | 750 | 750 |
| Retained earnings | | | | | |
| Appropriated - legal reserve | | 90,600 | 90,600 | 90,600 | 90,600 |
| Unappropriated | | 1,582,760 | 1,320,957 | 1,069,393 | 782,391 |
| Other components of equity | | (18,538) | (15,972) | 331,455 | 323,435 |
| Equity attributable to owners of the parent | | 6,896,132 | 6,636,895 | 6,728,220 | 6,433,198 |
| Non-controlling interest | 14 | 79,612 | 80,844 | - | - |
| Total equity | | 6,975,744 | 6,717,739 | 6,728,220 | 6,433,198 |
| Total liabilities and equity | | 14,575,678 | 14,724,913 | 13,783,455 | 13,735,751 |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Income Statement (Unaudited)
For the three-month period ended 31 March 2017

| | Notes | Consolidated financial information | | Separate financial information | |
|---------------------------------|-------|---------------------------------------|--------------------|-----------------------------------|------------------|
| | | 2017 | 2016 | 2017 | 2016 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Revenues | | | | | |
| Services income | | 1,707,406 | 1,550,104 | 1,029,768 | 937,298 |
| Sales income | | 426,701 | 386,332 | 267,342 | 244,495 |
| Total revenues | | 2,134,107 | 1,936,436 | 1,297,110 | 1,181,793 |
| Costs | | | | | |
| Cost of services | | (1,218,263) | (1,126,327) | (783,000) | (718,541) |
| Cost of sales | | (199,666) | (138,191) | (83,208) | (75,225) |
| Total costs | | (1,417,929) | (1,264,518) | (866,208) | (793,766) |
| Gross profit | | 716,178 | 671,918 | 430,902 | 388,027 |
| Other income | 15 | 149,024 | 92,645 | 266,040 | 211,840 |
| Selling expenses | | (133,587) | (107,155) | (54,676) | (74,733) |
| Administrative expenses | | (419,666) | (407,344) | (271,401) | (267,090) |
| Finance costs | | (38,509) | (37,985) | (44,993) | (47,305) |
| Share of result of investments | 8 | 40,553 | 57,871 | - | - |
| Profit before income tax | | 313,993 | 269,950 | 325,872 | 210,739 |
| Income tax | 16 | (53,422) | (37,063) | (38,870) | (20,218) |
| Profit for the period | | 260,571 | 232,887 | 287,002 | 190,521 |
| Attributable profit to: | | | | | |
| Owners of the parent | | 261,803 | 226,230 | 287,002 | 190,521 |
| Non-controlling interests | | (1,232) | 6,657 | - | - |
| | | 260,571 | 232,887 | 287,002 | 190,521 |
| | | Baht | Baht | Baht | Baht |
| Earnings per share | | | | | |
| Basic earnings per share | 17 | 0.29 | 0.25 | 0.32 | 0.21 |
| Diluted earnings per share | | 0.29 | 0.25 | 0.32 | 0.21 |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2017

| | Consolidated | | Separate | | |
|--|-----------------------|---------------|-----------------------|---------------|-----------|
| | financial information | | financial information | | |
| | 2017 | 2016 | 2017 | 2016 | |
| Note | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | |
| Profit for the period | | 260,571 | 232,887 | 287,002 | 190,521 |
| Other comprehensive income: | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Remeasuring of available-for-sale investment | 7 | 10,025 | (112,980) | 10,025 | (112,980) |
| Currency translation differences | | (10,586) | (427) | - | - |
| Income tax relating to the above items | | (2,005) | 22,596 | (2,005) | 22,596 |
| Other comprehensive gain (loss) for the period, net of income tax | | (2,566) | (90,811) | 8,020 | (90,384) |
| Total comprehensive income for the period | | 258,005 | 142,076 | 295,022 | 100,137 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 259,237 | 135,419 | 295,022 | 100,137 |
| Non-controlling interests | | (1,232) | 6,657 | - | - |
| | | 258,005 | 142,076 | 295,022 | 100,137 |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2017

| Consolidated financial information | | | | | | | | | | | Unit: Thousand Baht | | |
|---|----------------|---|----------------|----------------------------|----------------|---|--------------------------------------|-------------------------------|---------------------------------|----------------------------|---------------------------|---------------|------------------|
| Attributable to owners of the parent | | | | | | | | | | | | | |
| Issued and paid-up share capital | Share premium | Share premium on reissuance of treasury share | Warrants | Retained earnings | | Change in parent's ownership interest in subsidiaries | Other comprehensive income (expense) | | Total other component of equity | Total owners of the parent | Non-controlling interests | Total equity | |
| | | | | Appropriated Legal reserve | Unappropriated | | Translation of financial statements | Available-for-sale investment | | | | | |
| Opening balance as at 1 January 2016 | 892,520 | 4,014,840 | 288,425 | 11,058 | 90,600 | 1,204,870 | (349,447) | 6,164 | 421,800 | 78,517 | 6,580,830 | 67,493 | 6,648,323 |
| Changes in equity for period | | | | | | | | | | | | | |
| Proceeds from exercise of warrants | 42 | 818 | - | (235) | - | - | - | - | - | - | 625 | - | 625 |
| Warrants | - | - | - | 1,377 | - | - | - | - | - | - | 1,377 | - | 1,377 |
| Acquisition of investment in subsidiary | - | - | - | - | - | - | - | - | - | - | - | 4,516 | 4,516 |
| Total comprehensive income | - | - | - | - | - | 226,230 | - | (427) | (90,384) | (90,811) | 135,419 | 6,657 | 142,076 |
| Closing balance as at 31 March 2016 | <u>892,562</u> | <u>4,015,658</u> | <u>288,425</u> | <u>12,200</u> | <u>90,600</u> | <u>1,431,100</u> | <u>(349,447)</u> | <u>5,737</u> | <u>331,416</u> | <u>(12,294)</u> | <u>6,718,251</u> | <u>78,666</u> | <u>6,796,917</u> |
| Opening balance as at 1 January 2017 | 894,533 | 4,053,064 | 288,425 | 5,288 | 90,600 | 1,320,957 | (349,447) | 10,040 | 323,435 | (15,972) | 6,636,895 | 80,844 | 6,717,739 |
| Changes in equity for period | | | | | | | | | | | | | |
| Total comprehensive income | - | - | - | - | - | 261,803 | - | (10,586) | 8,020 | (2,566) | 259,237 | (1,232) | 258,005 |
| Closing balance as at 31 March 2017 | <u>894,533</u> | <u>4,053,064</u> | <u>288,425</u> | <u>5,288</u> | <u>90,600</u> | <u>1,582,760</u> | <u>(349,447)</u> | <u>(546)</u> | <u>331,455</u> | <u>(18,538)</u> | <u>6,896,132</u> | <u>79,612</u> | <u>6,975,744</u> |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Changes in Equity (Unaudited)
For the three-month period ended 31 March 2017

