

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

30 SEPTEMBER 2018

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 30 September 2018, the consolidated and separate income statements and statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-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

9 November 2018

Major Cineplex Group Public Company Limited
Statement of Financial Position
As at 30 September 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents		602,544	573,030	440,854	272,256
Trade account and other receivables	6	992,827	1,182,113	712,680	704,253
Short-term loans to related parties	21	1,304	5,000	315,561	394,601
Inventories		111,689	140,869	74,294	99,335
Films under production		222,823	178,365	-	-
Current portion of prepaid rents		44,891	44,891	20,037	20,037
Other current assets		256,623	138,545	61,100	45,371
Total current assets		2,232,701	2,262,813	1,624,526	1,535,853
Non-current assets					
Available-for-sale investment	7	-	67,095	-	67,095
Finance lease receivables		11,051	11,265	-	-
Investment in subsidiaries	8	-	-	3,570,199	3,620,414
Investment in associates	8	3,258,236	2,969,459	3,020,558	2,716,074
Interest in joint ventures	8	77,365	37,406	-	-
Long-term loans to related parties	21	1,802	1,827	271,585	271,610
Property, plant and equipment	9	7,105,581	7,186,429	4,254,877	4,281,282
Goodwill		205,381	205,381	-	-
Intangible assets	9	108,811	100,398	42,091	36,745
Deferred income tax assets		66,461	49,914	49,460	35,706
Long-term prepaid rents		596,958	630,626	381,599	396,626
Other non-current assets		185,549	285,098	185,683	187,563
Total non-current assets		11,617,195	11,544,898	11,776,052	11,613,115
Total assets		13,849,896	13,807,711	13,400,578	13,148,968

Director _____

Director _____

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 September 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term					
borrowings from financial institutions	11	2,009,531	1,459,890	1,895,214	1,399,889
Trade account and other payables	10	1,756,573	1,674,700	1,327,536	1,220,324
Current portion of long-term borrowings	11	709,861	658,591	588,006	588,006
Short-term loans from related parties	21	14,500	15,900	1,219,516	1,262,776
Accrued income tax		39,646	61,329	12,465	22,829
Other current liabilities		127,765	75,457	83,452	34,455
Total current liabilities		4,657,876	3,945,867	5,126,189	4,528,279
Non-current liabilities					
Long-term borrowings from financial					
institutions	11	2,052,829	2,605,355	2,051,122	2,492,127
Deferred income tax liabilities		226,956	241,369	-	-
Employee benefit obligations		40,203	38,895	26,958	24,908
Other non-current liabilities		500,470	477,465	169,011	132,314
Total non-current liabilities		2,820,458	3,363,084	2,247,091	2,649,349
Total liabilities		7,478,334	7,308,951	7,373,280	7,177,628
Equity					
Share capital	12				
Authorised share capital					
Ordinary shares, 896,266,347 shares					
par value of Baht 1 each		896,266	896,266	896,266	896,266
Issued and fully paid-up share capital					
Ordinary shares, 894,667,502 shares					
paid-up of Baht 1 each	12	894,668	894,668	894,668	894,668
Share premium		4,055,609	4,055,609	4,055,609	4,055,609
Share premium - treasury share		288,425	288,425	288,425	288,425
Warrants	13	4,538	4,538	-	-
Retained earnings					
Appropriated - legal reserve		90,600	90,600	90,600	90,600
Unappropriated		1,302,733	1,396,560	697,996	597,998
Other components of equity		(381,523)	(316,853)	-	44,040
Equity attributable to owners of the parent		6,255,050	6,413,547	6,027,298	5,971,340
Non-controlling interests	14	116,512	85,213	-	-
Total equity		6,371,562	6,498,760	6,027,298	5,971,340
Total liabilities and equity		13,849,896	13,807,711	13,400,578	13,148,968

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Income Statement (Unaudited)
For the three-month period ended 30 September 2018

		Consolidated		Separate	
		financial information		financial information	
		2018	2017	2018	2017
Notes		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenues					
Service income		1,610,669	1,698,111	951,410	1,003,503
Sales income		436,860	502,360	289,337	308,614
Total revenues		2,047,529	2,200,471	1,240,747	1,312,117
Costs					
Cost of services		(1,261,946)	(1,210,540)	(776,848)	(778,581)
Cost of sales		(155,465)	(277,893)	(90,746)	(114,265)
Total costs		(1,417,411)	(1,488,433)	(867,594)	(892,846)
Gross profit		630,118	712,038	373,153	419,271
Other income	15	121,243	207,776	309,150	233,919
Selling expenses		(124,194)	(163,656)	(67,040)	(135,236)
Administrative expenses		(422,292)	(437,639)	(266,124)	(288,693)
Finance costs		(26,422)	(33,018)	(37,893)	(42,753)
Share of result of investments		67,342	83,414	-	-
Profit before income tax		245,795	368,915	311,246	186,508
Income tax		(35,588)	(62,134)	(19,949)	(25,314)
Profit for the period		210,207	306,781	291,297	161,194
Attributable profit to:					
Owners of the parent		206,018	302,380	291,297	161,194
Non-controlling interests		4,189	4,401	-	-
		210,207	306,781	291,297	161,194
		Baht	Baht	Baht	Baht
Earnings per share					
Basic earnings per share	17	0.23	0.34	0.33	0.18
Diluted earnings per share		0.23	0.34	0.33	0.18

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 September 2018

	Note	Consolidated financial information		Separate financial information	
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the period		210,207	306,781	291,297	161,194
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Remeasuring of available-for-sale investment	7	-	(55,420)	-	(55,420)
Currency translation differences		(5,636)	(6,035)	-	-
Income tax relating to above items		-	30,660	-	30,660
Reclassification of unrealised gain from remeasuring available-for-sale investment to income statement	7	-	(97,879)	-	(97,879)
Other comprehensive income for the period, net of income tax		(5,636)	(128,674)	-	(122,639)
Total comprehensive income for the period		<u>204,571</u>	<u>178,107</u>	<u>291,297</u>	<u>38,555</u>
Total comprehensive income attributable to:					
Owners of the parent		200,382	173,706	291,297	38,555
Non-controlling interests		<u>4,189</u>	<u>4,401</u>	<u>-</u>	<u>-</u>
		<u>204,571</u>	<u>178,107</u>	<u>291,297</u>	<u>38,555</u>

