

## AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company financial statements of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company income statements, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

*Opinion*

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited as at 31 December 2015, and consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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

Bangkok  
17 February 2016

**MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS**

**31 DECEMBER 2015**

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2015**

		Unit: Baht					
		Consolidated		Company			
Notes		2015	2014	2015	2014		
<b>Assets</b>							
<b>Current assets</b>							
		Cash and cash equivalents	7	312,059,689	577,249,677	92,965,386	387,004,336
		Trade account and other receivables	9	1,180,518,655	1,306,897,656	502,020,445	586,478,839
		Short-term loans to related parties	36	-	-	547,667,008	641,578,090
		Inventories	10	182,583,923	154,449,287	88,084,312	55,882,396
		Films under production		138,425,918	127,670,061	-	-
		Current portion of prepaid rents	17	40,777,104	34,153,853	16,095,758	9,472,507
		Other current assets	11	175,538,561	181,124,757	46,734,348	36,065,417
		<b>Total current assets</b>		<u>2,029,903,850</u>	<u>2,381,545,291</u>	<u>1,293,567,257</u>	<u>1,716,481,585</u>
<b>Non-current assets</b>							
		Available-for-sale investment	8	748,530,498	785,507,073	748,530,498	785,507,073
		Restricted cash		4,550,520	4,511,753	-	-
		Finance lease receivables		12,447,674	12,627,514	-	-
		Investment in subsidiaries	12	-	-	3,741,268,546	3,732,412,032
		Investment in associates	12	2,525,403,524	2,343,980,072	2,323,374,428	2,233,091,268
		Interest in joint ventures	12	300,877,587	294,159,582	245,167,525	255,167,325
		Long-term loans to related parties	36	1,558,246	2,113,024	331,336,043	431,890,821
		Property, plant and equipment	13	7,357,913,775	6,730,491,424	4,193,927,993	3,512,521,781
		Goodwill	14	238,328,810	283,360,724	-	-
		Intangible assets	15	131,950,615	209,100,363	49,771,108	46,244,500
		Deferred income tax assets	16	14,255,518	19,770,556	-	-
		Long-term prepaid rents	17	539,850,485	453,130,007	261,332,688	149,930,864
		Other non-current assets	18	340,452,713	412,125,959	241,103,914	318,986,912
		<b>Total non-current assets</b>		<u>12,216,119,965</u>	<u>11,550,878,051</u>	<u>12,135,812,743</u>	<u>11,465,752,576</u>
		<b>Total assets</b>		<u>14,246,023,815</u>	<u>13,932,423,342</u>	<u>13,429,380,000</u>	<u>13,182,234,161</u>

Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2015**

		Unit: Baht			
		Consolidated		Company	
Notes		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions					
	20	2,464,982,061	2,235,000,000	2,455,477,440	2,185,000,000
	19	1,907,897,666	1,899,355,247	1,281,776,643	1,306,239,599
	20	901,021,009	115,558,437	821,542,387	40,170,261
	36	23,000,000	25,000,000	1,191,427,819	973,923,627
		90,286,074	112,914,011	39,702,648	59,485,610
	21	92,649,282	154,532,259	36,662,745	54,340,584
		<u>5,479,836,092</u>	<u>4,542,359,954</u>	<u>5,826,589,682</u>	<u>4,619,159,681</u>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions					
	20	1,287,177,012	2,187,673,968	1,019,403,094	1,840,945,481
	16	336,334,688	328,475,124	86,927,861	82,187,224
	22	36,289,093	25,656,872	25,128,217	18,057,635
	23	458,064,316	461,481,603	106,300,300	91,712,807
		<u>2,117,865,109</u>	<u>3,003,287,567</u>	<u>1,237,759,472</u>	<u>2,032,903,147</u>
		<u>7,597,701,201</u>	<u>7,545,647,521</u>	<u>7,064,349,154</u>	<u>6,652,062,828</u>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 896,266,347 shares (2014: 896,266,347 shares) at par value of Baht 1 each					
		<u>896,266,347</u>	<u>896,266,347</u>	<u>896,266,347</u>	<u>896,266,347</u>
Issued and fully paid-up share capital					
Ordinary shares, 892,519,658 shares (2014: 890,058,836 shares) at paid-up of Baht 1 each					
	24	892,519,658	890,058,836	892,519,658	890,058,836
	24	4,014,840,114	3,967,547,875	4,014,840,114	3,967,547,875
		11,058,494	17,248,773	7,187,590	15,067,176
Retained earnings					
Appropriated					
Legal reserve					
	26	90,600,000	90,600,000	90,600,000	90,600,000
Unappropriated					
		1,204,870,002	1,020,528,716	649,658,669	873,622,362
		<u>366,941,585</u>	<u>344,830,307</u>	<u>710,224,815</u>	<u>693,275,084</u>
		6,580,829,853	6,330,814,507	6,365,030,846	6,530,171,333
	27	67,492,761	55,961,314	-	-
		<u>6,648,322,614</u>	<u>6,386,775,821</u>	<u>6,365,030,846</u>	<u>6,530,171,333</u>
		<u>14,246,023,815</u>	<u>13,932,423,342</u>	<u>13,429,380,000</u>	<u>13,182,234,161</u>

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Income Statement**  
**For the year ended 31 December 2015**

		<b>Unit: Baht</b>			
		<b>Consolidated</b>		<b>Company</b>	
<b>Notes</b>		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>					
	Services income	6,706,849,208	6,571,532,264	3,986,533,062	3,896,659,231
	Sales	1,873,596,088	2,051,406,516	1,081,853,774	1,052,405,508
	<b>Total revenues</b>	<b>8,580,445,296</b>	<b>8,622,938,780</b>	<b>5,068,386,836</b>	<b>4,949,064,739</b>
<b>Costs</b>					
	Cost of providing services	(4,697,357,818)	(4,427,002,522)	(3,042,959,621)	(2,887,876,576)
	Cost of sales	(855,330,963)	(1,047,931,516)	(336,737,816)	(316,046,076)
	<b>Total costs</b>	<b>(5,552,688,781)</b>	<b>(5,474,934,038)</b>	<b>(3,379,697,437)</b>	<b>(3,203,922,652)</b>
	<b>Gross profit</b>	<b>3,027,756,515</b>	<b>3,148,004,742</b>	<b>1,688,689,399</b>	<b>1,745,142,087</b>
	Other operating income	384,342,211	231,593,343	541,871,274	363,930,000
	Selling expenses	(504,578,327)	(552,555,334)	(234,079,686)	(207,652,750)
	Administrative expenses	(1,508,064,349)	(1,511,166,894)	(898,697,185)	(887,565,323)
	Finance costs	(154,908,763)	(172,938,743)	(183,843,241)	(160,560,139)
	Share of profit of investments in associates and joint ventures	237,182,769	198,971,436	-	-
	<b>Profit before income tax</b>	<b>1,481,730,056</b>	<b>1,341,908,550</b>	<b>913,940,561</b>	<b>853,293,875</b>
	Income tax	(300,059,703)	(270,809,331)	(153,298,115)	(150,451,855)
	<b>Profit for the year</b>	<b>1,181,670,353</b>	<b>1,071,099,219</b>	<b>760,642,446</b>	<b>702,842,020</b>
<b>Attributable profit to:</b>					
	Shareholders of the parent	1,170,922,485	1,086,279,000	760,642,446	702,842,020
	Non-controlling interest	10,747,868	(15,179,781)	-	-
		<b>1,181,670,353</b>	<b>1,071,099,219</b>	<b>760,642,446</b>	<b>702,842,020</b>
<b>Earnings per share</b>					
	Basic earnings per share	1.31	1.22	0.85	0.79
	Diluted earnings per share	1.31	1.22	0.85	0.79

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2015**

	Notes	Unit: Baht			
		Consolidated		Company	
		2015	2014	2015	2014
<b>Profit for the year</b>		1,181,670,353	1,071,099,219	760,642,446	702,842,020
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of employee benefit obligations					
- The Group/The Company		(7,598,777)	-	(5,404,324)	-
- Joint venture		(185,947)	-	-	-
Income tax on items that will not be reclassified		1,486,205	-	1,080,865	-
<b>Total items that will not be reclassified to profit or loss</b>		<u>(6,298,519)</u>	<u>-</u>	<u>(4,323,459)</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss					
Remeasuring of available-for-sale investments	8	21,187,164	(6,517,980)	21,187,164	(6,517,980)
Currency translation differences		5,392,812	770,899	-	-
Income tax relating to items that will reclassified		(4,237,433)	1,303,596	(4,237,433)	1,303,596
<b>Total items that will be reclassified subsequently to profit or loss</b>		<u>22,342,543</u>	<u>(4,443,485)</u>	<u>16,949,731</u>	<u>(5,214,384)</u>
Other comprehensive income for the year, net of income tax		<u>16,044,024</u>	<u>(4,443,485)</u>	<u>12,626,272</u>	<u>(5,214,384)</u>
<b>Total comprehensive income for the year</b>		<u>1,197,714,377</u>	<u>1,066,655,734</u>	<u>773,268,718</u>	<u>697,627,636</u>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent		1,186,966,509	1,081,835,515	773,268,718	697,627,636
Non-controlling interest	27	<u>10,747,868</u>	<u>(15,179,781)</u>	<u>-</u>	<u>-</u>
		<u>1,197,714,377</u>	<u>1,066,655,734</u>	<u>773,268,718</u>	<u>697,627,636</u>

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

Major Cineplex Group Public Company Limited  
Statement of Changes in Shareholders' Equity  
For the year ended 31 December 2015

Unit: Baht

	Consolidated												
	Attributable to owners of the parent												
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Share premium - Treasury share (Note 24)	Change in parent's ownership interest in subsidiaries	Other comprehensive		Total other component of equity	Total owners of the parent	Non- controlling interest	Total shareholders' equity
				Appropriated	Unappropriated			income (expense)					
				Legal reserve				Translation of financial statements	Available- for-sale investment				
<b>Opening balance as at 1 January 2014</b>	887,576,343	3,919,499,372	21,441,823	90,600,000	822,278,811	288,424,625	(336,907,849)	-	410,064,843	361,581,619	6,102,977,968	(3,649,732)	6,099,328,236
<b>Changes in equity for the year</b>													
Proceeds from exercise of warrants (Note 24)	2,482,493	48,048,503	(13,422,691)	-	-	-	-	-	-	-	37,108,305	-	37,108,305
Warrants	-	-	9,496,333	-	-	-	-	-	-	-	9,496,333	-	9,496,333
Exercise of warrants in subsidiary (Note 27)	-	-	(266,692)	-	-	-	-	-	-	-	(266,692)	1,050,761	784,069
Acquisition of investment in subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	-	-	975,000	975,000
Addition of investment in subsidiary from new registered shares (Note 27)	-	-	-	-	-	-	(12,307,827)	-	-	(12,307,827)	(12,307,827)	72,765,066	60,457,239
Dividends payment (Note 33)	-	-	-	-	(888,029,095)	-	-	-	-	-	(888,029,095)	-	(888,029,095)
Total comprehensive income for the year	-	-	-	-	1,086,279,000	-	-	770,899	(5,214,384)	(4,443,485)	1,081,835,515	(15,179,781)	1,066,655,734
<b>Closing balance as at 31 December 2014</b>	<b>890,058,836</b>	<b>3,967,547,875</b>	<b>17,248,773</b>	<b>90,600,000</b>	<b>1,020,528,716</b>	<b>288,424,625</b>	<b>(349,215,676)</b>	<b>770,899</b>	<b>404,850,459</b>	<b>344,830,307</b>	<b>6,330,814,507</b>	<b>55,961,314</b>	<b>6,386,775,821</b>
<b>Opening balance as at 1 January 2015</b>	<b>890,058,836</b>	<b>3,967,547,875</b>	<b>17,248,773</b>	<b>90,600,000</b>	<b>1,020,528,716</b>	<b>288,424,625</b>	<b>(349,215,676)</b>	<b>770,899</b>	<b>404,850,459</b>	<b>344,830,307</b>	<b>6,330,814,507</b>	<b>55,961,314</b>	<b>6,386,775,821</b>
<b>Changes in equity for the year</b>													
Proceeds from exercise of warrants (Note 24)	2,460,822	47,292,239	(13,555,268)	-	-	-	-	-	-	-	36,197,793	-	36,197,793
Warrants (Note 25)	-	-	7,519,805	-	-	-	-	-	-	-	7,519,805	-	7,519,805
Exercise of warrants in subsidiary (Note 27)	-	-	(154,816)	-	-	-	(231,265)	-	-	(231,265)	(386,081)	783,579	397,498
Dividends payment (Note 33)	-	-	-	-	(980,282,680)	-	-	-	-	-	(980,282,680)	-	(980,282,680)
Total comprehensive income for the year	-	-	-	-	1,164,623,966	-	-	5,392,812	16,949,731	22,342,543	1,186,966,509	10,747,868	1,197,714,377
<b>Closing balance as at 31 December 2015</b>	<b>892,519,658</b>	<b>4,014,840,114</b>	<b>11,058,494</b>	<b>90,600,000</b>	<b>1,204,870,002</b>	<b>288,424,625</b>	<b>(349,446,941)</b>	<b>6,163,711</b>	<b>421,800,190</b>	<b>366,941,585</b>	<b>6,580,829,853</b>	<b>67,492,761</b>	<b>6,648,322,614</b>

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.