| | Separate financial information | | | | | | | Unit: Thousand Baht | |
|---|--|------------------|--|--------------|-------------------|------------------|--------------------------------------|---------------------------------------|------------------|
| | Issued and paid-up share capital | Share premium | Share premium on reissuance of treasury share | Warrants | Retained earnings | | Other components of equity | | Total equity |
| | | | | | Appropriated | | Other comprehensive | | |
| | | | | | Legal reserve | Unappropriated | Available- for-sale investment | Total other component of equity | |
| Opening balance as at 1 January 2016 | 892,520 | 4,014,840 | 288,425 | 7,187 | 90,600 | 649,659 | 421,800 | 421,800 | 6,365,031 |
| Changes in equity for period | | | | | | | | | |
| Proceeds from exercise of warrants | 42 | 818 | - | (235) | - | - | - | - | 625 |
| Warrants | - | - | - | 710 | - | - | - | - | 710 |
| Total comprehensive income | - | - | - | - | - | 190,521 | (90,384) | (90,384) | 100,137 |
| Closing balance as at 31 March 2016 | <u>892,562</u> | <u>4,015,658</u> | <u>288,425</u> | <u>7,662</u> | <u>90,600</u> | <u>840,180</u> | <u>331,416</u> | <u>331,416</u> | <u>6,466,503</u> |
| Opening balance as at 1 January 2017 | 894,533 | 4,053,064 | 288,425 | 750 | 90,600 | 782,391 | 323,435 | 323,435 | 6,433,198 |
| Changes in equity for period | | | | | | | | | |
| Total comprehensive income | - | - | - | - | - | 287,002 | 8,020 | 8,020 | 295,022 |
| Closing balance as at 31 March 2017 | <u>894,533</u> | <u>4,053,064</u> | <u>288,425</u> | <u>750</u> | <u>90,600</u> | <u>1,069,393</u> | <u>331,455</u> | <u>331,455</u> | <u>6,728,220</u> |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2017

| | Notes | Consolidated | | Separate | |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | financial information | | financial information | |
| | | 2017 | 2016 | 2017 | 2016 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | 634,059 | 503,079 | 384,949 | 341,683 |
| Interest paid | | (32,293) | (31,586) | (40,427) | (43,086) |
| Income tax paid | | (39,449) | (26,178) | (7,675) | (7,776) |
| Net cash generated from operating activities | | <u>562,317</u> | <u>445,315</u> | <u>336,847</u> | <u>290,821</u> |
| Cash flows from investing activities | | | | | |
| Increase in restricted cash | | (9) | (8) | - | - |
| Short-term loans made to related parties | 20 | - | - | (113,227) | (173,009) |
| Short-term loans repayments received from related parties | 20 | - | - | 124,391 | 209,367 |
| Long-term loans repayments received from related parties | 20 | 211 | 63 | 211 | 63 |
| Payments for short-term investments | | (770,000) | - | (770,000) | - |
| Proceeds from disposal of short-term investments | | 771,156 | - | 771,156 | - |
| Cash from acquisition of subsidiary, net of cash payment | | - | 24,326 | - | - |
| Payments for investment in associate | 8 | (33,358) | (101,301) | (33,358) | (101,301) |
| Proceeds from disposals of investment in associate | | - | 63,102 | - | 63,102 |
| Proceeds from disposals of available-for-sale investment | | 35,400 | 4,809 | 35,400 | 4,809 |
| Purchases of property, plant and equipment | | (237,801) | (250,534) | (175,754) | (187,699) |
| Proceeds from disposals of equipment | | 13,362 | 127 | 445 | 13 |
| Purchases of intangible assets | | (57,329) | (60,080) | (782) | (1,881) |
| Interest received | | 913 | 296 | 4,959 | 5,356 |
| Dividends received | | 32,814 | 41,813 | 148,230 | 28,314 |
| Net cash used in investing activities | | <u>(244,641)</u> | <u>(277,387)</u> | <u>(8,329)</u> | <u>(152,866)</u> |
| Cash flows from financing activities | | | | | |
| Proceeds from short-term loans from related parties | 20 | - | - | 581,318 | 475,187 |
| Repayments to short-term loans from related parties | 20 | - | - | (544,233) | (412,473) |
| Decrease in bank overdrafts | | 1,832 | (9,505) | - | - |
| Proceeds from short-term borrowings | | 980,000 | 695,000 | 950,000 | 650,000 |
| Repayments to short-term borrowings | | (2,100,000) | (1,515,000) | (2,100,000) | (1,515,000) |
| Repayments to finance lease liabilities | | (24,766) | (23,063) | (2,072) | (386) |
| Proceeds from long-term borrowings | 11 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Repayments to long-term borrowings | 11 | (63,000) | (10,000) | (63,000) | (10,000) |
| Proceeds from exercised warrants | | - | 625 | - | 625 |
| Subsidiary paid dividends to non-controlling interests | | (10,856) | - | - | - |
| Net cash (used in) received from financing activities | | <u>(216,790)</u> | <u>138,057</u> | <u>(177,987)</u> | <u>187,953</u> |
| Net increase in cash and cash equivalents | | <u>100,886</u> | <u>305,985</u> | <u>150,531</u> | <u>325,908</u> |
| Opening balance of cash and cash equivalents | | <u>530,873</u> | <u>312,060</u> | <u>173,652</u> | <u>92,966</u> |
| Closing balance of cash and cash equivalents | | <u><u>631,759</u></u> | <u><u>618,045</u></u> | <u><u>324,183</u></u> | <u><u>418,874</u></u> |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2017

| Consolidated | | Separate | |
|------------------------------|----------------------|------------------------------|----------------------|
| financial information | | financial information | |
| 2017 | 2016 | 2017 | 2016 |
| Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |

Non-cash transactions

Significant non-cash transactions for the three-month periods ended 31 March 2017 and 2016 are as follows:

| | | | | |
|---|---------|--------|---------|--------|
| Dividends receivable from associates | 89,514 | 84,833 | 89,514 | 84,833 |
| Receivable from disposal of available-for-sale investment | 101,620 | 49,439 | 101,620 | 49,439 |

The accompanying notes on pages 10 to 29 form part of this interim financial information.