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Income Statement (Unaudited)
For the nine-month period ended 30 September 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenues					
Service income		5,486,037	5,600,278	3,360,519	3,418,423
Sales income		1,515,454	1,513,344	1,042,699	1,001,606
Total revenues		7,001,491	7,113,622	4,403,218	4,420,029
Costs					
Cost of services		(4,079,257)	(3,951,163)	(2,606,432)	(2,572,435)
Cost of sales		(579,339)	(681,727)	(341,211)	(325,504)
Total costs		(4,658,596)	(4,632,890)	(2,947,643)	(2,897,939)
Gross profit		2,342,895	2,480,732	1,455,575	1,522,090
Other income	15	394,408	520,195	1,052,767	706,111
Selling expenses		(378,509)	(413,238)	(227,041)	(255,970)
Administrative expenses		(1,264,932)	(1,311,552)	(825,145)	(866,969)
Finance costs		(81,554)	(107,203)	(116,635)	(131,981)
Share of result of investments	8	208,162	204,619	-	-
Profit before income tax		1,220,470	1,373,553	1,339,521	973,281
Income tax	16	(186,288)	(245,648)	(121,192)	(144,949)
Profit for the period		1,034,182	1,127,905	1,218,329	828,332
Attributable profit to:					
Owners of the parent		1,024,504	1,118,639	1,218,329	828,332
Non-controlling interests		9,678	9,266	-	-
		1,034,182	1,127,905	1,218,329	828,332
		Baht	Baht	Baht	Baht
Earnings per share					
Basic earnings per share	17	1.15	1.25	1.36	0.93
Diluted earnings per share		1.15	1.25	1.36	0.93

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the nine-month period ended 30 September 2018

	Note	Consolidated financial information		Separate financial information	
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the period		1,034,182	1,127,905	1,218,329	828,332
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Remeasuring of available-for-sale investment	7	(11,785)	64,758	(11,785)	64,758
Currency translation differences		856	(18,400)	-	-
Income tax relating to the above items		11,010	54,566	11,010	54,566
Reclassification of unrealised gain from remeasuring available-for-sale investment to income statement		(43,265)	(337,588)	(43,265)	(337,588)
Other comprehensive income for the period, net of income tax		(43,184)	(236,664)	(44,040)	(218,264)
Total comprehensive income for the period		<u>990,998</u>	<u>891,241</u>	<u>1,174,289</u>	<u>610,068</u>
Total comprehensive income attributable to:					
Owners of the parent		981,320	881,975	1,174,289	610,068
Non-controlling interests		<u>9,678</u>	<u>9,266</u>	<u>-</u>	<u>-</u>
		<u>990,998</u>	<u>891,241</u>	<u>1,174,289</u>	<u>610,068</u>

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statements of Changes in Equity (Unaudited)
For the nine-month period ended 30 September 2018

	Consolidated financial information										Unit: Thousand Baht		
	Attributable to owners of the parent												
							Other components of equity						
	Issued and paid-up share capital	Share premium	Share premium on reinsurance of treasury share	Warrants	Retained earnings		Change in parent's ownership interest in subsidiaries	Other comprehensive income		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 2017	894,534	4,053,064	288,425	5,288	90,600	1,320,957	(349,447)	10,040	323,435	(15,972)	6,636,896	80,844	6,717,740
Changes in equity for period													
Proceeds from exercise of warrants	134	2,545	-	(750)	-	-	-	-	-	-	1,929	-	1,929
Dividends (Note 18)	-	-	-	-	-	(1,118,331)	-	-	-	-	(1,118,331)	-	(1,118,331)
Total comprehensive income	-	-	-	-	-	1,118,639	-	(18,400)	(218,264)	(236,664)	881,975	9,266	891,241
Closing balance as at 30 September 2017	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>4,538</u>	<u>90,600</u>	<u>1,321,265</u>	<u>(349,447)</u>	<u>(8,360)</u>	<u>105,171</u>	<u>(252,636)</u>	<u>6,402,469</u>	<u>90,110</u>	<u>6,492,579</u>
Opening balance as at 1 January 2018	894,668	4,055,609	288,425	4,538	90,600	1,396,560	(349,447)	(11,446)	44,040	(316,853)	6,413,547	85,213	6,498,760
Changes in equity for period													
Change in ownership interests													
in subsidiary (Note 8.1)	-	-	-	-	-	-	(21,486)	-	-	(21,486)	(21,486)	21,486	-
Non-controlling interests invest in subsidiary (Note 8.1)	-	-	-	-	-	-	-	-	-	-	-	135	135
Dividends (Note 18)	-	-	-	-	-	(1,118,331)	-	-	-	-	(1,118,331)	-	(1,118,331)
Total comprehensive income	-	-	-	-	-	1,024,504	-	856	(44,040)	(43,184)	981,320	9,678	990,998
Closing balance as at 30 September 2018	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>4,538</u>	<u>90,600</u>	<u>1,302,733</u>	<u>(370,933)</u>	<u>(10,590)</u>	<u>-</u>	<u>(381,523)</u>	<u>6,255,050</u>	<u>116,512</u>	<u>6,371,562</u>

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited

Statements of Changes in Equity (Unaudited) (Cont'd)