Major Cineplex Group Public Company Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2015

	Unit: Baht								
	Company								
				Retained earnings		Other components of shareholders' equity			
				Appropriated		Other comprehensive			
	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Share premium- Treasury share (Note 24)	Available- for-sale investment	Total other component of equity	Total shareholders' equity
<b>Opening balance as at 1 January 2014</b>	887,576,343	3,919,499,372	20,989,867	90,600,000	1,058,809,437	288,424,625	410,064,843	698,489,468	6,675,964,487
<b>Changes in equity for year</b>									
Additional shares from exercise of warrants (Note 24)	2,482,493	48,048,503	(13,422,691)	-	-	-	-	-	37,108,305
Warrants	-	-	7,500,000	-	-	-	-	-	7,500,000
Dividends payment (Note 33)	-	-	-	-	(888,029,095)	-	-	-	(888,029,095)
Total comprehensive income for the year	-	-	-	-	702,842,020	-	(5,214,384)	(5,214,384)	697,627,636
<b>Closing balance as at 31 December 2014</b>	<u>890,058,836</u>	<u>3,967,547,875</u>	<u>15,067,176</u>	<u>90,600,000</u>	<u>873,622,362</u>	<u>288,424,625</u>	<u>404,850,459</u>	<u>693,275,084</u>	<u>6,530,171,333</u>
<b>Opening balance as at 1 January 2015</b>	890,058,836	3,967,547,875	15,067,176	90,600,000	873,622,362	288,424,625	404,850,459	693,275,084	6,530,171,333
<b>Changes in equity for year</b>									
Additional shares from exercise of warrants (Note 24)	2,460,822	47,292,239	(13,555,268)	-	-	-	-	-	36,197,793
Warrants (Note 25)	-	-	5,675,682	-	-	-	-	-	5,675,682
Dividends payment (Note 33)	-	-	-	-	(980,282,680)	-	-	-	(980,282,680)
Total comprehensive income for the year	-	-	-	-	756,318,987	-	16,949,731	16,949,731	773,268,718
<b>Closing balance as at 31 December 2015</b>	<u>892,519,658</u>	<u>4,014,840,114</u>	<u>7,187,590</u>	<u>90,600,000</u>	<u>649,658,669</u>	<u>288,424,625</u>	<u>421,800,190</u>	<u>710,224,815</u>	<u>6,365,030,846</u>

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2015**

		Unit: Baht				
		Consolidated		Company		
Notes		2015	2014	2015	2014	
<b>Cash flows from operating activities</b>						
	Cash generated from operations	34	2,365,339,355	2,239,724,383	1,074,562,816	1,054,627,823
	Interest paid		(149,623,729)	(151,592,754)	(189,427,644)	(156,285,263)
	Income tax paid		(315,241,535)	(222,446,213)	(171,975,503)	(116,179,466)
	Net cash generated from operating activities		<u>1,900,474,091</u>	<u>1,865,685,416</u>	<u>713,159,669</u>	<u>782,163,094</u>
<b>Cash flows from investing activities</b>						
	Increase (decrease) in restricted cash		(38,769)	(58,471)	-	-
	Short-term loans made to related parties	36	-	-	(811,514,334)	(1,092,210,734)
	Proceeds from settlements of short-term loans to related parties	36	-	-	905,425,416	977,296,862
	Long-term loans made to related parties	36	(14,250)	-	(14,250)	(115,000,000)
	Proceeds from settlements of long-term loans to related parties	36	569,028	1,078,040	100,569,028	439,078,040
	Loans made to third party		(250,000)	(100,000)	(250,000)	(100,000)
	Proceeds from loans to third party		51,526	54,399	51,526	54,399
	Payment on short-term investments		(145,000,000)	-	(145,000,000)	-
	Proceeds from disposal of short-term investments		145,036,957	-	145,036,957	-
	Payments for investment in subsidiaries	35	-	-	(8,686,629)	(990,962,100)
	Proceeds from acquisition of subsidiary, net of cash payment	35	1,237,763	975,000	-	-
	Proceeds from liquidate of investment in subsidiaries	12	-	-	4,129,916	-
	Payments for investment in associates	12	(162,788,430)	(109,312,955)	(162,788,430)	(109,312,955)
	Proceeds from disposals of investment in associates	12	184,388,960	104,501,770	184,388,960	104,501,770
	Payments for investment in joint ventures	12	(24,958,174)	(42,676,750)	-	(17,676,750)
	Proceeds from disposal of available-for sale investment	8	196,088,927	71,019,789	196,088,927	71,019,789
	Purchases of property, plant and equipment		(1,439,784,276)	(613,418,001)	(1,092,993,154)	(390,545,403)
	Proceeds from disposals of property, plant and equipment		5,428,261	10,926,155	729,224	1,397,295
	Payments for intangible assets		(239,593,084)	(306,065,524)	(21,789,173)	(15,426,272)
	Dividends received from subsidiaries, associates and joint ventures	12	144,481,848	131,257,210	136,716,634	131,255,230
	Dividends received from long-term investments		947,583	3,323,461	947,583	3,323,461
	Interest received		9,173,030	31,256,035	51,829,200	103,955,621
	Net cash used in investing activities		<u>(1,325,023,100)</u>	<u>(717,239,842)</u>	<u>(517,122,599)</u>	<u>(899,351,747)</u>

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2015**

		Unit: Baht			
		Consolidated		Company	
Notes		2015	2014	2015	2014
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from related parties	36	-	-	2,253,799,228	2,033,734,324
Repayments of short-term loans from related parties	36	(2,000,000)	-	(2,036,295,036)	(1,670,325,120)
Proceeds from (repayment) of bank overdrafts		9,504,622	(60,418,172)	-	(703,160)
Proceeds from short-term loans from financial institutions		7,535,000,000	8,055,600,000	7,490,000,000	7,545,000,000
Repayments of short-term loans from financial institutions		(7,305,000,000)	(7,999,110,000)	(7,210,000,000)	(6,905,000,000)
Repayments of finance lease liabilities		(94,482,316)	(92,954,524)	(3,519,429)	(1,979,655)
Proceeds from long-term borrowings	20	-	49,400,000	-	-
Repayments of long-term borrowings	20	(40,000,000)	(229,777,502)	(40,000,000)	(40,000,000)
Proceeds from shares issued in subsidiary		-	60,707,921	-	-
Proceeds from exercised warrants	25	36,595,291	37,641,691	36,197,793	37,108,305
Dividends paid to shareholders	33	(980,258,576)	(887,967,000)	(980,258,576)	(887,967,000)
Net cash (used in) received from financing activities		(840,640,979)	(1,066,877,586)	(490,076,020)	109,867,694
<b>Net (decrease) increase in cash and cash equivalents</b>		(265,189,988)	81,567,988	(294,038,950)	(7,320,959)
Opening balance of cash and cash equivalents		577,249,677	495,681,689	387,004,336	394,325,295
<b>Closing balance of cash and cash equivalents</b>	7	312,059,689	577,249,677	92,965,386	387,004,336

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

**Major Cineplex Group Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2015**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Non-cash transactions</b>				
Significant non-cash transactions are as follows:				
Investment in property, plant and equipment, not yet paid	56,927,977	257,543,871	44,802,957	197,210,693
Purchases of intangible assets, not yet paid	-	2,134,277	-	-
Purchases of equipment under finance leases	748,451	-	-	-
Disposal of property, plant and equipment, not yet received	78,746	63,127	78,746	-
Dividends paid, not yet paid	24,104	62,094	24,104	62,094
Offsetting amount due from related parties with long-term loan to related parties	-	6,514	-	-
Convertible investment in joint venture to investment in subsidiary	8,638,141	-	9,999,800	-
Disposal of available-for-sale investment, not yet received	-	11,586,625	-	11,586,625
Reclassification other non current asset to leasehold right	130,000,000	-	130,000,000	-
Purchase interest in joint venture, not yet paid	1,817,152	-	-	-

The accompanying notes on pages 12 to 86 are an integral part of these financial statements.

## **1 General information**

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

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

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

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

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

These consolidated and company financial statements were authorised for issue by the Board of Directors on 17 February 2016.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

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

The consolidated and company financial statements have been prepared under the historical cost convention.

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

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

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards

1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

a) Financial reporting standards, which have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This Group has comply with this standard.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group has comply with this standard.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

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

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

- 1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)
  - a) Financial reporting standards, which have a significant impact to the Group: (Cont'd)

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This Group has comply with this standard.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This Group has comply with this standard.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This Group has comply with this standard.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This Group has disclosed relevant disclosures.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This Group has comply with this standard.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- 1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)
- b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 8 (revised 2014)	Operating segments
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 18 (revised 2014)	Transfers of assets from customers



2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2) New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosure is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

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

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2) New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)

a) Financial reporting standards, which have a significant impact to the Group: (Cont'd)

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

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

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

2) New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)

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

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 11 (revised 2015)	Joint arrangements
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 18 (revised 2015)	Transfers of assets from customers

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

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

**a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries and the financial effects of acquisitions and disposals of subsidiaries are shown in the Note 12.

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

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

**b) Transactions and non-controlling interests**

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

**c) Disposal of subsidiaries**

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

**d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

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

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

In the company's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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

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

**e) Joint arrangements**

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2015.

**2.4 Foreign currency translation**

**a) Functional and presentation currency**

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

**b) Transactions and balances**

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

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

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

**2.4 Foreign currency translation (Cont'd)**

**c) Group companies**

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

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

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

**2.5 Cash and cash equivalents**

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

**2.6 Trade accounts receivable**

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

**2.7 Inventories and films under production**

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

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

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

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

### **2.8 Investments**

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

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

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

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

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

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

### **2.9 Property, plant and equipment**

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

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

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

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

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

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



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

### **2.10 Goodwill**

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

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

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

### **2.11 Other intangible assets**

#### **Film rights**

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

#### **Computer software**

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

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

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

### **2.12 Impairment of assets**

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

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

**2.13 Leases**

**Leases - where the Group is the lessee**

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

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

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

**Leases - where the Group is the lessor**

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

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

**2.14 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

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

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

**a) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

**2.15 Current and deferred income taxes**

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

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

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

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

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

**2.16 Employee benefits**

**Employee benefits obligations**

Group companies operate various employee benefit schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

**2.16 Employee benefits (Cont'd)**

**Employee benefits obligations (Cont'd)**

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

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

Past-service costs are recognised immediately in profit or loss.

**2.17 Share-based payment**

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

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

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

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

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

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

**2.18 Provisions**

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

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

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

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

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

**2.19 Share capital**

Ordinary shares are classified as equity.

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

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

**2.20 Revenue recognition**

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

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

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

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

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

### **2.20 Revenue recognition (Cont'd)**

Revenue from advertising is recognised when the media are appeared.

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

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

Other revenues are recognised on the following basis:

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

### **2.21 Customer loyalty programmes**

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

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

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

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

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

### **2.22 Dividend payment**

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

### **2.23 Segment reporting**

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

### **3 Financial risk management**

#### **3.1 Financial risk factors**

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

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

##### **3.1.1 Foreign exchange risk**

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

##### **3.1.2 Interest rate risk**

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

##### **3.1.3 Credit risk**

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

##### **3.1.4 Liquidity risk**

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

3 Financial risk management (Cont'd)

3.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015. See note 8 for disclosures of the disposal groups held for sale that are measured at fair value.

	<b>Level 1 Baht</b>
<b>Assets</b>	
<b>Available-for-sale financial assets</b>	
Equity securities	
Media and publishing industry	748,530,498
<b>Total assets</b>	<b>748,530,498</b>

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014.

	<b>Level 1 Baht</b>
<b>Assets</b>	
<b>Available-for-sale financial assets</b>	
Equity securities	
Media and publishing industry	785,507,073
<b>Total assets</b>	<b>785,507,073</b>

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.



#### 4 Critical accounting estimates, assumptions and judgements

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

##### 4.1 Critical accounting estimates and assumptions

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

###### a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell as appropriate. These calculations require the use of estimates (Note 14).

If the estimated cost of capital used in determining the pre-tax discount rate applied to the discounted cash flows had been 0.5% higher than management's estimates (for example, 8.2% instead of 7.7%), goodwill for all businesses would have not been impaired. In the preparation of forecast financial statement; however, management based on the past operating result and the expected growth in the industry, the growth rate is consistent with the past actual result. The base case is considered as the appropriate base in evaluation of goodwill.

###### b) Impairment of receivables

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

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

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

###### d) Provision for goods returns

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

###### e) Valuation of movies under production

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

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

**4.1 Critical accounting estimates and assumptions (Cont'd)**

**f) Employee benefit obligations**

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

**g) Provision for customers loyalty program**

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

**4.2 Critical judgements in applying the entity's accounting policies**

**a) Joint arrangements**

The company holds 49% of the voting rights of its joint arrangement. The group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The group's joint arrangement is structured as a limited company and provides the group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

**5 Capital risk management**

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

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

**Major Cineplex Group Public Company Limited**  
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**6 Segment information**

Financial information by business segment is follows:

	<b>Consolidated</b>					<b>Unit: Million Baht</b>
<b>For the year ended 31 December 2015</b>	<b>Cinema business</b>	<b>Advertising business</b>	<b>Bowling and Karaoke business</b>	<b>Rental and services business</b>	<b>Movie content business</b>	<b>Total</b>
Revenues						
- Gross segment revenues	6,594	973	580	626	542	9,315
- Inter segment revenues	(488)	-	(70)	(103)	(74)	(735)
Net revenues	<u>6,106</u>	<u>973</u>	<u>510</u>	<u>523</u>	<u>468</u>	<u>8,580</u>
Segment results	<u>702</u>	<u>683</u>	<u>1</u>	<u>54</u>	<u>(145)</u>	1,295
Compensation income						8
Gain on disposal of investment						237
Unallocated expense						<u>(141)</u>
Operating profit						1,399
Finance costs						(154)
Share of profit of associates and joint ventures						<u>237</u>
Profit before income tax						1,482
Income tax						<u>(300)</u>
Net profit						<u>1,182</u>
Segment fixed assets	5,508	33	692	1,107	18	7,358
Investments in associates and interest in joint ventures						2,826
Unallocated assets						<u>4,062</u>
Consolidated total assets						<u>14,246</u>

**Major Cineplex Group Public Company Limited**  
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**6 Segment information (Cont'd)**

	<b>Consolidated</b>					<b>Unit: Million Baht</b>
<b>For the year ended 31 December 2014</b>	<b>Cinema business</b>	<b>Advertising business</b>	<b>Bowling and Karaoke business</b>	<b>Rental and services business</b>	<b>Movie content business</b>	<b>Total</b>
Revenues						
- Gross segment revenues	6,395	892	611	629	897	9,424
- Inter segment revenues	(437)	-	(70)	(109)	(185)	(801)
Net revenues	<u>5,958</u>	<u>892</u>	<u>541</u>	<u>520</u>	<u>712</u>	<u>8,623</u>
Segment results	<u>836</u>	<u>641</u>	<u>31</u>	<u>54</u>	<u>(247)</u>	1,315
Compensation income						10
Gain on disposal of investment						108
Unallocated expense						<u>(117)</u>
Operating profit						1,316
Finance costs						(173)
Share of profit of associates and joint ventures						<u>199</u>
Profit before income tax						1,342
Income tax						<u>(271)</u>
Net profit						<u>1,071</u>
Segment fixed assets	4,713	39	747	1,213	18	6,730
Investments in associates and interest in joint ventures						2,638
Unallocated assets						<u>4,564</u>
Consolidated total assets						<u>13,932</u>

**6 Segment information (Cont'd)**

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

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

**7 Cash and cash equivalents**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Cash on hand	38,460,043	63,937,456	26,553,152	54,355,917
Deposits held at call with banks	273,599,646	513,312,221	66,412,234	332,648,419
Cash and cash equivalents	<u>312,059,689</u>	<u>577,249,677</u>	<u>92,965,386</u>	<u>387,004,336</u>

The effective interest rates on short-term bank deposit are ranging from 0.10% to 0.50% per annum (2014: 0.05% to 0.75% per annum).

**8 Available-for-sale investment**

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

	<b>Unit: Baht</b>	
	<b>Consolidated and Company</b>	
	<b>2015</b>	<b>2014</b>
Opening book value	785,507,073	820,571,703
Disposal at cost	(58,163,739)	(28,546,650)
Realised gain	(137,925,188)	(54,059,764)
Gain (loss) on exchange rate	36,031,897	(16,570,673)
Change in fair value of investments	123,080,455	64,112,457
Closing book value	<u>748,530,498</u>	<u>785,507,073</u>

The fair values of the investments are as follows:

	<b>Unit: Baht</b>	
	<b>Consolidated and Company</b>	
	<b>2015</b>	<b>2014</b>
Cost	221,280,261	279,444,000
Unrealised gain	527,250,237	506,063,073
Fair value	<u>748,530,498</u>	<u>785,507,073</u>

During the year ended 31 December 2015, the Company disposed available-for-sale investment of 0.48 million shares for the considerations of Baht 196.09 million and recognised gain on disposal of investment amounting to Baht 137.93 million, which included in "Other income" in the consolidated and company income statement.

