

UDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, ("the Company") as at 30 September 2011, and the related consolidated and company income statements, and the related consolidated and company statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2011. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my review. The interim consolidated and company financial statements for the nine-month period ended 30 September 2010, of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, were reviewed by another independent auditor of the same firm as myself, whose report, dated 12 November 2010, stated that nothing had come to his attention that caused him to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The consolidated and company income statements, statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2010, presented herewith for comparative purpose, are part of the interim consolidated and company financial statements were reviewed as mentioned above.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company financial statements for the year ended 31 December 2010 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, were audited by another independent auditor of the same firm as myself, whose report, dated 24 February 2011, expressed an unqualified opinion on those statements. The consolidated and company statements of financial position as at 31 December 2010, presented herewith for comparative purpose, are part of the consolidated and company financial statements which were audited and upon which a report was issued as stated above and I have not performed any other auditing procedures subsequent to the date of that report. As discussed in Note 3, from 1 January 2011, the Group has adopted the new and revised financial reporting standards as announced by the Federation of Accounting Professions. The consolidated and company statements of comprehensive income and of changes in shareholders' equity for the nine-month period ended 30 September 2010, as presented for comparative purposes, are presented in the new format to conform with the current period financial statements.

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

Bangkok
11 November 2011

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 September 2011

Major Cineplex Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 September 2011 and 31 December 2010

		Unit: Baht'000				
		Consolidated		Company		
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		30 September	31 December	30 September	31 December	
Notes		2011	2010	2011	2010	
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term						
	borrowings from financial institutions	14	568,582	497,380	100,477	299,808
	Trade accounts and notes payable		608,144	539,360	461,614	382,881
	Amounts due to related parties	22	14,822	36,192	166,660	140,628
	Short-term loans from related parties	22	-	-	48,630	87,408
Current portion of long-term						
	borrowings	14	46,328	158,828	40,052	28,000
	Accrued income tax		63,569	64,253	45,584	23,976
	Other current liabilities	13	811,113	719,850	335,266	355,869
Total current liabilities			2,112,558	2,015,863	1,198,283	1,318,570
Non-current liabilities						
Long-term borrowings from						
	related parties	22	-	440,127	-	507,938
Long-term borrowings from financial						
	institutions	14	192,617	146,615	170,870	91,960
	Debentures	14	2,300,000	2,300,000	2,300,000	2,300,000
	Employee benefit obligations		15,975	-	8,473	-
	Other non-current liabilities		447,863	456,816	22,596	20,810
Total non-current liabilities			2,956,455	3,343,558	2,501,939	2,920,708
Total liabilities			5,069,013	5,359,421	3,700,222	4,239,278

The accompanying condensed notes on pages 14 to 40 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 September 2011 and 31 December 2010

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2011	2010	2011	2010
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
	Share capital	15			
	Authorised share capital				
	Ordinary shares, 906,000,000 shares				
	at par value of Baht 1 each	<u>906,000</u>	<u>906,000</u>	<u>906,000</u>	<u>906,000</u>
	Issued and fully paid-up share capital				
	Ordinary shares, 881,897,219 shares				
	at paid-up of Baht 1 each	881,897	881,897	881,897	881,897
	Share premium	15	3,839,674	3,839,674	3,839,674
	Share premium - treasury shares	15	288,425	-	-
	Retained earnings				
	Appropriated				
	Legal reserve		90,600	90,600	90,600
	Reserve for treasury shares	15	-	267,920	-
	Unappropriated		848,127	780,530	1,041,163
	<u>Less</u> Treasury shares	15	-	(267,920)	-
	Other components of shareholders' equity		<u>(123,954)</u>	<u>(56,290)</u>	<u>(123,954)</u>
	Equity attributable to owners of the parent		5,824,769	5,536,411	6,017,805
	Non-controlling interest	21	<u>147,258</u>	<u>137,100</u>	<u>-</u>
	Total shareholders' equity		<u>5,972,027</u>	<u>5,673,511</u>	<u>6,017,805</u>
	Total liabilities and shareholders' equity		<u>11,041,040</u>	<u>11,032,932</u>	<u>9,718,027</u>

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Major Cineplex Group Public Company Limited
Income Statements (Unaudited)
For the three-month periods ended 30 September 2011 and 2010

	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
Revenues	5				
Service income		1,436,434	1,276,899	818,157	693,176
Sales		419,307	398,005	175,291	132,547
Total revenues		<u>1,855,741</u>	<u>1,674,904</u>	<u>993,448</u>	<u>825,723</u>
Costs					
Cost of services		(1,008,163)	(875,538)	(610,600)	(489,558)
Cost of sales		(222,899)	(203,199)	(62,358)	(44,339)
Total costs		<u>(1,231,062)</u>	<u>(1,078,737)</u>	<u>(672,958)</u>	<u>(533,897)</u>
Gross profit		624,679	596,167	320,490	291,826
Other operating income	5	42,066	28,580	84,726	48,879
Profit before expenses		<u>666,745</u>	<u>624,747</u>	<u>405,216</u>	<u>340,705</u>
Selling expenses		(126,915)	(90,461)	(47,068)	(35,882)
Administrative expenses		(262,555)	(244,106)	(152,943)	(127,572)
Management's remuneration		(11,096)	(10,380)	(5,907)	(6,972)
Total expenses		<u>(400,566)</u>	<u>(344,947)</u>	<u>(205,918)</u>	<u>(170,426)</u>
Operating profit		266,179	279,800	199,298	170,279
Gain on disposal of investment		8,410	838	10,996	531
Share of result of investments - equity method		53,961	36,231	-	-
Profit before financial costs and income tax		<u>328,550</u>	<u>316,869</u>	<u>210,294</u>	<u>170,810</u>
Financial costs		(34,973)	(34,060)	(28,159)	(28,269)
Profit before income tax		293,577	282,809	182,135	142,541
Income tax		(76,843)	(64,221)	(48,880)	(34,372)
Profit for the period		<u>216,734</u>	<u>218,588</u>	<u>133,255</u>	<u>108,169</u>
Attributable to:					
Shareholders of the parent		215,274	214,150	133,255	108,169
Non-controlling interest		1,460	4,438	-	-
Profit for the period		<u>216,734</u>	<u>218,588</u>	<u>133,255</u>	<u>108,169</u>
		Baht	Baht	Baht	Baht
Earnings per share for profit attributable to the parent	7				
Basic earnings per share		0.24	0.25	0.15	0.13
Diluted earnings per share		0.24	0.25	0.15	0.13

The accompanying condensed notes on pages 14 to 40 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 30 September 2011 and 2010