For the nine-month period ended 30 September 2018

	Separate financial information						Unit: Thousand Baht		
							Other components of equity		
							Other comprehensive		
	Retained earnings						income		
	Issued and	Share	Share premium		Appropriated			Total other	
	paid-up	premium	on reissuance		Legal	Unappropriated	Available-for-sale	component	Total
	share capital		of treasury share	Warrants	reserve		investment	of equity	equity
Opening balance as at 1 January 2017	894,534	4,053,064	288,425	750	90,600	782,391	323,435	323,435	6,433,199
Changes in equity for period									
Proceeds exercise of warrants	134	2,545	-	(750)	-	-	-	-	1,929
Dividends (Note 18)	-	-	-	-	-	(1,118,331)	-	-	(1,118,331)
Total comprehensive income	-	-	-	-	-	828,332	(218,264)	(218,264)	610,068
Closing balance as at 30 September 2017	894,668	4,055,609	288,425	-	90,600	492,392	105,171	105,171	5,926,865
Opening balance as at 1 January 2018	894,668	4,055,609	288,425	-	90,600	597,998	44,040	44,040	5,971,340
Changes in equity for period									
Dividends (Note 18)	-	-	-	-	-	(1,118,331)	-	-	(1,118,331)
Total comprehensive income	-	-	-	-	-	1,218,329	(44,040)	(44,040)	1,174,289
Closing balance as at 30 September 2018	894,668	4,055,609	288,425	-	90,600	697,996	-	-	6,027,298

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Cash Flows (Unaudited)
For the nine-month period ended 30 September 2018

		Consolidated		Separate	
		financial information		financial information	
		2018	2017	2018	2017
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Cash generated from operations	19	1,968,638	2,100,447	1,075,898	1,282,579
Interest paid		(87,469)	(100,702)	(122,700)	(128,296)
Income tax paid		(258,873)	(279,903)	(144,435)	(141,367)
Net cash generated from operating activities		1,622,296	1,719,842	808,763	1,012,916
Cash flows from investing activities					
Decrease (increase) in restricted cash		-	4,587	-	-
Short-term loans made to related parties	21	(10,804)	(2,000)	(277,683)	(332,974)
Short-term loans repayments received from related parties	21	14,500	5,000	356,723	383,823
Long-term loans made to related parties		-	(500)	-	(500)
Long-term loans repayment received from related parties	21	25	571	25	30,571
Payment for short-term investments		-	(770,000)	-	(770,000)
Proceeds from disposal of short-term investments		-	771,156	-	771,156
Payment for investment in subsidiary	8	-	-	(165)	-
Proceeds from capital reduction in subsidiary	8	-	-	50,380	-
Payments for investment in associate	8	(489,254)	(140,207)	(489,254)	(140,207)
Payments for investment in joint venture	8	(44,000)	-	-	-
Proceeds from disposals of investment in associate		506,528	60,058	506,528	60,058
Proceeds from disposals of investment in joint venture		-	205,002	-	205,002
Proceeds from disposals of available-for-sale investment		123,281	365,590	123,281	365,590
Purchases of property, plant and equipment		(690,116)	(557,435)	(436,840)	(412,700)
Proceeds from disposals of equipment		1,008	14,122	227	1,219
Purchase of intangible assets		(138,713)	(181,937)	(18,121)	(9,065)
Interest received		3,855	3,374	19,895	15,916
Dividends received		201,035	195,018	628,702	310,434
Net cash (used in) generated from investing activities		(522,655)	(27,601)	463,698	478,323

The accompanying notes on pages 12 to 37 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the nine-month period ended 30 September 2018

		Consolidated financial information		Separate financial information	
		2018	2017	2018	2017
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from financing activities					
Proceeds from short-term loans from related parties	21	-	-	2,000,444	1,967,888
Repayments to short-term loans from related parties	21	(1,400)	(2,250)	(2,043,704)	(1,800,520)
Increase (decrease) in bank overdrafts		4,317	(483)	-	-
Proceeds from short-term borrowings		3,860,000	3,903,000	3,630,000	3,800,000
Repayment to short-term borrowings		(3,310,000)	(4,930,000)	(3,130,000)	(4,840,000)
Repayments to finance lease liabilities		(63,848)	(72,667)	(1,272)	(4,584)
Proceeds from long-term borrowings	11	-	1,000,000	-	1,000,000
Repayments to long-term borrowings	11	(441,000)	(189,000)	(441,000)	(189,000)
Proceeds from debentures	11	-	1,000,000	-	1,000,000
Redemption of debentures	11	-	(1,000,000)	-	(1,000,000)
Receipt from non-controlling interests for investment in subsidiary	14	135	-	-	-
Proceeds from exercised warrants		-	1,929	-	1,929
Dividends paid to shareholders	18	(1,118,331)	(1,129,134)	(1,118,331)	(1,118,301)
Net cash used in financing activities		(1,070,127)	(1,418,605)	(1,103,863)	(1,182,588)
Net increase in cash and cash equivalents		29,514	273,636	168,598	308,651
Opening balance of cash and cash equivalents		573,030	530,873	272,256	173,652
Closing balance of cash and cash equivalents		602,544	804,509	440,854	482,303

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2018 and 2017 are as follows:

Purchases of equipment, not yet paid	54,436	-	22,301	-
Investment in intangible assets, not yet paid	-	14,218	-	-
Disposals of property, plant and equipment, not yet received	271	-	26,502	-
Receivable from disposal of available-for-sale investment	-	45,473	-	45,473
Receivable from disposal of investment in associate	-	38,223	-	38,223

The accompanying notes on pages 12 to 37 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 9 November 2018.

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 2017.

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 2017.

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

2 Accounting policies (Cont'd)

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group: (Cont'd)

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

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

2.2.2 New financial reporting standards which have been announced but not yet effective.

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard.

TFRS 15	Revenue from contracts with customers
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TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.1 TFRS 15 Revenue from contracts with customers is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard. (Cont'd)

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group will first apply this standard for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail and has identified the following areas that are likely to be affected:

- consignment sales where recognition of revenue will depend on the passing of control rather than the passing of risks and rewards
- accounting for cost incurred in fulfilling a contract - certain costs which are currently expensed may need to be recognised as an asset under TFRS 15
- rights of return - TFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligations

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted those standards.

