

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION**

30 JUNE 2018

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

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

I have reviewed the interim consolidated financial information of Major Cineplex Group Public Company Limited and its subsidiaries, and the interim separate financial information of Major Cineplex Group Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2018, the consolidated and separate income statements and statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Kajornkiet Aroonpirodkul

Certified Public Accountant (Thailand) No. 3445

Bangkok

10 August 2018

Major Cineplex Group Public Company Limited

Statement of Financial Position

As at 30 June 2018

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June	31 December	30 June	31 December
		2018	2017	2018	2017
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents		648,470	573,030	416,543	272,256
Trade account and other receivables	6	1,097,564	1,182,113	676,005	704,253
Short-term loans to related parties	21	14,500	5,000	335,570	394,601
Inventories		126,219	140,869	84,355	99,335
Films under production		202,490	178,365	-	-
Current portion of prepaid rents		44,891	44,891	20,037	20,037
Other current assets		235,591	138,545	57,500	45,371
Total current assets		2,369,725	2,262,813	1,590,010	1,535,853
Non-current assets					
Available-for-sale investment	7	-	67,095	-	67,095
Finance lease receivables		11,123	11,265	-	-
Investment in subsidiaries	8	-	-	3,620,579	3,620,414
Investment in associates	8	3,174,515	2,969,459	2,960,790	2,716,074
Interest in joint ventures	8	35,375	37,406	-	-
Long-term loans to related parties	21	1,802	1,827	271,585	271,610
Property, plant and equipment	9	7,161,279	7,186,429	4,205,437	4,281,282
Goodwill		205,381	205,381	-	-
Intangible assets	9	107,882	100,398	42,365	36,745
Deferred income tax assets		64,265	49,914	49,612	35,706
Long-term prepaid rents		608,181	630,626	386,608	396,626
Other non-current assets		197,250	285,098	185,604	187,563
Total non-current assets		11,567,053	11,544,898	11,722,580	11,613,115
Total assets		13,936,778	13,807,711	13,312,590	13,148,968

Director _____

Director _____

The accompanying notes on pages 12 to 33 form part of this interim financial information.

Major Cineplex Group Public Company Limited

Statement of Financial Position (Cont'd)

As at 30 June 2018

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht	Unaudited 30 June 2018 Thousand Baht	Audited 31 December 2017 Thousand Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	11	1,087,466	1,459,890	997,987	1,399,889
Trade account and other payables	10	2,175,985	1,674,700	1,632,577	1,220,324
Current portion of long-term borrowings	11	718,529	658,591	588,006	588,006
Short-term loans from related parties	21	15,900	15,900	1,262,783	1,262,776
Accrued income tax		139,593	61,329	91,462	22,829
Other current liabilities		93,793	75,457	46,996	34,455
Total current liabilities		4,231,266	3,945,867	4,619,811	4,528,279
Non-current liabilities					
Long-term borrowings from financial institutions	11	2,207,678	2,605,355	2,198,124	2,492,127
Deferred income tax liabilities		222,968	241,369	-	-
Employee benefit obligations		39,133	38,895	26,275	24,908
Other non-current liabilities		487,301	477,465	150,848	132,314
Total non-current liabilities		2,957,080	3,363,084	2,375,247	2,649,349
Total liabilities		7,188,346	7,308,951	6,995,058	7,177,628
Equity					
Share capital	12				
Authorised share capital					
Ordinary shares, 896,266,347 shares par value of Baht 1 each		896,266	896,266	896,266	896,266
Issued and fully paid-up share capital					
Ordinary shares, 894,667,502 shares paid-up of Baht 1 each	12	894,668	894,668	894,668	894,668
Share premium		4,055,609	4,055,609	4,055,609	4,055,609
Share premium - treasury share		288,425	288,425	288,425	288,425
Warrants	13	4,538	4,538	-	-
Retained earnings					
Appropriated - legal reserve		90,600	90,600	90,600	90,600
Unappropriated		1,678,246	1,396,560	988,230	597,998
Other components of equity		(375,887)	(316,853)	-	44,040
Equity attributable to owners of the parent		6,636,199	6,413,547	6,317,532	5,971,340
Non-controlling interests	14	112,233	85,213	-	-
Total equity		6,748,432	6,498,760	6,317,532	5,971,340
Total liabilities and equity		13,936,778	13,807,711	13,312,590	13,148,968

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

	Consolidated		Separate	
	financial information		financial information	
	2018	2017	2018	2017
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenues				
Services income	2,319,938	2,194,751	1,521,790	1,385,152
Sales income	683,741	584,293	474,598	425,650
Total revenues	3,003,679	2,779,044	1,996,388	1,810,802
Costs				
Cost of services	(1,630,039)	(1,522,361)	(1,087,257)	(1,010,854)
Cost of sales	(280,926)	(204,167)	(150,360)	(128,031)
Total Costs	(1,910,965)	(1,726,528)	(1,237,617)	(1,138,885)
Gross profit	1,092,714	1,052,516	758,771	671,917
Other income	15 102,691	163,395	423,130	206,151
Selling expenses	(136,124)	(115,993)	(92,137)	(66,057)
Administrative expenses	(441,097)	(454,248)	(290,708)	(306,874)
Finance costs	(26,330)	(35,676)	(38,481)	(44,236)
Share of results of investments	69,350	80,652	-	-
Profit before income tax	661,204	690,646	760,575	460,901
Income tax	16 (123,740)	(130,092)	(81,261)	(80,765)
Profit for the period	537,464	560,554	679,314	380,136
Attributable profit to:				
Owners of the parent	534,165	554,458	679,314	380,136
Non-controlling interests	3,299	6,096	-	-
	537,464	560,554	679,314	380,136
	Baht	Baht	Baht	Baht
Earnings per share				
Basic earnings per share	17 0.60	0.62	0.76	0.42
Diluted earnings per share	0.60	0.62	0.76	0.42