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Profit for the period	216,734	218,588	133,255	108,169
Other comprehensive income:				
Gain on remeasuring available-for-sale investments	18,571	21,863	18,571	21,863
Other comprehensive income for the period, net of income tax	18,571	21,863	18,571	21,863
Total comprehensive income for the period	<u>235,305</u>	<u>240,451</u>	<u>151,826</u>	<u>130,032</u>
Total comprehensive income attributable to:				
Owners of the parent	233,845	236,013	151,826	130,032
Non-controlling interest	1,460	4,438	-	-
	<u>235,305</u>	<u>240,451</u>	<u>151,826</u>	<u>130,032</u>

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Major Cineplex Group Public Company Limited
Income Statements (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

		Unit: Baht'000			
		Consolidated		Company	
		30 September	30 September	30 September	30 September
Notes		2011	2010	2011	2010
	Revenues				
	Service income	4,007,567	3,394,532	2,308,880	1,739,842
	Sales	1,324,620	1,167,316	503,138	329,489
	Total revenues	5,332,187	4,561,848	2,812,018	2,069,331
	Costs				
	Cost of services	(2,748,278)	(2,301,300)	(1,679,168)	(1,253,027)
	Cost of sales	(735,269)	(691,084)	(177,079)	(115,645)
	Total costs	(3,483,547)	(2,992,384)	(1,856,247)	(1,368,672)
	Gross profit	1,848,640	1,569,464	955,771	700,659
	Other operating income	97,488	93,365	959,782	191,449
	Profit before expenses	1,946,128	1,662,829	1,915,553	892,108
	Selling expenses	(328,036)	(301,823)	(130,326)	(94,230)
	Administrative expenses	(757,052)	(714,864)	(421,364)	(396,343)
	Management's remuneration	(36,610)	(37,181)	(20,419)	(26,837)
	Total expenses	(1,121,698)	(1,053,868)	(572,109)	(517,410)
	Operating profit	824,430	608,961	1,343,444	374,698
	Gain on disposal of investment	8,927	20,489	14,446	83,751
	Share of result of investments - equity method	186,074	99,427	-	-
	Profit before financial costs and income tax	1,019,431	728,877	1,357,890	458,449
	Financial costs	(108,808)	(105,699)	(92,441)	(85,880)
	Profit before income tax	910,623	623,178	1,265,449	372,569
	Income tax	(193,258)	(110,427)	(111,984)	(51,506)
	Profit for the period	717,365	512,751	1,153,465	321,063
	Attributable to:				
	Shareholders of the parent	701,021	506,836	1,153,465	321,063
	Non-controlling interest	16,344	5,915	-	-
	Profit for the period	717,365	512,751	1,153,465	321,063
		Baht	Baht	Baht	Baht
	Earnings per share for profit				
	attributable to the parent				
	Basic earnings per share	0.81	0.60	1.33	0.38
	Diluted earnings per share	0.81	0.60	1.33	0.38

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Major Cineplex Group Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

	Unit: Baht'000			
	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
Profit for the period	717,365	512,751	1,153,465	321,063
Other comprehensive income:				
Loss on remeasuring of available-for-sale investments	(67,664)	(23,451)	(67,664)	(23,094)
Other comprehensive expense for the period, net of income tax	(67,664)	(23,451)	(67,664)	(23,094)
Total comprehensive income for the period	<u>649,701</u>	<u>489,300</u>	<u>1,085,801</u>	<u>297,969</u>
Total comprehensive income attributable to:				
Shareholders of the parent	633,357	483,385	1,085,801	297,969
Non-controlling interest	16,344	5,915	-	-
	<u>649,701</u>	<u>489,300</u>	<u>1,085,801</u>	<u>297,969</u>

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Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

	Unit: Baht										
	Consolidated										
	Attributable to owners of the parent										
	Retained earnings					Other components of shareholders' equity					
	Appropriated					Other comprehensive income					
	Issued and paid-up share capital	Share premium	Share premium - Treasury shares	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Available-for-sale investment	Total shareholders of the Company	Non-controlling interest	Total
Opening balance as at 1 January 2011	881,897	3,839,674	-	90,600	267,920	780,530	(267,920)	(56,290)	5,536,411	137,100	5,673,511
Retrospective adjustment from change in accounting policy (Note 3)	-	-	-	-	-	(17,281)	-	-	(17,281)	(1,098)	(18,379)
Opening balance after adjustment	881,897	3,839,674	-	90,600	267,920	763,249	(267,920)	(56,290)	5,519,130	136,002	5,655,132
Changes in shareholders' equity for period											
Increase during the period	-	-	288,425	-	-	267,920	-	-	556,345	-	556,345
Disposal of treasury shares during the period	-	-	-	-	(267,920)	-	267,920	-	-	-	-
Addition investment in subsidiary by purchasing shares from non-controlling interest	-	-	-	-	-	(267)	-	-	(267)	(723)	(990)
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	16,557	16,557	-	16,557
Dividends payment (Note 17)	-	-	-	-	-	(883,796)	-	-	(883,796)	(4,365)	(888,161)
Total comprehensive income for the period	-	-	-	-	-	701,021	-	(84,221)	616,800	16,344	633,144
Closing balance as at 30 September 2011	881,897	3,839,674	288,425	90,600	-	848,127	-	(123,954)	5,824,769	147,258	5,972,027
Opening balance as at 1 January 2010	881,897	3,839,674	-	90,600	267,920	481,080	(267,920)	(4,773)	5,288,478	100,444	5,388,922
Changes in shareholders' equity for period											
Disposal of investment in subsidiaries	-	-	-	-	-	-	-	-	-	21,838	21,838
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	1,997	1,997	-	1,997
Dividends payment (Note 17)	-	-	-	-	-	(462,539)	-	-	(462,539)	-	(462,539)
Total comprehensive income for the period	-	-	-	-	-	506,836	-	(25,448)	481,388	5,915	487,303
Closing balance as at 30 September 2010	881,897	3,839,674	-	90,600	267,920	525,377	(267,920)	(28,224)	5,309,324	128,197	5,437,521

The accompanying condensed notes on pages 14 to 40 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited

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

For the nine-month periods ended 30 September 2011 and 2010

	Unit: Baht'000								
	Company								
	Issued and paid-up share capital	Share premium	Share premium - Treasury share	Retained earnings			Treasury shares	Other components of shareholders' equity	Total
				Legal reserve	Treasury shares reserve	Unappropriated		Other comprehensive income	
							Available- for-sale investment		
Opening balance as at 1 January 2011	881,897	3,839,674	-	90,600	267,920	511,225	(267,920)	(56,290)	5,267,106
Retrospective adjustment from change in accounting policy (Note 3)	-	-	-	-	-	(7,651)	-	-	(7,651)
Opening balance after adjustment	881,897	3,839,674	-	90,600	267,920	503,574	(267,920)	(56,290)	5,259,455
Changes in shareholders' equity for period									
Increase during the period	-	-	288,425	-	-	267,920	-	-	556,345
Disposal of treasury shares during the period	-	-	-	-	(267,920)	-	267,920	-	-
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	16,557	16,557
Dividends payment (Note 17)	-	-	-	-	-	(883,796)	-	-	(883,796)
Total comprehensive income for the period	-	-	-	-	-	1,153,465	-	(84,221)	1,069,244
Closing balance as at 30 September 2011	881,897	3,839,674	288,425	90,600	-	1,041,163	-	(123,954)	6,017,805
Opening balance as at 1 January 2010	881,897	3,839,674	-	90,600	267,920	625,964	(267,920)	(5,130)	5,433,005
Changes in shareholders' equity for period									
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	2,147	2,147
Dividends payment (Note 17)	-	-	-	-	-	(462,539)	-	-	(462,539)
Total comprehensive income for the period	-	-	-	-	-	321,063	-	(25,241)	295,822
Closing balance as at 30 September 2010	881,897	3,839,674	-	90,600	267,920	484,488	(267,920)	(28,224)	5,268,435