The Group of financial instruments reporting standards consist of the following standards:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted those standards. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted those standards. (Cont'd)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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 and separate financial statements for the year ended 31 December 2017.

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.

4 Segment information (Cont'd)

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

	Consolidated financial information					
	Cinema business Million Baht	Advertising business Million Baht	Bowling and Karaoke business Million Baht	Rental and services Million Baht	Movie content business Million Baht	Consolidated Million Baht
For the nine-month period ended 30 September 2018						
Revenues						
Gross segment revenues	5,931	687	392	387	209	7,606
Inter-segment revenues	(430)	-	(41)	(69)	(65)	(605)
Net revenues	5,501	687	351	318	144	7,001
Segment results	517	459	6	(14)	(53)	915
Compensation income						2
Gain from disposal of investments						291
Unallocated costs						(114)
Operating profit						1,094
For the nine-month period ended 30 September 2017						
Revenues						
Gross segment revenues	5,920	762	377	399	307	7,765
Inter-segment revenues	(416)	-	(43)	(72)	(120)	(651)
Net revenues	5,504	762	334	327	187	7,114
Segment results	607	560	(7)	(13)	(140)	1,007
Compensation income						49
Gain from disposal of investments						340
Unallocated costs						(120)
Operating profit						1,276

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).

At 30 September 2018, the Group does not have financial assets and liabilities that are measured at fair value.

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

	Level 1 Thousand Baht
Asset	
Available-for-sale financial assets	
Equity securities	67,095

There was no change in valuation techniques during the periods.

6 Trade and other receivables

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade accounts receivable - third parties	444,469	469,783	97,763	134,779
Trade accounts receivable - related parties (Note 21)	39,007	17,605	91,808	100,591
Unbilled revenue	340,869	428,408	133,818	60,495
Total	824,345	915,796	323,389	295,865
<u>Less</u> Allowance for doubtful accounts	(6,732)	(6,732)	-	-
Trade accounts receivable, net	817,613	909,064	323,389	295,865
Amounts due from related parties (Note 21)	29,391	31,198	339,620	246,860
Other accounts receivable	47,181	159,622	18,679	137,218
Prepaid expenses	98,642	82,229	30,992	24,310
Trade account and other receivables	992,827	1,182,113	712,680	704,253

6 Trade and other receivables (Cont'd)

Outstanding trade and other receivables can be analysed as follows:

	Consolidated financial information		Separate financial information	
	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht
Unbilled revenue	373,557	433,722	135,328	61,006
Trade accounts receivable				
Current	206,717	240,411	113,391	145,040
Overdue less than 3 months	159,696	176,561	45,637	72,539
3 - 6 months	31,256	23,985	12,900	1,534
6 - 12 months	30,962	13,277	5,871	992
Over 12 months	22,157	27,840	10,262	14,754
Total	824,345	915,796	323,389	295,865
<u>Less</u> Allowance for doubtful accounts	(6,732)	(6,732)	-	-
Trade accounts receivable, net	817,613	909,064	323,389	295,865

7 Available-for-sale investment

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

	Consolidated and Separate financial information			
	30 September 2018		31 December 2017	
	At cost Thousand Baht	At fair value Thousand Baht	At cost Thousand Baht	At fair value Thousand Baht
Available-for-sale investment	-	-	12,045	67,095

During the nine-month period ended 30 September 2018, the movements of available-for-sale investment are as follows:

	Consolidated and Separate financial information Thousand Baht
Opening book value	67,095
Disposal	(12,045)
Realised gain	(43,265)
Loss on exchange rate	(3,506)
Change in fair value of available-for-sale investment	(8,279)
Closing book value	-

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 30 September 2018 Thousand Baht
Opening net book amount	3,620,414
Additions	165
Proceed from capital reduction in subsidiary	(50,380)
Closing net book amount	<u>3,570,199</u>

Additional of investment in subsidiary

Mtel (Thailand) Co., Ltd.

On 18 April 2018, the Company invested Baht 0.16 million for 55.00% of ordinary shares in Mtel (Thailand) Co., Ltd. which will engage in the business of development of software and applications.

M Talent Company Limited (“M Talent”)

On 9 May 2018, M Pictures Entertainment Public Company Limited (subsidiary) acquired 39,998 shares of M Talent from non-controlling interests for a consideration of Baht 40. The acquisition resulted in change in shareholding interests of the subsidiary from 90.00% to 99.99%. The difference between consideration paid and net identifiable assets and liabilities of M Talent acquired, amounting to Baht 21,485,333 was recognised as “Change in parents’ ownership interests in subsidiaries” under “Other components of equity” in the consolidated financial information.

On 28 June 2018, Talent One Company Limited registered to change its name to “M Talent Company Limited”.

Capital reduction in subsidiary

Major Holding International Co., Ltd.

On 31 May 2018, the shareholders of Major Holding International Co., Ltd. (subsidiary) approved to decrease the registered capital by reducing 1.1 million shares with the par value of Baht 100 each. The Company received cash from capital reduction totaling Baht 50.38 million. This capital reduction will not affect shareholding percentage in subsidiary. The decrease of share capital was registered with the Ministry of Commerce on 5 July 2018.

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

8.2 Investment in associates

Movements of investment in associates can be analysed as follows:

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the nine-month period ended 30 September 2018		
Opening net book amount	2,969,459	2,716,074
Additions	489,254	489,254
Disposals	(211,650)	(184,770)
Dividends income	(201,035)	-
Share of results	212,208	-
Closing net book amount	<u>3,258,236</u>	<u>3,020,558</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 nine-month period ended 30 September 2018, the Group realised gain on disposals of Baht 12.40 million in the consolidated income statement (30 September 2017: Baht 12.40 million).