1 General information

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

1839, 1839/1-6 Phaholyothin Road, Ladyao, Jatujak, Bangkok.

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

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 11 May 2017.

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

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, income statement and statement of comprehensive income, statement of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. 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 2016.

An English version of the interim consolidated and separate 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 2016.

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.

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

| | |
|------------------------|--|
| TAS 1 (revised 2016) | Presentation of financial statements |
| TAS 16 (revised 2016) | Property, plant and equipment |
| TAS 19 (revised 2016) | Employee benefits |
| TAS 27 (revised 2016) | Separate financial statements |
| TAS 28 (revised 2016) | Investments in associates and joint ventures |
| TAS 34 (revised 2016) | Interim financial reporting |
| TAS 38 (revised 2016) | Intangible assets |
| TFRS 10 (revised 2016) | Consolidated financial statements |
| TFRS 11 (revised 2016) | Joint arrangements |
| TFRS 12 (revised 2016) | Disclosure of interests in other entities |

2 Accounting policies (Cont'd)

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.
(Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

2 Accounting policies (Cont'd)

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. (Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

Management has assessed and considered that the above revised standards do not have significant impact to the Group.

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

| | |
|-------------------------|---|
| TAS 2 (revised 2016) | Inventories |
| TAS 7 (revised 2016) | Statement of cash flows |
| TAS 8 (revised 2016) | Accounting policies, changes in accounting estimates and errors |
| TAS 10 (revised 2016) | Events after the reporting period |
| TAS 12 (revised 2016) | Income taxes |
| TAS 17 (revised 2016) | Leases |
| TAS 21 (revised 2016) | The effects of changes in foreign exchange rates |
| TAS 23 (revised 2016) | Borrowing costs |
| TAS 24 (revised 2016) | Related party disclosures |
| TAS 26 (revised 2016) | Accounting and reporting by retirement benefit plans |
| TAS 33 (revised 2016) | Earnings per share |
| TAS 36 (revised 2016) | Impairment of assets |
| TAS 37 (revised 2016) | Provisions, contingent liabilities and contingent assets |
| TFRS 2 (revised 2016) | Share-based payment |
| TFRS 3 (revised 2016) | Business combinations |
| TFRS 8 (revised 2016) | Operating segments |
| TFRS 13 (revised 2016) | Fair value measurement |
| TSIC 31 (revised 2016) | Revenue - Barter transactions involving advertising services |
| TFRIC 1 (revised 2016) | Changes in existing decommissioning, restoration and similar liabilities |
| TFRIC 4 (revised 2016) | Determining whether an arrangement contains a lease |
| TFRIC 10 (revised 2016) | Interim financial reporting and impairment |
| TFRIC 13 (revised 2016) | Customer loyalty programmes |
| TFRIC 14 (revised 2016) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction |
| TAS 105 (revised 2016) | Accounting for Investments in Debt and Equity Securities |

3 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 2016.

4 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 Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

4 Segment information (Cont'd)

Financial information by business segments is as follows: (Cont'd)

| | Consolidated financial information | | | | | Consolidated Million Baht |
|---|------------------------------------|---|--|--|---|------------------------------|
| | Cinema business Million Baht | Advertising business Million Baht | Bowling and Karaoke business Million Baht | Rental and services Million Baht | Movie content business Million Baht | |
| For the three-month period ended 31 March 2017 | | | | | | |
| Revenues | | | | | | |
| Gross segment revenues | 1,757 | 236 | 118 | 135 | 93 | 2,339 |
| Inter-segment revenues | (136) | - | (15) | (22) | (32) | (205) |
| Net revenues | 1,621 | 236 | 103 | 113 | 61 | 2,134 |
| Segment results | 135 | 163 | (5) | 4 | (51) | 246 |
| Gain from disposal of investments | | | | | | 114 |
| Unallocated costs | | | | | | (48) |
| Operating profit | | | | | | 312 |
| For the three-month period ended 31 March 2016 | | | | | | |
| Revenues | | | | | | |
| Gross segment revenues | 1,560 | 210 | 128 | 142 | 92 | 2,132 |
| Inter-segment revenues | (120) | - | (16) | (24) | (36) | (196) |
| Net revenues | 1,440 | 210 | 112 | 118 | 56 | 1,936 |
| Segment results | 103 | 147 | (5) | 6 | (21) | 230 |
| Gain from selling of investments | | | | | | 65 |
| Unallocated costs | | | | | | (45) |
| Operating profit | | | | | | 250 |

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

5 Fair value

5.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 March 2017.

| As of 31 March 2017 | Level 1 Thousand Baht |
|-------------------------------------|--------------------------------------|
| Asset | |
| Available-for-sale financial assets | |
| Equity securities | 498,633 |
| As of 31 December 2016 | |
| Asset | |
| Available-for-sale financial assets | |
| Equity securities | 512,699 |

There were no changes in valuation techniques during the periods.

6 Trade and other receivables

| | Consolidated financial information | | Separate financial information | |
|--|--|---|--|---|
| | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht |
| Trade accounts receivable - third parties | 552,759 | 638,635 | 101,013 | 131,279 |
| Trade accounts receivable - related parties (Note 20) | 21,018 | 12,740 | 87,411 | 61,165 |
| Unbilled revenue | 441,875 | 386,400 | 41,932 | 33,868 |
| Total | 1,015,652 | 1,037,775 | 230,356 | 226,312 |
| <u>Less</u> Allowance for doubtful accounts | <u>(43,594)</u> | <u>(43,594)</u> | <u>-</u> | <u>-</u> |
| Trade accounts receivable, net | 972,058 | 994,181 | 230,356 | 226,312 |
| Amounts due from related parties (Note 20) | 116,635 | 69,473 | 317,694 | 334,798 |
| Other accounts receivable | 152,908 | 150,855 | 124,571 | 132,068 |
| Prepaid expenses | 38,319 | 41,806 | 18,075 | 19,218 |
| Trade and other receivables | 1,279,920 | 1,256,315 | 690,696 | 712,396 |