The accompanying condensed notes on pages 14 to 40 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods ended 30 September 2011 and 2010

	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
Cash flows from operating activities					
Cash generated from operations	19	1,582,668	1,302,240	720,356	684,096
Interest paid		(115,722)	(104,515)	(102,535)	(84,926)
Income tax paid		(193,941)	(82,594)	(90,375)	(20,714)
Net cash generated from operating activities		<u>1,273,005</u>	<u>1,115,131</u>	<u>527,446</u>	<u>578,456</u>
Cash flows from investing activities					
Proceeds from sales of investment in subsidiaries		-	366	-	-
Cash decreased from sales of investment in subsidiaries		-	(714)	-	-
Payments for short-term investments	8	(250,000)	(1,350,000)	(250,000)	(1,350,000)
Proceeds from sales of short-term investments		150,141	1,351,064	150,141	1,351,064
Proceeds from short-term loans from related parties	22 iv)	-	-	(88,753,068)	-
Settlements of short-term loans from related parties	22 iv)	-	-	88,343,071	-
Loans to third parties		(28,041)	(18,800)	(28,041)	(15,000)
Proceeds from loans to third parties		19,100	7,072	19,100	7,072
Loans made to related parties	22 iv)	(8,503)	(3,184)	(208,503)	(434,540)
Proceeds from settlements of loans to related parties		14,047	11,082	621,086	677,624
Payments for investment in subsidiaries	20	(990)	-	(990)	(2,000)
Proceeds from disposal of investment in associate	20	42,040	46,519	42,040	46,519
Cash received from share reduction	20	202,500	-	202,500	-
Payments for investment in associate	20	(129,009)	(11,648)	(129,009)	(11,648)
Proceeds from disposals of interests in joint venture	20	1,000	-	1,000	-
Payments for investment in joint venture	20	(23,400)	(10,000)	(23,400)	(10,000)
Proceeds from disposals of long-term investment		11,310	9,692	11,310	9,692
Payments for long-term investment		-	(34,371)	-	(34,371)
Purchases of property, plant and equipment		(220,272)	(140,806)	(138,578)	(213,515)
Proceeds from disposals of property, plant and equipment		72,072	6,919	73,987	6,071
Proceeds from cancellation of lease agreement		-	42,056	-	-
Payments for intangible assets		(284,731)	(265,999)	(1,652)	(21,064)
Interest received		14,950	7,931	48,034	45,637
Dividends received from associates	20	315,059	89,416	848,648	89,416
Net cash (used in) received from investing activities		<u>(102,727)</u>	<u>(263,405)</u>	<u>827,676</u>	<u>140,957</u>

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Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2011 and 2010

	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September	30 September	30 September	30 September
		2011	2010	2011	2010
Cash flows from financing activities					
Proceeds from short-term loans from related parties	22 vi)	-	-	21,914,044	-
Settlements of short-term loans from related parties	22 vi)	-	-	(21,952,822)	-
Proceeds (repayments) from bank overdrafts		16,908	(29,792)	476	15,498
Increase in restricted cash		(51)	(41)	-	-
(Payments for) proceeds from short-term borrowings, net		54,292	(1,105,060)	(199,808)	(1,067,660)
Repayments of finance lease liabilities		(1,838)	(1,987)	(1,023)	(1,564)
Proceeds from loans from related parties		-	-	-	110,500
Settlements of loans from related parties	22 vii)	(440,127)	-	(508,938)	(56,000)
Proceeds from long-term borrowings	14	221,800	100,000	200,000	100,000
Repayment of long-term borrowings	14	(290,541)	(500,000)	(110,000)	(450,000)
Proceeds from issuance of debentures		-	800,000	-	800,000
Proceeds from disposal of treasury shares	15	556,345	-	556,345	-
Dividends paid to shareholders	17	(883,550)	(462,539)	(883,550)	(462,539)
Dividends paid to non-controlling interest	21	(4,365)	-	-	-
Net cash used in financing activities		(771,127)	(1,199,419)	(985,276)	(1,011,765)
Net increase (decrease) in cash and cash equivalents		399,151	(347,693)	369,846	(292,352)
Opening balance of cash and cash equivalents		202,163	532,016	138,858	371,357
Closing balance of cash and cash equivalents		601,314	184,323	508,704	79,005

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Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2011 and 2010

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2011 and 2010:

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Investment in property, plant and equipment, not yet paid	67,038	169,837	39,536	106,316
Purchases of film rights, not yet paid	12,897	37,935	-	-
Purchases of property, plant and equipment under finance leases	2,680	10,923	-	-
Disposals of equipments by offsetting with amount due from related parties	-	41	-	43,536
Disposal of equipments by offsetting with other current assets	53,550	9	17,680	2,848
Disposal of investment in subsidiaries, not yet paid (Note 20.1)	-	2,000	-	2,000
Offsetting dividend income with loans from related parties	-	-	-	40,000
Transfer of amounts due from related parties to loans to related parties	-	-	78	14,893
Transfer of advance for subscription to long-term investment	-	307,991	-	307,991
Transfer short-term borrowing to long-term borrowing	-	258,125	-	-
Offsetting trade accounts payable with loans to related parties	-	3	-	79,615
Offsetting loans to related parties with loans from related parties	-	-	1,000	-
Offsetting amounts due to related parties with loans to related parties	-	345	-	19,216

The accompanying condensed notes on pages 14 to 40 are an integral part of these interim consolidated and company financial statements.

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”.

The group interim consolidated and company financial statements have been authorised for issue by the Board of Directors on 11 November 2011.

The group interim consolidated and company financial statements have been reviewed, not audited.

2 Basis of preparation

All amounts shown in the financial statements and its notes are in thousands Thai Baht unless otherwise stated.

These interim consolidated and company financial statements 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 statements (i.e. statements of financial position, income statements, 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 statements 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 B.E. 2535.

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

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010 except as described in Note 4.

The following new accounting standards, new financial reporting standards, amendments to accounting standards and interpretation are mandatory for the first time for the financial year beginning on or after 1 January 2011.