During the nine-month period ended 30 September 2018, the Company received dividends income from associates amounting to Baht 201.04 million (30 September 2017: Baht 190.03 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 nine-month period ended 30 September 2018, the Company has made additional investment in SF of 57.07 million shares totalling Baht 489.25 million.

Disposal of investment

During the nine-month period ended 30 September 2018, the Company disposed its investment in SF of 50.36 million shares for the considerations of Baht 459.84 million and recognised gain from disposal amounting to Baht 248.19 million, and Baht 275.07 million, included in "Other income" in the consolidated and Company income statements, respectively.

The aforementioned movements of investment resulted in the change to shareholding percentage from 25.65% to 26.03%.

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 nine-month period ended 30 September 2018		
Opening net book amount	37,406	-
Additions	44,000	-
Share of results	(4,046)	-
Exchange differences	5	-
	<u>77,365</u>	<u>-</u>
Closing net book amount		

Additional of investment in joint ventures

Transformations Film Company Limited

At the Board of Directors Meeting of Transformations Film Company Limited (joint venture) held on 10 July 2018, the Board of Directors approved an increase in registered share capital of Transformations Film Company Limited from 1.75 million ordinary shares with a par value of Baht 100 each to 2.45 million shares with a par value of Baht 100 each. M Pictures Entertainment Public Company Limited (subsidiary) ("M Pictures") paid Baht 35.00 million to subscribe for 350,000 shares. As a result, M Pictures' interests holding increases to 34.69% of the issued share capital. Transformations Film Company Limited registered the additional capital with the Ministry of Commerce on 23 July 2018.

Major Kantana Broadcasting Company Limited

At the Board of Directors Meeting of M Pictures held on 8 August 2018, the Board of Directors approved to additionally invest in an increase in registered share capital of Major Kantana Broadcasting Company Limited (joint venture) based on proportion of existing shareholding by acquiring 899,998 shares with a par value of Baht 10 each, totalling Baht 9.00 million.

Joint Venture Bikeman

On 16 July 2018, M Thirty Nine Company Limited (subsidiary) ("M39") agreed to form "Joint Venture Bikeman" with Thai Broadcasting Company Limited. Joint Venture Bikeman is a joint arrangement categorised as a joint operation in which M39 has percentage of interests of 70.00%.

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:

	Country of incorporation	Nature of business	Nature of relationship	% Ownership interest	
				30 September 2018	31 December 2017
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	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
Mtel (Thailand) Co., Ltd.	Thailand	Development of software and applications	Shareholder	55.00	-
Subsidiary 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 Thirtynine Co., Ltd.	Thailand	Film production	Indirect shareholding	92.46	92.46
M Talent Co., Ltd.	Thailand	Film production	Indirect shareholding	92.46	83.22
Metacognition Co., Ltd	Thailand	Advertising agency businesses	Indirect shareholding	55.48	55.48
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")	Lao People's Democratic Republic	Cinema and bowling services	Indirect shareholding	59.98	59.98
Cineplex (Lao) Sole Co., Ltd. ("CNP")	Lao People's Democratic Republic	Cinema services	Indirect shareholding	99.99	99.99

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	
				30 September 2018	31 December 2017
Associates					
Siam Future Development Public Company Limited ("SF")	Thailand	Building space for rent and utilities services	Shareholder	26.03	25.65
Ratchayothin Avenue Co., Ltd.	Thailand	Building space for rent and utilities services	Shareholder Indirect holding via SF	50.00 13.02	50.00 12.83
Major Cineplex Lifestyle Leasehold Property Fund ("MJLF")	Thailand	Space for rent 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 Company Limited ("CJM")	Thailand	Film production and distribution	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	32.07	26.42
MVP M Pictures Distribution (Lao) Co., Ltd. ("MVP")	Lao People's Democratic Republic	Film distribution	Indirect Shareholding	36.98	36.98
Joint Venture Bikeman	Thailand	Film production	Indirect shareholding	64.72	

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

Voting power is not different from ownership interest.

9 Property, plant, equipment and intangible assets

For the nine-month period ended 30 September 2018	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
Opening net book amount	7,186,429	100,398	4,281,282	36,745
Exchange differences	(2,041)	(24)	-	-
Additions	744,552	136,928	459,141	18,121
Disposals	(7,464)	(20)	(27,377)	-
Write-off	(10,840)	(98)	(858)	-
Depreciation/amortization	(800,546)	(127,111)	(455,200)	(12,775)
Impairment	(4,509)	(1,262)	(2,111)	-
Closing net book amount	<u>7,105,581</u>	<u>108,811</u>	<u>4,254,877</u>	<u>42,091</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	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	216,117	77,200	216,117	77,200
Intangible assets	THB	-	1,211	-	-
	USD	822	1,072	-	-
Total	THB	216,117	78,411	216,117	77,200
	USD	822	1,072	-	-
Total in Thai Baht		<u>242,908</u>	<u>113,626</u>	<u>216,117</u>	<u>77,200</u>

10 Trade and other payables

	Consolidated financial information		Separate financial information	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade account payables - third parties	650,196	604,017	442,274	408,245
Trade account payables - related parties (Note 21)	11,993	20,344	81,915	72,846
Amounts due to related parties (Note 21)	53,855	48,043	67,183	44,300
Other payables	244,506	256,937	148,187	165,263
Accrued expenses	397,889	395,021	252,273	246,960
Rental and service incomes received in advance	398,134	350,338	335,704	282,710
Trade account and other payables	<u>1,756,573</u>	<u>1,674,700</u>	<u>1,327,536</u>	<u>1,220,324</u>

Unearned rental and service income included cash advanced from customers amounting to Baht 51.14 million (31 December 2017: Baht 54.99 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.

