

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

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

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2016, the related consolidated and company income statements, the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and condensed notes to interim financial information of Major Cineplex Group Public Company Limited and its subsidiaries, and of Major Cineplex Group Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
13 May 2016

**MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED**

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

**31 MARCH 2016**

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2016**

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
		618,045	312,060	418,874	92,966
		1,266,800	1,180,519	626,000	502,020
		-	-	511,309	547,667
		166,056	182,584	76,761	88,084
		157,588	138,426	-	-
		40,777	40,777	16,096	16,096
		157,984	175,538	34,068	46,734
		<b>2,407,250</b>	<b>2,029,904</b>	<b>1,683,108</b>	<b>1,293,567</b>
<b>Non-current assets</b>					
		616,957	748,530	616,957	748,530
		4,559	4,550	-	-
		12,359	12,448	-	-
		-	-	3,741,269	3,741,269
		2,537,079	2,525,404	2,394,719	2,323,374
		288,362	300,878	245,168	245,168
		1,495	1,558	331,273	331,336
		7,385,597	7,357,914	4,214,905	4,193,928
		238,329	238,329	-	-
		143,731	131,951	46,801	49,771
		12,485	14,255	-	-
		529,656	539,850	257,309	261,333
		341,422	340,453	241,504	241,104
		<b>12,112,031</b>	<b>12,216,120</b>	<b>12,089,905</b>	<b>12,135,813</b>
		<b>14,519,281</b>	<b>14,246,024</b>	<b>13,773,013</b>	<b>13,429,380</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

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

**Major Cineplex Group Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 March 2016**

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
	11	1,639,112	2,464,982	1,594,112	2,455,477
	10	1,906,391	1,907,898	1,340,379	1,281,777
	11	1,139,976	901,021	1,063,542	821,542
	21	23,000	23,000	1,254,142	1,191,428
		105,448	90,286	54,776	39,703
		87,297	92,649	30,274	36,663
		<b>4,901,224</b>	<b>5,479,836</b>	<b>5,337,225</b>	<b>5,826,590</b>
<b>Non-current liabilities</b>					
	11	2,020,474	1,287,177	1,769,112	1,019,403
		300,163	336,335	61,773	86,928
		37,263	36,289	25,581	25,128
		463,240	458,064	112,819	106,300
		<b>2,821,140</b>	<b>2,117,865</b>	<b>1,969,285</b>	<b>1,237,759</b>
		<b>7,722,364</b>	<b>7,597,701</b>	<b>7,306,510</b>	<b>7,064,349</b>
<b>Shareholders' equity</b>					
	12				
		896,266	896,266	896,266	896,266
		892,562	892,520	892,562	892,520
	12	4,015,658	4,014,840	4,015,658	4,014,840
	13	12,200	11,058	7,662	7,187
		90,600	90,600	90,600	90,600
		1,431,100	1,204,870	840,180	649,659
		276,131	366,942	619,841	710,225
		6,718,251	6,580,830	6,466,503	6,365,031
	14	78,666	67,493	-	-
		<b>6,796,917</b>	<b>6,648,323</b>	<b>6,466,503</b>	<b>6,365,031</b>
		<b>14,519,281</b>	<b>14,246,024</b>	<b>13,773,013</b>	<b>13,429,380</b>

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

**Major Cineplex Group Public Company Limited**  
**Income Statement (Unaudited)**  
**For the three-month period ended 31 March 2016**

		<b>Unit: Baht'000</b>			
		<b>Consolidated</b>		<b>Company</b>	
<b>Notes</b>		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>					
	Services income	1,550,104	1,349,604	937,298	789,106
	Sales	386,332	399,190	244,495	201,438
	<b>Total revenues</b>	<b>1,936,436</b>	<b>1,748,794</b>	<b>1,181,793</b>	<b>990,544</b>
<b>Costs</b>					
	Cost of services	(1,126,327)	(950,790)	(718,541)	(592,218)
	Cost of sales	(138,191)	(194,021)	(75,225)	(58,192)
	<b>Total costs</b>	<b>(1,264,518)</b>	<b>(1,144,811)</b>	<b>(793,766)</b>	<b>(650,410)</b>
	<b>Gross profit</b>	<b>671,918</b>	<b>603,983</b>	<b>388,027</b>	<b>340,134</b>
	Other income	92,645	80,024	211,840	122,646
	Selling expenses	(107,155)	(100,538)	(74,733)	(44,991)
	Administrative expenses	(407,344)	(344,084)	(267,090)	(224,751)
	Finance costs	(37,985)	(40,598)	(47,305)	(46,348)
	Share of result of investments	57,871	52,271	-	-
	<b>Profit before income tax</b>	<b>269,950</b>	<b>251,058</b>	<b>210,739</b>	<b>146,690</b>
	Income tax	(37,063)	(50,531)	(20,218)	(22,627)
	<b>Profit for the period</b>	<b>232,887</b>	<b>200,527</b>	<b>190,521</b>	<b>124,063</b>
<b>Attributable profit to:</b>					
	Shareholders of the parent	226,230	198,825	190,521	124,063
	Non-controlling interests	6,657	1,702	-	-
		<b>232,887</b>	<b>200,527</b>	<b>190,521</b>	<b>124,063</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Earnings per share</b>					
	Basic earnings per share	0.25	0.22	0.21	0.14
	Diluted earnings per share	0.25	0.22	0.21	0.14