- TAS 1 (Revised 2009), the revised standard will prohibit the presentation of times of income and expenses in the statement of changes in shareholders’ equity. Entities can choose to present the statement of comprehensive income in one statement or two statements (the income statement and statement of comprehensive income). However, the entity chose to present two statements, income statement and comprehensive income. Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present statement of financial position only two accounting periods.

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3 Summary of significant accounting policies (Cont'd)

- TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The entity assessed and determined that there is no impact from this standard.
- TAS 19 deal with accounting for employee benefit. The standard classifies employee benefit into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognise in profit and loss.

The effects of the adoption of the above standards to the statement of financial position as at 1 January 2011 are presented as following:

	Consolidated 2011 Baht'000	Company 2011 Baht'000
Statement of financial position as at 1 January 2011		
Decrease in opening balance of retained earnings	17,281	7,651
Increase in employee benefit obligations	14,304	7,651
Decrease in investment in associates and interest in joint ventures	4,075	-
Increase in non-controlling interest	1,098	-

New interpretations of accounting standards during the nine-month period ended 30 September 2011

The new interpretations were announced in the Government Gazette during the nine-month period ended 30 September 2011 are as follows:

- a) Effective for the period beginning on or after 1 January 2011

TSIC 31 Revenue - Barter Transactions Involving Advertising Services

The Group's management has assessed and determined that this interpretation does not significantly impact the financial statements being presented.

- b) Effective for the period beginning on or after 1 January 2013

TAS 20 (Revised 2009) Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (Revised 2009) The Effect of Changes in Foreign Exchange Rates
TSIC 10 Government Assistance - No Specific Relation to Operating Activities
TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group's management has determined that the amendments to accounting standards and new interpretation will not significantly impact the financial statements being presented.

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

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

4 New accounting policies

4.1 Employee benefits

The Group has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- Defined benefit plans

Retirement benefit

Under Labour Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

- Defined contribution plans

Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the income statement in the years to which they relate.

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5 Segment information

Financial information by business segments is as follows:

	Consolidated					Unit: Million Baht	
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the three-month period ended 30 September 2011							
Revenues							
Gross segment revenues	1,337	167	160	161	222	3	2,050
Inter-segment revenues	(79)	(1)	(23)	(23)	(26)	-	(152)
Net revenues	<u>1,258</u>	<u>166</u>	<u>137</u>	<u>138</u>	<u>196</u>	<u>3</u>	<u>1,898</u>
Segment results	<u>167</u>	<u>120</u>	<u>7</u>	<u>29</u>	<u>(8)</u>	<u>1</u>	316
Unallocated costs							<u>(50)</u>
Operating profit							<u>266</u>
For the three-month period ended 30 September 2010							
Revenues							
Gross segment revenues	1,199	130	150	147	227	8	1,861
Inter-segment revenues	(90)	(1)	(22)	(19)	(24)	(2)	(158)
Net revenues	<u>1,109</u>	<u>129</u>	<u>128</u>	<u>128</u>	<u>203</u>	<u>6</u>	<u>1,703</u>
Segment results	<u>179</u>	<u>91</u>	<u>7</u>	<u>41</u>	<u>33</u>	<u>(13)</u>	338
Unallocated costs							<u>(58)</u>
Operating profit							<u>280</u>

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5 Segment information (Cont'd)

	Consolidated						Unit: Million Baht
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the nine-month period ended 30 September 2011							
Revenues							
Gross segment revenues	3,797	426	432	457	674	110	5,896
Inter-segment revenues	(235)	(4)	(67)	(67)	(50)	(43)	(466)
Net revenues	<u>3,562</u>	<u>422</u>	<u>365</u>	<u>390</u>	<u>624</u>	<u>67</u>	<u>5,430</u>
Segment results	<u>535</u>	<u>310</u>	<u>17</u>	<u>98</u>	<u>35</u>	<u>(28)</u>	<u>967</u>
Unallocated costs							<u>(143)</u>
Operating profit							<u>824</u>
For the nine-month period ended 30 September 2010							
Revenues							
Gross segment revenues	3,118	362	427	528	673	130	5,238
Inter-segment revenues	(365)	(3)	(62)	(56)	(57)	(40)	(583)
Net revenues	<u>2,753</u>	<u>359</u>	<u>365</u>	<u>472</u>	<u>616</u>	<u>90</u>	<u>4,655</u>
Segment results	<u>332</u>	<u>252</u>	<u>10</u>	<u>175</u>	<u>36</u>	<u>(36)</u>	<u>769</u>
Unallocated costs							<u>(160)</u>
Operating profit							<u>609</u>

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6 Expenses by nature

The following items classified by nature have been charged to the operating profit during the interim period.

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Depreciation	138,896	152,001	68,779	66,575
Amortisation				
- film rights	75,252	104,278	-	-
- computer software	2,043	1,697	1,869	1,483
- prepaid rents	8,665	8,742	2,368	2,368
Impairment loss for property, equipment and intangible assets	4,376	2,073	-	-
Repair and maintenance expenditure	20,288	14,292	11,064	6,105
Staff costs	166,855	136,043	92,903	67,938
Loss from written-off of property, equipment and intangible assets	-	7,177	-	-
Doubtful debts and bad debts	325	3,742	-	-
Loss on diminution in value of inventories	3,307	-	-	-
Loss on goods returns (reversal)	10,158	(4,514)	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	144,332	107,961	62,358	44,339

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Depreciation (Note 11)	423,589	453,165	206,269	197,440
Amortisation				
- film rights (Note 11)	282,011	402,223	-	-
- computer software (Note 11)	5,681	4,024	5,181	3,387
- prepaid rents (Note 12)	26,441	27,458	7,104	7,104
Impairment loss for property, equipment and intangible assets (reversal) (Note 11)	12,068	(25,685)	-	-
Repair and maintenance expenditure	47,011	38,536	23,306	14,642
Staff costs	490,400	393,925	271,454	190,645
Loss from written-off of property, equipment and intangible assets	163	91,995	-	-
Doubtful debts and bad debts	554	12,963	-	-
Loss on diminution in value of inventories	4,122	3,435	-	-
Loss on goods returns	14,628	9,334	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	397,413	326,992	177,079	115,645

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7 Earnings per share

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

The outstanding warrants as at 30 September 2011 which issued and offered warrants to directors and employees of the Company and its subsidiaries (Note 16) did not affect the diluted earnings per share since the exercise price of the outstanding warrants is higher than the average market price of the Company's shares during the period ended 30 September 2011.

	Unit: Shares'000			
	Consolidated and Company			
	For the three-month periods ended		For the nine-month periods ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Number of weighted average shares:				
- basic	881,897	840,990	864,515	840,990
- diluted	881,897	840,990	864,515	840,990

8 Investments

	Unit: Baht'000	
	Consolidated and Company	
	30 September 2011	31 December 2010
Current	149,757	48,526
Non-current	184,048	278,095
	<u>333,805</u>	<u>326,621</u>

8.1) Current

Short-term investment represents investment unit of a mutual fund and bond. Movements of short-term investment are as follows:

	Unit: Baht'000
	Consolidated and Company
	30 September 2011
Opening book value	48,526
Additions	250,000
Disposals	(150,000)
Change in fair value of investment	1,231
Closing book value	<u>149,757</u>

The Company disposed short-term investment during the period and recognised gain on disposal of investment of Baht 0.14 million.