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

6 Trade and other receivables (Cont'd)

Outstanding trade and other receivables can be analysed as follows:

| | Consolidated financial information | | Separate financial information | |
|---|--|---|--|---|
| | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht |
| Unbilled revenue | 455,840 | 387,444 | 41,932 | 33,868 |
| Trade accounts receivable | | | | |
| Current | 212,816 | 264,236 | 120,598 | 86,155 |
| Overdue less than 3 months | 146,772 | 180,998 | 27,257 | 85,255 |
| 3 - 6 months | 38,789 | 35,913 | 25,985 | 12,814 |
| 6 - 12 months | 42,000 | 133,650 | 9,844 | 7,218 |
| Over 12 months | 119,435 | 35,534 | 4,740 | 1,002 |
| Total | 1,015,652 | 1,037,775 | 230,356 | 226,312 |
| <u>Less</u> Allowance for doubtful accounts | <u>(43,594)</u> | <u>(43,594)</u> | <u>-</u> | <u>-</u> |
| Trade accounts receivable, net | <u>972,058</u> | <u>994,181</u> | <u>230,356</u> | <u>226,312</u> |

7 Available-for-sale investment

Information relating to available-for-sale investment is as follows:

| | Consolidated and Separate financial information | | | |
|-------------------------------|--|--|--------------------------------------|--|
| | 31 March 2017 | | 31 December 2016 | |
| | At cost Thousand Baht | At fair value Thousand Baht | At cost Thousand Baht | At fair value Thousand Baht |
| Available-for-sale investment | 84,315 | 498,633 | 108,405 | 512,699 |
| | <u>84,315</u> | <u>498,633</u> | <u>108,405</u> | <u>512,699</u> |

During the three-month period ended 31 March 2017, the movements of available-for-sale investment are as follows:

| | Consolidated and Separate financial information Thousand Baht |
|---|--|
| Opening book value | 512,699 |
| Disposal | (24,091) |
| Realised gain | (112,929) |
| Loss on exchange rate | 1,293 |
| Change in fair value of available-for-sale investment | 121,661 |
| Closing book value | <u>498,633</u> |

8 Investments in subsidiaries, associates and interest in joint ventures

8.1 Investment in subsidiaries

Movements of investment in subsidiaries can be analysed as follows:

| | Separate financial information 31 March 2017 Thousand Baht |
|----------------------------|---|
| Investment in subsidiaries | 3,742,769 |
| <u>Less</u> Impairment | <u>(122,355)</u> |
| Closing net book amount | <u>3,620,414</u> |
| Opening net book amount | <u>3,620,414</u> |
| Closing net book amount | <u>3,620,414</u> |

8.2 Investment in associates

Movements of investment in associates can be analysed as follows:

| | Consolidated financial information Thousand Baht | Separate financial information Thousand Baht |
|---|---|---|
| For the three-month period ended 31 March 2017 | | |
| Opening net book amount | 2,751,690 | 2,501,310 |
| Additions | 33,358 | 33,358 |
| Dividends received | (117,828) | - |
| Share of results | <u>37,943</u> | <u>-</u> |
| Closing net book amount | <u>2,705,163</u> | <u>2,534,668</u> |

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 2017, the Group realised gain on disposals of Baht 4.13 million in the consolidated income statement (31 March 2016: Baht 4.08 million).

During the three-month period ended 31 March 2017, the Company received dividends income from associates amounting to Baht 117.83 million (31 March 2016: Baht 113.15 million), which was recognised as "Other income" in the Company income statement and reducing "Investment in associates" in the consolidated statement of financial position.

Siam Future Development Public Company Limited ("SF")

Additions of investment

During the three-month period ended 31 March 2017, the Company has made additional investment in SF of 5.38 million shares totalling Baht 33.36 million.

The aforementioned movements of investment resulted in the change to shareholding percentage from 24.89% to 25.19%.

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

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

8.3 Interest in joint ventures

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

| | Consolidated financial information | Separate financial information |
|---|---|---|
| | Thousand Baht | Thousand Baht |
| For the three-month period ended 31 March 2017 | | |
| Opening net book amount | 288,168 | 245,168 |
| Share of result | 2,610 | - |
| Currency translation difference | (40) | - |
| Closing net book amount | <u>290,738</u> | <u>245,168</u> |

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

| | Country of incorporation | Nature of business | Nature of relationship | % Ownership interest | |
|--|-------------------------------------|---|-----------------------------------|-----------------------------|-----------------------------|
| | | | | 31 March 2017 | 31 December 2016 |
| Subsidiaries | | | | | |
| Major Cineplex Property Co., Ltd. | Thailand | Building space for rent | Shareholder | 99.99 | 99.99 |
| Major Cineplex Services Co., Ltd. | Thailand | Utilities services | Shareholder | 99.99 | 99.99 |
| Ratchayothin Management Co., Ltd. | Thailand | Utilities services | Shareholder | 99.99 | 99.99 |
| Ratchayothin Cinema Co., Ltd. | Thailand | Land and building space for rent | Shareholder | 99.99 | 99.99 |
| Ratchayothin Realty Co., Ltd. | Thailand | Building space for rent | Shareholder | 99.99 | 99.99 |
| Major Bowl Group Co., Ltd. | Thailand | Bowling, Karaoke and entertainment services | Shareholder | 99.99 | 99.99 |
| Major Cinead Co., Ltd. | Thailand | Advertising and advisory services | Shareholder | 99.93 | 99.93 |
| Bangkok Imax Theater Co., Ltd. | Thailand | Cinema services | Shareholder | 99.93 | 99.93 |
| Siam Cineplex Co., Ltd. | Thailand | Cinema services | Shareholder | 99.99 | 99.99 |
| EGV Entertainment Public Company Limited ("EGV") | Thailand | Cinema services, advertising services, and area for rent | Shareholder | 99.98 | 99.98 |
| M Picture Entertainment Public Company Limited ("MPIC") | Thailand | Publishing, advertising and distribution of film rights | Shareholder | 92.46 | 92.46 |
| Major Holding International Co., Ltd. ("MHD") | Thailand | Holding business | Shareholder | 99.96 | 99.96 |
| Digital Projector Management Co., Ltd. | Thailand | Projector rental and system management | Shareholder | 99.99 | 99.99 |
| Major Rewards Co., Ltd. | Thailand | Customer relationship management loyalty program, E-payment and coupon Kiosk | Shareholder | 99.99 | 99.99 |
| Subsidiaries under EGV | | | | | |
| EGV Exhibition Co., Ltd. | Thailand | Cinema services | Indirect shareholding | 99.96 | 99.96 |
| Subsidiaries under MPIC | | | | | |
| M Picture Co., Ltd. | Thailand | Distribution of film rights for cinema services, VCD/DVD production and TV broadcast | Indirect shareholding | 92.46 | 92.46 |
| M.V.D. Co., Ltd. ("MVD") | Thailand | Distribution of VCD/DVD, Blu-ray and film rights | Indirect shareholding | 92.46 | 92.46 |
| M Thirty nine Co., Ltd. | Thailand | Film production | Indirect shareholding | 92.46 | 92.46 |
| Talent One Co., Ltd. | Thailand | Film production | Indirect shareholding | 83.22 | 83.22 |