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

**Major Cineplex Group Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 31 March 2016**

	Unit: Baht'000			
	Consolidated		Company	
	2016	2015	2016	2015
<b>Profit for the period</b>	232,887	200,527	190,521	124,063
<b>Other comprehensive income:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Remeasuring of available-for-sale investment (Note 7)	(112,980)	(38,717)	(112,980)	(38,717)
Currency translation differences	(427)	(222)	-	-
Income tax relating to items that will be reclassified	22,596	7,743	22,596	7,743
<b>Other comprehensive loss for the period, net of income tax</b>	(90,811)	(31,196)	(90,384)	(30,974)
<b>Total comprehensive income for the period</b>	<u>142,076</u>	<u>169,331</u>	<u>100,137</u>	<u>93,089</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	135,419	167,629	100,137	93,089
Non-controlling interests	6,657	1,702	-	-
	<u>142,076</u>	<u>169,331</u>	<u>100,137</u>	<u>93,089</u>

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

Major Cineplex Group Public Company Limited  
Statement of Changes in Shareholders' Equity (Unaudited)  
For the three-month period ended 31 March 2016

Unit: Baht'000

	Consolidated												
	Attributable to owners of the parent												
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Share premium on reissuance of treasury share	Change in parent's ownership interest in subsidiaries	Other comprehensive income (expense)		Total other component of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
				Appropriated Legal reserve	Unappropriated			Translation of financial statements	Available-for-sale investment				
<b>Opening balance at 1 January 2015</b>	890,059	3,967,548	17,249	90,600	1,020,529	288,425	(349,216)	771	404,850	344,830	6,330,815	55,961	6,386,776
<b>Changes in equity for period</b>													
Proceeds from exercise of warrants	213	4,127	(1,152)	-	-	-	-	-	-	-	3,188	-	3,188
Warrants	-	-	3,125	-	-	-	-	-	-	-	3,125	-	3,125
Total comprehensive income	-	-	-	-	198,825	-	-	(222)	(30,974)	(31,196)	167,629	1,702	169,331
<b>Closing balance at 31 March 2015</b>	<u>890,272</u>	<u>3,971,675</u>	<u>19,222</u>	<u>90,600</u>	<u>1,219,354</u>	<u>288,425</u>	<u>(349,216)</u>	<u>549</u>	<u>373,876</u>	<u>313,634</u>	<u>6,504,757</u>	<u>57,663</u>	<u>6,562,420</u>
<b>Opening balance at 1 January 2016</b>	892,520	4,014,840	11,058	90,600	1,204,870	288,425	(349,447)	6,164	421,800	366,942	6,580,830	67,493	6,648,323
<b>Changes in equity for period</b>													
Proceeds from exercise of warrants (Note 12)	42	818	(235)	-	-	-	-	-	-	-	625	-	625
Warrants (Note 13)	-	-	1,377	-	-	-	-	-	-	-	1,377	-	1,377
Acquisition of investment in subsidiary (Note 20)	-	-	-	-	-	-	-	-	-	-	-	4,516	4,516
Total comprehensive income	-	-	-	-	226,230	-	-	(427)	(90,384)	(90,811)	135,419	6,657	142,076
<b>Closing balance at 31 March 2016</b>	<u>892,562</u>	<u>4,015,658</u>	<u>12,200</u>	<u>90,600</u>	<u>1,431,100</u>	<u>288,425</u>	<u>(349,447)</u>	<u>5,737</u>	<u>331,416</u>	<u>276,131</u>	<u>6,718,251</u>	<u>78,666</u>	<u>6,796,917</u>

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

Major Cineplex Group Public Company Limited  
Statement of Changes in Shareholders' Equity (Unaudited)  
For the three-month period ended 31 March 2016

	Company								Unit: Baht'000
	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Share premium on reissuance of treasury share	Other components of shareholders' equity		Total shareholders' equity
				Appropriated			Available- for-sale investment	Total other component of equity	
				Legal reserve	Unappropriated				
<b>Opening balance at 1 January 2015</b>	890,059	3,967,548	15,067	90,600	873,622	288,425	404,850	693,275	6,530,171
<b>Changes in equity for period</b>									
Proceeds from exercise of warrants	213	4,127	(1,152)	-	-	-	-	-	3,188
Warrants	-	-	3,000	-	-	-	-	-	3,000
Total comprehensive income	-	-	-	-	124,063	-	(30,974)	(30,974)	93,089
<b>Closing balance at 31 March 2015</b>	<u>890,272</u>	<u>3,971,675</u>	<u>16,915</u>	<u>90,600</u>	<u>997,685</u>	<u>288,425</u>	<u>373,876</u>	<u>662,301</u>	<u>6,629,448</u>
<b>Opening balance at 1 January 2016</b>	892,520	4,014,840	7,187	90,600	649,659	288,425	421,800	710,225	6,365,031
<b>Changes in equity for period</b>									
Proceeds from exercise of warrants (Note 12)	42	818	(235)	-	-	-	-	-	625
Warrants (Note 13)	-	-	710	-	-	-	-	-	710
Total comprehensive income	-	-	-	-	190,521	-	(90,384)	(90,384)	100,137
<b>Closing balance at 31 March 2016</b>	<u>892,562</u>	<u>4,015,658</u>	<u>7,662</u>	<u>90,600</u>	<u>840,180</u>	<u>288,425</u>	<u>331,416</u>	<u>619,841</u>	<u>6,466,503</u>