11 Borrowings

	Consolidated financial information		Separate financial information	
	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht
Current				
Bank overdrafts	4,317	-	-	-
Short-term borrowings from financial institutions	2,005,214	1,459,890	1,895,214	1,399,889
Total bank overdrafts and short-term borrowings from financial institutions	2,009,531	1,459,890	1,895,214	1,399,889
Current portion of long-term borrowings:				
- Finance lease liabilities	121,861	70,591	6	6
- Bank borrowings	588,000	588,000	588,000	588,000
Total current portion of long-term borrowings	709,861	658,591	588,006	588,006
Non-current portion of long-term borrowings				
- Finance lease liabilities	22,829	134,355	21,122	21,127
- Bank borrowings	530,000	971,000	530,000	971,000
- Debentures	1,500,000	1,500,000	1,500,000	1,500,000
Total non-current portion of long-term borrowings	2,052,829	2,605,355	2,051,122	2,492,127
Total borrowings	4,772,221	4,723,836	4,534,342	4,480,022

Long-term borrowings from financial institution

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

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
For the nine-month period ended 30 September 2018		
Opening amount as at 1 January 2018	1,559,000	1,559,000
Repayments	(441,000)	(441,000)
Closing amount as at 30 September 2018	1,118,000	1,118,000

Long-term borrowings bear interest at the rates ranging from 2.85% to 3.04% per annum.

Debentures

There was no movement in debentures during the period.

Borrowing facilities

As at 30 September 2018, the available credit facilities from financial institutions for the Group and the Company are Baht 4,876.54 million and Baht 4,540.67 million, respectively (31 December 2017: Baht 5,718.33 million and Baht 5,328.33 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 nine-month period ended 30 September 2018	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 2018	896,266	894,668	894,668	4,055,609
Closing amount as at 30 September 2018	896,266	894,668	894,668	4,055,609

13 Warrants

Warrants issued and offered to directors and employees (ESOP)

A subsidiary issued and offered warrants (ESOP-W2) to directors and employees of 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.

There was no exercise of warrants during the period.

14 Non-controlling interests

For the nine-month period ended 30 September 2018	Consolidated financial information
	Thousand Baht
Opening amount	85,213
Change in parent's ownership interest in subsidiaries (Note 8.1)	21,486
Non-controlling interests from investment in subsidiary	135
Share of results	9,678
Closing amount	116,512

15 Other income

For the three-month periods ended 30 September	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Dividends income	-	485	172,954	32,987
Gain on disposals of available-for-sale investment	-	97,879	-	97,879
Gain on disposals of investment in associate	89,182	45,098	98,629	50,625
Loss on disposals of investment in joint venture	-	(44,318)	-	(40,166)
Management fee income	10,046	12,774	13,871	15,089
Interest income	1,270	925	13,225	8,036
Compensation for damages	154	49,223	154	33,999
Gain on exchange rate	(4,800)	13,086	(4,403)	12,732
Others	25,391	32,624	14,720	22,738
	121,243	207,776	309,150	233,919

15 Other income (Cont'd)

For the nine-month periods ended 30 September	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Dividends income	-	485	628,702	190,518
Gain on disposals of short-term investment	-	1,156	-	1,156
Gain on disposals of available-for-sale investment (Note 7)	43,265	337,588	43,265	337,588
Gain on disposals of investment in associate (Note 8)	248,187	45,098	275,067	50,625
Loss on disposals of investment in joint venture	-	(44,318)	-	(40,166)
Management fee income	31,355	35,847	42,850	46,324
Interest income	4,540	4,184	27,615	24,623
Compensation for damages	1,837	49,223	1,823	33,999
Gain on exchange rate	4,976	31,564	8,399	31,524
Others	60,248	59,368	25,046	29,920
	<u>394,408</u>	<u>520,195</u>	<u>1,052,767</u>	<u>706,111</u>

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 are 15% and 9% per annum for the consolidated and separate 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 such as warrants.

For the three-month period ended 30 September	Consolidated and Separate financial information	
	2018 Thousand Shares	2017 Thousand Shares
Number of weighted average shares:		
- basic	894,668	894,668
- diluted	894,668	894,668
For the nine-month period ended 30 September	Consolidated and Separate financial information	
	2018 Thousand Shares	2017 Thousand Shares
Number of weighted average shares:		
- basic	894,668	894,619
- diluted	894,668	894,648

18 Dividends

2018

At the Board of Directors Meeting held on 10 August 2018, the Board passed a resolution to approve interim dividends payment in respect of the operating results for the period from January to June 2018 at Baht 0.65 per share, totaling Baht 581.53 million. The dividends were for the shareholders listed in the register on 30 August 2018 and were distributed on 7 September 2018.

At the Annual General Shareholders Meeting held on 5 April 2018, the shareholders passed a resolution to approve dividends payment in respect of the operating results for the period from July to December 2017 at Baht 0.60 per share, totaling Baht 536.80 million. The dividends were for the shareholders listed in the register on 20 April 2018 and were distributed on 3 May 2018.

2017

At the Board of Directors Meeting held on 11 August 2017, the Board passed a resolution to approve interim dividends payment in respect of the operating results for the period from January to June 2017 at Baht 0.65 per share, totaling Baht 581.53 million. The dividends were for the shareholders listed in the register on 31 August 2017 and were distributed on 8 September 2017.

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 536.80 million. The dividends were for the shareholders listed in the register on 21 April 2017 and were distributed on 3 May 2017.