The fair value of the investment is based on quoted market prices at the statement of financial position date in the Stock Exchange of India Limited. The fair values are within level 1 of the fair value hierarchy.

**Major Cineplex Group Public Company Limited**  
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**9 Trade account and other receivables**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Third parties				
- Trade accounts receivable	634,608,967	618,133,352	100,390,651	46,858,851
- Unbilled revenue	308,528,225	308,273,258	43,311,236	73,473,059
Total	943,137,192	926,406,610	143,701,887	120,331,910
<u>Less</u> Allowance for doubtful accounts	(6,732,086)	(17,383,427)	-	-
Trade accounts receivable - Third parties, net	936,405,106	909,023,183	143,701,887	120,331,910
Trade accounts receivable				
- Related parties (Note 36)	11,480,244	39,719,767	67,395,248	95,986,421
Amounts due from related parties (Note 36)	51,519,243	193,657,016	176,610,251	223,397,019
Other accounts receivable	131,059,459	89,002,000	88,513,435	100,753,846
Prepaid expenses	50,054,603	75,495,690	25,799,624	46,009,643
Trade account and other receivables	<u>1,180,518,655</u>	<u>1,306,897,656</u>	<u>502,020,445</u>	<u>586,478,839</u>

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Third parties</b>				
Unbilled revenue	308,528,225	308,273,258	43,311,236	73,473,058
Trade accounts receivable				
Current	382,564,503	305,735,907	54,033,136	32,593,283
Overdue less than 3 months	180,687,042	212,110,163	42,032,179	12,476,753
3 - 6 months	32,530,355	40,478,682	2,121,682	219,968
6 - 12 months	22,151,426	34,760,171	1,240,641	775,351
Over 12 months	16,675,641	25,048,429	963,013	793,497
Total	943,137,192	926,406,610	143,701,887	120,331,910
<u>Less</u> Allowance for doubtful accounts	(6,732,086)	(17,383,427)	-	-
Trade accounts receivable - third parties, net	<u>936,405,106</u>	<u>909,023,183</u>	<u>143,701,887</u>	<u>120,331,910</u>

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Related parties</b>				
Unbilled revenue	839,718	196,664	2,841,059	4,521,385
Trade accounts receivable				
Current	6,064,558	10,178,823	59,849,471	23,668,194
Overdue less than 3 months	4,245,455	5,575,336	4,694,285	67,165,009
3 - 6 months	-	236,065	-	610,433
6 - 12 months	90,256	-	-	-
Over 12 months	240,257	23,532,879	10,433	21,400
Total	11,480,244	39,719,767	67,395,248	95,986,421
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable - related parties, net	<u>11,480,244</u>	<u>39,719,767</u>	<u>67,395,248</u>	<u>95,986,421</u>

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**10 Inventories**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Foods and beverages	114,188,601	66,427,981	80,467,373	46,158,262
VCD and DVD, net of allowance	58,391,683	77,828,273	-	-
Supplies and others	10,003,639	10,193,033	7,616,939	9,724,134
<b>Inventories, net</b>	<b>182,583,923</b>	<b>154,449,287</b>	<b>88,084,312</b>	<b>55,882,396</b>

Cost of inventory was recognised as an expense and included in cost amounting to Baht 517.97 million and Baht 328.44 million in the consolidated and company income statements, respectively (2014: Baht 503.38 million and Baht 306.66 million).

The Group recorded loss from obsolescence and allowance for diminution in value to inventories in the consolidated income statement for the year ended 31 December 2015 amounting to Baht 2.45 million (2014: Reversal Baht 0.28 million).

**11 Other current assets**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Value added tax receivable	97,909,850	111,314,266	41,059,845	29,056,377
Withholding tax deducted at sources	53,505,521	50,352,721	478,496	-
Others	24,123,190	19,457,770	5,196,007	7,009,040
	<b>175,538,561</b>	<b>181,124,757</b>	<b>46,734,348</b>	<b>36,065,417</b>

**12 Investments in subsidiaries, associates and interests in joint ventures**

**Investments accounted for using equity method**

The amounts recognised in the balance sheet are as follows:

	<b>Unit: Baht</b>	
	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
Associates	2,525,403,524	2,343,980,072
Joint ventures	300,877,587	294,159,582
	<b>2,826,281,111</b>	<b>2,638,139,654</b>

The amounts recognised in the income statement are as follows:

	<b>Unit: Baht</b>	
	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
Associates	234,894,716	203,243,953
Joint ventures	2,288,053	(4,272,517)
	<b>237,182,769</b>	<b>198,971,436</b>

**12 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)**

**(a) Investment in associates**

Summarised statement of financial position

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Opening net book amount	2,343,980,072	2,212,868,495	2,233,091,268	2,168,239,563
Additions	162,788,430	109,312,955	162,788,430	109,312,955
Disposals	(85,277,816)	(50,190,101)	(72,505,270)	(44,461,250)
Dividends received	(130,981,878)	(131,255,230)	-	-
Share of results	234,894,716	203,243,953	-	-
Closing net book amount	<u>2,525,403,524</u>	<u>2,343,980,072</u>	<u>2,323,374,428</u>	<u>2,233,091,268</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 2015, the Group realised gain on disposals of Baht 16.32 million in the consolidated income statement. (2014: Baht 16.32 million).

Investment in associates included goodwill of Baht 235.31 million (2014: Baht 230.75 million) in the consolidated financial statements. During the year ended 31 December 2015, the Company received dividends income from associates amounting to Baht 130.98 million, which was recognised in "Other income" in the company income statement and recognised in "Investment in associates" in the consolidated statement of financial position.

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

**Addition of investment in associate**

During the year ended 31 December 2015, the Company made additional investment in SF of 28.74 million shares totalling Baht 162.79 million.

During the year ended 31 December 2014, the Company made additional investment in SF of 56.63 million shares totalling Baht 109.31 million.

**Disposal of investment in associate**

During the year ended 31 December 2015, the Company disposed investment in SF of 27.63 million shares for the considerations of Baht 184.39 million and recognised gain on disposal of investment amounting to Baht 99.11 million, and Baht 111.88 million, which included in "Other income" in the consolidated and company income statements, respectively.

The aforesaid change of investment resulted in addition of shareholding percentage from 23.89% to 23.86%.

During the year ended 31 December 2014, the Company disposed investment in SF of 15.08 million shares for the considerations of Baht 104.50 million and recognised gain on disposal of investment amounting to Baht 54.31 million, and Baht 60.04 million, which included in "Other income" in the consolidated and company income statements, respectively.

The aforesaid change of investment resulted in addition of shareholding percentage from 23.72% to 23.89%.

Set out below are the associates of the Group as at 31 December 2015, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.



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

**(a) Investment in associates (Cont'd)**

The details of investments in associates in 2015 and 2014 are as follows

	Country of incorporation and place of business	Nature of business	Nature of relationship	% Ownership interest		Measurement method
				31 December 2015	31 December 2014	
<b>Associates</b>						
Siam Future Development Public Company Limited ("SF")	Thailand	Rental of building space and utilities services	Shareholder	23.86	23.89	Equity
Ratchayothin Avenue Co., Ltd.	Thailand	Rental of building space and utilities services	Shareholder Shareholder Indirect Via SF	50.00 11.93	50.00 11.95	Equity Equity
Major Cineplex Lifestyle Leasehold Property Fund ("MJLF")	Thailand	Rental of building space and utilities services	Shareholder	33.00	33.00	Equity
Thai ticket major Co., Ltd.	Thailand	Agent for selling of tickets	Shareholder	40.00	40.00	Equity

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

**(a) Investment in associates (Cont'd)**

As at 31 December 2015, the fair value of the Groups interest in SF, which is listed on the Stock Exchange of Thailand, was Baht 2,649.42 million (2014: Baht 2,210.33 million) and the carrying amount of the Group's interest was Baht 1,357.75 million (2014: Baht 1,212.93 million).

As at 31 December 2015, the fair value of the Group's interest in MJLF, which is on the Stock Exchange of Thailand, was Baht 1,426.59 million (2014: Baht 1,328.58 million) and the carrying amount of the Group's interest was Baht 1,080.18 million (2014: Baht 1,057.96 million).

There is no contingent liabilities relating to the Group's interest in associates.

**Summarised financial information for associates**

Set out below are the summarised financial information for SF and MJLF which are accounted for using the equity method.

**Summarised statement of financial position**

	Unit: Baht					
	SF		MJLF		Total	
	2015	2014	2015	2014	2015	2014
<b>Current</b>						
Cash and cash equivalents	33,499,626	27,584,147	290,261,730	77,419,998	323,761,356	105,004,145
Other current asset (excluding cash)	876,914,618	585,760,164	2,521,705	6,343,971	879,436,323	592,104,135
Total current assets	910,414,244	613,344,311	292,783,435	83,763,969	1,203,197,679	697,108,280
Financial liabilities (excluding trade payables)	779,985,158	536,799,153	1,845,724	1,860,337	781,830,882	538,659,490
Other current liabilities (including trade payables)	453,353,435	373,824,370	17,057,165	18,027,453	470,410,600	391,851,823
Total current liabilities	1,233,338,593	910,623,523	18,902,889	19,887,790	1,252,241,482	930,511,313
<b>Non-current</b>						
Assets	8,032,364,851	7,796,121,687	3,839,063,324	4,024,896,182	11,871,428,175	11,839,017,869
Financial liabilities	1,198,796,677	1,447,670,407	-	-	1,198,796,677	1,447,670,407
Other non-current liabilities	1,341,262,070	1,426,562,850	91,074,759	91,756,910	1,432,336,829	1,518,319,760
Total non-current liabilities	2,540,058,747	2,874,233,257	91,074,759	91,756,910	2,631,133,506	2,965,990,167
Net assets including non-controlling interests	5,169,381,755	4,624,609,218	4,021,869,111	3,997,015,451	9,191,250,866	8,621,624,669
Non-controlling interests	(370,361,235)	(388,303,454)	-	-	(370,361,235)	(388,303,454)
Net assets excluding non-controlling interests	4,799,020,520	4,236,305,764	4,021,869,111	3,997,015,451	8,820,889,631	8,233,321,215

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

**(a) Investment in associates (Cont'd)**

**Summarised statement of comprehensive income**

	Unit: Baht					
	SF		MJLF		Total	
	2015	2014	2015	2014	2015	2014
Revenue	1,401,462,142	1,366,622,031	480,051,314	466,036,611	1,881,513,456	1,832,658,642
Depreciation and amortisation	(261,103,836)	(263,282,040)	-	-	(261,103,836)	(263,282,040)
Interest income	27,197,527	26,906,829	3,403,092	4,917,585	30,600,619	31,824,414
Interest expense	(96,372,720)	(94,846,588)	-	-	(96,372,720)	(94,846,588)
<b>Profit or loss from continuing operation</b>	930,051,619	270,155,352	357,598,286	343,996,641	1,287,649,905	614,151,993
Income tax expense	(38,064,687)	(32,893,273)	-	-	(38,064,687)	(32,893,273)
<b>Post-tax profit from continuing operations</b>	891,986,932	237,262,079	357,598,286	343,996,641	1,249,585,218	581,258,720
<b>Other comprehensive income</b>	(264,556)	2,048,162	4,515,374	(8,681,489)	4,250,818	(6,633,327)
<b>Total comprehensive income</b>	891,722,376	239,310,241	362,113,660	335,315,152	1,253,836,036	574,625,393
<b>Dividends received from associates</b>	7,686,078	4,295,530	111,295,800	105,959,700	118,981,878	110,255,230

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

Summarised financial information	Unit: Baht					
	SF		MJLF		Total	
	2015	2014	2015	2014	2015	2014
<b>Opening net assets 1 January</b>	4,236,305,764	4,179,771,501	3,997,015,451	3,982,790,299	8,233,321,215	8,162,561,800
Profit for the period	891,986,932	237,262,079	357,598,286	343,996,641	1,249,585,218	581,258,720
Other comprehensive income	(264,556)	2,048,162	4,515,374	(8,681,489)	4,250,818	(6,633,327)
Dividend paid	(329,007,620)	(182,775,978)	(337,260,000)	(321,090,000)	(666,267,620)	(503,865,978)
<b>Carrying value</b>	4,799,020,520	4,236,305,764	4,021,869,111	3,997,015,451	8,820,889,631	8,233,321,215
Interest in associate (%)	23.86	23.89	33.00	33.00		
Interest in joint venture	1,145,046,296	1,012,053,447	1,327,216,807	1,319,015,099	2,472,263,103	2,331,068,546
Effect from change of percentage of ownership interest	1,051,186	(6,213,136)	-	-	1,051,186	(6,213,136)
Adjusted gain from selling assets	-	-	(247,039,054)	(261,052,542)	(247,039,054)	(261,052,542)
Goodwill	211,653,466	207,086,482	-	-	211,653,466	207,086,482
<b>Carrying value</b>	1,357,750,948	1,212,926,793	1,080,177,753	1,057,962,557	2,437,928,701	2,270,889,350

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

(a) Investment in associates (Cont'd)

Individually immaterial associates

In addition to interest in joint ventures disclosed above, the Group also has interests in a number of individually material joint ventures that are accounted for using the equity method.

	<b>Unit: Baht</b>	
	<b>2015</b>	<b>2014</b>
Aggregate carrying amount of individually immaterial associates	87,474,823	73,090,722
Aggregate amounts of repost entity's share of; Profit (loss) from continuing activities	26,384,102	17,193,985
<b>Total comprehensive income</b>	<b>26,384,102</b>	<b>17,193,985</b>

(b) Investment in joint venture

Movement of interests in joint venture is as follows:

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Opening book amount	294,159,582	255,757,329	255,167,325	237,490,575
Additional investment	26,775,326	42,676,750	-	17,676,750
Reclassification from investment in joint ventures to subsidiaries (Note 12 (c))	(8,638,141)	-	(9,999,800)	-
Dividend received	(13,499,970)	(1,980)	-	-
Share of result	2,288,053	(4,272,517)	-	-
Share of comprehensive profit (loss)	(185,947)	-	-	-
Difference from exchange rate in financial statement	(21,316)	-	-	-
Closing book amount	300,877,587	294,159,582	245,167,525	255,167,325

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

(b) Investment in joint venture (Cont'd)

**Additional of interest in joint ventures**

**Transformation Film Co., Ltd. (“Transformation”)**

In February 2015, MPIC (a subsidiary) additionally paid Baht 25.00 million for shares in Transformation. Transformation has completed the registration in 29 September 2015.

On 22 August 2014, MPIC (a subsidiary) acquired 500,000 shares of Transformation Film Co., Ltd. for a total consideration of Baht 25.00 million. Investment in Transformation is classified as joint venture of the Group. The Group indirectly holds shares representing 26.42% of the issued share capital. The equity method of accounting is applied to this investment in the consolidated financial information.

**MVP M Pictures Film Distribution (Lao) Co., Ltd. (“MVP”)**

On 22 August 2015, MPIC (a subsidiary) acquired 40,000 shares of MVP M Pictures Film Distribution (Lao) Co., Ltd. for a total consideration of Baht 1.77 million. Investment in MVP is classified as joint venture of the Group. The Group indirectly holds shares representing 36.98% of the issued share capital. The equity method of accounting is applied to this investment in the consolidated financial information.