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

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

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

| | Country of incorporation | Nature of business | Nature of relationship | % Ownership interest | |
|---|-----------------------------------|---|------------------------------|----------------------|------------------|
| | | | | 31 March 2017 | 31 December 2016 |
| Subsidiary under MVD | | | | | |
| Pacific Media Sale Co., Ltd. | Thailand | Distribution of CD, VCD and DVD | Indirect shareholding | 91.91 | 91.91 |
| Subsidiaries under MHD | | | | | |
| Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum") | Cambodia | Cinema and bowling services | Indirect shareholding | 69.97 | 69.97 |
| Major Platinum Cineplex (Lao) Co., Ltd. ("Major Platinum Lao") | Laos People's Democratic Republic | Cinema services | Indirect Shareholding | 59.98 | 59.98 |
| Cineplex (Lao) Sole Co., Ltd. ("CNP") | Laos People's Democratic Republic | Cinema services | Indirect Shareholding | 99.99 | 99.99 |
| Associates | | | | | |
| Siam Future Development Public Company Limited ("SF") | Thailand | Rental of building space and utilities services | Shareholder | 25.19 | 24.89 |
| Ratchayothin Avenue Co., Ltd. | Thailand | Rental of building space and utilities services | Shareholder | 50.00 | 50.00 |
| | | | Indirect shareholding via SF | 12.60 | 12.45 |
| Major Cineplex Lifestyle Leasehold Property Fund | Thailand | Rental of building and utilities services | Shareholder | 33.00 | 33.00 |
| Thai ticket major Co., Ltd. | Thailand | Agent for selling of tickets | Shareholder | 40.00 | 40.00 |
| CJ Major Entertainment Co., Ltd. ("CJM") | Thailand | Film production and distribution | Shareholder | 49.00 | 49.00 |
| Joint ventures | | | | | |
| PVR blu-O Entertainment Limited ("PVR blu-O") | India | Bowling, Karaoke and entertainment | Shareholder | 49.00 | 49.00 |
| Joint venture under MPIC | | | | | |
| Major Kantana Broadcasting Company Limited | Thailand | Satellite broadcasting and distribution of film rights | Indirect shareholding | 41.61 | 41.61 |
| Transformation Film Co., Ltd. | Thailand | Film production, advertising, television programmes service provided for all forms of entertainment | Indirect shareholding | 26.42 | 26.42 |
| MVP M Pictures Distribution (Lao) Co., Ltd. ("MVP") | Laos People's Democratic Republic | Film distribution | Indirect Shareholding | 36.98 | 36.98 |

All holdings are investments in ordinary shares and investment unit in the Property Fund.

Voting power is not different from ownership interest.

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

9 Property, plant, equipment and intangible assets

| | Consolidated financial information | | Separate financial information | |
|---|--|--|--|--|
| | Property, plant and equipment Thousand Baht | Intangible assets Thousand Baht | Property, plant and equipment Thousand Baht | Intangible assets Thousand Baht |
| For the three-month period ended 31 March 2017 | | | | |
| Opening net book amount | 7,591,205 | 120,791 | 4,471,539 | 44,931 |
| Exchange differences | (7,601) | (107) | - | - |
| Additions | 117,628 | 58,754 | 85,462 | 782 |
| Disposals | (1,342) | - | (50) | - |
| Write-off | (2,912) | - | (919) | - |
| Depreciation/amortisation | (253,936) | (88,834) | (143,560) | (5,212) |
| Impairment | (5,809) | 18,250 | - | - |
| Closing net book amount | <u>7,437,233</u> | <u>108,854</u> | <u>4,412,472</u> | <u>40,501</u> |

Capital expenditures contracted for at the statement of financial position date, but not recognised in the financial statements are as follows:

| | Currency | Consolidated financial information | | Separate financial information | |
|-------------------------------|-----------------|---|-----------------------------|---|-----------------------------|
| | | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| | | Thousand | Thousand | Thousand | Thousand |
| Property, plant and equipment | THB | 98,351 | 55,648 | 98,351 | 55,648 |
| Intangible assets | THB | 358 | 1,969 | - | - |
| | USD | 1,316 | 1,061 | - | - |
| Total | THB | 98,709 | 57,617 | 98,351 | 55,648 |
| | USD | 1,316 | 1,061 | - | - |
| Total in Thai Baht | | <u>144,267</u> | <u>95,798</u> | <u>98,351</u> | <u>55,648</u> |

10 Trade and other payables

| | Consolidated financial information | | Separate financial information | |
|--|---|-----------------------------|---|-----------------------------|
| | 31 March 2017 | 31 December 2016 | 31 March 2017 | 31 December 2016 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Trade accounts payable | 599,516 | 582,075 | 462,938 | 430,509 |
| Amounts due to related parties (Note 20) | 18,332 | 23,212 | 25,199 | 26,645 |
| Other payables | 265,551 | 395,678 | 179,025 | 259,719 |
| Accrued expenses | 335,112 | 410,432 | 172,378 | 208,797 |
| Rental and service incomes received in advance | 323,467 | 349,843 | 249,104 | 272,145 |
| Trade and other payables | <u>1,541,978</u> | <u>1,761,240</u> | <u>1,088,644</u> | <u>1,197,815</u> |

Unearned rental and service income included cash advanced from customers amounting to Baht 52.97 million (31 December 2016: Baht 55.20 million), which was 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.