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

	Consolidated		Separate	
	financial information		financial information	
	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the period	537,464	560,554	679,314	380,136
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Remeasuring of available-for-sale investment	-	(2,776)	-	(2,776)
Reclassification of unrealised gain from remeasuring available-for-sale investment to income statement	-	(126,779)	-	(126,779)
Currency translation differences	5,927	(1,779)	-	-
Income tax relating to the above items	-	25,911	-	25,911
Other comprehensive gain (loss) for the period, net of income tax	5,927	(105,423)	-	(103,644)
Total comprehensive income for the period	<u>543,391</u>	<u>455,131</u>	<u>679,314</u>	<u>276,492</u>
Total comprehensive income attributable to:				
Owners of the parent	540,092	449,035	679,314	276,492
Non-controlling interests	3,299	6,096	-	-
	<u>543,391</u>	<u>455,131</u>	<u>679,314</u>	<u>276,492</u>

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

	Consolidated		Separate	
	financial information		financial information	
	2018	2017	2018	2017
	Notes	Thousand Baht	Thousand Baht	Thousand Baht
Revenues				
Services income		3,875,367	3,902,166	2,409,110
Sales income		1,078,595	1,010,983	753,363
Total revenues		4,953,962	4,913,149	3,162,473
Costs				
Cost of services		(2,817,311)	(2,740,624)	(1,829,584)
Cost of sales		(423,873)	(403,833)	(250,465)
Total Costs		(3,241,184)	(3,144,457)	(2,080,049)
Gross profit		1,712,778	1,768,692	1,082,424
Other income	15	273,166	312,419	743,617
Selling expenses		(254,316)	(249,580)	(160,002)
Administrative expenses		(842,643)	(873,912)	(559,023)
Finance costs		(55,131)	(74,185)	(78,741)
Share of result of investments	8	140,820	121,205	-
Profit before income tax		974,674	1,004,639	1,028,275
Income tax	16	(150,700)	(183,514)	(101,244)
Profit for the period		823,974	821,125	927,031
Attributable profit to:				
Owners of the parent		818,485	816,260	927,031
Non-controlling interests		5,489	4,865	-
		823,974	821,125	927,031
		Baht	Baht	Baht
Earnings per share				
Basic earnings per share	17	0.91	0.91	1.04
Diluted earnings per share		0.91	0.91	1.04

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

	Consolidated		Separate	
	financial information		financial information	
	2018	2017	2018	2017
Note	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the period	823,974	821,125	927,031	667,138
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Remeasuring of available-for-sale investment	7 (11,785)	120,178	(11,785)	120,178
Reclassification of unrealised gain from remeasuring available-for-sale investment to income statement	(43,265)	(239,709)	(43,265)	(239,709)
Currency translation differences	6,492	(12,366)	-	-
Income tax relating to the above items	11,010	23,906	11,010	23,906
Other comprehensive gain (loss) for the period, net of income tax	<u>(37,548)</u>	<u>(107,991)</u>	<u>(44,040)</u>	<u>(95,625)</u>
Total comprehensive income for the period	<u>786,426</u>	<u>713,134</u>	<u>882,991</u>	<u>571,513</u>
Total comprehensive income attributable to:				
Owners of the parent	780,937	708,269	882,991	571,513
Non-controlling interests	5,489	4,865	-	-
	<u>786,426</u>	<u>713,134</u>	<u>882,991</u>	<u>571,513</u>

The accompanying notes on pages 12 to 33 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2018

Consolidated financial information											Unit: Thousand Baht			
Attributable to owners of the parent														
	Issued and paid-up share capital	Share premium			Retained earnings		Change in parent's ownership interest in subsidiaries	Other components of equity			Total owners of the parent	Non-controlling interests	Total equity	
		Share premium	on reissuance of treasury share	Warrants	Appropriated			Translation of financial statements	Other comprehensive income (expense)					Total other component of equity
					- legal reserve	Unappropriated			Available-for-sale investment					
Opening balance as at 1 January 2017	894,534	4,053,064	288,425	5,288	90,600	1,320,957	(349,447)	10,040	323,435	(15,972)	6,636,896	80,844	6,717,740	
Changes in equity for period														
Exercise of warrants	134	2,545	-	(750)	-	-	-	-	-	-	1,929	-	1,929	
Dividends (Note 18)	-	-	-	-	-	(536,799)	-	-	-	-	(536,799)	-	(536,799)	
Total comprehensive income	-	-	-	-	-	816,260	-	(12,366)	(95,625)	(107,991)	708,269	4,865	713,134	
Closing balance as at 30 June 2017	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>4,538</u>	<u>90,600</u>	<u>1,600,418</u>	<u>(349,447)</u>	<u>(2,326)</u>	<u>227,810</u>	<u>(123,963)</u>	<u>6,810,295</u>	<u>85,709</u>	<u>6,896,004</u>	
Opening balance as at 1 January 2018	894,668	4,055,609	288,425	4,538	90,600	1,396,560	(349,447)	(11,446)	44,040	(316,853)	6,413,547	85,213	6,498,760	
Changes in equity for period														
Change in parent's ownership interest in subsidiaries (Note 14)	-	-	-	-	-	-	(21,486)	-	-	(21,486)	(21,486)	21,486	-	
Non-controlling interests from investment in subsidiary (Note 14)	-	-	-	-	-	-	-	-	-	-	-	45	45	
Dividends (Note 18)	-	-	-	-	-	(536,799)	-	-	-	-	(536,799)	-	(536,799)	
Total comprehensive income	-	-	-	-	-	818,485	-	6,492	(44,040)	(37,548)	780,937	5,489	786,426	
Closing balance as at 30 June 2018	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>4,538</u>	<u>90,600</u>	<u>1,678,246</u>	<u>(370,933)</u>	<u>(4,954)</u>	<u>-</u>	<u>(375,887)</u>	<u>6,636,199</u>	<u>112,233</u>	<u>6,748,432</u>	

The accompanying notes on pages 12 to 33 form part of this interim financial information.