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



**Major Cineplex Group Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the three-month period ended 31 March 2016**

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2016	2015	2016	2015
<b>Cash flows from operating activities</b>					
Cash generated from (used in) operations	18	503,079	208,494	341,683	(50,584)
Interest paid		(31,586)	(35,283)	(43,086)	(43,915)
Income tax paid		(26,178)	(24,636)	(7,776)	(5,161)
Net cash generated from (used in) operating activities		445,315	148,575	290,821	(99,660)
<b>Cash flows from investing activities</b>					
Increase in restricted cash		(8)	(13)	-	-
Short-term loans made to other and related parties	21	-	-	(173,009)	(246,318)
Short-term loans repayments received from related parties	21	-	-	209,367	246,458
Loans made to third parties		-	(250)	-	(250)
Loans repayments received from third parties		-	45	-	45
Long-term loans repayments received from related parties and others	21	63	180	63	35,180
Payments for investment in subsidiary		-	-	-	(8,686)
Cash from acquisition of subsidiary, net of cash payment	20	24,326	1,238	-	-
Payments for investment in associate	8	(101,301)	(5,715)	(101,301)	(5,715)
Proceeds from disposals of investment in associate	8	63,102	68,378	63,102	68,378
Proceeds from disposals of available-for-sale investment		4,809	6,845	4,809	6,845
Purchases of property, plant and equipment		(250,534)	(137,909)	(187,699)	(115,588)
Proceeds from disposals of equipment		127	251	13	133
Purchases of intangible assets		(60,080)	(70,357)	(1,881)	(5,206)
Interest received		296	105,743	5,356	29,119
Dividends received		41,813	43,121	28,314	29,621
Net cash received from (used in) investing activities		(277,387)	11,557	(152,866)	34,016
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from related parties	21	-	-	475,187	511,322
Repayments to short-term loans from related parties	21	-	-	(412,473)	(393,293)
Decrease in bank overdrafts		(9,505)	-	-	-
Proceeds from short-term borrowings		695,000	695,000	650,000	650,000
Repayments to short-term borrowings		(1,515,000)	(930,000)	(1,515,000)	(890,000)
Repayments to finance lease liabilities		(23,063)	(23,151)	(386)	(460)
Proceeds from long-term borrowings	11	1,000,000	-	1,000,000	-
Repayments to long-term borrowings	11	(10,000)	(10,000)	(10,000)	(10,000)
Proceeds from exercised warrants	12	625	3,188	625	3,188
Net cash (used in) received from financing activities		138,057	(264,963)	187,953	(129,243)
<b>Net (decrease) increase in cash and cash equivalents</b>		305,985	(104,831)	325,908	(194,887)
Opening balance of cash and cash equivalents		312,060	577,250	92,966	387,004
<b>Closing balance of cash and cash equivalents</b>		618,045	472,419	418,874	192,117

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

**Major Cineplex Group Public Company Limited**  
**Statements of Cash Flows (Unaudited) (Cont'd)**  
**For the three-month period ended 31 March 2016**

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		Unit: Baht'000	
Consolidated		Company	
2016	2015	2016	2015

**Non-cash transactions**

Significant non-cash transactions for the three-month periods ended 31 March 2016 and 2015 are as follows:

Purchases of property, plant and equipment, not yet paid	-	67,846	-	34,913
Purchases of film rights, not yet paid	-	7,241	-	-
Dividends receivable from associates	84,833	12,000	84,833	-
Convert investment in joint venture to investment in subsidiary	-	8,638	-	9,999
Receivable from disposal of available-for-sale investment	49,439	-	49,439	-

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

## **1 General information**

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

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

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

These group interim consolidated and company financial information have been authorised for issue by the Board of Directors on 13 May 2016.

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

## **2 Accounting policies**

### **2.1 Basis of preparation**

These interim consolidated and company financial information are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statement of financial position, income statement, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015.

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

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

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

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group.

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, disclosures 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.

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.

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

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group. (Cont'd)

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

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.

TFRS10 (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 TFRS 9 (when announced).

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 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

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

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

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. 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: (Cont'd)

TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
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

**3 Estimates**

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

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

**4 Segment information**

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

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

Financial information by business segments is as follows:

	<b>Consolidated</b>					<b>Unit: Million Baht</b>
	<b>Cinema business</b>	<b>Advertising business</b>	<b>Bowling and Karaoke business</b>	<b>Rental and services</b>	<b>Movie content</b>	<b>Consolidated</b>
<b>For the three-month period ended 31 March 2016</b>						
Revenues						
Gross segment revenues	1,560	210	128	142	92	2,132
Inter-segment revenues	(120)	-	(16)	(24)	(36)	(196)
Net revenues	<u>1,440</u>	<u>210</u>	<u>112</u>	<u>118</u>	<u>56</u>	<u>1,936</u>
Segment results	<u>103</u>	<u>147</u>	<u>(5)</u>	<u>6</u>	<u>(21)</u>	<u>230</u>
Gain on disposal of investment						65
Unallocated costs						(45)
Operating profit						<u>250</u>
<b>For the three-month period ended 31 March 2015</b>						
Revenues						
Gross segment revenues	1,302	177	133	157	157	1,926
Inter-segment revenues	(113)	-	(17)	(24)	(23)	(177)
Net revenues	<u>1,189</u>	<u>177</u>	<u>116</u>	<u>133</u>	<u>134</u>	<u>1,749</u>
Segment results	<u>108</u>	<u>123</u>	<u>(6)</u>	<u>17</u>	<u>(22)</u>	<u>220</u>
Compensation income						8
Gain on disposal of investment						43
Unallocated costs						(32)
Operating profit						<u>239</u>

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

**5 Fair value**

**5.1 Fair value estimation**

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

- 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.