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

11 Borrowings

| | Consolidated financial information | | Separate financial information | |
|---|--|---|--|---|
| | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht |
| Current | | | | |
| Bank overdrafts | 3,762 | 1,930 | - | - |
| Short-term loans from financial institutions | 2,019,210 | 3,136,056 | 1,884,210 | 3,031,056 |
| Total short-term borrowings from financial institutions | 2,022,972 | 3,137,986 | 1,884,210 | 3,031,056 |
| Current portion of long-term borrowings: | | | | |
| - Finance lease liabilities | 86,560 | 85,408 | 1,671 | 1,632 |
| - Bank borrowings | 336,000 | 252,000 | 336,000 | 252,000 |
| - Debentures | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total current portion of long-term borrowings | 1,422,560 | 1,337,408 | 1,337,671 | 1,253,632 |
| Non-current portion of long-term borrowings | | | | |
| - Finance lease liabilities | 183,275 | 204,914 | 21,131 | 21,133 |
| - Bank borrowings | 1,412,000 | 559,000 | 1,412,000 | 559,000 |
| Total non-current portion of long-term borrowings | 1,595,275 | 763,914 | 1,433,131 | 580,133 |
| Total borrowings | 5,040,807 | 5,239,308 | 4,655,012 | 4,864,821 |

The movements in long-term borrowings from financial institution can be analysed as follows:

| | Consolidated financial information | Separate financial information |
|---|---|---|
| | Thousand Baht | Thousand Baht |
| For the three-month period ended 31 March 2017 | | |
| Opening amount as at 1 January 2017 | 811,000 | 811,000 |
| Additions | 1,000,000 | 1,000,000 |
| Repayments | (63,000) | (63,000) |
| Closing amount as at 31 March 2017 | 1,748,000 | 1,748,000 |

Long-term borrowings bear interest at the rates ranging from 2.85% to 3.04% per annum, and are secured by the pledge of leasehold rights.

Debentures

| | Consolidated financial information | Separate financial information |
|---|---|---|
| | Thousand Baht | Thousand Baht |
| For the three-month period ended 31 March 2017 | | |
| Opening amount as at 1 January 2017 | 1,000,000 | 1,000,000 |
| Closing amount as at 31 March 2017 | 1,000,000 | 1,000,000 |

Borrowing facilities

As at 31 March 2017, the available credit facilities from financial institutions for the Group and the Company are Baht 4,711.71 million and Baht 4,306.90 million, respectively (31 December 2016: Baht 6,562.53 million and Baht 6,098.14 million, respectively). The facilities, mainly expiring within 3 years, are subject to review at various dates. The facilities have been arranged mainly for cinema construction and working capital.

12 Share capital and premium on share capital

| For the three-month period ended 31 March 2017 | Authorised number of shares Thousand Shares | Issued and fully paid up shares | | |
|---|--|---|--|---------------------------------------|
| | | Number of shares Thousand Shares | Ordinary shares Thousand Baht | Shares premium Thousand Baht |
| Opening amount as at 1 January 2017 | 896,266 | 894,533 | 894,533 | 4,053,064 |
| Closing amount as at 31 March 2017 | 896,266 | 894,533 | 894,533 | 4,053,064 |

Employee share option scheme: There was no exercise of warrants during the period ended 31 March 2017.

13 Warrants

Warrants issued and offered to directors and employees (ESOP)

The Company and a subsidiary issued and offered warrants (ESOP-W4, ESOP-W1, and ESOP-W2 respectively) to directors and employees of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offering price and their terms do not exceed 5 years from the issued date. The Group has no legal obligation to repurchase or settle the options in cash.

| For the three-month period ended 31 March 2017 | Consolidated | Separate |
|--|--|--|
| | financial information Thousand Baht | financial information Thousand Baht |
| Opening amount as at 1 January 2017 | 5,288 | 750 |
| Closing amount as at 31 March 2017 | 5,288 | 750 |

14 Non-controlling interests

| For the three-month period ended 31 March 2017 | Consolidated |
|--|--|
| | financial information Thousand Baht |
| Opening amount | 80,844 |
| Share of result | (1,232) |
| Closing amount | 79,612 |

15 Other income

| For the three-month period ended 31 March | Consolidated | | Separate | |
|---|---|---|---|---|
| | financial information 2017 Thousand Baht | financial information 2016 Thousand Baht | financial information 2017 Thousand Baht | financial information 2016 Thousand Baht |
| Dividends income | - | - | 117,828 | 113,147 |
| Gain on disposals of investment in associates | - | 29,736 | - | 33,146 |
| Gain on disposals of available-for-sale investment | 112,929 | 35,655 | 112,929 | 35,655 |
| Management fee income | 10,710 | 12,846 | 14,804 | 16,911 |
| Interest income | 1,201 | 588 | 7,834 | 8,555 |
| Others | 24,184 | 13,820 | 12,645 | 4,426 |
| | 149,024 | 92,645 | 266,040 | 211,840 |

16 Income taxes

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 are 17% and 12% per annum for the consolidated and Company financial information, respectively.

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 period ended 31 March | Consolidated and Separate financial information | |
|--|--|-------------------------------------|
| | 2017 Thousand Shares | 2016 Thousand Shares |
| Number of weighted average shares: | | |
| - basic | 894,533 | 892,520 |
| - diluted | 894,615 | 893,618 |