Major Cineplex Group Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2018

	Separate financial information							Unit: Thousand Baht	
	Issued and paid-up share capital	Share premium	Share premium on reissuance of treasury share	Warrants	Retained earnings		Other components of equity		Total equity
					Appropriated - legal reserve	Unappropriated	Other comprehensive income (expense)		
							Available- for-sale investment	Total other component of equity	
Opening balance as at 1 January 2017	894,534	4,053,064	288,425	750	90,600	782,391	323,435	323,435	6,433,199
Changes in equity for period									
Exercise of warrants	134	2,545	-	(750)	-	-	-	-	1,929
Dividends (Note 18)	-	-	-	-	-	(536,799)	-	-	(536,799)
Total comprehensive income	-	-	-	-	-	667,138	(95,625)	(95,625)	571,513
Closing balance as at 30 June 2017	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>912,730</u>	<u>227,810</u>	<u>227,810</u>	<u>6,469,842</u>
Opening balance as at 1 January 2018	894,668	4,055,609	288,425	-	90,600	597,998	44,040	44,040	5,971,340
Changes in equity for period									
Dividends (Note 18)	-	-	-	-	-	(536,799)	-	-	(536,799)
Total comprehensive income	-	-	-	-	-	927,031	(44,040)	(44,040)	882,991
Closing balance as at 30 June 2018	<u>894,668</u>	<u>4,055,609</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>988,230</u>	<u>-</u>	<u>-</u>	<u>6,317,532</u>

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

	Notes	Consolidated financial information		Separate financial information	
		2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Cash flows from operating activities					
Cash generated from operations	19	1,753,133	1,697,085	1,143,153	1,079,250
Interest paid		(55,403)	(69,561)	(79,055)	(86,716)
Income tax paid		(108,568)	(98,830)	(44,684)	(28,861)
Net cash generated from operating activities		1,589,162	1,528,694	1,019,414	963,673
Cash flows from investing activities					
Increase in restricted cash		-	(9)	-	-
Short-term loans made to related parties	21	(9,500)	-	(192,627)	(211,372)
Short-term loans repayments received from related parties	21	-	5,000	251,658	252,868
Loans repayment received from related parties	21	25	515	25	515
Payments for short-term investments		-	(770,000)	-	(770,000)
Proceeds from disposal of short-term investments		-	771,156	-	771,156
Payment for investment in subsidiary	8	-	-	(165)	-
Payments for investment in associate	8	(354,508)	(33,358)	(354,508)	(33,358)
Proceeds from disposal of investment in associate		332,921	-	332,921	-
Proceeds from disposal of available-for-sale investment		123,281	232,889	123,281	232,889
Purchases of property, plant and equipment		(423,693)	(413,563)	(255,220)	(307,055)
Proceeds from disposals of equipment		780	13,537	208	503
Purchases of intangible assets		(103,212)	(91,611)	(14,139)	(3,613)
Interest received		2,799	2,707	9,331	10,784
Dividends received		165,077	162,030	455,748	277,446
Net cash (used in) generated from investing activities		(266,030)	(120,707)	356,513	220,763
Cash flows from financing activities					
Proceeds from short-term loans from related parties	21	-	-	1,393,669	1,319,542
Repayments to short-term loans from related parties	21	-	-	(1,393,662)	(1,093,464)
Increase (decrease) in bank overdrafts		4,479	1,062	-	-
Proceeds from short-term borrowings		1,855,000	2,114,000	1,730,000	2,050,000
Repayment to short-term borrowings		(2,230,000)	(3,662,000)	(2,130,000)	(3,590,000)
Repayments to finance lease liabilities		(46,417)	(49,548)	(848)	(4,159)
Proceeds from long-term borrowings	11	-	1,000,000	-	1,000,000
Repayments to long-term borrowings	11	(294,000)	(126,000)	(294,000)	(126,000)
Proceeds from warrants exercised		-	1,929	-	1,929
Non-controlling interests from investment in subsidiary	14	45	-	-	-
Subsidiary paid dividends to non-controlling interests		-	(10,833)	-	-
Dividends paid to shareholders	18	(536,799)	(536,795)	(536,799)	(536,795)
Net cash used in financing activities		(1,247,692)	(1,268,185)	(1,231,640)	(978,947)
Net increase in cash and cash equivalents		75,440	139,802	144,287	205,489
Opening balance of cash and cash equivalents		573,030	530,873	272,256	173,652
Closing balance of cash and cash equivalents		648,470	670,675	416,543	379,141

The accompanying notes on pages 12 to 33 form part of this interim financial information.

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

Consolidated		Separate	
financial information		financial information	
2018	2017	2018	2017
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht

Non-cash transactions

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

Purchases of equipments, not yet paid	84,043	-	-	-
Purchases of film rights, not yet paid	-	5,200	-	-
Receivable from disposal of available-for-sale investment	-	56,205	-	56,205

The accompanying notes on pages 12 to 33 form part of this interim financial information.

1 General information

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

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

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

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 10 August 2018.

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

2 Accounting policies

2.1 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2017.

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

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

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

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

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

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

2 Accounting policies (Cont'd)

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

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

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

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

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

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

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard.

TFRS 15 Revenue from contracts with customers

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that

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

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

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

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard. (Cont'd)

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

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

3 Estimates

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

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements and separate financial statements for the year ended 31 December 2017.