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8 Investments (Cont'd)

8.2) Non-current

Movements of non-current investment are as follows:

	Unit: Baht'000
	Consolidated and Company
	30 September 2011
Opening book value	278,095
Disposals	(44,918)
Reversal of impairment	19,767
Change in fair value of investment	(68,896)
Closing book value	<u>184,048</u>

The Company disposed partial long-term investment during the period and recognised loss on disposal of investment of Baht 13.84 million.

9 Trade accounts receivable, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Trade accounts receivable				
- Third parties	618,324	731,644	56,470	76,353
- Related parties	20,998	15,912	149,952	189,359
Unbilled revenue				
- Third parties	120,746	99,040	18,658	18,237
- Related parties	90	155	43,745	1,620
Total	760,158	846,751	268,825	285,569
<u>Less</u> Allowance for doubtful accounts	(49,395)	(48,842)	-	-
Trade accounts receivable, net	<u>710,763</u>	<u>797,909</u>	<u>268,825</u>	<u>285,569</u>

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9 Trade accounts receivable, net (Cont'd)

Outstanding trade accounts receivable can be analysed as follows:

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Unbilled revenue	120,836	99,195	62,404	19,857
Trade accounts receivable				
Current	370,559	493,715	12,264	110,841
Overdue not more than 3 months	156,038	125,741	97,801	66,927
3 - 6 months	21,858	15,191	48,952	41,217
Over 6 months	90,867	112,909	47,404	46,727
Total	760,158	846,751	268,825	285,569
<u>Less</u> Allowance for doubtful accounts	(49,395)	(48,842)	-	-
Trade accounts receivable, net	710,763	797,909	268,825	285,569

10 Inventories, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Foods and beverages	38,966	29,604	26,243	16,302
VCD and DVD, net of allowance	113,242	84,074	-	-
Supplies and others	4,692	14,768	3,282	3,062
Inventories held for sale	-	11,645	-	-
	156,900	140,091	29,525	19,364
<u>Less</u> Allowance for obsolescence and diminution in value of inventories	(13,420)	(9,297)	-	-
	143,480	130,794	29,525	19,364
Goods in transit	3,451	3,822	-	-
Inventories, net	146,931	134,616	29,525	19,364

The allowance for obsolescence amounting to Baht 4.12 million (31 December 2010: reversal of allowance for obsolescence was recognised amounting to Baht 0.82 million) was recognised in the consolidated income statement for the nine-month period ended 30 September 2011.

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11 Property, plant, equipment and intangible assets, net

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment, net	Intangible assets, net	Property, plant and equipment, net	Intangible assets, net
For the nine-month period ended				
30 September 2011				
Opening net book amount	5,406,005	418,347	2,339,240	30,572
Additions	291,274	272,188	178,902	1,652
Disposals/write-off, net	(119,877)	-	(88,621)	-
Depreciation/amortisation	(423,589)	(287,692)	(206,269)	(5,181)
Impairment of asset	(6,000)	(6,068)	-	-
Closing net book amount	<u>5,147,813</u>	<u>396,775</u>	<u>2,223,252</u>	<u>27,043</u>

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

	Currency	Consolidated		Company	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	31,410	13,100	19,610	13,100
Intangible assets	THB	57,440	-	-	-
	USD	3,648	1,514	-	-
	EURO	51	-	-	-
Total	THB	88,850	13,100	19,610	13,100
	USD	3,648	1,514	-	-
	EURO	51	-	-	-
Total in Thai Baht		<u>205,200</u>	<u>58,381</u>	<u>19,610</u>	<u>13,100</u>

12 Prepaid rents

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2011		
Opening net book amount	625,087	197,294
Amortisation	(26,441)	(7,104)
Closing net book amount	<u>598,646</u>	<u>190,190</u>

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Current portion	34,657	35,105	9,473	9,473
Long-term portion	563,989	589,982	180,717	187,821
Total	<u>598,646</u>	<u>625,087</u>	<u>190,190</u>	<u>197,294</u>

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13 Other current liabilities

Other current liabilities included cash advanced from customers amounting to Baht 43.83 million, which received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

14 Long-term borrowings and debentures

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Current				
Bank overdrafts	34,482	17,572	477	-
Short-term loans from financial institutions	534,100	479,808	100,000	299,808
Total bank overdrafts and short-term loans from financial institutions	568,582	497,380	100,477	299,808
Current portion of long-term borrowings:				
- Finance lease liabilities	1,334	828	52	-
- Bank borrowings	44,994	158,000	40,000	28,000
Total current portion of long-term borrowings	46,328	158,828	40,052	28,000
Non-current portion				
- Finance lease liabilities	38,227	36,490	20,870	19,960
- Bank borrowings	154,390	110,125	150,000	72,000
Total non-current portion of borrowings	192,617	146,615	170,870	91,960
- Debentures	2,300,000	2,300,000	2,300,000	2,300,000
Total borrowings and debentures	3,107,527	3,102,823	2,611,399	2,719,768

The movements in long-term borrowings (excluding finance lease liabilities) can be analysed as follows:

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2011		
Opening amount	268,125	100,000
Additions	221,800	200,000
Repayments	(290,541)	(110,000)
Closing amount	199,384	190,000

Long-term bank borrowings bear interest at the rate at ranging from 4.00% to 4.60% per annum, and are secured by pledge of property, building, leasehold rights and operating lease contracts.

14 Long-term borrowings and debentures (Cont'd)

Debentures

	Unit: Baht'000	
	<u>Consolidated</u>	<u>Company</u>
For the nine-month period ended 30 September 2011		
Opening amount	2,300,000	2,300,000
Closing amount	<u>2,300,000</u>	<u>2,300,000</u>

Borrowing facilities

As at 30 September 2011, the available credit facilities from financial institutions of the Group and the Company are Baht 4,229.70 million and Baht 3,574.52 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 working capital (31 December 2010: Baht 4,291.72 million and Baht 3,674.99 million, respectively).

15 Share capital and premium on share capital

	Issued and fully paid up shares			
	Authorised number of shares Shares'000	Number of shares Shares'000	Ordinary shares Baht'000	Shares premium Baht'000
For the nine-month period ended 30 September 2011				
Opening balance	906,000	881,897	881,897	3,839,674
Closing balance	<u>906,000</u>	<u>881,897</u>	<u>881,897</u>	<u>3,839,674</u>

As at 30 September 2011, the total authorised number of ordinary shares is 906 million shares (31 December 2010: 906 million shares) with a par value of Baht 1 per share (31 December 2010: Baht 1 per share).