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

18 Cash flows from operating activities

Reconciliation of net profit for the period to cash flows from operating activities:

| For the three-month period ended 31 March | Notes | Consolidated financial information | | Separate financial information | |
|---|-------|------------------------------------|-----------------------|--------------------------------|-----------------------|
| | | 2017 Thousand Baht | 2016 Thousand Baht | 2017 Thousand Baht | 2016 Thousand Baht |
| Profit before income tax | | 313,993 | 269,950 | 325,872 | 210,739 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | 9 | 342,770 | 251,686 | 148,772 | 137,544 |
| Amortisation of prepaid rents | | 11,166 | 10,194 | 4,995 | 4,024 |
| Doubtful debts | | 928 | 2,581 | - | - |
| Loss on diminution in value of inventories | | 3,000 | - | 3,000 | - |
| Reversal of provision for sales returns | | - | (5,162) | - | - |
| Impairment of plant and equipment (reversal) | 9 | (12,441) | 14,089 | - | - |
| Loss (gain) on disposals of equipment | | 880 | 315 | (395) | 215 |
| Loss from write-off of equipment | 9 | 2,912 | 307 | 919 | - |
| Gain on bargain purchase | | - | (736) | - | - |
| Gain on disposals of investments in associate | | - | (29,736) | - | (33,146) |
| Gain on disposals of available-for-sale of investments | 7 | (112,929) | (35,655) | (112,929) | (35,655) |
| Gain on disposals of short-term investments | | (1,156) | - | (1,156) | - |
| Shares of results of investments in associates and joint ventures | 8 | (40,553) | (57,871) | - | - |
| Unearned income - customers loyalty program | | (189) | (435) | (189) | (435) |
| Employee benefit obligations | | 1,116 | 974 | 660 | 453 |
| Warrants | | - | 1,377 | - | 710 |
| Unrealised loss on exchange rate | | (2,452) | 3,690 | (351) | 1,938 |
| Dividends received | 15 | - | - | (117,828) | (113,147) |
| Interest income | | (1,201) | (588) | (7,834) | (8,555) |
| Finance costs | | 38,509 | 37,985 | 44,993 | 47,305 |
| Changes in operating assets and liabilities: | | | | | |
| - Trade and other receivables | | 146,375 | (16,087) | 96,575 | 11,553 |
| - Inventories | | 8,523 | 17,888 | 6,965 | 11,324 |
| - Films under productions | | 12,775 | (19,162) | - | - |
| - Other current assets | | 9,185 | 4,584 | 3,853 | 10,368 |
| - Finance lease receivables | | 259 | 299 | - | - |
| - Other non-current assets | | 1,258 | (916) | 556 | (400) |
| - Trade and other payables | | (80,688) | 51,418 | (11,859) | 96,282 |
| - Other current liabilities | | (2,243) | (3,086) | 3,596 | (5,953) |
| - Other non-current liabilities | | (5,738) | 5,176 | (3,266) | 6,519 |
| Cash generated from operations | | <u>634,059</u> | <u>503,079</u> | <u>384,949</u> | <u>341,683</u> |

19 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 31 March 2017, there are outstanding bank guarantees and letters of credit given on behalf of the Group to third parties amounting to Baht 191.36 million (31 December 2016: Baht 193.46 million).

ii) Guarantees

As at 31 March 2017, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associate for a total of Baht 138.76 million (31 December 2016: Baht 106.93 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:

| | Consolidated financial information | | Separate financial information | |
|---|---|--|---|--|
| | 31 March 2017 Million Baht | 31 December 2016 Million Baht | 31 March 2017 Million Baht | 31 December 2016 Million Baht |
| Not later than 1 year | 738 | 741 | 696 | 702 |
| Later than 1 year but not later than 5 years | 3,236 | 3,244 | 2,031 | 2,035 |
| Later than 5 years | 5,269 | 5,462 | 3,637 | 3,747 |
| | 9,243 | 9,447 | 6,364 | 6,484 |

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 2017, the Group has commitments in respect of payments to film directors amounting to Baht 36.17 million (31 December 2016: Baht 63.10 million).

20 Related party transactions

The significant investments in subsidiaries, associates and joint ventures are set out in Note 8.

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

The following material transactions were carried out with related parties:

i) Sales of goods and services and others

| For the three-month period ended 31 March | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|--------------------------|-----------------------------------|--------------------------|
| | 2017 Thousand Baht | 2016 Thousand Baht | 2017 Thousand Baht | 2016 Thousand Baht |
| Sales of goods and services | | | | |
| Subsidiaries | - | - | 97,213 | 86,810 |
| Associates | 612 | 2,127 | 295 | 460 |
| Leasehold property fund | 14,914 | 15,448 | 9,535 | 10,002 |
| Joint ventures | 4,663 | 17,731 | 1,341 | 1,026 |
| Related parties | 13,142 | 15,971 | 2,054 | 4,636 |
| | <u>33,331</u> | <u>51,277</u> | <u>110,438</u> | <u>102,934</u> |
| Dividend income | | | | |
| Associates | - | - | 89,514 | 84,833 |
| Leasehold property fund | - | - | 28,314 | 28,314 |
| | <u>-</u> | <u>-</u> | <u>117,828</u> | <u>113,147</u> |

ii) Purchase of goods and services and others

| For the three-month period ended 31 March | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|--------------------------|-----------------------------------|--------------------------|
| | 2017 Thousand Baht | 2016 Thousand Baht | 2017 Thousand Baht | 2016 Thousand Baht |
| Purchases of goods and services | | | | |
| Subsidiaries | - | - | 60,755 | 81,587 |
| Associates | 6,879 | 6,648 | 4,004 | 4,255 |
| Leasehold property fund | 42,449 | 39,763 | 32,038 | 30,164 |
| Joint ventures | 22,613 | - | 17,077 | - |
| Related parties | 34,438 | 38,619 | 26,478 | 32,117 |
| | <u>106,379</u> | <u>85,030</u> | <u>140,352</u> | <u>148,123</u> |