4 Segment information

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

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

4 Segment information (Cont'd)

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

	Consolidated financial information					Consolidated Million Baht
	Cinema business Million Baht	Advertising business Million Baht	Bowling and Karaoke business Million Baht	Rental and services Million Baht	Movie content business Million Baht	
For the six-month period ended 30 June 2018						
Revenues						
Gross segment revenues	4,230	498	248	259	116	5,351
Inter-segment revenues	(290)	-	(28)	(47)	(33)	(398)
Net revenues	<u>3,940</u>	<u>498</u>	<u>220</u>	<u>212</u>	<u>83</u>	<u>4,953</u>
Segment results	<u>486</u>	<u>344</u>	<u>4</u>	<u>(9)</u>	<u>(63)</u>	<u>762</u>
Compensation income						2
Gain from disposal of investments						202
Unallocated costs						<u>(77)</u>
Operating profit						<u>889</u>
For the six-month period ended 30 June 2017						
Revenues						
Gross segment revenues	4,151	511	239	274	140	5,315
Inter-segment revenues	(272)	-	(29)	(49)	(52)	(402)
Net revenues	<u>3,879</u>	<u>511</u>	<u>210</u>	<u>225</u>	<u>88</u>	<u>4,913</u>
Segment results	<u>523</u>	<u>367</u>	<u>(12)</u>	<u>-</u>	<u>(67)</u>	<u>811</u>
Gain from disposal of investments						241
Unallocated costs						<u>(94)</u>
Operating profit						<u>958</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:

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

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

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

There was no change in valuation techniques during the periods.

6 Trade and other receivables

	<u>Consolidated</u> <u>financial information</u>		<u>Separate</u> <u>financial information</u>	
	<u>30 June</u> <u>2018</u> <u>Thousand</u> <u>Baht</u>	<u>31 December</u> <u>2017</u> <u>Thousand</u> <u>Baht</u>	<u>30 June</u> <u>2018</u> <u>Thousand</u> <u>Baht</u>	<u>31 December</u> <u>2017</u> <u>Thousand</u> <u>Baht</u>
Trade accounts receivable - third parties	521,828	469,783	124,939	134,779
Trade accounts receivable - related parties (Note 21)	11,967	17,605	86,013	100,591
Unbilled revenue	407,666	428,408	95,301	60,495
Total	941,461	915,796	306,253	295,865
<u>Less</u> Allowance for doubtful accounts	(6,732)	(6,732)	-	-
Trade accounts receivable, net	934,729	909,064	306,253	295,865
Amounts due from related parties (Note 21)	25,406	31,198	329,486	246,860
Other accounts receivable	43,190	159,622	17,076	137,218
Prepaid expenses	94,239	82,229	23,190	24,310
Trade account and other receivables	<u>1,097,564</u>	<u>1,182,113</u>	<u>676,005</u>	<u>704,253</u>

6 Trade and other receivables (Cont'd)

Outstanding trade and other receivables can be analysed as follows:

	Consolidated financial information		Separate financial information	
	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht
Unbilled revenue	410,110	433,722	96,649	61,006
Trade accounts receivable				
Current	269,873	240,411	128,755	145,040
Overdue less than 3 months	193,042	176,561	57,492	72,539
3 - 6 months	24,457	23,985	8,493	1,534
6 - 12 months	20,346	13,277	1,799	992
Over 12 months	23,633	27,840	13,065	14,754
Total	941,461	915,796	306,253	295,865
Less Allowance for doubtful accounts	(6,732)	(6,732)	-	-
Trade accounts receivable, net	934,729	909,064	306,253	295,865

7 Available-for-sale investment

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

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

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

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

8 Investments in subsidiaries, associates and interest in joint ventures

8.1 Investment in subsidiaries

Movements of investment in subsidiaries can be analysed as follows:

	Separate financial information 30 June 2018 Thousand Baht
Opening net book amount	3,620,414
Additions	165
Closing net book amount	<u>3,620,579</u>

During the six-month period ended 30 June 2018, the Company received dividends income from subsidiaries amounting to Baht 290.67 million, which was recognised as “Other income” in the Company income statement.

Additional of investment in subsidiary

Mtel (Thailand) Co., Ltd.

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

Talent One Company Limited (“Talent One”)

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

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

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

8.2 Investment in associates

Movements of investment in associates can be analysed as follows:

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the six-month period ended 30 June 2018		
Opening net book amount	2,969,459	2,716,074
Additions	354,508	354,508
Disposals	(127,225)	(109,792)
Dividends received	(165,077)	-
Share of results	142,850	-
	<u>3,174,515</u>	<u>2,960,790</u>
Closing net book amount		

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the six-month period ended 30 June 2018, the Group realised gain on disposals of Baht 12.40 million in the consolidated income statement (30 June 2017: Baht 8.27 million).

During the six-month period ended 30 June 2018, the Company received dividends from associates amounting to Baht 165.08 million (30 June 2017: Baht 157.53 million), which was recognised as "Other income" in the Company income statement and reducing "Investment in associates" in the consolidated statement of financial position.

Siam Future Development Public Company Limited ("SF")

Additions of investment

During the six-month period ended 30 June 2018, the Company has made additional investment in SF of 40.63 million shares totalling Baht 354.51 million.

Disposal of investment

During the six-month period ended 30 June 2018, the Company disposed its investment in SF of 31.08 million shares for the considerations of Baht 286.23 million and recognised gain from disposal amounting to Baht 159.01 million, and Baht 176.44 million, included in "Other income" in the consolidated and Company income statements, respectively.

The aforementioned movements of investment resulted in the change to shareholding percentage from 25.65% to 26.19%.