	<b>Level 1 Baht'000</b>
As of 31 March 2016	
<b>Asset</b>	
Available-for-sale financial assets	
• Equity securities	616,957
Total asset	<u>616,957</u>
As of 31 December 2015	
<b>Asset</b>	
Available-for-sale financial assets	
• Equity securities	748,530
Total asset	<u>748,530</u>

There were no changes in valuation techniques during the periods.



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**6 Trade and other receivables**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Trade accounts receivable - Third parties	612,467	634,609	57,917	100,391
Trade accounts receivable				
- Related parties (Note 21)	10,405	11,480	76,559	67,395
Unbilled revenue	309,473	308,528	53,803	43,311
Total	932,345	954,617	188,279	211,097
<u>Less</u> Allowance for doubtful accounts	(7,759)	(6,732)	-	-
Trade accounts receivable, net	924,586	947,885	188,279	211,097
Amounts due from related parties (Note 21)	134,822	51,519	296,877	176,610
Other accounts receivable	156,604	131,060	109,460	88,514
Prepaid expenses	50,788	50,055	31,384	25,799
Trade and other receivables	<u>1,266,800</u>	<u>1,180,519</u>	<u>626,000</u>	<u>502,020</u>

Outstanding trade and other receivables can be analysed as follows:

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Unbilled revenue	309,853	309,368	55,822	46,152
Trade accounts receivable				
Current	266,418	388,630	84,254	113,883
Overdue less than 3 months	256,641	184,932	39,832	46,726
3 - 6 months	35,317	32,530	4,362	2,122
6 - 12 months	25,651	22,241	3,326	1,241
Over 12 months	38,465	16,916	683	973
Total	932,345	954,617	188,279	211,097
<u>Less</u> Allowance for doubtful accounts	(7,759)	(6,732)	-	-
Trade accounts receivable, net	<u>924,586</u>	<u>947,885</u>	<u>188,279</u>	<u>211,097</u>

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**7 Available-for-sale investment**

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

	<b>Unit: Baht'000</b>			
	<b>Consolidated and Company</b>			
	<b>31 March 2016</b>		<b>31 December 2015</b>	
	<b>At cost</b>	<b>At fair value</b>	<b>At cost</b>	<b>At fair value</b>
Available-for-sale investment	202,687	616,957	221,280	748,530
	<u>202,687</u>	<u>616,957</u>	<u>221,280</u>	<u>748,530</u>

During the three-month period ended 31 March 2016, the movements of available-for-sale investment are as follows:

	<b>Unit: Baht'000</b>
	<b>Consolidated and Company</b>
Opening book value	748,530
Disposal	(18,593)
Realised gain	(35,655)
Loss on exchange rate	(14,017)
Change in fair value of available-for-sale investment	<u>(63,308)</u>
Closing book value	<u>616,957</u>

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

**8.1 Investment in subsidiaries**

Movements of investment in subsidiaries can be analysed as follows:

	<b>Unit: Baht'000</b>
	<b>Company</b>
	<b>31 March 2016</b>
Investment in subsidiaries	3,742,769
<u>Less Impairment</u>	<u>(1,500)</u>
Closing net book amount	<u>3,741,269</u>
Opening net book amount	<u>3,741,269</u>
Closing net book amount	<u>3,741,269</u>

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

**Additional of investment**

On 1 January 2016, Major Holding International Co., Ltd. (subsidiary) has invested in 60.00% of ordinary shares in Major Platinum Cineplex (Lao) Co., Ltd., a cinema services provider in Lao People's Democratic Republic, totalling Baht 6.04 million. The payment will be made in the second quarter of 2016. Details of business combinations are disclosed in note 20.

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

**8.2 Investment in associates**

Movements of investment in associates can be analysed as follows:

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>		
Opening net book amount	2,525,404	2,323,374
Additions	101,301	101,301
Disposals	(33,366)	(29,956)
Dividends received	(113,147)	-
Share of results	56,887	-
Closing net book amount	<u>2,537,079</u>	<u>2,394,719</u>

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the three-month period ended 31 March 2016, the Group realised gain on disposals of Baht 4.08 million in the consolidated income statement.

During the three-month period ended 31 March 2016, the Company received dividends income from associates amounting to Baht 113.15 million (31 March 2015: Baht 41.62 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")**

**Additions of investment**

During the three-month period ended 31 March 2016, the Company has made additional investment in SF of 16.33 million shares totalling Baht 98.85 million.

**Disposal of investment**

During the three-month period ended 31 March 2016, the Company disposed its investment in SF of 10.68 million shares for the considerations of Baht 63.10 million and recognised gain from disposal amounting to Baht 29.74 million, and Baht 33.15 million, included in "Other income" in the consolidated and company income statements, respectively.

The aforementioned movements of investment resulted in the change to shareholding percentage from 23.86% to 24.18%.

**CJ Major Entertainment Company Limited ("CJM")**

**Additions of investment**

On 9 March 2016, the Company has invested in CJ Major Entertainment Co., Ltd., a film producer and film distributor, of 245 shares for a of consideration of Baht 2.45 million. Investment in CJ Major Entertainment Co., Ltd. representing 49.00% of the registered shares is classified as investment in associate. The equity method of accounting is applied to this investment in the consolidated financial information.