19 Cash flows from operating activities

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

For the nine-month period ended 30 September	Notes	Consolidated financial information		Separate financial information	
		2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Profit before income tax		1,220,470	1,373,553	1,339,521	973,281
Adjustments for:					
Depreciation/amortisation	9	927,657	1,000,733	467,975	461,677
Amortisation of prepaid rent		33,668	33,542	15,028	15,013
Doubtful and bad debts (reversal)		(1,974)	1,015	-	-
Loss on diminution in value of inventories		4,127	9,000	9,000	9,000
Impairment of plant and equipment and intangible assets (reversal)	9	5,771	(5,429)	2,111	-
Loss on disposals of equipment		6,185	5,392	648	1,879
Loss on disposals of intangible assets		20	-	-	-
Loss from write-off of equipment	9	10,840	12,306	858	7,908
Loss from write-off of intangible assets	9	98	19	-	19
Gain on disposals of available-for-sale investment	15	(43,265)	(337,588)	(43,265)	(337,588)
Gain on disposals of short-term investment	15	-	(1,156)	-	(1,156)
Gain on disposals of investments in associate	15	(248,187)	(45,098)	(275,067)	(50,625)
Loss on disposals of investments in joint venture	15	-	44,318	-	40,166
Shares of results of investments in associates and joint venture	8	(208,162)	(204,619)	-	-
Unearned income - customers loyalty		(3,062)	448	(3,062)	448
Employee benefit obligations		1,308	3,348	2,050	1,981
Unrealised (loss) gain on exchange rate		3,903	(4,656)	(2,876)	921
Dividends received	15	-	(485)	(628,702)	(190,518)
Interest income	15	(4,540)	(4,184)	(27,615)	(24,623)
Financial costs		81,554	107,203	116,635	131,981
Changes in operating assets and liabilities:					
- Trade and other receivables		87,998	2,149	(80,468)	39,577
- Inventories		25,053	(24,771)	16,041	(19,887)
- Films under productions		(44,458)	58,985	-	-
- Other current assets		(18,518)	7,656	(5,902)	(6,611)
- Finance lease receivables		918	891	-	-
- Other non-current assets		19,069	(54,763)	(1,789)	(43,457)
- Trade and other payables		53,809	97,222	107,877	233,234
- Other current liabilities		55,351	45,852	50,202	45,748
- Other non-current liabilities		3,005	(20,436)	16,698	(5,789)
Cash generated from operations		<u>1,968,638</u>	<u>2,100,447</u>	<u>1,075,898</u>	<u>1,282,579</u>

20 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 September 2018, there are outstanding bank guarantees and letters of credit given on behalf of the Group to third parties amounting to Baht 213.51 million (31 December 2017: Baht 199.47 million).

ii) Guarantees

As at 30 September 2018, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associate for a total of Baht 114.13 million (31 December 2017: Baht 60.00 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	
	30 September 2018 Million Baht	31 December 2017 Million Baht	30 September 2018 Million Baht	31 December 2017 Million Baht
Not later than 1 year	1,023	1,040	660	805
Later than 1 year but not later than 5 years	3,856	4,104	2,436	2,584
Later than 5 years	4,917	5,632	3,454	3,915
	<u>9,796</u>	<u>10,776</u>	<u>6,550</u>	<u>7,304</u>

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 for film productions

As at 30 September 2018, the Group has commitments in respect of payments to film directors amounting to Baht 74.56 million (31 December 2017: Baht 69.94 million).

21 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 are 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 30 September	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Sales of goods and services				
Subsidiaries	-	-	104,528	102,124
Associates	170	170	-	-
Leasehold property fund	14,487	16,057	8,477	9,855
Joint ventures	2,911	4,127	-	-
Joint operation	2,913	-	-	-
Related parties	13,505	35,459	3,331	5,155
	<u>33,986</u>	<u>55,813</u>	<u>116,336</u>	<u>117,134</u>
Dividend income				
Subsidiaries	-	-	136,996	-
Associates	12,000	-	12,000	8,000
Leasehold property fund	23,958	-	23,958	24,503
Related parties	-	485	-	485
	<u>35,958</u>	<u>485</u>	<u>172,954</u>	<u>32,988</u>
For the nine-month period ended 30 September	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Sales of goods and services				
Subsidiaries	-	-	310,718	297,011
Associates	686	1,027	-	295
Leasehold property fund	42,809	46,920	26,334	28,823
Joint ventures	8,161	12,690	-	-
Joint operation	2,913	-	-	-
Related parties	41,008	63,903	10,811	13,690
	<u>95,577</u>	<u>124,540</u>	<u>347,863</u>	<u>339,819</u>
Dividend income				
Subsidiaries	-	-	427,666	-
Associates	129,161	-	129,161	112,714
Leasehold property fund	71,874	-	71,874	77,319
Related parties	-	485	-	485
	<u>201,035</u>	<u>485</u>	<u>628,701</u>	<u>190,518</u>

21 Related party transactions (Cont'd)

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

ii) Purchase of goods and services and others

	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
For the three-month period ended 30 September				
Purchases of goods and services				
Subsidiaries	-	-	53,739	134,578
Associates	5,370	6,426	4,152	4,164
Leasehold property fund	45,438	43,969	34,154	33,108
Joint ventures	424	-	-	-
Joint operation	4,375	-	-	-
Related parties	38,388	23,169	45,253	20,802
	<u>93,995</u>	<u>73,564</u>	<u>137,298</u>	<u>192,652</u>
	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
For the nine-month period ended 30 September				
Purchases of goods and services				
Subsidiaries	-	-	183,854	254,862
Associates	17,048	20,147	13,726	13,577
Leasehold property fund	132,765	128,818	100,370	97,375
Joint ventures	2,354	22,997	-	-
Joint operation	4,375	-	-	-
Related parties	117,080	97,250	113,672	97,802
	<u>273,622</u>	<u>269,212</u>	<u>411,622</u>	<u>463,616</u>

21 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	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade accounts receivable (include unbilled revenue)				
Subsidiaries	-	-	90,523	96,134
Associates	173	6,538	-	4,154
Leasehold property fund	1,967	-	20	-
Joint venture	1,942	3,452	-	-
Joint operation	859	-	-	-
Related parties	34,066	7,615	1,265	303
	<u>39,007</u>	<u>17,605</u>	<u>91,808</u>	<u>100,591</u>
Amounts due from related parties				
Subsidiaries	-	-	322,619	230,630
Associates	9,135	12,857	1,266	4,235
Leasehold property fund	2,958	-	2,958	-
Joint venture	480	3,702	-	-
Joint operation	928	-	-	-
Related parties	15,890	14,639	12,777	11,995
	<u>29,391</u>	<u>31,198</u>	<u>339,620</u>	<u>246,860</u>
Deposit (included in "Other non-current assets")				
Subsidiaries	-	-	44,528	44,528
Associates	5,421	8,881	389	3,849
Leasehold property fund	3,460	-	3,460	-
Related parties	26,129	26,129	25,829	25,829
	<u>35,010</u>	<u>35,010</u>	<u>74,206</u>	<u>74,206</u>