8.3 Interest in joint ventures

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

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the six-month period ended 30 June 2018		
Opening net book amount	37,406	-
Share of result	(2,030)	-
Currency translation difference	(1)	-
	<u>35,375</u>	<u>-</u>
Closing net book amount		

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

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

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

	Country of incorporation	Nature of business	Nature of relationship	% Ownership interest	
				30 June 2018	31 December 2017
Subsidiaries					
Major Cineplex Property Co., Ltd.	Thailand	Building space for rent	Shareholder	99.99	99.99
Major Cineplex Services Co., Ltd.	Thailand	Utilities services	Shareholder	99.99	99.99
Ratchayothin Management Co., Ltd.	Thailand	Utilities services	Shareholder	99.99	99.99
Ratchayothin Cinema Co., Ltd.	Thailand	Land and building space for rent	Shareholder	99.99	99.99
Ratchayothin Realty Co., Ltd.	Thailand	Building space for rent	Shareholder	99.99	99.99
Major Bowl Group Co., Ltd.	Thailand	Bowling, Karaoke and entertainment services	Shareholder	99.99	99.99
Major Cinead Co., Ltd.	Thailand	Advertising and advisory services	Shareholder	99.93	99.93
Bangkok Imax Theater Co., Ltd.	Thailand	Cinema services	Shareholder	99.93	99.93
Siam Cineplex Co., Ltd.	Thailand	Cinema services	Shareholder	99.99	99.99
EGV Entertainment Public Company Limited ("EGV")	Thailand	Cinema services, advertising services, and area for rent	Shareholder	99.98	99.98
M Picture Entertainment Public Company Limited ("MPIC")	Thailand	Publishing, advertising and distribution of film rights	Shareholder	92.46	92.46
Major Holding International Co., Ltd. ("MHD")	Thailand	Holding business	Shareholder	99.96	99.96
Digital Projector Management Co., Ltd.	Thailand	Projector rental and system management	Shareholder	99.99	99.99
Major Rewards Co., Ltd.	Thailand	Customer relationship management loyalty program, E-payment and coupon Kiosk	Shareholder	99.99	99.99
Mtel (Thailand) Co., Ltd.	Thailand	Development of software and applications	Shareholder	55.00	-
Subsidiary under EGV					
EGV Exhibition Co., Ltd.	Thailand	Cinema services	Indirect shareholding	99.96	99.96
Subsidiaries under MPIC					
M Picture Co., Ltd.	Thailand	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	92.46	92.46
M.V.D. Co., Ltd. ("MVD")	Thailand	Distribution of VCD/DVD, Blu-ray and film rights	Indirect shareholding	92.46	92.46
M Thirtynine Co., Ltd.	Thailand	Film production	Indirect shareholding	92.46	92.46
M Talent Co., Ltd. (formerly: Talent One Company Limited)	Thailand	Film production	Indirect shareholding	92.45	83.22
Metacognition Co., Ltd	Thailand	Advertising agency businesses	Indirect shareholding	55.48	55.48
Subsidiary under MVD					
Pacific Media Sale Co., Ltd.	Thailand	Distribution of CD, VCD and DVD	Indirect shareholding	91.91	91.91
Subsidiaries under MHD					
Major Platinum Cineplex (Cambodia) Co., Ltd. ("Major Platinum")	Cambodia	Cinema and bowling services	Indirect shareholding	69.97	69.97
Major Platinum Cineplex (Lao) Co., Ltd. ("Major Platinum Lao")	Lao People's Democratic Republic	Cinema and bowling services	Indirect shareholding	59.98	59.98
Cineplex (Lao) Sole Co., Ltd. ("CNP")	Lao People's Democratic Republic	Cinema services	Indirect shareholding	99.99	99.99

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

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

	Country of incorporation	Nature of business	Nature of relationship	% Ownership interest	
				30 June 2018	31 December 2017
Associates					
Siam Future Development Public Company Limited ("SF")	Thailand	Rental of building space and utilities services	Shareholder	26.19	25.65
Ratchayothin Avenue Co., Ltd.	Thailand	Rental of building space and utilities services	Shareholder Indirect holding via SF	50.00 13.10	50.00 12.83
Major Cineplex Lifestyle Leasehold Property Fund ("MJLF")	Thailand	Rental of building space and utilities services	Shareholder	33.00	33.00
Thai ticket major Co., Ltd.	Thailand	Agent for selling of tickets	Shareholder	40.00	40.00
CJ Major Entertainment Company Limited ("CJM")	Thailand	Film production and distribution	Shareholder	49.00	49.00
Joint venture under MPIC					
Major Kantana Broadcasting Company Limited	Thailand	Satellite broadcasting and distribution of film rights	Indirect shareholding	41.61	41.61
Transformation Film Co., Ltd.	Thailand	Film production, advertising, television programmes service provided for all forms of entertainment	Indirect shareholding	26.42	26.42
MVP M Pictures Distribution (Lao) Co., Ltd. ("MVP")	Lao People's Democratic Republic	Film distribution	Indirect Shareholding	36.98	36.98

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

Voting power is not different from ownership interest.

9 Property, plant, equipment and intangible assets

For the six-month period ended 30 June 2018	Consolidated financial information		Separate financial information	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net book amount	7,186,429	100,398	4,281,282	36,745
Exchange differences	2,830	42	-	-
Additions	507,735	101,426	253,599	14,139
Disposals	(2,513)	(20)	(26,689)	-
Write-off	(4,937)	(54)	(858)	-
Depreciation/amortisation	(527,217)	(91,836)	(301,897)	(8,519)
Impairment	(1,048)	(2,074)	-	-
Closing net book amount	<u>7,161,279</u>	<u>107,882</u>	<u>4,205,437</u>	<u>42,365</u>

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

	Currency	Consolidated financial information		Separate financial information	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	114,673	77,200	114,673	77,200
Intangible assets	THB	80	1,211	-	-
	USD	788	1,072	-	-
Total	THB	114,753	78,411	114,673	77,200
	USD	788	1,072	-	-
Total in Thai Baht		<u>141,029</u>	<u>113,626</u>	<u>114,673</u>	<u>77,200</u>