**PVR blu-O Entertainment Co., Ltd. (“PVR blu-O”)**

On 15 October 2014, the Group additionally acquired shares of PVR blu-O for a total consideration of Rupees 31.85 million or Baht 17.68 million in order to maintain shareholding interest of 49.00%.

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

**(b) Investment in joint venture (Cont'd)**

The jointly controlled entities are :

	Place of Business/country of incorporation	Nature of business	Nature of the relationship	% of ownership interest		Measurement method
				31 December 2015	31 December 2014	
<b>Joint ventures</b>						
PVR blu-O Entertainment Co., Ltd. (“PVR blu-O”)	India	Bowling, Karaoke and entertainment	Shareholder	49.00	49.00	Equity
K Arena Co., Ltd. (2015 - Subsidiary)	Thailand	Karaoke services	Shareholder	-	50.00	Equity
<b>Joint venture under MPIC</b>						
Major Kantana Broadcasting Company Limited	Thailand	Satellite broadcasting and distribution of film rights	Indirect shareholding	41.61	41.61	Equity
Transformation Film Co., Ltd.	Thailand	Film production, advertising, television programmes service provided for all forms of entertainment	Indirect shareholding	26.42	26.42	Equity
MVP M Pictures Distribution (Lao) Co., Ltd. (“MVP”)	Laos	Film distribution	Indirect Shareholding	36.98	-	Equity

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

(b) Investment in joint venture (Cont'd)

**Commitments and contingent liabilities in respect of joint ventures**

The Group has the following commitments relating to its joint ventures.

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Commitment to provide funding if called				
Transformation Film Co., Ltd.	-	25,000,000	-	25,000,000

The Group has no commitments relating to non-controlling interests of its joint ventures.

**Individually immaterial joint ventures**

The Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	Unit: Baht	
	2015	2014
Aggregate carrying amount of individually immaterial joint ventures	300,877,587	294,159,582
Aggregate amounts of the reporting entity's share of:		
Profit (loss) from continuing activities	2,288,053	(4,272,517)
<b>Total comprehensive income</b>	<b>2,288,053</b>	<b>(4,272,517)</b>

(c) **Principal subsidiaries**

Movements of investment in subsidiaries can be analysed as follows:

	Unit: Baht	
	Company	
	2015	2014
Investment in subsidiaries	3,742,768,546	3,735,412,032
<u>Less</u> Allowance for impairment	(1,500,000)	(3,000,000)
Investment in subsidiaries, net	<u>3,741,268,546</u>	<u>3,732,412,032</u>
<b>For the years ended 31 December</b>		
Opening net book amount	3,732,412,032	2,741,449,932
Acquisitions	8,686,629	990,962,100
Reclassification from investment in joint ventures to subsidiaries (Note 12(b))	9,999,800	-
Liquidation of investment in subsidiaries	(8,329,915)	-
Impairment on investment	(1,500,000)	-
Closing net book amount	<u>3,741,268,546</u>	<u>3,732,412,032</u>

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

**c) Principal subsidiaries (Cont'd)**

**Additional of investment in subsidiary**

**K Arena Co., Ltd. (“K Arena”)**

On 19 January 2015, the Company has purchased 50.00% of shares in K Arena Co., Ltd., a Karaoke business, totalling Baht 8.69 million. As a result, the shareholding percentage has been changed from 49.99% to 99.99%. The parent's ownership interest has changed from joint venture to subsidiary.

**Major Platinum Cineplex Cambodia Co., Ltd (Major Platinum)**

On 13 June 2014, Major Holding International Co., Ltd. (Subsidiary) has purchased 70.00% of shares in Major Platinum Cineplex Cambodia Co., Ltd, a service provider for cinema services and bowling in Cambodia, totalling Baht 2.28 million.

**M Picture Entertainment Public Company Limited (“MPIC”)**

On 3 September 2014, the Company made an additional investment in MPIC of 601.07 million shares with price of Baht 1.50 per share for a total of consideration of Baht 901.60 million to maintain the percentage of ownership interest. The minorities partially invested in MPIC; as a result, the shareholding percentage has been changed from 91.37% to 92.49%. The difference between consideration paid and amount of non-controlling interests of Baht 12.31 million was recognised as “Changes in parent's ownership interest in subsidiaries” in the consolidated shareholders' equity.

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

On 16 September 2014, the Company made an additional investment in MHD of 1.49 million shares with price of Baht 60.00 per share for a total of consideration of Baht 89.36 million to maintain the percentage of ownership interest.

**Liquidation of subsidiaries**

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

On 13 August 2015, UDF was registered for liquidation. UDF declared a dividend of Baht 9.69 per share and paid back the registered capital to shareholders. The Company received a dividend of Baht 3.78 million and cash from registered capital of Baht 2.73 million. The Company had loss from liquidation amounting to Baht 4.20 million.

**Chiangmai Cineplex Co., Ltd. (“CMC”)**

On 13 August 2015, CMC was registered for liquidation. CMC declared a dividend of Baht 9.77 per share and paid back the registered capital to shareholders. The Company received a dividend of Baht 1.95 million and cash from registered capital of Baht 1.40 million.



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

**c) Principal subsidiaries (Cont'd)**

Subsidiaries	Country of incorporation and place of business	Nature of business	Nature of relationship	% Ownership interest	
				2015	2014
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
Chiangmai Cineplex Co., Ltd.	Thailand	Cinema services	Shareholder	-	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
Udon Five Star Cineplex Co., Ltd.	Thailand	Cinema services	Shareholder	-	99.99
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	92.49
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
K Arena Co., Ltd. ("K Arena") (2014 – Joint Venture)	Thailand	Karaoke services	Shareholder	99.99	-
<b>Subsidiaries under EGV</b>					
Entertain Golden Village Exhibition Co., Ltd.	Thailand	Cinema services	Indirect shareholding	-	99.96
EGV Exhibition Co., Ltd.	Thailand	Cinema services	Indirect shareholding	99.96	99.96
EGV Five Star Co., Ltd.	Thailand	Cinema services	Indirect shareholding	-	99.96
<b>Subsidiaries under MPIC</b>					
TV Forum Co., Ltd.	Thailand	Television media business	Indirect shareholding	92.46	92.49
M Picture Co., Ltd.	Thailand	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	92.46	92.49
M.V.D. Co., Ltd.	Thailand	Distribution of VCD/DVD, Blu-ray and film rights	Indirect shareholding	92.46	92.49
M Thirtynine Co., Ltd.	Thailand	Film production	Indirect shareholding	92.46	92.49
Talent One Co., Ltd.	Thailand	Film production	Indirect shareholding	83.22	83.24
<b>Subsidiary under MVD</b>					
Pacific Media Sale Co., Ltd.	Thailand	Distribution of CD, VCD and DVD	Indirect shareholding	91.91	91.93
<b>Subsidiaries under MHD</b>					
Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum")	Cambodia	Cinema and bowling services	Indirect shareholding	69.97	69.97

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

c) Principal subsidiaries (Cont'd)

The total non-controlling interest for the period is Baht 67.49 million, of which Baht 51.22 million is for MPIC.

**Summarised financial information on subsidiaries with material non-controlling interests**

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

**Summarised statement of financial position**

	<b>Unit: Baht</b>	
	<b>MPIC</b>	
	<b>2015</b>	<b>2014</b>
Current		
Assets	663,487,893	837,013,903
Liabilities	179,531,013	331,740,261
<b>Total current net assets</b>	<b>483,956,880</b>	<b>505,273,642</b>
Non-current		
Assets	296,818,246	375,526,317
Liabilities	4,142,774	3,820,179
<b>Total non-current net assets</b>	<b>292,675,472</b>	<b>371,706,138</b>
<b>Net assets</b>	<b>776,632,352</b>	<b>876,979,780</b>

**Summarised statement of comprehensive income**

	<b>Unit: Baht</b>	
	<b>MPIC</b>	
	<b>2015</b>	<b>2014</b>
Revenue	541,427,647	838,205,851
Loss before income tax	(96,468,259)	(208,722,315)
Income tax (expense) receive	(6,589,801)	19,460,571
Post-tax loss from continuing operations	(103,058,060)	(189,261,744)
Other comprehensive income	469,011	1,248,183
Total comprehensive loss	(102,589,049)	(188,013,561)
Total comprehensive loss allocated to non-controlling interests	(7,508,995)	(13,676,682)

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

c) Principal subsidiaries (Cont'd)

Summarised statement of cash flows

	<b>Unit: Baht</b>	
	<b>MPIC</b>	
	<b>2015</b>	<b>2014</b>
Cash flow from operating activities		
Cash generated from operations	262,057,804	310,010,358
Interest received	5,474,168	139,781
Interest paid	(566,503)	(26,235,959)
Income tax received	16,442,407	-
Income tax paid	(15,340,247)	(26,313,190)
Net cash generated from operating activities	<u>268,067,629</u>	<u>257,600,990</u>
Net cash used in investing activities	<u>(221,083,262)</u>	<u>(338,057,608)</u>
Net cash from (used in) financing activities	<u>(40,234,832)</u>	<u>124,011,522</u>
<b>Net increase in cash and cash equivalents</b>	6,749,535	43,554,904
Cash and cash equivalents at beginning of year	<u>82,970,360</u>	<u>39,415,456</u>
Cash and cash equivalents at end of year	<u>89,719,895</u>	<u>82,970,360</u>

The information above is the amount before inter-company eliminations.

**Major Cineplex Group Public Company Limited**  
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**13 Property, plant and equipment**

**Unit: Baht**

	Consolidated								Total
	Land	Building and building improvement	Cinema and cinema improvement	Utility system	Tool, equipment and fixtures	Office equipment	Vehicle	Construction in progress	
<b>At 1 January 2014</b>									
Cost	208,316,998	1,832,918,909	3,386,889,108	1,251,366,000	5,279,925,986	331,095,990	18,787,587	184,132,172	12,493,432,750
<u>Less</u> Accumulated depreciation	-	(691,942,190)	(1,598,978,066)	(583,297,939)	(2,660,442,791)	(208,233,177)	(12,385,411)	-	(5,755,279,574)
Allowance for impairment	-	-	(3,500,000)	(2,382,135)	(35,283,536)	(669,714)	-	-	(41,835,385)
Net book value	<u>208,316,998</u>	<u>1,140,976,719</u>	<u>1,784,411,042</u>	<u>665,685,926</u>	<u>2,584,199,659</u>	<u>122,193,099</u>	<u>6,402,176</u>	<u>184,132,172</u>	<u>6,696,317,791</u>
<b>For the year ended 31 December 2014</b>									
Opening net book value	208,316,998	1,140,976,719	1,784,411,042	665,685,926	2,584,199,659	122,193,099	6,402,176	184,132,172	6,696,317,791
Exchange differences	-	-	1,088,597	-	466,755	108,690	-	-	1,664,042
Additions	-	4,180,444	138,615,109	75,091,100	258,231,566	42,472,281	2,414,953	349,956,419	870,961,872
Transfer	-	10,621,718	96,416,813	26,625,898	204,798,074	34,960,285	-	(373,422,788)	-
Disposals, net	-	-	(1,248,265)	(131,189)	(15,601,076)	(387,971)	-	-	(17,368,501)
Write-off, net	-	(453,227)	(13,512,574)	(6,312,853)	(6,450,928)	(19,333)	-	-	(26,748,915)
Depreciation charge	-	(91,734,903)	(167,370,583)	(69,469,457)	(357,348,255)	(69,346,300)	(2,631,990)	-	(757,901,488)
Impairment charge (reversal), net	-	-	3,500,000	2,382,135	(42,315,512)	-	-	-	(36,433,377)
Closing net book value	<u>208,316,998</u>	<u>1,063,590,751</u>	<u>1,841,900,139</u>	<u>693,871,560</u>	<u>2,625,980,283</u>	<u>129,980,751</u>	<u>6,185,139</u>	<u>160,665,803</u>	<u>6,730,491,424</u>
<b>At 31 December 2014</b>									
Cost	208,316,998	1,847,134,305	3,595,902,957	1,340,630,689	5,644,015,956	400,325,707	21,202,540	160,665,803	13,218,194,955
<u>Less</u> Accumulated depreciation	-	(783,543,554)	(1,754,002,818)	(646,759,129)	(2,940,436,625)	(269,675,242)	(15,017,401)	-	(6,409,434,769)
Allowance for impairment	-	-	-	-	(77,599,048)	(669,714)	-	-	(78,268,762)
Net book value	<u>208,316,998</u>	<u>1,063,590,751</u>	<u>1,841,900,139</u>	<u>693,871,560</u>	<u>2,625,980,283</u>	<u>129,980,751</u>	<u>6,185,139</u>	<u>160,665,803</u>	<u>6,730,491,424</u>

**Major Cineplex Group Public Company Limited**  
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**13 Property, plant and equipment (Cont'd)**

	<b>Unit: Baht</b>								
	<b>Consolidated</b>								
	<b>Land</b>	<b>Building and building improvement</b>	<b>Cinema and cinema improvement</b>	<b>Utility system</b>	<b>Tool, Equipment and fixtures</b>	<b>Office equipment</b>	<b>Vehicle</b>	<b>Construction in progress</b>	<b>Total</b>
<b>For the year ended 31 December 2015</b>									
Opening net book value	208,316,998	1,063,590,751	1,841,900,139	693,871,560	2,625,980,283	129,980,751	6,185,139	160,665,803	6,730,491,424
Exchange differences	-	-	4,468,967	-	1,110,046	164,771	-	-	5,743,784
Acquisition of subsidiary (Note 35)	-	-	-	-	7,500,230	17,988	-	-	7,518,218
Additions	-	605,835	235,719,740	124,524,149	441,218,680	38,447,962	3,390,000	653,554,338	1,497,460,704
Transfer	-	(1,492)	232,931,600	53,566,097	400,938,023	57,310,171	-	(744,744,399)	-
Disposals, net	-	(2)	(556,778)	(4)	(4,874,466)	(155,289)	(174,425)	-	(5,760,964)
Write-off, net	-	(100,228)	(453,863)	(2,759,016)	(9,874,075)	-	-	-	(13,187,182)
Depreciation charge	-	(93,082,601)	(192,531,446)	(75,034,130)	(410,293,479)	(84,630,916)	(2,767,253)	-	(858,339,825)
Impairment charge (reversal), net	-	-	-	(2,873,459)	(3,226,503)	87,578	-	-	(6,012,384)
Closing net book value	<u>208,316,998</u>	<u>971,012,263</u>	<u>2,121,478,359</u>	<u>791,295,197</u>	<u>3,048,478,739</u>	<u>141,223,016</u>	<u>6,633,461</u>	<u>69,475,742</u>	<u>7,357,913,775</u>
<b>At 31 December 2015</b>									
Cost	208,316,998	1,847,430,085	4,054,889,377	1,506,025,331	6,369,745,115	482,962,085	22,465,758	69,475,742	14,561,310,491
Less Accumulated depreciation	-	(876,417,822)	(1,933,411,018)	(711,856,675)	(3,240,152,717)	(341,445,040)	(15,832,297)	-	(7,119,115,569)
Allowance for impairment	-	-	-	(2,873,459)	(81,113,659)	(294,029)	-	-	(84,281,147)
Net book value	<u>208,316,998</u>	<u>971,012,263</u>	<u>2,121,478,359</u>	<u>791,295,197</u>	<u>3,048,478,739</u>	<u>141,223,016</u>	<u>6,633,461</u>	<u>69,475,742</u>	<u>7,357,913,775</u>