21 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	
	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht	30 September 2018 Thousand Baht	31 December 2017 Thousand Baht
Trade accounts payable				
Subsidiaries	-	-	68,226	71,734
Associates	1	30	1	1
Leasehold property fund	257	-	-	-
Joint venture	5,757	19,739	-	-
Joint operation	4,681	-	-	-
Related parties	1,297	575	13,688	1,111
	<u>11,993</u>	<u>20,344</u>	<u>81,915</u>	<u>72,846</u>
Amounts due to related parties				
Subsidiaries	-	-	51,353	28,320
Associates	3,821	4,979	3,493	4,281
Leasehold property fund	745	-	696	-
Joint venture	10,615	-	-	-
Joint operation	421	-	-	-
Related parties	37,231	38,948	11,179	8,131
Board	1,022	4,116	462	3,568
	<u>53,855</u>	<u>48,043</u>	<u>67,183</u>	<u>44,300</u>
Advance received for rental and services (included in "Other non-current liabilities")				
Leasehold property fund	23,128	23,913	-	-
Related parties	8,405	9,538	-	-
	<u>31,533</u>	<u>33,451</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Subsidiaries	-	-	1,253	1,253
Associates	-	123,503	-	-
Leasehold property fund	123,503	-	-	-
Joint venture	483	783	-	-
Related parties	5,666	5,666	135	135
	<u>129,652</u>	<u>129,952</u>	<u>1,388</u>	<u>1,388</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions")				
Associates	21,128	21,133	21,128	21,133
	<u>21,128</u>	<u>21,133</u>	<u>21,128</u>	<u>21,133</u>

21 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 nine-month period ended 30 September 2018	Thousand Baht	Thousand Baht
Opening amount	5,000	394,601
Loans made during the period	10,804	277,683
Loans repayments received during the period	(14,500)	(356,723)
Closing amount	<u>1,304</u>	<u>315,561</u>

The short-term loans to related parties are unsecured loans to subsidiaries. Loans are repayable within 1 month and carry interest at the rate of 4.00% per annum (2017: 4.00% per annum).

The related interest income was Baht 10.08 million. As at 30 September 2018, the accrued interest income in the separate statement of financial position was Baht 1 million.

v) Long-term loans to related parties

	Consolidated financial information	Separate financial information
For the nine-month period ended 30 September 2018	Thousand Baht	Thousand Baht
Opening amount	1,827	271,610
Repayment received	(25)	(25)
Closing amount	<u>1,802</u>	<u>271,585</u>

The long-term loans to related parties are carrying interest at the rate of 4.00% per annum (2017: 4.00% per annum).

The long-term loans to staff in the consolidated and separate financial statements were Baht 1.80 million and Baht 1.58 million (2017: Baht 1.71 million and Baht 1.49 million), respectively, bearing no interest (2017: nil).

vi) Short-term loans from related parties

	Consolidated financial information	Separate financial information
For the nine-month period ended 30 September 2018	Thousand Baht	Thousand Baht
Opening amount	15,900	1,262,776
Loans borrowed during the period	-	2,000,444
Loans repaid during the period	(1,400)	(2,043,704)
Closing amount	<u>14,500</u>	<u>1,219,516</u>

The short-term loans from related parties consist of an unsecured loan amounting to Baht 1,205.02 million, repayable within 1 month and carrying interest at the rate of 4.00% per annum, and promissory note due upon demand of Baht 14.50 million bearing interest rate of 2.72% per annum.

The related interest expense in the consolidated and separate financial statements was Baht 0.31 million and Baht 40.21 million, respectively. As at 30 September 2018, the accrued interest expense in the consolidated and separate statement of financial position was Baht 0.03 million and Baht 17.61 million, respectively.

21 Related party transactions (Cont'd)

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

vii) Key management compensation

	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
For the three-month period ended 30 September				
Short-term employee benefits	13,767	13,991	11,384	11,009
Retirement benefits	86	82	66	63
	<u>13,853</u>	<u>14,073</u>	<u>11,450</u>	<u>11,072</u>
	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
For the nine-month period ended 30 September				
Short-term employee benefits	37,517	40,597	30,242	29,123
Retirement benefits	259	247	198	189
	<u>37,776</u>	<u>40,844</u>	<u>30,440</u>	<u>29,312</u>

22 Subsequent event

- a) At the Board of Directors Meeting of M Pictures Entertainment Public Company Limited (subsidiary) held on 8 August 2018, the Board of Directors approved the incorporation of M.P.I.C. (Cambodia) Distribution Co., Ltd. to engage in the business of film right distribution in Cambodia. The registered share capital is USD 200,000 consisting 200,000 ordinary shares at a par value of USD 1 each. M Pictures will own 55.00% of interests with the investment amount of USD 110,000. The newly established company has registered with the Ministry of Commerce of Cambodia on 24 October 2018.
- b) At the Board of Directors Meeting of M Pictures Entertainment Public Company Limited (subsidiary) held on 7 November 2018, the Board of Directors approved to transfer legal reserves of Baht 3,813,156 and share premium of Baht 321,368,975 to deduct with the deficits and also approved par value reduction of ordinary shares from Baht 1.00 each to Baht 0.50 each to deduct with the deficits. The result will be to decrease the registered share capital from Baht 1,313,117,176 to Baht 656,558,588 and decrease paid-up share capital from Baht 1,300,119,176 to Baht 650,059,588. These matters will be proposed to the Extraordinary General Meeting of Shareholders for their consideration and approval.