10 Trade and other payables

	Consolidated financial information		Separate financial information	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade account payables - third parties	947,983	604,017	683,552	408,245
Trade account payables - related parties (Note 21)	8,648	20,344	82,188	72,846
Amounts due to related parties (Note 21)	41,245	48,043	61,685	44,300
Other payables	348,074	256,937	195,077	165,263
Accrued expenses	463,853	395,021	309,612	246,960
Rental and service incomes received in advance	366,182	350,338	300,463	282,710
Trade account and other payables	<u>2,175,985</u>	<u>1,674,700</u>	<u>1,632,577</u>	<u>1,220,324</u>

Unearned rental and service income included cash advanced from customers amounting to Baht 50.93 million (31 December 2017: Baht 54.99 million), which was received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

11 Borrowings

	Consolidated financial information		Separate financial information	
	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht
Current				
Bank overdrafts	4,479	-	-	-
Short-term borrowings from financial institutions	1,082,987	1,459,890	997,987	1,399,889
Total bank overdrafts and short-term borrowings from financial institutions	1,087,466	1,459,890	997,987	1,399,889
Current portion of long-term borrowings:				
- Finance lease liabilities	130,529	70,591	6	6
- Bank borrowings	588,000	588,000	588,000	588,000
Total current portion of long-term borrowings	718,529	658,591	588,006	588,006
Non-current portion of long-term borrowings				
- Finance lease liabilities	30,678	134,355	21,124	21,127
- Bank borrowings	677,000	971,000	677,000	971,000
- Debentures	1,500,000	1,500,000	1,500,000	1,500,000
Total non-current portion of long-term borrowings	2,207,678	2,605,355	2,198,124	2,492,127
Total borrowings	4,013,673	4,723,836	3,784,117	4,480,022

Long-term borrowings from financial institution

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

	Consolidated financial information	Separate financial information
For the six-month period ended 30 June 2018	Thousand Baht	Thousand Baht
Opening amount as at 1 January 2018	1,559,000	1,559,000
Repayments	(294,000)	(294,000)
Closing amount as at 30 June 2018	1,265,000	1,265,000

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

Debentures

There was no movement in debentures during the period.

Borrowing facilities

As at 30 June 2018, the available credit facilities from financial institutions for the Group and the Company are Baht 5,805.88 million and Baht 5,444.80 million, respectively (31 December 2017: Baht 5,718.33 million and Baht 5,328.33 million, respectively). The facilities, mainly expiring within 3 years, are subject to review at various dates. The facilities have been arranged mainly for cinema construction and working capital.

12 Share capital and premium on share capital

For the six-month period ended 30 June 2018	Authorised number of shares Thousand Shares	Issued and fully paid up shares		
		Number of shares Thousand Shares	Ordinary shares Thousand Baht	Shares premium Thousand Baht
Opening amount as at 1 January 2018	896,266	894,668	894,668	4,055,609
Closing amount as at 30 June 2018	896,266	894,668	894,668	4,055,609

13 Warrants

Warrants issued and offered to directors and employees (ESOP)

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

There was no exercise of warrants during the period.

14 Non-controlling interests

For the six-month period ended 30 June 2018	Consolidated financial information
	Thousand Baht
Opening amount	85,213
Change in parent's ownership interest in subsidiaries (Note 8.1)	21,486
Non-controlling interests from investment in subsidiary	45
Share of results	5,489
Closing amount	112,233

15 Other income

For the three-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Dividends income	-	-	314,629	39,703
Gain on disposals of available-for-sale investment	-	126,780	-	126,780
Gain on disposals of investment in associates	66,404	-	72,084	-
Management fee income	10,777	12,363	14,602	16,431
Interest income	2,135	2,058	7,521	8,754
Others	23,375	22,194	14,294	14,483
	102,691	163,395	423,130	206,151

Major Cineplex Group Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

15 Other income (Cont'd)

For the six-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Dividends income	-	-	455,748	157,530
Gain on disposals of short-term investment	-	1,156	-	1,156
Gain on disposals of available-for-sale investment	43,265	239,709	43,265	239,709
Gain on disposals of investment in associates	159,005	-	176,438	-
Management fee income	21,308	23,073	28,979	31,236
Interest income	3,271	3,259	14,391	16,588
Others	46,317	45,222	24,796	25,972
	<u>273,166</u>	<u>312,419</u>	<u>743,617</u>	<u>472,191</u>

16 Income tax

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used are 15% and 10% per annum for the consolidated and separate financial information, respectively.

17 Earnings per share

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

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

For the three-month period ended 30 June	Consolidated and Separate financial information	
	2018 Thousand Shares	2017 Thousand Shares
Number of weighted average shares:		
- basic	894,668	894,654
- diluted	894,668	894,662

For the six-month period ended 30 June	Consolidated and Separate financial information	
	2018 Thousand Shares	2017 Thousand Shares
Number of weighted average shares:		
- basic	894,668	894,594
- diluted	894,668	894,639

18 Dividend

2018

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

2017

At the Annual General Shareholders Meeting held on 5 April 2017, the shareholders passed a resolution to approve dividends payment in respect of the operating results for the period from July to December 2016 at Baht 0.60 per share, totalling Baht 536.80 million. The dividends were for the shareholders listed in the register on 21 April 2017 and were distributed on 3 May 2017.