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2015**

**13 Property, plant and equipment (Cont'd)**

**Unit: Baht**

	<b>Company</b>							<b>Total</b>
	<b>Land</b>	<b>Building, cinema and cinema improvement</b>	<b>Utility system</b>	<b>Tool, equipment and fixtures</b>	<b>Office equipment</b>	<b>Vehicle</b>	<b>Construction in progress</b>	
<b>At 1 January 2014</b>								
Cost	173,406,998	2,380,057,344	493,740,669	2,159,417,653	203,304,166	10,639,676	143,254,832	5,563,821,338
<u>Less</u> Accumulated depreciation	-	(953,629,303)	(143,697,206)	(955,744,932)	(108,714,781)	(6,991,762)	-	(2,168,777,984)
Allowance for impairment	-	(3,500,000)	(1,000,000)	(30,000,000)	-	-	-	(34,500,000)
Net book value	<u>173,406,998</u>	<u>1,422,928,041</u>	<u>349,043,463</u>	<u>1,173,672,721</u>	<u>94,589,385</u>	<u>3,647,914</u>	<u>143,254,832</u>	<u>3,360,543,354</u>
<b>For the year ended 31 December 2014</b>								
Opening net book value	173,406,998	1,422,928,041	349,043,463	1,173,672,721	94,589,385	3,647,914	143,254,832	3,360,543,354
Additions	-	77,012,811	61,274,430	147,003,495	25,634,478	2,414,954	274,415,928	587,756,096
Transfer	-	87,530,516	19,872,576	154,979,972	31,610,517	-	(293,993,581)	-
Disposals, net	-	(1,248,265)	(56,258)	(5,557,710)	(238,241)	-	-	(7,100,474)
Write-off, net	-	(13,965,801)	(3,946,983)	-	-	-	-	(17,912,784)
Depreciation charge	-	(132,080,473)	(35,311,790)	(153,645,576)	(52,796,214)	(1,222,931)	-	(375,056,984)
Impairment charge (reversal), net	-	3,500,000	1,000,000	(40,207,427)	-	-	-	(35,707,427)
Closing net book value	<u>173,406,998</u>	<u>1,443,676,829</u>	<u>391,875,438</u>	<u>1,276,245,475</u>	<u>98,799,925</u>	<u>4,839,937</u>	<u>123,677,179</u>	<u>3,512,521,781</u>
<b>At 31 December 2014</b>								
Cost	173,406,998	2,516,958,000	568,118,379	2,418,048,739	254,285,762	13,054,629	123,677,179	6,067,549,686
<u>Less</u> Accumulated depreciation	-	(1,073,281,171)	(176,242,941)	(1,071,595,837)	(155,485,837)	(8,214,692)	-	(2,484,820,478)
Allowance for impairment	-	-	-	(70,207,427)	-	-	-	(70,207,427)
Net book value	<u>173,406,998</u>	<u>1,443,676,829</u>	<u>391,875,438</u>	<u>1,276,245,475</u>	<u>98,799,925</u>	<u>4,839,937</u>	<u>123,677,179</u>	<u>3,512,521,781</u>

Major Cineplex Group Public Company Limited  
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13 Property, plant and equipment (Cont'd)

	Company						Unit: Baht	
	Land	Building, cinema and cinema improvement	Utility system	Tool, equipment and fixtures	Office equipment	Vehicle	Construction in progress	Total
<b>For the year ended 31 December 2015</b>								
Opening net book value	173,406,998	1,443,676,829	391,875,438	1,276,245,475	98,799,925	4,839,937	123,677,179	3,512,521,781
Additions	-	172,155,536	91,788,404	311,671,897	22,881,708	-	539,298,566	1,137,796,111
Transfer	-	198,016,889	46,344,847	329,142,853	45,902,817	-	(619,407,406)	-
Disposals, net	-	(548,593)	(2)	(941,982)	(106,801)	(1)	-	(1,597,379)
Write-off, net	-	(453,863)	-	(14)	-	-	-	(453,877)
Depreciation charge	-	(151,866,924)	(41,536,399)	(195,795,664)	(63,573,297)	(1,566,359)	-	(454,338,643)
Closing net book value	<u>173,406,998</u>	<u>1,660,979,874</u>	<u>488,472,288</u>	<u>1,720,322,565</u>	<u>103,904,352</u>	<u>3,273,577</u>	<u>43,568,339</u>	<u>4,193,927,993</u>
<b>At 31 December 2015</b>								
Cost	173,406,998	2,872,300,116	705,919,931	3,022,224,655	314,568,353	12,642,629	43,568,339	7,144,631,021
Less Accumulated depreciation	-	(1,211,320,242)	(217,447,643)	(1,231,694,663)	(210,664,001)	(9,369,052)	-	(2,880,495,601)
Allowance for impairment	-	-	-	(70,207,427)	-	-	-	(70,207,427)
Net book value	<u>173,406,998</u>	<u>1,660,979,874</u>	<u>488,472,288</u>	<u>1,720,322,565</u>	<u>103,904,352</u>	<u>3,273,577</u>	<u>43,568,339</u>	<u>4,193,927,993</u>

**13 Property, plant and equipment (Cont'd)**

Depreciation expense of Baht 632.99 million (2014: Baht 574.37 million) has been charged in “costs of providing services” and Baht 225.35 million (2014: Baht 183.53 million) in “administrative expense” in the consolidated income statements.

Depreciation expense of Baht 309.20 million (2014: Baht 257.52 million) has been charged in “costs of providing services” and Baht 145.14 million (2014: Baht 117.54 million) in “administrative expense” in the company income statements.

As at 31 December 2015, the land and buildings have been pledged with the net book value of 37.84 million (2014: Baht 38.61 million) under the land and building long-term lease agreement. According to the agreement, the Group is unable to sell, lease or use these assets as collateral to other parties.

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Cost - capitalised finance leases	605,589,382	607,298,141	19,231,683	20,725,683
<u>Less</u> Accumulated depreciation	(324,186,780)	(247,004,237)	(4,860,127)	(5,115,553)
Net book amount	<u>281,402,602</u>	<u>360,293,904</u>	<u>14,371,556</u>	<u>15,610,130</u>

**14 Goodwill**

	Unit: Baht	
	Consolidated	
	2015	2014
<b>At 1 January</b>		
Cost	342,112,936	342,112,936
<u>Less</u> Allowance for impairment	(58,752,212)	(55,047,537)
Net book value	<u>283,360,724</u>	<u>287,065,399</u>
<b>For the years ended 31 December</b>		
Opening net book value	283,360,724	287,065,399
Impairment charge (Note 29)	(45,031,914)	(3,704,675)
Closing net book value	<u>238,328,810</u>	<u>283,360,724</u>
<b>At 31 December</b>		
Cost	337,065,399	342,112,936
<u>Less</u> Allowance for impairment	(98,736,589)	(58,752,212)
Net book value	<u>238,328,810</u>	<u>283,360,724</u>

The carrying amount of the goodwill has been reduced to its recoverable amount. This loss has been included in income statement.



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**14 Goodwill (Cont'd)**

The carrying amount of the segment has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss has been included in cost of goods sold in profit or loss.

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

	<b>Consolidated</b>					<b>Unit : Baht</b>
	<b>Cinema business</b>	<b>Advertising business</b>	<b>Bowing and Karaoke business</b>	<b>Rental and services business</b>	<b>Movie content business</b>	<b>Total</b>
<b>Goodwill allocation</b>						
<b>For the year ended 31 December 2015</b>						
Cost	20,159,523	-	1,327,239	52,746,610	262,832,027	337,065,399
<u>Less</u> Allowance for impairment	-	-	(1,327,239)	-	(97,409,350)	(98,736,589)
Net book value	<u>20,159,523</u>	<u>-</u>	<u>-</u>	<u>52,746,610</u>	<u>165,422,677</u>	<u>238,328,810</u>
<b>For the year ended 31 December 2014</b>						
Cost	25,207,060	-	1,327,239	52,746,610	262,832,027	342,112,936
<u>Less</u> Allowance for impairment	(5,047,537)	-	-	-	(53,704,675)	(58,752,212)
Net book value	<u>20,159,523</u>	<u>-</u>	<u>1,327,239</u>	<u>52,746,610</u>	<u>209,127,352</u>	<u>283,360,724</u>

**14 Goodwill (Cont'd)**

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

Key assumptions used in the recoverable amount assessment include:

	<b>Cinema business</b>	<b>Bowling and Karaoke business</b>	<b>Rental and services business</b>	<b>Movie content business</b>
Gross margin <sup>1</sup> (%)	28.0 - 31.1	42.7	19.5 - 27.1	2.0 - 51.0
Growth rate <sup>2</sup> (%)	2.0	0.0	5.0	2.0
Discount rate <sup>3</sup> (%)	9.4	9.4	9.3	7.7
Recoverable amount of the CGU (million baht) (only CGU which have goodwill)	4,142.31	1,081.39	2,614.50	675.85

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

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

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

During the year 2015, the Group recognised impairment on goodwill of a subsidiary which was primarily due to the significant decrease in projected revenue arising from external factors as well as market situation and trend.

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**15 Intangible assets**

	<b>Consolidated</b>			<b>Unit: Baht</b>
	<b>Film rights</b>	<b>Computer program</b>	<b>Total</b>	<b>Company</b>
				<b>Computer program</b>
<b>At 1 January 2014</b>				
Cost	3,645,013,138	100,942,239	3,745,955,377	88,891,532
<u>Less</u> Accumulated amortisation	(3,248,841,559)	(44,548,603)	(3,293,390,162)	(38,446,826)
Allowance for impairment	(82,652,174)	(1,316,009)	(83,968,183)	-
Net book value	<u>313,519,405</u>	<u>55,077,627</u>	<u>368,597,032</u>	<u>50,444,706</u>
<b>For the year ended 31 December 2014</b>				
Opening net book value	313,519,405	55,077,627	368,597,032	50,444,706
Exchange differences	-	63,410	63,410	-
Additions	286,330,707	21,869,095	308,199,802	15,426,272
Amortisation	(432,085,595)	(21,253,623)	(453,339,218)	(19,626,478)
Impairment charge	(14,420,663)	-	(14,420,663)	-
Closing net book value	<u>153,343,854</u>	<u>55,756,509</u>	<u>209,100,363</u>	<u>46,244,500</u>
<b>At 31 December 2014</b>				
Cost	3,931,343,845	122,882,434	4,054,226,279	104,317,804
<u>Less</u> Accumulated amortisation	(3,680,927,154)	(65,809,916)	(3,746,737,070)	(58,073,304)
Allowance for impairment	(97,072,837)	(1,316,009)	(98,388,846)	-
Net book value	<u>153,343,854</u>	<u>55,756,509</u>	<u>209,100,363</u>	<u>46,244,500</u>
<b>For the year ended 31 December 2015</b>				
Opening net book value	153,343,854	55,756,509	209,100,363	46,244,500
Exchange differences	-	316,602	316,602	-
Additions	213,891,242	24,362,557	238,253,799	21,789,173
Write-off	(3,665,200)	-	(3,665,200)	-
Amortisation	(308,411,781)	(20,410,473)	(328,822,254)	(18,262,565)
Impairment charge	16,767,305	-	16,767,305	-
Closing net book value	<u>71,925,420</u>	<u>60,025,195</u>	<u>131,950,615</u>	<u>49,771,108</u>
<b>At 31 December 2015</b>				
Cost	4,141,569,887	147,599,765	4,289,169,652	126,106,977
<u>Less</u> Accumulated amortisation	(3,989,338,936)	(86,258,561)	(4,075,597,497)	(76,335,869)
Allowance for impairment	(80,305,531)	(1,316,009)	(81,621,540)	-
Net book value	<u>71,925,420</u>	<u>60,025,195</u>	<u>131,950,615</u>	<u>49,771,108</u>

Amortisation of Baht 308.41 million (2014: Baht 432.08 million) is included in the cost of sales and Baht 20.41 million (2014: Baht 21.26 million) in administrative expenses in the consolidated income statement.

Amortisation of Baht 18.26 million (2014: Baht 19.63 million) is included in administrative expenses in the company income statement.

16 Deferred income tax assets and liabilities

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	24,738,074	35,646,714	2,827,384	1,522,233
Deferred tax asset to be recovered after more than 12 months	97,549,249	115,276,679	31,411,070	38,352,077
	<u>122,287,323</u>	<u>150,923,393</u>	<u>34,238,454</u>	<u>39,874,310</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(34,610,322)	(34,668,471)	(2,092,307)	(1,666,761)
Deferred tax liability to be settled after more than 12 months	(409,756,171)	(424,959,490)	(119,074,008)	(120,394,773)
	<u>(444,366,493)</u>	<u>(459,627,961)</u>	<u>(121,166,315)</u>	<u>(122,061,534)</u>
<b>Deferred tax, net</b>	<u>(322,079,170)</u>	<u>(308,704,568)</u>	<u>(86,927,861)</u>	<u>(82,187,224)</u>

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
At 1 January	(308,704,568)	(333,457,371)	(82,187,224)	(91,600,342)
Credited to profit or loss	(10,623,374)	23,449,208	(1,584,069)	8,109,522
Tax charged directly to equity	(2,751,228)	1,303,595	(3,156,568)	1,303,596
At 31 December	<u>(322,079,170)</u>	<u>(308,704,568)</u>	<u>(86,927,861)</u>	<u>(82,187,224)</u>

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**16 Deferred income taxes (Cont'd)**

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

	<b>Consolidated</b>			<b>Unit: Baht</b>
	<b>At 1 January 2015</b>	<b>(Charged) credited to profit or loss</b>	<b>Charged directly to equity</b>	<b>At 31 December 2015</b>
<b>Deferred tax assets</b>				
Impairment loss of investment	600,000	3,700,000	-	4,300,000
Amortisation of film right	18,995,739	(9,467,207)	-	9,528,532
Depreciation	516,825	1,180,988	-	1,697,813
Impairment loss of assets	15,514,953	(8,435,307)	-	7,079,646
Fixed assets under				
finance lease contracts	28,737,065	(4,840,399)	-	23,896,666
Prepaid rents	373,204	(24,567)	-	348,637
Finance lease liabilities	64,402,138	(13,876,764)	-	50,525,374
Employee benefit	4,839,651	542,081	1,486,205	6,867,937
Provision for customers loyalty program	3,953,727	(1,508,349)	-	2,445,378
Construction grants	12,990,091	2,607,249	-	15,597,340
<b>Total</b>	<b>150,923,393</b>	<b>(30,122,275)</b>	<b>1,486,205</b>	<b>122,287,323</b>
<b>Deferred tax liabilities</b>				
Available-for-sale investment	(101,212,615)	-	(4,237,433)	(105,450,048)
Investment in associates and				
joint ventures	(32,783,179)	(12,159,194)	-	(44,942,373)
Amortisation	(1,315,149)	(81,501)	-	(1,396,650)
Finance lease receivables	(2,545,545)	20,042	-	(2,525,503)
Depreciation	(113,121,150)	19,073,726	-	(94,047,424)
Prepaid rental and services income	(208,650,323)	12,645,828	-	(196,004,495)
<b>Total</b>	<b>(459,627,961)</b>	<b>19,498,901</b>	<b>(4,237,433)</b>	<b>(444,366,493)</b>
<b>Deferred tax, net</b>	<b>(308,704,568)</b>	<b>(10,623,374)</b>	<b>(2,751,228)</b>	<b>(322,079,170)</b>