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

**8.3 Interest in joint ventures**

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

	Unit: Baht'000	
	Consolidated	Company
<b>For the three-month period ended 31 March 2016</b>		
Opening net book amount	300,878	245,168
Dividends received	(13,500)	-
Share of result	984	-
Closing net book amount	288,362	245,168

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

	Country of incorporation	Nature of business	Nature of relationship	% Ownership interest	
				31 March 2016	31 December 2015
<b>Subsidiaries</b>					
Major Cineplex Property Co., Ltd.	Thailand	Building space for rent	Shareholder	99.99	99.99
Major Cineplex Services Co., Ltd.	Thailand	Utilities services	Shareholder	99.99	99.99
Ratchayothin Management Co., Ltd.	Thailand	Utilities services	Shareholder	99.99	99.99
Ratchayothin Cinema Co., Ltd.	Thailand	Land and building space for rent	Shareholder	99.99	99.99
Ratchayothin Realty Co., Ltd.	Thailand	Building space for rent	Shareholder	99.99	99.99
Major Bowl Group Co., Ltd.	Thailand	Bowling, Karaoke and entertainment services	Shareholder	99.99	99.99
Major Cinead Co., Ltd.	Thailand	Advertising and advisory services	Shareholder	99.93	99.93
Bangkok Imax Theater Co., Ltd.	Thailand	Cinema services	Shareholder	99.93	99.93
Siam Cineplex Co., Ltd.	Thailand	Cinema services	Shareholder	99.99	99.99
EGV Entertainment Public Company Limited ("EGV")	Thailand	Cinema services, advertising services, and area for rent	Shareholder	99.98	99.98
M Picture Entertainment Public Company Limited ("MPIC")	Thailand	Publishing, advertising and distribution of film rights	Shareholder	92.46	92.46
Major Holding International Co., Ltd. ("MHD")	Thailand	Holding business	Shareholder	99.96	99.96
Digital Projector Management Co., Ltd.	Thailand	Projector rental and system management	Shareholder	99.99	99.99
K Arena Co., Ltd.	Thailand	Karaoke services	Shareholder	99.99	99.99
<b>Subsidiaries under EGV</b>					
EGV Exhibition Co., Ltd.	Thailand	Cinema services	Indirect shareholding	99.96	99.96
<b>Subsidiaries under MPIC</b>					
TV Forum Co., Ltd.	Thailand	Television media business	Indirect shareholding	-	92.46
M Picture Co., Ltd.	Thailand	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	92.46	92.46
M.V.D. Co., Ltd. ("MVD")	Thailand	Distribution of VCD/DVD, Blu-ray and film rights	Indirect shareholding	92.46	92.46
M Thirty nine Co., Ltd.	Thailand	Film production	Indirect shareholding	92.46	92.46
Talent One Co., Ltd.	Thailand	Film production	Indirect shareholding	83.22	83.22

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

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

	Country of incorporation	Nature of business	Nature of relationship	% Ownership interest	
				31 March 2016	31 December 2015
<b>Subsidiary under MVD</b>					
Pacific Media Sale Co., Ltd.	Thailand	Distribution of CD, VCD and DVD	Indirect shareholding	91.91	91.91
<b>Subsidiaries under MHD</b>					
Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum")	Cambodia	Cinema and bowling services	Indirect shareholding	69.97	69.97
Major Platinum Cineplex (Lao) Co., Ltd. ("Major Platinum Lao")	Laos	Cinema services	Indirect Shareholding	59.98	-
<b>Associates</b>					
Siam Future Development Public Company Limited ("SF")	Thailand	Rental of building space and utilities services	Shareholder	24.18	23.86
Ratchayothin Avenue Co., Ltd.	Thailand	Rental of building space and utilities services	Shareholder	50.00	50.00
			Indirect shareholding via SF	12.09	11.93
Major Cineplex Lifestyle Leasehold Property Fund	Thailand	Rental of building and utilities services	Shareholder	33.00	33.00
Thai ticket major Co., Ltd.	Thailand	Agent for selling of tickets	Shareholder	40.00	40.00
CJ Major Entertainment Co., Ltd. ("CJM")	Thailand	Film production and distribution	Shareholder	49.00	-
<b>Joint ventures</b>					
PVR blu-O Entertainment Limited ("PVR blu-O")	India	Bowling, Karaoke and entertainment	Shareholder	49.00	49.00
<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
Transformation Film Co., Ltd.	Thailand	Film production, advertising, television programmes service provided for all forms of entertainment	Indirect shareholding	26.42	26.42
MVP M Pictures Distribution (Lao) Co., Ltd. ("MVP")	Laos	Film distribution	Indirect Shareholding	36.98	36.98

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

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

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
<b>For the three-month period ended 31 March 2016</b>				
Opening net book amount	7,357,914	131,951	4,193,928	49,771
Exchange differences	(4,060)	(77)	-	-
Acquisition of subsidiary (Note 20)	80,795	612	-	-
Additions	192,360	37,072	153,898	1,881
Disposals	(442)	-	(228)	-
Write-off	(307)	(715)	-	-
Depreciation/amortisation	(238,814)	(12,872)	(132,693)	(4,851)
Impairment	(1,849)	(12,240)	-	-
Closing net book amount	<u>7,385,597</u>	<u>143,731</u>	<u>4,214,905</u>	<u>46,801</u>