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 31 March 2017

20 Related party transactions (Cont'd)

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

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

| | Consolidated financial information | | Separate financial information | |
|---|---------------------------------------|---|--------------------------------------|---|
| | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht |
| Trade accounts receivable (include unbilled revenue) | | | | |
| Subsidiaries | - | - | 85,803 | 55,717 |
| Associates | 15,314 | 7,260 | 1,286 | 4,709 |
| Joint venture | 3,466 | 3,104 | - | 428 |
| Related parties | 2,238 | 2,376 | 322 | 311 |
| | <u>21,018</u> | <u>12,740</u> | <u>87,411</u> | <u>61,165</u> |
| Amounts due from related parties | | | | |
| Subsidiaries | - | - | 219,334 | 206,421 |
| Associates | 6,600 | 50,235 | 5,079 | 4,186 |
| Joint venture | 17,202 | 269 | 632 | - |
| Related parties | 3,319 | 14,469 | 3,134 | 4,275 |
| | <u>27,121</u> | <u>64,973</u> | <u>228,179</u> | <u>214,882</u> |
| Dividend receivable (included in "Amounts due from related parties") | | | | |
| Subsidiaries | - | - | - | 119,916 |
| Associates | 89,514 | - | 89,515 | - |
| Joint venture | - | 4,500 | - | - |
| | <u>89,514</u> | <u>4,500</u> | <u>89,515</u> | <u>119,916</u> |
| | <u>116,635</u> | <u>69,473</u> | <u>317,694</u> | <u>334,798</u> |
| Deposit (included in "Other non-current assets") | | | | |
| Subsidiaries | - | - | 44,528 | 44,528 |
| Associates | 8,869 | 8,869 | 3,849 | 3,849 |
| Related parties | 26,129 | 26,129 | 25,829 | 25,829 |
| | <u>34,998</u> | <u>34,998</u> | <u>74,206</u> | <u>74,206</u> |
| Finance lease receivables | | | | |
| Related parties | 1,637 | 1,686 | - | - |
| | <u>1,637</u> | <u>1,686</u> | <u>-</u> | <u>-</u> |
| Trade accounts payable (included in "Trade accounts payable") | | | | |
| Subsidiaries | - | - | 97,606 | 72,523 |
| Associates | 4 | 7,643 | 1 | 5,539 |
| Joint venture | 7,069 | - | - | - |
| Related parties | 794 | 619 | 763 | 515 |
| | <u>7,867</u> | <u>8,262</u> | <u>98,370</u> | <u>78,577</u> |

20 Related party transactions (Cont'd)

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

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

| | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|---|--------------------------------------|---|
| | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht | 31 March 2017 Thousand Baht | 31 December 2016 Thousand Baht |
| Amounts due to related parties | | | | |
| Subsidiaries | - | - | 15,055 | 12,645 |
| Associates | 4,047 | 4,127 | 3,281 | 3,448 |
| Joint venture | 45 | 45 | - | - |
| Related parties | 10,700 | 14,901 | 3,588 | 6,985 |
| Board | 3,540 | 4,139 | 3,275 | 3,567 |
| | <u>18,332</u> | <u>23,212</u> | <u>25,199</u> | <u>26,645</u> |
| Advance received for rental and services (included in "Other non-current liabilities") | | | | |
| Associate | 24,699 | 24,961 | - | - |
| Related parties | 10,671 | 11,048 | - | - |
| | <u>35,370</u> | <u>36,009</u> | <u>-</u> | <u>-</u> |
| Deposits received (included in "Other non-current liabilities") | | | | |
| Subsidiaries | - | - | 1,253 | 1,253 |
| Associates | 123,503 | 123,503 | - | - |
| Joint venture | 783 | 720 | - | - |
| Related parties | 5,667 | 5,666 | 135 | 135 |
| | <u>129,953</u> | <u>129,889</u> | <u>1,388</u> | <u>1,388</u> |
| Finance lease liabilities (included in "Long-term borrowings from financial institutions") | | | | |
| Associates | 22,802 | 22,765 | 22,802 | 22,765 |
| | <u>22,802</u> | <u>22,765</u> | <u>22,802</u> | <u>22,765</u> |

20 Related party transactions (Cont'd)

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

iv) Short-term loans to related parties

| | Consolidated financial information | Separate financial information |
|---|---|---|
| For the three-month period ended 31 March 2017 | Thousand Baht | Thousand Baht |
| Opening amount | 8,000 | 474,900 |
| Loans made during the period | - | 113,227 |
| Loans repayments received during the period | - | (124,391) |
| Closing amount | <u>8,000</u> | <u>463,736</u> |

The short-term loans to related parties are loans to subsidiaries. Loans are repayable within 1 month and carry interest at the rate of 4.00% per annum.

The related interest income was Baht 4.55 million. As at 31 March 2017, the accrued interest income in the Company statement of financial position was Baht 1.53 million.

v) Long-term loans to other and related parties

| | Consolidated financial information | Separate financial information |
|---|---|---|
| For the three-month period ended 31 March 2017 | Thousand Baht | Thousand Baht |
| Opening amount | 1,923 | 301,706 |
| Loans repayments received during the period | (211) | (211) |
| Closing amount | <u>1,712</u> | <u>301,495</u> |

The long-term loans to related parties are carrying interest at the rate of 4% per annum (2016: 4.00% per annum).

The long-term loans to staff in the consolidated and separate financial statements were Baht 1.71 million and Baht 1.49 million (2016: Baht 1.49 million and Baht 1.27 million), respectively, bearing no interest (2016: carrying interest at the rates of 2.00% to 3.00% per annum).

vi) Short-term loans from related parties

| | Consolidated financial information | Separate financial information |
|---|---|---|
| For the three-month period ended 31 March 2017 | Thousand Baht | Thousand Baht |
| Opening amount | 18,150 | 993,447 |
| Loans borrowed during the period | - | 581,318 |
| Loans repaid during the period | - | (544,233) |
| Closing amount | <u>18,150</u> | <u>1,030,532</u> |

The short-term loans from related parties consist of an unsecured loan amounting to Baht 1,012.38 million, repayable within 1 month and carrying interest at the rate of 4.00% per annum, and promissory note due upon demand of Baht 18.15 million bearing interest rate of 2.72% per annum.

The related interest expense in the consolidated and separate financial statements was Baht 0.12 million and Baht 10.12 million, respectively. As at 31 March 2017, the accrued interest expense in the consolidated and Company statement of financial position was Baht 0.30 million and Baht 12.05 million, respectively.

20 Related party transactions (Cont'd)

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

vii) Key management compensation

| For the three-month periods ended 31 March | Consolidated financial information | | Separate financial information | |
|---|---------------------------------------|--------------------------|-----------------------------------|--------------------------|
| | 2017 Thousand Baht | 2016 Thousand Baht | 2017 Thousand Baht | 2016 Thousand Baht |
| Short-term employee benefits | 13,109 | 11,275 | 10,267 | 9,148 |
| Retirement benefits | 82 | 168 | 63 | 149 |
| Share-based payments | - | 182 | - | 182 |
| | <u>13,191</u> | <u>11,625</u> | <u>10,330</u> | <u>9,479</u> |

21 Subsequent events

At the Annual General Shareholders Meeting held on 5 April 2017, the shareholders passed a resolution to approve dividends payment in respect of the operating results for the period from July to December 2016 at Baht 0.60 per share, totalling Baht 536.72 million. The dividends were for the shareholders listed in the register on 21 April 2017 and were distributed on 3 May 2017.