19 Cash flows from operating activities

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

For the six-month period ended 30 June	Notes	Consolidated financial information		Separate financial information	
		2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Profit before income tax		974,674	1,004,639	1,028,275	786,773
Adjustments for:					
Depreciation/amortisation	9	619,053	631,040	310,416	301,015
Amortisation of prepaid rents		22,446	22,347	10,019	10,004
Doubtful and bad debts (reversal)		(5,657)	1,013	-	-
Loss on diminution in value of inventories		6,000	6,000	6,000	6,000
Impairment of plant and equipment and intangible asset (reversal)	9	3,122	(6,404)	-	-
Loss on disposals of equipment		1,580	1,956	42	464
Loss on disposals of intangibles		20	-	-	-
Loss from write-off of equipment	9	4,937	5,284	858	2,691
Loss from write-off of intangible asset	9	54	-	-	-
Gain on disposals of available-for-sale investment	15	(43,265)	(239,709)	(43,265)	(239,709)
Gain on disposals of short-term investment	15	-	(1,156)	-	(1,156)
Gain on disposals of investments in associate	15	(159,005)	-	(176,438)	-
Shares of results of investments in associates and joint ventures	8	(140,820)	(121,205)	-	-
Unearned income - customers loyalty		(291)	83	(291)	83
Employee benefit obligations		238	2,232	1,367	1,321
Unrealised loss (gain) on exchange rate		3,841	(862)	(6,722)	869
Dividends received	15	-	-	(455,748)	(157,530)
Interest income	15	(3,271)	(3,259)	(14,391)	(16,588)
Finance costs		55,131	74,185	78,741	89,228
Changes in operating assets and liabilities:					
- Trade and other receivables		(16,877)	117,729	(42,676)	48,698
- Inventories		8,650	(16,426)	8,980	(12,993)
- Film under productions		(24,126)	7,037	-	-
- Other current assets		(14,055)	(172)	(3,064)	(6,120)
- Finance lease receivables		615	599	-	-
- Other non-current assets		11,391	(32,560)	(1,709)	(32,685)
- Trade and other payables		420,294	241,478	413,243	284,692
- Other current liabilities		18,618	13,598	10,982	18,739
- Other non-current liabilities		9,836	(10,382)	18,534	(4,546)
Cash generated from operations		<u>1,753,133</u>	<u>1,697,085</u>	<u>1,143,153</u>	<u>1,079,250</u>

20 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 June 2018, there are outstanding bank guarantees and letters of credit given on behalf of the Group to third parties amounting to Baht 213.52 million (31 December 2017: Baht 199.47 million).

ii) Guarantees

As at 30 June 2018, the Company and a subsidiary have provided guarantees for bank loans granted to subsidiaries and associate for a total of Baht 88.93 million (31 December 2017: Baht 60.00 million).

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

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

	Consolidated financial information		Separate financial information	
	30 June 2018 Million Baht	31 December 2017 Million Baht	30 June 2018 Million Baht	31 December 2017 Million Baht
Within 1 year	1,028	1,040	703	805
Later than 1 year but not later than 5 years	3,949	4,104	2,494	2,584
Later than 5 years	4,921	5,632	3,457	3,915
	<u>9,898</u>	<u>10,776</u>	<u>6,654</u>	<u>7,304</u>

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

iv) Commitment for film productions

As at 30 June 2018, the Group has commitments in respect of payments to film directors amounting to Baht 95.60 million (31 December 2017: Baht 69.94 million).

21 Related party transactions

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

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

The following material transactions were carried out with related parties:

i) Sales of goods and services and others

For the three-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Sales of goods and services				
Subsidiaries	-	-	99,996	97,674
Associates	274	244	-	-
Leasehold property fund	14,868	15,950	9,067	9,433
Joint ventures	3,051	3,900	-	1,094
Related parties	13,983	15,301	3,866	4,045
	<u>32,176</u>	<u>35,395</u>	<u>112,929</u>	<u>112,246</u>
Dividend income				
Subsidiaries	-	-	290,671	-
Associates	-	-	-	15,200
Leasehold property fund	-	-	23,958	24,503
	<u>-</u>	<u>-</u>	<u>314,629</u>	<u>39,703</u>
For the six-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Sales of goods and services				
Subsidiaries	-	-	206,187	194,887
Associates	515	857	-	295
Leasehold property fund	28,322	30,863	17,858	18,968
Joint ventures	5,400	8,563	-	2,435
Related parties	27,503	28,444	7,480	6,099
	<u>61,740</u>	<u>68,727</u>	<u>231,525</u>	<u>222,684</u>
Dividend income				
Subsidiaries	-	-	290,671	-
Associates	-	-	117,161	104,713
Leasehold property fund	-	-	47,916	52,817
	<u>-</u>	<u>-</u>	<u>455,748</u>	<u>157,530</u>

21 Related party transactions (Cont'd)

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

ii) Purchase of goods and services and others

For the three-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Purchases of goods and services				
Subsidiaries	-	-	75,606	59,528
Associates	6,598	6,842	5,716	5,408
Leasehold property fund	43,733	42,400	33,108	32,229
Joint ventures	523	384	-	-
Related parties	44,131	39,643	37,738	33,445
	<u>94,985</u>	<u>89,269</u>	<u>152,168</u>	<u>130,610</u>
For the six-month period ended 30 June	Consolidated financial information		Separate financial information	
2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht	
Purchases of goods and services				
Subsidiaries	-	-	129,896	120,283
Associates	11,677	13,721	9,574	9,413
Leasehold property fund	87,327	84,849	66,216	64,267
Joint ventures	1,928	22,997	-	17,077
Related parties	80,282	74,081	68,419	59,923
	<u>181,214</u>	<u>195,648</u>	<u>274,105</u>	<u>270,963</u>

21 Related party transactions (Cont'd)

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

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

	Consolidated financial information		Separate financial information	
	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht
Trade accounts receivable (include unbilled revenue)				
Subsidiaries	-	-	84,669	96,134
Associates	3,137	6,538	22	4,154
Joint venture	4,528	3,452	-	-
Related parties	4,302	7,615	1,322	303
	<u>11,967</u>	<u>17,605</u>	<u>86,013</u>	<u>100,591</u>
Amounts due from related parties				
Subsidiaries	-	-	312,624	230,630
Associates	12,015	12,857	4,141	4,235
Joint venture	456	3,702	-	-
Related parties	12,935	14,639	12,721	11,995
	<u>25,406</u>	<u>31,198</u>	<u>329,486</u>	<u>246,860</u>
Deposit (included in "Other non-current assets")				
Subsidiaries	-	-	44,528	44,528
Associates	8,881	8,881	3,849	3,849
Related parties	26,129	26,129	25,829	25,829
	<u>35,010</u>	<u>35,010</u>	<u>74,206</u>	<u>74,206</u>