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

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

16 Warrants

Warrants issued and offered to directors and employees (ESOP)

The Company issued and offered warrants to directors and employees (ESOP) of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date. During the nine-month period ended 30 September 2011, warrants have not been exercised since the offered price exceeds the market price.

17 Dividends

At the Board of Directors Meeting held on 11 August 2011, the Board passed a resolution to approve dividends in respect of the operating results for the period from January to September 2011 at Baht 0.43 per share, totalling Baht 379.21 million. The dividends were distributed to shareholders listed in the register on 29 August 2011 and paid on 8 September 2011.

At the Board of Directors Meeting held on 24 February 2011, the directors passed a resolution to approve dividends in respect of the operating results for the period from July to December 2010 at Baht 0.60 per share, totalling Baht 504.59 million. The dividends will be distributed to the shareholders listed in the register on 14 March 2011 that approved by the Annual Ordinary Shareholders Meeting on 5 April 2011. The dividend were distributed the shareholders on 4 May 2011.

At the Board of Directors Meeting held on 13 August 2010, the Board passed a resolution to approve dividends in respect of the operating results for the period from January to September 2010 at Baht 0.20 per share, totalling Baht 168.20 million. The dividends were distributed to the shareholders listed in the register on 26 August 2010 and paid on 3 September 2010.

On 7 April 2010, at the Annual General Meeting of shareholders of the Company, the shareholders passed a resolution to approve dividends in respect of the operating results for the period from January to December 2009 at Baht 0.35 per share, totalling Baht 294.34 million. The dividends were distributed to the shareholders listed in the register on 20 April 2010 and paid on 4 May 2010.

18 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 September 2011, there are outstanding bank guarantees and letter of credits given on behalf of the Group to third parties amounting to Baht 145.38 million (31 December 2010: Baht 205.30 million).

ii) Guarantees

As at 30 September 2011, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and an associate for a total of Baht 470.72 million (31 December 2010: Baht 706.92 million).

18 Commitments and contingencies (Cont'd)

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:

	Unit: Million Baht			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Not later than 1 year	761	703	436	387
Later than 1 year but not later than 5 years	2,783	2,138	1,601	877
Later than 5 years	5,019	4,976	1,794	1,496
	<u>8,563</u>	<u>7,817</u>	<u>3,831</u>	<u>2,760</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 30 September 2011, the Group has commitments in respect of payments to film directors amounting to Baht 33.18 million (31 December 2010: Baht 1.03 million).

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19 Cash flows from operating activities

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

For the nine-month periods ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
Profit before income tax		910,623	623,178	1,265,449	372,569
Adjustments for:					
Depreciation and amortisation	11, 12	737,722	886,870	218,554	207,931
Doubtful debts and bad debts	6	554	12,963	-	-
Loss on diminution in value of inventories	6	4,122	3,435	-	-
Loss from allowance of doubtful debt - accrued interest		348	183	-	-
Loss on goods returns	6	14,628	9,334	-	-
Reversal of impairment of investment in a subsidiary		-	-	-	(18,000)
Impairment loss on equipment and and intangible assets (reversal)	6	12,068	(25,685)	-	-
(Gain) loss on disposals of equipment		(2,599)	(1,282)	(1,889)	(1,563)
Loss from cancellation of lease agreement		-	42,762	-	-
Loss on write-off of equipment and intangible assets		163	7,143	-	-
Loss from write-off of deposits		-	60	-	-
Gain on disposals of investments in subsidiaries, associates and joint venture	20	(22,627)	(19,707)	(28,147)	(18,203)
Gain on disposals of short-term investment	8	(141)	(1,064)	(141)	(1,064)
Loss from disposals of long-term investment	8	13,842	2,773	13,842	2,773
Shares of results of investments in associates and joint venture	20	(186,074)	(99,427)	-	-
Provision for liabilities on loss in subsidiaries (reversal)	20	-	-	-	(49,257)
Provision of liabilities on royalty program		9,700	-	9,700	-
Employee benefit obligation		1,671	-	821	-
Dividends income		(6,029)	(1,605)	(842,185)	(91,020)
Interest income		(17,138)	(7,952)	(70,197)	(66,503)
Financial costs		108,808	105,699	92,441	85,880
Changes in operating assets and liabilities:					
- trade accounts receivable		87,039	68,091	16,744	115,826
- other accounts receivable		-	77,000	-	-
- amounts due from related parties		15,002	7,819	90,979	128,899
- inventories		(16,438)	34,472	(10,161)	4,750
- movies under productions		(1,700)	11,154	-	-
- other current assets		(63,026)	85,921	(9,534)	22,635
- finance lease receivables		(2,421)	(7,812)	-	-
- long-term accounts receivable		12,636	(66,427)	12,636	(60,023)
- other non-current assets		(87,139)	16,630	(86,315)	(3,239)
- trade accounts payable		81,680	(79,715)	78,733	220,512
- amounts due to related parties		(21,149)	(3,623)	29,886	(56,557)
- other current liabilities		7,495	(359,362)	(62,647)	(112,015)
- other non-current liabilities		(8,952)	(19,586)	1,787	(235)
Cash flows from operating activities		1,582,668	1,302,240	720,356	684,096

20 Investments in subsidiaries, associates and interest in joint ventures

20.1) Movements of investment in subsidiaries

	Unit: Baht'000
	Company
Investment in subsidiaries	
For the nine-month period ended 30 September 2011	
Opening net book amount	1,878,640
Additions	990
	<u>1,879,630</u>
Closing net book amount	<u>1,879,630</u>

Acquisition of investment

During the nine-month period ended 30 September 2011, the Company has made additional investment in M Picture Entertainment Public Company Limited ("MPIC") of 0.69 million shares totalling Baht 0.99 million. The acquisition resulted in the change in shareholding percentage from 65.93% to 66.04%.

During the nine-month period ended 30 September 2011, certain subsidiaries paid dividends to the Company totalling Baht 521.10 million, which recorded in "Other income" in the company income statement.

20.2) Movements of investment in associates

	Unit: Baht'000	
	Consolidated	Company
Investment in associates		
For the nine-month period ended 30 September 2011		
Opening net book amount	2,205,263	1,878,745
Additions	129,009	129,009
Disposals	(19,820)	(13,892)
Effective of the changes in accounting policy (Note 3)	(3,883)	-
Decrease in share capital of an associate	(202,500)	(202,500)
Dividends received	(315,060)	-
Share of results	181,527	-
	<u>1,974,536</u>	<u>1,791,362</u>
Closing net book amount	<u>1,974,536</u>	<u>1,791,362</u>

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the nine-month period ended 30 September 2011, the Group realised gain on disposals of Baht 12.24 million in the consolidated income statement.

As at 30 September 2011, investment in associates included net book value of goodwill amounting to Baht 44.12 million (31 December 2010: Baht 44.12 million) in the consolidated financial statements.