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**16 Deferred income taxes (Cont'd)**

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

	<b>Consolidated</b>			<b>Unit: Baht</b>
	<b>At 1 January 2014</b>	<b>(Charged) credited to profit or loss</b>	<b>Charged directly to equity</b>	<b>At 31 December 2014</b>
<b>Deferred tax assets</b>				
Impairment loss of investment	600,000	-	-	600,000
Amortisation of film right	-	18,995,739	-	18,995,739
Depreciation	1,616,138	(1,099,313)	-	516,825
Impairment loss of assets	6,900,000	8,614,953	-	15,514,953
Fixed assets under				
finance lease contracts	34,344,844	(5,607,779)	-	28,737,065
Prepaid rents	397,772	(24,568)	-	373,204
Finance lease liabilities	83,380,893	(18,978,755)	-	64,402,138
Employee benefit	3,293,734	1,545,917	-	4,839,651
Provision for customers loyalty program	2,860,000	1,093,727	-	3,953,727
Construction grants	12,986,380	3,711	-	12,990,091
<b>Total</b>	<b>146,379,761</b>	<b>4,543,632</b>	<b>-</b>	<b>150,923,393</b>
<b>Deferred tax liabilities</b>				
Available-for-sale investment	(102,516,210)	-	1,303,595	(101,212,615)
Investment in associates and				
joint ventures	(25,019,761)	(7,763,418)	-	(32,783,179)
Amortisation	(4,794,979)	3,479,830	-	(1,315,149)
Finance lease receivables	(2,556,426)	10,881	-	(2,545,545)
Depreciation	(123,583,785)	10,462,635	-	(113,121,150)
Prepaid rental and services income	(221,365,971)	12,715,648	-	(208,650,323)
<b>Total</b>	<b>(479,837,132)</b>	<b>18,905,576</b>	<b>1,303,595</b>	<b>(459,627,961)</b>
<b>Deferred tax, net</b>	<b>(333,457,371)</b>	<b>23,449,208</b>	<b>1,303,595</b>	<b>(308,704,568)</b>

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**16 Deferred income taxes (Cont'd)**

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

	<b>Company</b>			<b>Unit: Baht</b>
	<b>At 1 January 2015</b>	<b>(Charged) credited to profit or loss</b>	<b>Charged directly to Equity</b>	<b>At 31 December 2015</b>
<b>Deferred tax assets</b>				
Impairment loss of investment	600,000	(300,000)	-	300,000
Depreciation	513,060	(127,860)	-	385,200
Provision for impairment of assets	14,041,485	(7,743,567)	-	6,297,918
Finance lease liabilities	4,164,420	22,554	-	4,186,974
Employee benefit	3,611,527	333,252	1,080,865	5,025,644
Provision for customers loyalty program	3,953,727	(1,508,349)	-	2,445,378
Construction grants	12,990,091	2,607,249	-	15,597,340
<b>Total</b>	<b>39,874,310</b>	<b>(6,716,721)</b>	<b>1,080,865</b>	<b>34,238,454</b>
<b>Deferred tax liabilities</b>				
Available-for-sale investment	(101,212,615)	-	(4,237,433)	(105,450,048)
Amortisation	(980,295)	(48,862)	-	(1,029,157)
Depreciation	(19,868,624)	5,181,514	-	(14,687,110)
<b>Total</b>	<b>(122,061,534)</b>	<b>5,132,652</b>	<b>(4,237,433)</b>	<b>(121,166,315)</b>
<b>Deferred tax, net</b>	<b>(82,187,224)</b>	<b>(1,584,069)</b>	<b>(3,156,568)</b>	<b>(86,927,861)</b>

	<b>Company</b>			<b>Unit: Baht</b>
	<b>At 1 January 2014</b>	<b>(Charged) credited to profit or loss</b>	<b>Charged directly to Equity</b>	<b>At 31 December 2014</b>
<b>Deferred tax assets</b>				
Impairment loss of investment	600,000	-	-	600,000
Depreciation	640,919	(127,859)	-	513,060
Provision for impairment of assets	6,900,000	7,141,485	-	14,041,485
Finance lease liabilities	4,130,752	33,668	-	4,164,420
Employee benefit	2,352,291	1,259,236	-	3,611,527
Provision for customers loyalty program	2,860,000	1,093,727	-	3,953,727
Construction grants	12,986,380	3,711	-	12,990,091
<b>Total</b>	<b>30,470,342</b>	<b>9,403,968</b>	<b>-</b>	<b>39,874,310</b>
<b>Deferred tax liabilities</b>				
Available-for-sale investment	(102,516,210)	-	1,303,595	(101,212,615)
Amortisation	(922,672)	(57,623)	-	(980,295)
Depreciation	(18,631,802)	(1,236,822)	-	(19,868,624)
<b>Total</b>	<b>(122,070,684)</b>	<b>(1,294,445)</b>	<b>1,303,595</b>	<b>(122,061,534)</b>
<b>Deferred tax, net</b>	<b>(91,600,342)</b>	<b>8,109,523</b>	<b>1,303,595</b>	<b>(82,187,224)</b>

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**16 Deferred income taxes (Cont'd)**

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Deferred tax assets	14,255,518	19,770,556	-	-
Deferred tax liabilities	(336,334,688)	(328,475,124)	(86,927,861)	(82,187,224)
Deferred tax, net	(322,079,170)	(308,704,568)	(86,927,861)	(82,187,224)

**17 Prepaid rents**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Current portion	40,777,104	34,153,853	16,095,758	9,472,507
Long-term portion	539,850,485	453,130,007	26,1332,688	149,930,864
Total prepaid rents	580,627,589	487,283,860	277,428,446	159,403,371

As at 31 December 2015, leasehold rights of the Group with the net book value of Baht 19.20 million (2014: Baht 21.60 million) are pledged as collateral for bank borrowings (Note 20).

**18 Other non-current assets**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Deposits	267,701,421	237,450,332	168,352,621	144,328,670
Others	72,751,292	174,675,627	72,751,293	174,658,242
	340,452,713	412,125,959	241,103,914	318,986,912

**19 Trade account and other payables**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Trade account payables	685,703,368	733,793,207	479,136,759	575,267,158
Amounts due to related parties (Note 36)	22,313,972	54,286,012	27,547,944	53,749,972
Other payables	397,628,728	307,899,909	282,315,342	205,965,033
Accrued expenses	359,058,870	413,424,630	188,355,609	224,331,173
Rental and service incomes received in advance	443,192,728	389,951,489	304,420,989	246,926,263
Trade account and other payables	1,907,897,666	1,899,355,247	1,281,776,643	1,306,239,599

Rental and service incomes received in advance included cash advanced from customers amounting to Baht 74.62 million (2014: Baht 74.88 million), which received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.



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**20 Borrowings**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Current</b>				
Bank overdrafts	9,504,621	-	-	-
Short-term loans from financial institutions	2,455,477,440	2,235,000,000	2,455,477,440	2,185,000,000
Total bank overdrafts and short-term loans from financial institutions	2,464,982,061	2,235,000,000	2,455,477,440	2,185,000,000
Current portion of long-term borrowings:				
- Finance lease liabilities	81,021,009	75,558,437	1,542,387	170,261
- Bank borrowings	20,000,000	40,000,000	20,000,000	40,000,000
- Debentures	800,000,000	-	800,000,000	-
Total current portion of long-term borrowings	901,021,009	115,558,437	821,542,387	40,170,261
<b>Non-current portion of long-term borrowings</b>				
- Finance lease liabilities	287,177,012	367,673,968	19,403,094	20,945,481
- Bank borrowings	-	20,000,000	-	20,000,000
- Debentures	1,000,000,000	1,800,000,000	1,000,000,000	1,800,000,000
Total non-current portion of long-term borrowings	1,287,177,012	2,187,673,968	1,019,403,094	1,840,945,481
Total borrowings and debentures	4,653,180,082	4,538,232,405	4,296,422,921	4,066,115,742

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Borrowings:				
- Fixed rates	4,275,477,440	4,095,000,000	4,275,477,440	4,045,000,000
- Floating rates	9,504,621	-	-	-
	4,284,982,061	4,095,000,000	4,275,477,440	4,045,000,000

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**20 Borrowings (Cont'd)**

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

	<b>Unit: Baht</b>			
	<b>Consolidated</b>			
	<b>6 months or less</b>	<b>6 - 12 months</b>	<b>1 - 5 years</b>	<b>Total</b>
At 31 December 2015	3,275,477,440	-	1,000,000,000	4,275,477,440
Total borrowings	<u>3,275,477,440</u>	<u>-</u>	<u>1,000,000,000</u>	<u>4,275,477,440</u>
At 31 December 2014	2,255,000,000	20,000,000	1,820,000,000	4,095,000,000
Total borrowings	<u>2,255,000,000</u>	<u>20,000,000</u>	<u>1,820,000,000</u>	<u>4,095,000,000</u>

  

	<b>Unit: Baht</b>			
	<b>Company</b>			
	<b>6 months or less</b>	<b>6 - 12 months</b>	<b>1 - 5 years</b>	<b>Total</b>
At 31 December 2015	3,275,477,440	-	1,000,000,000	4,275,477,440
Total borrowings	<u>3,275,477,440</u>	<u>-</u>	<u>1,000,000,000</u>	<u>4,275,477,440</u>
At 31 December 2014	2,205,000,000	20,000,000	1,820,000,000	4,045,000,000
Total borrowings	<u>2,205,500,000</u>	<u>20,000,000</u>	<u>1,820,000,000</u>	<u>4,045,000,000</u>

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
- Bank overdrafts	7.37 - 8.25	7.28 - 8.00	7.37 - 8.25	7.40 - 8.00
- Bank borrowings	2.05 - 4.60	2.85 - 6.75	2.05 - 4.60	2.85 - 4.60
- Debentures	3.54 - 4.60	3.54 - 4.60	3.54 - 4.60	3.54 - 4.60

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**20 Borrowings (Cont'd)**

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

	<b>Unit: Baht</b>			
	<b>Consolidated</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Long-term bank borrowings	-	20,000,000	-	19,867,358
Debentures	1,000,000,000	1,800,000,000	1,040,484,370	1,854,779,840
	<u>1,000,000,000</u>	<u>1,820,000,000</u>	<u>1,040,484,370</u>	<u>1,874,647,198</u>
	<b>Unit: Baht</b>			
	<b>Company</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Long-term bank borrowings	-	20,000,000	-	19,867,358
Debentures	1,000,000,000	1,800,000,000	1,040,484,370	1,854,779,840
	<u>1,000,000,000</u>	<u>1,820,000,000</u>	<u>1,040,484,370</u>	<u>1,874,647,198</u>

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values of debentures are based on their market price in Thai Bond Market Association as of the date of statement of financial position and are within level 2 of the fair value hierarchy.

Finance lease liabilities-minimum lease payments are as follows:

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Not later than 1 year	92,351,308	92,560,585	1,542,387	1,843,791
Later than 1 year but not later than 5 years	283,245,401	372,960,791	6,821,207	6,567,998
Later than 5 years	44,339,024	46,341,813	42,109,989	43,905,585
	419,935,733	511,863,189	50,473,583	52,317,374
<u>Less</u> Future finance charges on finance leases	<u>(51,737,712)</u>	<u>(68,630,784)</u>	<u>(29,528,102)</u>	<u>(31,201,632)</u>
Present value of finance lease liabilities	<u>368,198,021</u>	<u>443,232,405</u>	<u>20,945,481</u>	<u>21,115,742</u>

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**20 Borrowings (Cont'd)**

The present value of finance lease liabilities is as follows:

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Not later than 1 year	81,021,009	75,558,437	1,542,387	170,261
Later than 1 year	287,177,012	367,673,968	19,403,094	20,945,481
	<u>368,198,021</u>	<u>443,232,405</u>	<u>20,945,481</u>	<u>21,115,742</u>

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

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Opening balance	60,000,000	240,377,502	60,000,000	100,000,000
Additions	-	49,400,000	-	-
Repayments	(40,000,000)	(229,777,502)	(40,000,000)	(40,000,000)
Closing balance	<u>20,000,000</u>	<u>60,000,000</u>	<u>20,000,000</u>	<u>60,000,000</u>

Maturity of bank borrowings is as follows:

Within 1 year	20,000,000	40,000,000	20,000,000	40,000,000
Between 1 year and 2 years	-	20,000,000	-	20,000,000
Between 2 years and 5 years	-	-	-	-
	<u>20,000,000</u>	<u>60,000,000</u>	<u>20,000,000</u>	<u>60,000,000</u>

Short-term loans from financial institutions represent bills of exchange and promissory notes denominated in Thai Baht bearing interest at the rates ranging from 2.05% to 4.60% per annum (2014: 2.85% to 6.75% per annum).

Long-term bank borrowings bear interest at the rates ranging 4.60% per annum (2014: 4.60% to 6.25% per annum) and are secured by the pledge of leasehold rights (Note 17).

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**20 Borrowings (Cont'd)**

**Debentures**

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

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

<b>Term</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Debentures Baht Million</b>	<b>Fixed interest rate (%) per annum</b>
5 years	10 August 2012	10 August 2017	1,000	4.60
3 years	15 May 2013	15 May 2016	800	3.54

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

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

**Borrowing facilities**

As at 31 December 2015, the available credit facilities from financial institutions of the Group and the Company are Baht 4,719.17 million, and Baht 4,136.83 million, respectively, (2014: Baht 3,925.00 million, and Baht 2,320.00 million, respectively). The facilities expiring within 3 years are annual facilities subject to review at various dates during years which will mainly be used for cinema construction and working capital.