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

	Currency	Unit: '000			
		Consolidated		Company	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
Property, plant, equipment	THB	53,463	36,508	39,138	36,508
Intangible assets	THB	-	34,346	-	-
	USD	1,959	1,963	-	-
Total	THB	53,463	70,854	39,138	36,508
	USD	1,959	1,963	-	-
Total in Thai Baht		<u>122,821</u>	<u>142,024</u>	<u>39,138</u>	<u>36,508</u>

**10 Trade and other payables**

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Trade accounts payable	776,511	685,703	559,706	479,137
Amounts due to related parties (Note 21)	26,618	22,314	63,020	27,548
Other payables	324,333	397,629	224,476	282,315
Accrued expenses	335,339	359,059	187,625	188,356
Rental and service incomes received in advance	443,590	443,193	305,552	304,421
Trade and other payables	<u>1,906,391</u>	<u>1,907,898</u>	<u>1,340,379</u>	<u>1,281,777</u>

Unearned rental and service income included cash advanced from customers amounting to Baht 68.61 million (31 December 2015: Baht 74.62 million), which was received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

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**11 Borrowings**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Current</b>				
Bank overdrafts	-	9,505	-	-
Short-term loans from financial institutions	1,639,112	2,455,477	1,594,112	2,455,477
Total bank overdrafts and short-term loans from financial institutions	1,639,112	2,464,982	1,594,112	2,455,477
Current portion of long-term borrowings:				
- Finance lease liabilities	77,976	81,021	1,542	1,542
- Bank borrowings	262,000	20,000	262,000	20,000
- Debentures	800,000	800,000	800,000	800,000
Total current portion of long-term borrowings	1,139,976	901,021	1,063,542	821,542
<b>Non-current portion of long-term borrowings</b>				
- Finance lease liabilities	272,474	287,177	21,112	19,403
- Bank borrowings	748,000	-	748,000	-
- Debentures	1,000,000	1,000,000	1,000,000	1,000,000
Total non-current portion of long-term borrowings	2,020,474	1,287,177	1,769,112	1,019,403
Total borrowings	4,799,562	4,653,180	4,426,766	4,296,422

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

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>		
Opening amount	20,000	20,000
Additions	1,000,000	1,000,000
Repayments	(10,000)	(10,000)
Closing amount	1,010,000	1,010,000

Long-term bank borrowings bear interest at the rates ranging from 3.04% to 4.60% per annum, and are secured by leasehold rights.

**Debentures**

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>		
Opening amount	1,800,000	1,800,000
Closing amount	1,800,000	1,800,000

**Borrowing facilities**

As at 31 March 2016, the available credit facilities from financial institutions for the Group and the Company are Baht 5,717.11 million and Baht 5,176.97 million, respectively (31 December 2015: Baht 4,719.17 million and Baht 4,136.83 million, respectively). The facilities, mainly expiring within 3 years, are subject to review at various dates. The facilities have been arranged to mainly used for cinema construction and as working capital.

12 Share capital and premium on share capital

	Authorised number of shares Shares'000	Issued and fully paid up shares		Shares premium Baht'000
		Number of shares Shares'000	Ordinary shares Baht'000	
<b>For the three-month period ended 31 March 2016</b>				
Opening balance	896,266	892,520	892,520	4,014,840
Issuance of shares				
The exercised warrant - w4	-	42	42	818
Closing balance	896,266	892,562	892,562	4,015,658

Employee share option scheme: During the period, 40,500 options were exercised with exercise ratio 1.051 resulted in 42,565 shares being issued (31 March 2015: 206,500 options were exercised with exercise ratio 1:1.033 resulted in 213,314 shares), with exercise price of Baht 14.69, totalling proceeds of Baht 0.63 million (31 March 2015: Baht 14.95, totalling proceeds of Baht 3.19 million). The related weighted average price at the time of exercise was Baht 28.58 per share (31 March 2015: Baht 30.41 per share).

13 Warrants

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

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

As at 24 April 2015, a subsidiary issued and offered warrants (ESOP-W2) to directors and employees of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offering price and their terms do not exceed 5 years from the issued date. The Company has no legal obligation to repurchase or settle the options in cash.

	Unit: Baht'000	
	Consolidated	Company
<b>For the three-month period ended 31 March 2016</b>		
Opening balance	11,058	7,187
Expense during the period	1,377	710
Exercise of warrants	(235)	(235)
Closing balance	12,200	7,662

14 Non-controlling interest

	Unit: Baht'000
	Consolidated
<b>For the three-month period ended 31 March 2016</b>	
Opening balance	67,493
Acquisition of subsidiary (Note 20)	4,516
Share of result	6,657
Closing balance	78,666



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**15 Other income**

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Dividend income	-	-	113,147	41,621
Gain on disposals of investment in associate	29,736	38,540	33,146	42,661
Gain on disposals of available-for-sale investment	35,655	4,548	35,655	4,548
Management fee income	12,846	12,346	16,911	12,496
Interest income	588	1,982	8,555	10,532
Others	13,820	22,608	4,426	10,788
	<u>92,645</u>	<u>80,024</u>	<u>211,840</u>	<u>122,646</u>

**16 Income taxes**

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used are 14% and 10% per annum for the consolidated and company financial information, respectively.