Siam Future Development Public Company Limited ("SF")

Acquisition of investment

During the nine-month period ended 30 September 2011, the Company has made additional investment in SF of 20.32 million shares totalling Baht 129.01 million.

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

20.2) Movements of investment in associates (Cont'd)

Disposal of investment in associate

During the nine-month period ended 30 September 2011, the Company disposed its investment in SF of 6.38 million shares for the considerations of Baht 42.04 million and recognised gain from disposal amounting to Baht 22.22 million and Baht 28.15 million in the consolidated and company income statements.

The aforesaid acquisition and disposal of investment resulted in the change to shareholding percentage from 23.24% to 24.46%.

Ratchayothin Avenue Company Limited (“RAV”)

During the nine-month period ended 30 September 2011, Ratchayothin Avenue Company Limited decreased its share capital of 40,500,000 shares at par value of Baht 10 each, totalling Baht 405.00 million. The Company received the share reduction of Baht 202.50 million.

In addition, the Company received a dividend from RAV amounting to Baht 219.00 million, which included in “Other income” in the company income statement.

20.3) Movements of interest in joint ventures

	Unit: Baht'000	
	Consolidated	Company
Interest in joint ventures		
For the nine-month period ended 30 September 2011		
Opening net book amount	61,249	55,520
Additions	23,400	23,400
Disposals	(592)	(1,000)
Effective of the change in accounting policy (Note 3)	(192)	-
Share of results	4,547	-
Closing net book amount	<u>88,412</u>	<u>77,920</u>

Major Kantana Broadcasting Company Limited (“KAN”)

Addition investment

During the nine-month period ended 30 September 2011, the Company has made additional investment of 0.90 million shares in KAN to retain the percentage of shareholding at 50% at par value of Baht 10 each,. The total payment was made on 12 July 2011 amounting to Baht 8.99 million.

Disposal of investment

During the nine-month period ended 30 September 2011, the Company disposed its investment in KAN of 0.1 million shares for the considerations of Baht 1.00 million and recognised gain from disposal amounting to Baht 0.41 million.

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

Addition investment

On 12 May 2010 the Board of Directors Meeting No. 2/2553, the directors approved for the additional investment of 2.45 million shares in PVR blu-O to retain the percentage of shareholding at 49% at par value of Rupee 10 each, for the considerations of Rupee 24.50 million. The first payment was made on 4 March 2011 amounting to Rupee 20.00 million, equivalent to Baht 14.40 million.

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

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

Subsidiaries	Nature of business	Nature of relationship	% Ownership interest
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.93
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
EGV Entertainment Public Company Limited (“EGV”)	Cinema services	Shareholder Indirect shareholding	60.36 39.61
M Picture Entertainment Public Company Limited (“MPIC”)	Publishing, advertising and distribution of film rights	Shareholder	66.04
Subsidiaries under EGV			
Entertain Golden Village Exhibition Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96
EGV Exhibition Co., Ltd.	Cinema services, advertising services, area for rent	Indirect shareholding	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96
Subsidiaries under MPIC			
TV Forum Co., Ltd.	Television media business	Indirect shareholding	66.03
M Picture Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	66.03
M.V.D. Co., Ltd. (“MVD”)	Distribution of VCD/DVD and film rights	Indirect shareholding	66.03
M Thirtynine Co., Ltd.	Studio movie production	Indirect shareholding	66.03
Subsidiary under MVD			
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect shareholding	65.64

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

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

	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
Associates			
Siam Future Development Public Company Limited (“SF”)	Rental of building space and utilities services	Shareholder	24.46
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder Indirect shareholding via SF	50.00 12.23
Major Cineplex Lifestyle Leasehold Property Fund	Rental of building and utilities services	Shareholder	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00
Joint ventures			
PVR blu-O Entertainment Limited (“PVR blu-O”)	Bowling, Karaoke and entertainment	Shareholder	49.00
Major Kantana Broadcasting Company Limited	Cable television services	Shareholder	44.99

All subsidiaries and associates are incorporated in Thailand except PVR blu-O, which is incorporated in India. All holdings are investments in ordinary shares and investment unit in the Property Fund.

21 Non-controlling interest

	<u>Unit: Baht'000</u>
	<u>Consolidated</u>
	<u>30 September</u>
	<u>2011</u>
Opening balance	137,100
Effective of the change in accounting policy (Note 3)	(1,098)
Balance after adjustment	136,002
Addition investment in subsidiary by purchasing share from non-controlling interest	(723)
Share of profit	16,344
Dividends payment	(4,365)
Closing balance	<u>147,258</u>

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22 Related party transactions

The significant investments in subsidiaries, associates and joint ventures are set out in Note 20.

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

The following significant transactions were carried out with related parties:

i) Sales of goods and services and others

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Management income				
Leasehold Property Fund	10,217	6,500	10,217	6,500
Joint Venture	120	-	120	-
Related parties	1,200	1,650	1,200	1,650
	<u>11,537</u>	<u>8,150</u>	<u>11,537</u>	<u>8,150</u>
Advertising income				
Subsidiaries	-	-	44,046	46,906
Interest income				
Subsidiaries	-	-	17,812	18,335
Associates	-	35	-	35
Joint Venture	26	-	26	-
Related parties	36	-	-	-
	<u>62</u>	<u>35</u>	<u>17,838</u>	<u>18,370</u>
Sponsorship income				
Subsidiaries	-	-	-	90
Rental and services income				
Subsidiaries	-	-	1,542	671
Leasehold Property Fund	6,732	6,525	71	71
Joint Venture	170	-	-	-
Related parties	14,199	11,093	1,420	1,610
	<u>21,101</u>	<u>17,618</u>	<u>3,033</u>	<u>2,352</u>
Dividends income				
Subsidiaries	-	-	8,456	-
Leasehold Property Fund	-	-	27,225	17,078
Related parties	6,029	1,605	6,029	1,605
	<u>6,029</u>	<u>1,605</u>	<u>41,710</u>	<u>18,683</u>
Other income				
Subsidiaries	-	-	1,697	1,457
Associates	869	-	650	-
Related parties	938	1,687	8	4
	<u>1,807</u>	<u>1,687</u>	<u>2,355</u>	<u>1,461</u>
Sale of equipment				
Subsidiaries	-	-	-	30,803

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22 Related party transactions (Cont'd)

i) Sales of goods and services and others (Cont'd)