**21 Other current liabilities**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Undue output value added tax	28,502,229	40,721,638	7,554,476	8,007,321
Provision for customers loyalty program	12,226,893	19,768,638	12,226,893	19,768,638
Provision for goods returned	17,381,425	44,424,860	-	-
Others	34,538,735	49,617,123	16,881,376	26,564,625
	<u>92,649,282</u>	<u>154,532,259</u>	<u>36,662,745</u>	<u>54,340,584</u>

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**22 Employee benefit obligations**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Statement of financial position				
Retirement benefits	36,289,093	25,656,872	25,128,217	18,057,635
Liability in the statement of financial position	<u>36,289,093</u>	<u>25,656,872</u>	<u>25,128,217</u>	<u>18,057,635</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	3,493,968	3,433,700	1,990,782	2,051,590
	<u>3,493,968</u>	<u>3,433,700</u>	<u>1,990,782</u>	<u>2,051,590</u>
Remeasurement for:				
Retirement benefits	7,598,777	(695,873)	5,404,324	-
	<u>7,598,777</u>	<u>(695,873)</u>	<u>5,404,324</u>	<u>-</u>

**Retirement benefits**

Retirement benefits are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
At 1 January	25,656,872	22,919,045	18,057,635	16,006,045
Current service cost	2,588,777	2,542,782	1,392,005	1,415,558
Interest expense	905,191	890,918	598,777	636,032
Benefit paid	(460,524)	-	(324,524)	-
	<u>28,690,316</u>	<u>26,352,745</u>	<u>19,723,893</u>	<u>18,057,635</u>
Remeasurements:				
Loss from change in demographic assumptions	396,013	-	256,204	-
Loss from change in financial assumptions	3,370,811	-	2,234,346	-
Experience (gain) loss	3,831,953	(695,873)	2,913,774	-
	<u>7,598,777</u>	<u>(695,873)</u>	<u>5,404,324</u>	<u>-</u>
At 31 December	<u>36,289,093</u>	<u>25,656,872</u>	<u>25,128,217</u>	<u>18,057,635</u>

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	%	%	%	%
Discount rate	2.80	4.10	2.80	4.10
Inflation rate	3.00	3.00	3.00	3.00
Salary growth rate	3.00 - 9.00	3.00 - 9.00	3.00 - 9.00	3.00 - 9.00

**22 Employee benefit obligations (Cont'd)**

	<b>Impact on defined benefit obligation</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1 %	Decrease by 7%	Increase by 8%
Salary growth rate	1 %	Increase by 8%	Decrease by 7%
Turnover rate	20 %	Decrease by 13%	Increase by 19%
Mortality improvement rates	1 %	Decrease by 0%	Decrease by 0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields      A decrease in Government bond yields will increase plan liabilities.

Inflation risk                      The some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	<b>Consolidated</b>				
	<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2015 Retirement benefits	9,313,830	600,363	9,322,261	85,091,633	104,328,087
	<b>Company</b>				
	<b>Less than a year Baht</b>	<b>Between 1 - 2 years Baht</b>	<b>Between 2 - 5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
At 31 December 2015 Retirement benefits	6,661,132	182,899	6,879,548	51,873,097	65,596,676

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**23 Other non-current liabilities**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Deposit received	233,827,906	228,233,830	26,767,311	24,762,352
Rental and services income received in advance	144,703,421	166,297,318	-	-
Construction grants	79,532,989	66,950,455	79,532,989	66,950,455
	<u>458,064,316</u>	<u>461,481,603</u>	<u>106,300,300</u>	<u>91,712,807</u>

During 2015, the Company received construction grants from the lessors amounting to Baht 17.00 million (2014: Baht 5.00 million). Such amount is recognised as a discount rental fee based on period of lease agreements in consolidated and company financial statements.

**24 Share capital and premium on share capital**

	Authorised number of shares	Issued and fully paid-up		
		Number of shares	Ordinary shares Baht	Share premium Baht
<b>At 1 January 2014</b>	896,266,347	887,576,343	887,576,343	3,919,499,372
Issuance of shares				
- Exercised warrant - ESOP-W4	-	2,482,493	2,482,493	48,048,503
<b>At 31 December 2014</b>	896,266,347	890,058,836	890,058,836	3,967,547,875
Issuance of shares				
- Exercised warrant - ESOP-W4	-	2,460,822	2,460,822	47,292,239
<b>At 31 December 2015</b>	<u>896,266,347</u>	<u>892,519,658</u>	<u>892,519,658</u>	<u>4,014,840,114</u>

The total authorised number of ordinary shares is 896,266,347 shares (2014: 896,266,347 shares) with a par value of Baht 1 per share (2014: Baht 1 per share). The issued and fully paid-up ordinary shares is 892,519,658 shares (2014: 890,058,836 shares).

Employee share option scheme: During 2015, 206,500 options of the Company were exercised with exercise ratio 1:1.033 share resulted and 2,138,448 options were exercised with exercise ratio 1:1.051, respectively resulted in 2,460,822 shares being issued (31 December 2014: 2,405,500), with exercise price of Baht 1:1.1033 per share totaling proceeds of Baht 2,482,493 million, with exercise price for Baht 14.948 and Baht 14.687, respectively totaling proceeds of Baht 36.20 million (31 December 2014: Baht 14.948 totaling proceeds of Baht 37.11 million). The related weighted average price at the time of exercise was Baht 31.637 per share (31 December 2014: 23.62 per share).

During 2015, 250,088 options of a subsidiary were exercised with exercise ratio 1:1.29 share resulted in 321,861 shares being issued (31 December 2014: 333,450 options of subsidiary were exercised ratio 1:1.29 result in 430,150 shares), with exercise price of Baht 1.235 totaling proceeds of Baht 0.40 million (31 December 2014: exercise price of Baht 1.235 totaling proceeds of Baht 0.53 Million). The related weighted average price at the time of exercise was Baht 1.86 per share (31 December 2014: None).



**24 Share capital and premium on share capital (Cont'd)**

**Share premium - Treasury share**

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

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

**25 Share-based payment - Warrants**

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

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

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

	<u>Grant date</u>	<u>Issued units Million</u>	<u>Exercise Ratio unit/share</u>	<u>Exercise price Baht/unit</u>	<u>Exercise period</u>	
					<u>Start</u>	<u>End</u>
ESOP-W4	10 April 2012	8.69	1.000	15.440	30 June 2014	9 April 2017

The exercise ratio and price on the modification date are detailed below:

	<u>Modification date</u>	<u>Issued units Million</u>	<u>Exercise Ratio unit/share</u>	<u>Exercise price Baht/unit</u>
ESOP-W4	28 February 2013		8.57	1.017
ESOP-W4	10 April 2014		8.57	1.033
ESOP-W4	10 April 2015		8.57	1.051

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

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

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

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

	<u>Grant date</u>	<u>Issued units Million</u>	<u>Exercise ratio Unit/share</u>	<u>Exercise price Baht/unit</u>	<u>Exercise period</u>	
					<u>Start</u>	<u>End</u>
ESOP-W1	24 April 2012	4.42	1: 1.00	1.59	30 June 2014	23 April 2017
ESOP-W2	24 April 2015	13.00	1: 1.00	1.84	30 June 2017	23 April 2020

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

	<u>Modification date</u>	<u>Issued units Million</u>	<u>Exercise Ratio unit/share</u>	<u>Exercise price Baht/unit</u>
ESOP-W1	28 July 2014	4.42	1.290	1.240

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

	<u>Consolidated</u>		<u>Company</u>	
	<u>Average exercise price Baht per share</u>	<u>Option</u>	<u>Average exercise price Baht per share</u>	<u>Option</u>
<b>At 1 January 2015</b>		6,439,550		4,464,500
Granted				
by the subsidiary ESOP - W2	1.84	12,998,000		-
Forfeited				
by the subsidiary ESOP - W1		(333,450)		-
by the subsidiary ESOP - W2		(2,079,680)		-
by the subsidiary ESOP - W4		(87,000)		(87,000)
Exercise of warrants				
by the Company ESOP - W1	1.235	(250,088)		-
by the Company ESOP - W4	14.752	(2,344,948)	14.752	(2,344,948)
<b>At 31 December 2015</b>		<u>14,342,384</u>		<u>2,032,552</u>
<b>At 1 January 2014</b>		10,878,500		8,570,000
Forfeited				
by the subsidiary ESOP - W4		(1,700,000)		(1,700,000)
Exercise of warrants				
by the Company ESOP - W1	1.24	(333,450)		-
by the Company ESOP - W4	14.95	(2,405,500)	14.95	(2,405,500)
<b>At 31 December 2014</b>		<u>6,439,550</u>		<u>4,464,500</u>

**25 Share-based payment - Warrants (Cont'd)**

**25.2 Warrants issued and offered to employees of a subsidiary (ESOP) (Cont'd)**

During 2015, warrants of 2,595,036 options have been exercised amount of Baht 36.60 million (Note 24).

During 2014, warrants of 2,738,950 options have been exercised amount of Baht 37.64 million (Note 24).

As at 31 December 2015, the Company and its subsidiary have 2,032,552 and 12,309,832 outstanding warrants, respectively (2014: the Company and its subsidiary have 4,464,500 and 1,975,050 outstanding warrants respectively).

During 2015, the Company made a dividend payment higher than the dividend rate that met the condition as stipulated in the condition of warrants, resulted to change of the exercise price and exercise ratio. However, the change in condition of warrants was specified in the warrants certificate since grant date, which does not affect the fair value of the warrants.

<b>Condition of warrants</b>	<b>ESOP – W4</b>	<b>ESOP – W1</b>	<b>ESOP – W2</b>
Exercise price (Baht per share)	14.948	1.24	1.84
Exercise ratio (Unit per share)	1 : 1.033	1 : 1.29	1 : 1.00
<b>Variable used in Black - Scholes model</b>			
Fair value of warrant (Baht per option)	5.58 - 6.00	1.17 - 1.34	0.80
Volatility (%)	24.34 - 29.67	39.72 - 63.80	50.45
Dividend yield (%)	4.72 - 5.23	1.23	0.96
Weighted average share price at the grant date (Baht per share)	21.30	2.40	1.82
Expected option life (year)	1.33 - 3.33	0.18 - 1.93	5.00
Risk-free interest rate (%)	2.76 - 2.94	2.00 - 2.38	2.18

Volatility is derived from historical fluctuation of MAJOR and MPIC stock price. Historical period under consideration is based on remaining life of MAJOR-ESOP-W4, MPIC-ESOP-W1 and MPIC-ESOP-W2, given that value of MAJOR-ESOP-W4, MPIC-ESOP-W1 and MPIC-ESOP-W2 will rise when there is high fluctuation of MAJOR and MPIC stock price, respectively.

During 2015, the Group and the Company recognised the value of warrants over the vesting period, the amount of Baht 7.52 million and Baht 5.68 million, respectively, are recognised as an expense in the consolidated and company income statements with a corresponding credit to the consolidated and company equity.

**26 Legal reserve**

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

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**27 Non-controlling interest**

	<b>Unit: Baht</b>	
	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
Opening balance	55,961,314	(3,649,732)
Acquisition of investment in subsidiary	-	975,000
Additional of investment in subsidiary	-	72,765,066
Exercise of warrant	783,579	1,050,761
Share of profit from subsidiaries	10,747,868	(15,179,781)
Closing balance	<u>67,492,761</u>	<u>55,961,314</u>

**28 Other operating income**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Dividend income	947,583	3,323,461	137,664,217	134,578,691
Gains on disposals of investments	237,073,290	108,371,433	249,845,835	114,100,284
Management fee income	52,919,206	55,071,258	68,355,406	52,759,806
Interest income	6,624,192	11,852,324	41,716,366	52,806,487
Gain on exchange rate	27,681,650	6,385,086	26,113,962	5,885,677
Property tax income	22,269,642	22,306,323	2,424,857	2,245,582
Compensation income	8,188,753	9,721,426	6,346,920	-
Others	28,637,895	14,562,032	9,403,711	1,553,473
	<u>384,342,211</u>	<u>231,593,343</u>	<u>541,871,274</u>	<u>363,930,000</u>

**29 Expenses by nature**

	<b>Unit: Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Depreciation of property and equipment (Note 13)	858,339,825	757,901,488	454,338,643	375,056,984
Amortisation of intangible assets				
- Film rights (Note 15)	308,411,781	432,085,595	-	-
- Computer software (Note 15)	20,410,473	21,253,623	18,262,565	19,626,478
Amortisation of prepaid rents	39,121,291	34,153,853	14,439,945	9,472,507
Impairment of goodwill (Note 14)	45,031,914	3,704,675	-	-
Impairment of assets (reversal) (Notes 12, 13 and 15)	(10,754,921)	50,854,040	1,500,000	35,707,427
Repairs and maintenance expenditure	122,117,707	84,500,923	82,375,418	57,296,915
Staff costs	955,843,306	870,844,819	548,444,900	482,947,629
Loss from written-off of property, plant, equipment	13,187,182	26,748,915	453,877	17,912,784
Doubtful debts and bad debts (reversal)	12,439,704	99,763,025	-	544,353
Loss on diminution in value of inventories (reversal)	2,450,000	283,096	-	-
Loss on goods returns (reversal)	(26,976,712)	14,272,220	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	509,126,040	503,379,540	328,441,606	306,658,786

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**30 Finance costs**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Interest expenses:</b>				
Bank borrowings	62,727,846	75,100,307	62,207,034	52,408,009
Borrowings from subsidiaries and associates	723,019	2,558,867	45,531,168	32,035,735
Finance lease	17,026,389	20,856,273	1,673,530	1,693,099
Debentures	74,431,509	74,423,296	74,431,509	74,423,296
	<u>154,908,763</u>	<u>172,938,743</u>	<u>183,843,241</u>	<u>160,560,139</u>

**31 Income tax**

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Current tax:</b>				
Current tax on profits for the year	289,460,329	293,040,624	151,714,046	158,561,377
Adjustments in respect of prior year	(24,000)	1,217,915	-	-
<b>Total current tax</b>	<u>289,436,329</u>	<u>294,258,539</u>	<u>151,714,046</u>	<u>158,561,377</u>
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	10,623,374	(23,449,208)	1,584,069	(8,109,522)
<b>Total deferred tax</b>	<u>10,623,374</u>	<u>(23,449,208)</u>	<u>1,584,069</u>	<u>(8,109,522)</u>
<b>Total tax expense</b>	<u>300,059,703</u>	<u>270,809,331</u>	<u>153,298,115</u>	<u>150,451,855</u>

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

	Unit: Baht			
	Consolidated		Company	
	2015	2014	2015	2014
Profit before tax	1,481,730,056	1,341,908,550	913,940,561	853,293,875
Tax calculated at a tax rate of 20% (2013: 20%)	296,346,011	268,381,710	182,788,112	170,658,775
<b>Tax effect of:</b>				
Associate and joint ventures results reported net of tax	(35,277,360)	(32,030,869)	-	-
Income not subject to tax	-	-	(27,343,327)	(26,251,046)
Expenses not deductible for tax purpose	8,285,328	54,064,847	3,053,855	6,044,126
Expense that are deductible at a greater amount from actual expenses	(1,288,714)	(79,439)	(1,200,525)	-
Utilisation of previously unrecognised tax losses	(4,139,730)	(37,772,328)	-	-
Tax losses for which no deferred income tax asset was recognised	36,629,996	28,577,849	-	-
Unrealised losses (gain) from intercompany transaction	3,528,172	(11,529,654)	-	-
Re-measurement of deferred tax - change in tax rate	-	(20,700)	-	-
Adjustment in respect of prior year	(4,024,000)	1,217,915	(4,000,000)	-
<b>Tax charge</b>	<u>300,059,703</u>	<u>270,809,331</u>	<u>153,298,115</u>	<u>150,451,855</u>

### 32 Earnings per share

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

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: warrants (as detailed in Note 24). A calculation of warrants is made to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration.

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

	Consolidated					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
For the years ended 31 December	2015	2014	2015	2014	2015	2014
Basic earnings per share	1,170,922,485	1,086,279,001	891,234,359	888,359,624	1.31	1.22
The effect of dilutive potential shares	-	-	1,883,467	1,133,561	-	-
Diluted earnings per share	1,170,922,485	1,086,279,001	893,117,826	889,493,185	1.31	1.22

  

	Company					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
For the years ended 31 December	2015	2014	2015	2014	2015	2014
Basic earnings per share	760,642,446	702,842,020	891,234,359	888,359,624	0.85	0.79
The effect of dilutive potential shares	-	-	1,883,467	1,133,561	-	-
Diluted earnings per share	760,642,446	702,842,020	893,117,826	889,493,185	0.85	0.79

### 33 Dividends

#### For the year ended 31 December 2015

At the Board of Directors Meeting held on 7 August 2015, the directors passed the resolution to approved dividends payment in respect of the operating results for the period from January to June 2015 at Baht 0.55 per share, totalling Baht 490.66 million. The dividend will be distributed to shareholders listed in the register on 25 August 2015. The dividends were distributed to the shareholders on 4 September 2015.