21 Related party transactions (Cont'd)

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

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

	Consolidated financial information		Separate financial information	
	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht	30 June 2018 Thousand Baht	31 December 2017 Thousand Baht
Trade accounts payable				
Subsidiaries	-	-	80,642	71,734
Associates	39	30	1	1
Joint venture	6,682	19,739	-	-
Related parties	1,927	575	1,545	1,111
	<u>8,648</u>	<u>20,344</u>	<u>82,188</u>	<u>72,846</u>
Amounts due to related parties				
Subsidiaries	-	-	46,821	28,320
Associates	7,285	4,979	6,769	4,281
Related parties	32,261	38,948	7,527	8,131
Board	1,699	4,116	568	3,568
	<u>41,245</u>	<u>48,043</u>	<u>61,685</u>	<u>44,300</u>
Advance received for rental and services (included in "Other non-current liabilities")				
Associate	23,390	23,913	-	-
Related parties	8,783	9,538	-	-
	<u>32,173</u>	<u>33,451</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Subsidiaries	-	-	1,253	1,253
Associates	123,503	123,503	-	-
Joint venture	483	783	-	-
Related parties	5,666	5,666	135	135
	<u>129,652</u>	<u>129,952</u>	<u>1,388</u>	<u>1,388</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions")				
Associates	21,130	21,133	21,130	21,133
	<u>21,130</u>	<u>21,133</u>	<u>21,130</u>	<u>21,133</u>

21 Related party transactions (Cont'd)

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

iv) Short-term loans to related parties

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the six-month period ended 30 June 2018		
Opening amount	5,000	394,601
Loans made during the period	9,500	192,627
Loans repayments received during the period	-	(251,658)
Closing amount	<u>14,500</u>	<u>335,570</u>

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

The related interest income was Baht 6.96 million. As at 30 June 2018, the accrued interest income in the separate statement of financial position was Baht 1.06 million.

v) Long-term loans to related parties

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

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

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

vi) Short-term loans from related parties

	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the six-month period ended 30 June 2018		
Opening amount	15,900	1,262,776
Loans borrowed during the period	-	1,393,669
Loans repaid during the period	-	(1,393,662)
Closing amount	<u>15,900</u>	<u>1,262,783</u>

The short-term loans from related parties consist of an unsecured loan amounting to Baht 1,246.88 million, repayable within 1 month and carrying interest at the rate of 4.00% per annum, and promissory note due upon demand of Baht 15.90 million bearing interest rate of 2.72% per annum.

The related interest expense in the consolidated and separate financial statements was Baht 0.21 million and Baht 27.04 million, respectively. As at 30 June 2018, the accrued interest expense in the consolidated and Company statement of financial position was Baht 0.35 million and Baht 17.54 million, respectively.

21 Related party transactions (Cont'd)

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

vii) Key management compensation

For the three-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	11,752	13,497	9,105	10,628
Retirement benefits	86	82	66	63
	<u>11,838</u>	<u>13,579</u>	<u>9,171</u>	<u>10,691</u>

For the six-month period ended 30 June	Consolidated financial information		Separate financial information	
	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	23,750	26,606	18,858	18,114
Retirement benefits	173	165	132	126
	<u>23,923</u>	<u>26,771</u>	<u>18,990</u>	<u>18,240</u>

22 Subsequent event

- a) At the Extraordinary General Meeting of Shareholders no.2/2018 of Major Holding International Co., Ltd. (subsidiary) held on 31 May 2018, the shareholders passed a resolution to approve decrease the registered capital of 1.1 million shares at the par value of Baht 100 per share. The decrease of share capital was registered with the Ministry of Commerce on 5 July 2018. This capital decrease will not affect shareholding percentage in subsidiary.
- b) At the Board of Directors meeting of Transformations Film Company Limited (joint venture) held on 10 July 2018, the Board of Directors approved an increase in registered share capital of Transformations Film Company Limited from the registered ordinary shares 1.75 million shares with a par value of Baht 100 per shares to 2.45 million shares with a par value of Baht 100 per shares. M Pictures Entertainment Public Company Limited (subsidiary) ("M Pictures") paid-up for 350,000 share, totalling Baht 35.00 million. As a result, the interests hold increases to 34.69% of the issued share capital. Transformations Film Company Limited registered the additional of shares with the Ministry of Commerce on 23 July 2018.
- c) At the Board of Directors Meeting of M Pictures held on 8 August 2018, the Board of Directors approved the incorporation of a film distribution company in Cambodia, whose registered share capital is USD 200,000 representing 200,000 ordinary shares at a par value of USD 1 per share. M Pictures will own 55.00% of interests or equivalent to USD 110,000.
- d) At the Board of Directors Meeting of M Pictures held on 8 August 2018, the Board of Directors approved to additionally invest in an increase in registered share capital of Major Kantana Broadcasting Company Limited (joint venture) based on proportion of existing shareholding by acquiring 899,998 shares with a par value of Baht 10 per share, totalling Baht 9.00 million.
- e) At the Board of Directors Meeting held on 10 August 2018, the Board passed a resolution to approve interim dividends payment in respect of the operating results for the period from January to June 2018 at Baht 0.65 per share, totaling Baht 581.53 million. The dividends are for the shareholders listed in the register on 30 August 2018 and will be distributed on 7 September 2018.