**17 Earnings per share**

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

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

For the three-month period ended	Unit: Shares'000	
	Consolidated and Company	
	31 March 2016	31 March 2015
Number of weighted average shares:		
- basic	892,520	890,061
- diluted	893,618	892,355

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**18 Cash flows from operating activities**

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

For the three-month period ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit before income tax		269,950	251,058	210,739	146,690
Adjustments for:					
Depreciation and amortisation	9	251,686	300,258	137,544	105,905
Amortisation of prepaid rents		10,194	8,538	4,024	2,368
Doubtful debts		2,581	192	-	-
Loss on diminution in value of inventories		-	450	-	-
Provision for sales returns (reversal)		(5,162)	(7,867)	-	-
Impairment charge (reversal)	9	14,089	(14,175)	-	-
Loss on disposals of equipment		315	250	215	343
Loss from write-off of equipment	9	307	23	-	-
Gain on bargain purchase	20	(736)	-	-	-
Gain on disposals of investments in associate	15	(29,736)	(38,540)	(33,146)	(42,661)
Gain on disposals of available-for-sale of investments	15	(35,655)	(4,548)	(35,655)	(4,548)
Shares of results of investments in associates and joint ventures	8	(57,871)	(52,271)	-	-
Unearned income - customers loyalty program		(435)	(478)	(435)	(478)
Employee benefit obligations		974	549	453	173
Warrants	13	1,377	3,125	710	3,000
Unrealised loss on exchange rate		3,690	792	1,938	1,464
Dividends received	15	-	-	(113,147)	(41,621)
Interest income	15	(588)	(1,982)	(8,555)	(10,532)
Finance costs		37,985	40,598	47,305	46,348
Changes in operating assets and liabilities:					
- trade and other receivables		(16,087)	49,996	11,553	(7,902)
- inventories		17,888	(26,391)	11,324	(20,875)
- movies under productions		(19,162)	14,727	-	-
- other current assets		4,584	(11,245)	10,368	(9,980)
- finance lease receivables		299	103	-	-
- other non-current assets		(916)	(11,164)	(400)	(11,057)
- trade and other payables		51,418	(280,679)	96,282	(205,568)
- other current liabilities		(3,086)	(10,647)	(5,953)	(1,997)
- other non-current liabilities		5,176	(2,178)	6,519	344
Cash generated from (used in) operations		503,079	208,494	341,683	(50,584)

**19 Commitments and contingencies**

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

As at 31 March 2016, there are outstanding bank guarantees and letters of credit given on behalf of the Group to third parties amounting to Baht 209.38 million (31 December 2015: Baht 209.18 million).

**ii) Guarantees**

As at 31 March 2016, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associate for a total of Baht 71.33 million (31 December 2015: Baht 35.84 million).

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

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

	<b>Unit: Million Baht</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Not later than 1 year	733	720	701	690
Later than 1 year but not later than 5 years	2,877	2,911	2,131	2,163
Later than 5 years	5,538	5,734	3,708	3,824
	<u>9,148</u>	<u>9,365</u>	<u>6,540</u>	<u>6,677</u>

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

**iv) Commitment from film productions**

As at 31 March 2016, the Group has commitments in respect of payments to film directors amounting to Baht 7.80 million (31 December 2015: Baht 7.88 million).

**20 Business combinations**

On 1 January 2016, Major Holding International Co., Ltd. (subsidiary) has invested in 60.00% of ordinary shares in Major Platinum Cineplex (Lao) Co., Ltd., a cinema services provider in Lao People's Democratic Republic, totalling Baht 6.04 million. The payment will be made in the second quarter of 2016. As a result of the acquisition, the Group expected to increase its presence in this market.

The following table summarises the consideration paid for Major Platinum Cineplex (Lao) Co., Ltd. and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	<b>Baht'000</b>
Liability	6,037
<b>Total consideration</b>	<b>6,037</b>
<b>Recognised fair value amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	24,326
Trade and other receivables	7,423
Other current assets	1,719
Property, plant and equipment	80,795
Intangible assets	612
Other non-current assets	54
Trade and other payables	(103,640)
<b>Total identifiable net assets</b>	<b>11,289</b>
Non-controlling interest	4,516
Gain on bargain purchases	736
	<b>5,252</b>
Proceeds from acquisition of subsidiary, net of cash payment	<b>24,326</b>

**Major Cineplex Group Public Company Limited**  
**Condensed Notes to Interim Financial Information (Unaudited)**  
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**21 Related party transactions**

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

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

The following material transactions were carried out with related parties:

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

<b>For the three-month period ended 31 March</b>	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Sales of goods and services</b>				
Subsidiaries	-	-	86,810	79,900
Associates	2,127	1,909	85,293	13,119
Leasehold property fund	15,448	15,529	38,317	39,331
Joint ventures	17,731	4,668	1,026	1,417
Related parties	15,971	16,271	4,636	4,648
	<b>51,277</b>	<b>38,377</b>	<b>216,082</b>	<b>138,415</b>

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

<b>For the three-month period ended 31 March</b>	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	81,587	62,487
Associates	6,648	5,809	4,255	4,383
Leasehold property fund	39,763	38,270	30,164	29,121
Joint ventures	-	10,067	-	7,640
Related parties	38,619	40,481	32,117	34,922
	<b>85,030</b>	<b>94,627</b>	<b>148,123</b>	<b>138,553</b>

**Major Cineplex Group Public Company Limited**  
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**21 Related party transactions (Cont'd)**