At the Annual General Shareholders Meeting held on 2 April 2015, the shareholders passed the resolution to approved dividends payment in respect of the operating results for the period from July to December 2014 at Baht 0.55 per share, totalling Baht 489.62 million. The dividend will be distributed to shareholders listed in the register on 17 April 2015. The dividends were distributed to the shareholders on 30 April 2015.

#### For the year ended 31 December 2014

At the Board of Directors Meeting held on 8 August 2014, the directors passed the resolution to approved dividends payment in respect of the operating results for the period from January to June 2014 at Baht 0.50 per share, totalling Baht 444.25 million. The dividend will be distributed to shareholders listed in the register on 26 August 2014. The dividends were distributed to the shareholders on 5 September 2014.

At the Annual General Shareholders Meeting held on 3 April 2014, the shareholders passed the resolution to approved dividends payment in respect of the operating results for the period from July to December 2013 at Baht 0.48 per share, totalling Baht 443.78 million. The dividend will be distributed to shareholders listed in the register on 16 April 2014. The dividends were distributed to the shareholders on 2 May 2014.

**Major Cineplex Group Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2015**

**34 Cash flows from operating activities**

Reconciliation of net profit to cash flows from operating activities:

	Notes	Unit: Baht			
		Consolidated		Company	
		2015	2014	2015	2014
Profit before income tax		1,481,730,056	1,341,908,550	913,940,561	853,293,875
Adjustments for:					
Depreciation and amortisation	29	1,187,162,079	1,211,240,706	472,601,208	394,683,462
Amortisation of prepaid rent	29	39,121,291	34,153,853	14,439,945	9,472,507
Doubtful accounts and bad debts (reversal)	29	12,439,704	99,763,025	-	544,353
Provision for goods returns (reversal)	29	(26,976,712)	14,272,220	-	-
Loss on diminution in value of inventories (reversal)	29	2,450,000	283,096	-	-
Loss from allowance for doubtful of interest receivable		-	16,767	-	-
Loss on impairment of assets (reversal)	29	(10,754,921)	50,854,040	1,500,000	35,707,427
Loss on impairment of goodwill	29	45,031,914	3,704,675	-	-
Loss from liquidate of investment in subsidiaries	12	-	-	4,200,000	-
Loss on disposals of property, plant and equipment		253,957	6,379,220	789,409	5,703,179
Loss on write-off of intangible assets	15	3,665,200	-	-	-
Loss on write-off of property, plant and equipment	29	13,187,182	26,748,915	453,877	17,912,784
Shares of profit from associates and joint ventures	12	(237,182,769)	(198,971,436)	-	-
Gain on disposals of investment in subsidiaries, associates and joint venture	12	(99,111,144)	(54,311,669)	(111,883,690)	(60,040,520)
Gain on disposal of available-for-sale of investment	8	(137,925,188)	(54,059,764)	(137,925,188)	(54,059,764)
Gain on disposals of short-term investments		(36,957)	-	(36,957)	-
Provision for loyalty program		(7,541,745)	5,468,638	(7,541,745)	5,468,638
Provision for employee benefit Warrants	22	3,493,968	3,433,700	1,990,782	2,051,590
Unrealised gain on exchange rate	25	7,519,805	9,496,333	5,675,682	7,500,000
Dividend income	28	(656,210)	(956,554)	(5,180,278)	(1,002,222)
Interest income	28	(947,583)	(3,323,461)	(137,664,217)	(134,578,691)
Finance costs	28	(6,624,192)	(11,852,324)	(41,716,366)	(52,806,487)
Finance costs	30	154,908,763	172,938,743	183,843,241	160,560,139
Changes in operating assets and liabilities:					
- trade account and other receivable		110,165,657	(252,769,717)	79,610,097	22,818,767
- inventories		(30,584,635)	20,175,662	(32,201,916)	2,477,227
- films under production		(10,755,857)	(66,529,600)	-	-
- other current assets		13,427,852	49,378,607	(7,054,229)	37,870,059
- receivables under finance lease agreements		1,008,067	100,212	-	-
- accounts receivable long-term contract		-	-	-	-
- other non-current assets		(60,593,672)	(68,400,425)	(54,383,550)	(87,955,250)
- trade account and other payables		(49,274,163)	(115,285,664)	(73,015,214)	(125,935,691)
- other current liabilities		(27,382,580)	25,405,092	(10,141,606)	10,156,545
- other non-current liabilities		(3,417,288)	(9,537,057)	14,587,494	4,785,896
- Employee benefit obligation		(460,524)	-	(324,524)	-
Cash flows from operating activities		<u>2,365,339,355</u>	<u>2,239,724,383</u>	<u>1,074,562,816</u>	<u>1,054,627,823</u>

**35 Business combinations**

On 1 January 2015, the Group additionally acquired 50% of the share capital of K Arena Co., Ltd. for a total consideration of Baht 8,686,629. As a result of the acquisition, the Group is expected to increase its presence in these markets and revenue channel to the Group.

The following table summarises the consideration paid for K Arena Co., Ltd. and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

**a) Consideration**

	<u>Baht</u>
Cash	8,686,629
<b>Total consideration transferred</b>	<b>8,686,629</b>
Fair value of equity interest in K Arena Co., Ltd. held before the business combination	8,638,141
<b>Total consideration</b>	<b>17,324,770</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	9,924,392
Trade and other receivables	390,498
Other current assets	706,675
Property, plant and equipment	7,518,218
Intangible assets	91,352
Trade and other payables	(1,306,365)
<b>Total identifiable net assets</b>	<b>17,324,770</b>
<b>Goodwill</b>	<b>-</b>
<b>Proceeds from acquisition of subsidiary, net of cash payment</b>	<b>1,237,763</b>

**b) Acquired trade and other receivables**

The fair value of trade and other receivables is Baht 390,498.

**c) Acquired identifiable intangible assets**

The fair value of the acquired identifiable intangible assets is Baht 91,352.



**36 Related-party transactions**

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

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

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

The following transactions were carried out with related parties:

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

	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Sales of goods and services</b>				
Subsidiaries	-	-	365,011	310,465
Associates	10,928	7,353	22,581	28,927
Leasehold property fund	64,887	67,566	151,147	148,307
Joint ventures	22,969	33,203	4,977	5,108
Related parties	65,800	71,130	18,491	20,689
	<u>164,584</u>	<u>179,252</u>	<u>562,207</u>	<u>513,496</u>
<b>Sale of equipment</b>				
Subsidiaries	-	-	281	-
	<u>-</u>	<u>-</u>	<u>281</u>	<u>-</u>

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

	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	248,290	274,359
Associates	30,825	28,212	20,843	22,357
Leasehold property fund	159,891	154,062	120,558	117,112
Joint ventures	13,467	16,951	8,223	1,151
Related parties	185,399	172,774	161,095	152,574
	<u>389,582</u>	<u>371,999</u>	<u>559,009</u>	<u>567,553</u>
<b>Purchases of fixed assets</b>				
Subsidiaries	-	-	44	120
	<u>-</u>	<u>-</u>	<u>44</u>	<u>120</u>

36 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Trade accounts receivable (include unbilled revenue)</b>				
Subsidiaries	-	-	62,648	93,227
Associates	7,643	4,705	4,103	1,945
Joint venture	918	32,397	195	334
Related parties	2,919	2,618	449	480
	<u>11,480</u>	<u>39,720</u>	<u>67,395</u>	<u>95,986</u>
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	156,503	186,795
Associates	22,780	32,275	4,676	7,726
Joint venture	917	121,938	915	4,965
Related parties	27,822	39,444	14,516	23,911
	<u>51,519</u>	<u>193,657</u>	<u>176,610</u>	<u>223,397</u>
<b>Deposit (included in "Other non-current assets")</b>				
Subsidiaries	-	-	44,528	44,528
Associates	8,849	8,460	3,849	3,460
Joint venture	-	500	-	-
Related parties	25,829	-	25,829	-
	<u>34,678</u>	<u>8,960</u>	<u>74,206</u>	<u>47,988</u>
<b>Finance lease receivables</b>				
Related parties	1,712	1,740	-	-
	<u>1,712</u>	<u>1,740</u>	<u>-</u>	<u>-</u>

36 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Trade accounts payable</b> (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	70,020	121,899
Associates	323	1,040	14	1,037
Joint venture	1,069	535	-	-
Related parties	853	1,085	736	986
	<u>2,245</u>	<u>2,660</u>	<u>70,770</u>	<u>123,922</u>
<b>Other payables</b> (included in "Amounts due to related parties")				
Subsidiaries	-	-	10,179	24,309
Associates	4,871	16,094	4,073	15,243
Joint venture	-	21,172	-	-
Related parties	13,360	13,720	9,696	10,898
Board	4,083	3,300	3,600	3,300
	<u>22,314</u>	<u>54,286</u>	<u>27,548</u>	<u>53,750</u>
<b>Advance received for rental and services</b> (included in "Other non-current liabilities")				
Associate	26,008	27,055	-	-
Related parties	12,558	14,069	-	-
	<u>38,566</u>	<u>41,124</u>	<u>-</u>	<u>-</u>
<b>Deposits received</b> (included in "Other non-current liabilities")				
Subsidiaries	-	-	1,253	1,253
Associates	120,003	120,003	-	-
Joint venture	420	420	-	-
Related parties	5,667	5,667	135	135
	<u>126,090</u>	<u>126,090</u>	<u>1,388</u>	<u>1,388</u>
<b>Finance lease liabilities</b> (included in "Long-term borrowings from financial institutions")				
Associates	20,945	12,493	20,945	12,493
Related parties	-	8,329	-	8,329
	<u>20,945</u>	<u>20,822</u>	<u>20,945</u>	<u>20,822</u>

**36 Related-party transactions (Cont'd)**

**iv) Short-term loans to related parties**

The short-term loans to related parties are loans to subsidiaries of Major Cineplex Group Public Company Limited (“Major Group”) in Thailand for the use of financing to other companies under the Major Group in Thailand. The short-term loans to related parties as at 31 December 2015 are unsecured loans repayable within 1 month, carrying interest rate of 4.00% per annum.

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

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
Opening balance	-	-	641,578	526,664
Loans advanced during the year	-	-	811,514	1,092,211
Loans repayments during the year	-	-	(905,425)	(977,297)
Reclassification	-	-	-	-
Closing balance	-	-	547,667	641,578

The related interest income was Baht 23,687,134 (2014: Baht 23,512,854). At 31 December 2015, the accrued interest income was Baht 1,889,681 (2014: Baht 2,072,764).

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

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Subsidiaries and associates and employees</b>				
Opening balance	2,113	3,198	431,891	755,969
Loans advanced during the year	14	-	14	115,000
Loans repayments during the year	(569)	(1,085)	(100,569)	(439,078)
Reclassification	-	-	-	-
Closing balance	1,558	2,113	331,336	431,891

The loans to related parties are carrying interest at the rates ranging 4.00% per annum (2014: 3.50% to 4.00% per annum) and there is no specific repayment date.

Staff loans of Baht 1.56 million and Baht 1.34 million (2014: Baht 2.11 million and Baht 1.89 million) in the consolidated and company financial statements, respectively, bearing interest rate of ranging of 2.00% - 3.00% per annum (2014: bearing interest rate of ranging of 2.00% - 3.00% per annum).

36 Related-party transactions (Cont'd)

vi) Short-term loans from related parties

The short-term loans from related parties are loans from fellow subsidiaries of Major Cineplex Group Public Company Limited (“Major Group”) in Thailand for the use of financing to other companies under Major Group in Thailand. The short-term loans from related parties as at 31 December 2015 comprise unsecured loans of Baht 1,168.43 million, repayable within 1 month, carrying interest rate of 4.00% per annum. On-call promissory note of Baht 23.00 million bears interest rate of 2.72% to 3.10% per annum.

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

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
<b>Subsidiaries and associates</b>				
Opening balance	25,000	25,000	973,924	610,514
Loans borrowed during the year	-	-	2,253,799	2,033,734
Loans repaid during the year	(2,000)	-	(2,036,295)	(1,670,325)
Closing balance	23,000	25,000	1,191,428	973,923

The related interest expense was Baht 723,019 and Baht 45,531,167 (2014: Baht 1,770,342 and Baht 32,372,173). At 31 December 2015, the accrued interest expense was Baht 338,704 and Baht 8,700,029 (2014: Baht 2,248,082 and Baht 5,052,042).

vii) Key management compensation

For the years ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2015	2014	2015	2014
Short-term employee benefits	55,645	43,424	38,018	38,470
Retirement benefits	796	1,005	748	960
Share-based payments	1,457	1,925	1,457	1,925
	57,898	46,354	40,223	41,355

ix) Investments in subsidiaries, associates and joint ventures

Details of investments in subsidiaries, associates and joint ventures are set out in Note 12.

**37 Commitments and contingencies**

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

As at 31 December 2015 the Group has outstanding bank guarantees and letter of credit Baht 209.18 million (2014: Baht 182.16 million) given to third parties.

**ii) Guarantees**

As at 31 December 2015, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and associates for a total of Baht 35.84 million (2014: Baht 70.00 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:

	<b>Unit: Million Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Not later than 1 year	720	574	690	611
Later than 1 year but not later than 5 years	2,911	2,366	2,163	2,058
Later than 5 years	5,734	5,124	3,824	2,961
	<b>9,365</b>	<b>8,064</b>	<b>6,677</b>	<b>5,630</b>

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

**37 Commitments and contingencies (Cont'd)**

**iv) Capital commitments**

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

	Currency	Unit : Baht'000			
		Consolidated		Company	
		2015	2014	2015	2014
Property, plant and equipment	THB	36,508	46,490	36,508	46,490
Intangible assets	THB	34,346	85,462	-	-
	USD	1,963	2,221	-	-
	EURO	-	-	-	-
Total	THB	70,854	131,952	36,508	46,490
	USD	1,963	2,221	-	-
	EURO	-	-	-	-
Total in Thai Baht		142,024	193,595	36,508	46,490

**v) Commitment for film productions**

As at 31 December 2015, the Group has commitments in respect of payments to film directors amounting to Baht 7.88 million (2014: Baht 39.03 million).

**38 Events after the reporting date**

At the Board of Directors Meeting held on 17 February 2016, the Board passed the following resolutions:

- a) Approved dividends in respect of the operating results for the period from July to December 2015 at Baht 0.60 per share, totalling Baht 535.51 million. The dividends will be distributed to shareholders listed in the register on 18 April 2016.
- b) Approved the investment with CH Holdings Limited to establish CJ Major Entertainment Co., Ltd. with registered shares of Baht 70.00 million. The company will own 49.00% or equivalent to Baht 34.30 million. This new company is expected to incorporate on 29 February 2016