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

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

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<b>Trade accounts receivable (include unbilled revenue)</b>				
Subsidiaries	-	-	75,670	62,648
Associates	4,066	7,643	389	4,103
Joint venture	3,653	918	171	195
Related parties	2,686	2,919	329	449
	<u>10,405</u>	<u>11,480</u>	<u>76,559</u>	<u>67,395</u>
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	192,421	156,503
Associates	105,234	22,780	88,307	4,676
Joint venture	1,476	917	605	915
Related parties	28,112	27,822	15,544	14,516
	<u>134,822</u>	<u>51,519</u>	<u>296,877</u>	<u>176,610</u>
<b>Deposit (included in "Other non-current assets")</b>				
Subsidiaries	-	-	44,528	44,528
Associates	8,849	8,849	3,849	3,849
Related parties	25,829	25,829	25,829	25,829
	<u>34,678</u>	<u>34,678</u>	<u>74,206</u>	<u>74,206</u>
<b>Finance lease receivables</b>				
Related parties	1,686	1,712	-	-
	<u>1,686</u>	<u>1,712</u>	<u>-</u>	<u>-</u>
<b>Trade accounts payable (included in "Trade accounts and notes payable")</b>				
Subsidiaries	-	-	73,065	70,020
Associates	4	323	1	14
Joint venture	179	1,069	-	-
Related parties	7,256	853	17	736
	<u>7,439</u>	<u>2,245</u>	<u>73,083</u>	<u>70,770</u>

**Major Cineplex Group Public Company Limited**  
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**For the interim period ended 31 March 2016**

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

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

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

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other payables</b> (included in "Amounts due to related parties")				
Subsidiaries	-	-	48,691	10,179
Associates	4,356	4,871	3,495	4,073
Joint venture	1,069	-	-	-
Related parties	11,755	13,360	7,632	9,696
Board	9,438	4,083	3,202	3,600
	<u>26,618</u>	<u>22,314</u>	<u>63,020</u>	<u>27,548</u>
<b>Advance received for rental and services</b> (included in "Other non-current liabilities")				
Associate	25,746	26,008	-	-
Related parties	12,180	12,558	-	-
	<u>37,926</u>	<u>38,566</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	22,654	20,945	22,654	20,945
	<u>22,654</u>	<u>20,945</u>	<u>22,654</u>	<u>20,945</u>

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

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

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

	<b>Unit: Baht'000</b>
	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>	
Opening balance	547,667
Loans made during the period	173,009
Loans repayments received during the period	<u>(209,367)</u>
Closing balance	<u>511,309</u>

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

The related interest income in the company income statement was Baht 5.23 million. As at 31 March 2016, the accrued interest income in the company statement of financial position was Baht 1.77 million.

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

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>		
Opening balance	1,558	331,336
Loans repayments received during the period	<u>(63)</u>	<u>(63)</u>
Closing balance	<u>1,495</u>	<u>331,273</u>

The long-term loans to related parties are carrying interest at the rate of 4.00% per annum (2015 : 4.00% per annum)

The long-term loans to staff in the consolidated and company income statements were Baht 1.49 million and Baht 1.27 million (2015: Baht 1.56 million and Baht 1.34 million), respectively, carrying interest at the rates of 2.00% to 3.00% per annum (2015 : 2.00% to 3.00% per annum).



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

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

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

	<b>Unit: Baht'000</b>	
	<b>Consolidated</b>	<b>Company</b>
<b>For the three-month period ended 31 March 2016</b>		
Opening balance	23,000	1,191,428
Loans borrowed during the period	-	475,187
Loans repaid during the period	-	(412,473)
Closing balance	<u>23,000</u>	<u>1,254,142</u>

The short-term loans from related parties of Baht 1,231.14 million are unsecured, repayable within 1 month and carrying interest at the rate of 4.00% per annum. A promissory note due upon demand of Baht 23.00 million bears interest rate of 2.72% per annum.

The related interest expense in the consolidated and company income statement was Baht 0.16 million and Baht 12.70 million, respectively. As at 31 March 2016, the accrued interest expense in the consolidated and company statement of financial position was Baht 0.49 million and Baht 9.90 million, respectively.

**vii) Key management compensation**

	<b>Unit: Baht'000</b>			
	<b>Consolidated</b>		<b>Company</b>	
<b>For the three-month periods ended 31 March</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Short-term employee benefits	11,275	10,784	9,148	9,406
Retirement benefits	168	199	149	187
Share-based payments	182	770	182	770
	<u>11,625</u>	<u>11,753</u>	<u>9,479</u>	<u>10,363</u>

**22 Subsequent events**

- 22.1 At the Annual General Shareholders Meeting held on 5 April 2016, the shareholders passed a resolution to approve dividends payment 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 would be distributed to the shareholders listed in the register on 19 April 2016 and were distributed to the shareholders on 5 May 2016.
- 22.2 At the Annual General Shareholder Meeting of a subsidiary held on 29 April 2016, the shareholders passed a resolution to approve dividends payment in respect of the retained earnings at Baht 1.70 per share, totalling Baht 442.00 million. The dividends would be distributed to the shareholders listed in the register on 26 May 2016. The subsidiary had already paid dividends to the shareholders on 26 May 2016.
- 22.3 At the Extraordinary General Shareholders Meeting 1/2016 of an associate held on 28 March 2016, the shareholders passed a resolution to approve an increase in the authorized share capital by issuing 6,500 new shares at par value of Baht 10,000 per share totalling Baht 65.00 million. The associate has registered the increased share capital on 11 April 2016.