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Management income				
Leasehold Property Fund	29,534	19,494	29,534	19,494
Joint Venture	360	-	360	-
Related parties	3,600	4,950	3,600	4,950
	<u>33,494</u>	<u>24,444</u>	<u>33,494</u>	<u>24,444</u>
Advertising income				
Subsidiaries	-	-	128,764	118,987
Related parties	10,000	-	-	-
	<u>10,000</u>	<u>-</u>	<u>128,764</u>	<u>118,987</u>
Interest income				
Subsidiaries	-	-	54,149	60,757
Joint Venture	213	-	213	-
Associates	109	385	-	385
	<u>322</u>	<u>385</u>	<u>54,362</u>	<u>61,142</u>
Sponsorship income				
Subsidiaries	-	-	-	476
Rental and services income				
Subsidiaries	-	-	4,504	2,014
Leasehold Property Fund	17,265	17,909	178	176
Joint venture	514	-	-	-
Related parties	40,100	32,152	4,180	6,371
	<u>57,879</u>	<u>50,061</u>	<u>8,862</u>	<u>8,561</u>
Dividends income				
Subsidiaries	-	-	521,097	-
Associates	-	-	260,609	37,044
Leasehold Property Fund	-	-	54,450	52,371
Related parties	6,029	1,605	6,029	1,605
	<u>6,029</u>	<u>1,605</u>	<u>842,185</u>	<u>91,020</u>
Other income				
Subsidiaries	-	-	3,689	2,530
Associates	2,376	15	2,157	-
Related parties	4,102	3,989	17	11
	<u>6,478</u>	<u>4,004</u>	<u>5,863</u>	<u>2,541</u>
Sale of equipment				
Subsidiaries	-	-	1,980	40,671

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22 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Rental and service expenses				
Subsidiaries	-	-	14,264	13,030
Associates	11,352	11,313	7,985	8,025
Leasehold Property Fund	37,415	33,110	29,733	25,708
Related parties	13,670	12,623	11,638	11,339
	<u>62,437</u>	<u>57,046</u>	<u>63,620</u>	<u>58,102</u>
Equipment rental expenses				
Associates	949	872	-	-
Related parties	5,400	5,400	5,400	5,400
	<u>6,349</u>	<u>6,272</u>	<u>5,400</u>	<u>5,400</u>
Interest expense				
Subsidiaries	-	-	541	720
Associates	241	237	241	237
Related parties	167	158	161	158
	<u>408</u>	<u>395</u>	<u>943</u>	<u>1,115</u>
Consulting fee				
Related parties	5,850	5,850	5,850	5,850
Sponsorship expense				
Subsidiaries	-	-	1,222	-
Associates	-	221	-	-
Leasehold Property Fund	140	252	-	-
	<u>140</u>	<u>473</u>	<u>1,222</u>	<u>-</u>
Advertising cost				
Associates	-	2,267	-	-
Leasehold Property Fund	1,376	-	-	-
Related parties	-	127	-	-
	<u>1,376</u>	<u>2,394</u>	<u>-</u>	<u>-</u>
Film hire cost				
Subsidiaries	-	-	3,541	19,185
Other expenses				
Subsidiaries	-	-	1,723	2,983
Associates	872	1,195	675	1,131
Related parties	462	637	186	301
	<u>1,334</u>	<u>1,832</u>	<u>2,584</u>	<u>4,415</u>
Purchases of fixed assets				
Subsidiaries	-	-	-	40,100

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22 Related party transactions (Cont'd)

ii) Purchases of goods and services and others (Cont'd)

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Rental and service expenses				
Subsidiaries	-	-	40,718	36,156
Associates	34,492	30,857	23,902	21,014
Leasehold Property Fund	104,534	92,383	82,063	71,051
Related parties	39,384	37,668	34,733	33,822
	<u>178,410</u>	<u>160,908</u>	<u>181,416</u>	<u>162,043</u>
Equipment rental expenses				
Subsidiaries	-	-	-	400
Associates	2,396	2,182	-	-
Related parties	16,200	16,200	16,200	16,200
	<u>18,596</u>	<u>18,382</u>	<u>16,200</u>	<u>16,600</u>
Interest expense				
Subsidiaries	-	-	3,062	2,085
Associates	8,792	706	8,792	706
Related parties	496	471	478	471
	<u>9,288</u>	<u>1,177</u>	<u>12,332</u>	<u>3,262</u>
Consulting fee				
Related parties	<u>13,650</u>	<u>18,750</u>	<u>13,650</u>	<u>18,750</u>
Sponsorship expense				
Subsidiaries	-	-	4,637	-
Associates	670	541	-	-
Leasehold Property Fund	-	612	-	-
	<u>670</u>	<u>1,153</u>	<u>4,637</u>	<u>-</u>
Advertising cost				
Leasehold Property Fund	3,876	5,626	-	-
Related parties	-	1,630	-	-
	<u>3,876</u>	<u>7,256</u>	<u>-</u>	<u>-</u>
Film hire cost				
Subsidiaries	<u>-</u>	<u>-</u>	<u>54,598</u>	<u>70,165</u>
Other expenses				
Subsidiaries	-	-	4,418	45,641
Associates	2,718	3,224	1,826	2,766
Related parties	12,443	2,098	530	1,184
	<u>15,161</u>	<u>5,322</u>	<u>6,774</u>	<u>49,591</u>
Purchases of fixed assets				
Subsidiaries	<u>-</u>	<u>-</u>	<u>12,232</u>	<u>75,713</u>

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22 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Trade accounts receivable (included in "Trade accounts receivable")				
Subsidiaries	-	-	192,407	187,600
Associates	2,961	2,022	105	601
Joint venture	799	253	66	160
Related parties	17,328	13,792	1,119	2,618
	<u>21,088</u>	<u>16,067</u>	<u>193,697</u>	<u>190,979</u>
Amounts due from related parties				
Subsidiaries	-	-	328,693	397,473
Associates	24,405	20,085	8,514	3,832
Joint venture	4,637	3,508	4,637	3,508
Related parties	11,282	10,795	9,908	9,729
	<u>40,324</u>	<u>34,388</u>	<u>351,752</u>	<u>414,542</u>
Dividends receivables				
Associates	-	20,948	-	20,948
Related parties	6,029	-	6,029	-
	<u>46,353</u>	<u>55,336</u>	<u>357,781</u>	<u>435,490</u>
Deposit (included in "Other non-current assets")				
Associates	9,007	9,035	3,460	3,460
Related parties	5,600	7,400	5,600	7,400
	<u>14,607</u>	<u>16,435</u>	<u>9,060</u>	<u>10,860</u>
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	155,553	153,954
Associates	24,245	344	23,571	-
Joint venture	328	-	328	-
Related parties	1,276	3,186	1,171	1,974
	<u>25,849</u>	<u>3,530</u>	<u>180,623</u>	<u>155,928</u>
Other payable (included in "Amounts due to related parties")				
Subsidiaries	-	-	156,254	128,797
Associates	8,907	8,187	7,115	6,804
Joint ventures	305	-	305	-
Related parties	4,746	24,011	2,286	1,727
Directors	864	3,994	700	3,300
	<u>14,822</u>	<u>36,192</u>	<u>166,660</u>	<u>140,628</u>

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22 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Advance received for rental and service (included in "Other current liabilities")				
Associates	30,459	31,244	-	-
Related parties	18,977	20,110	-	-
	<u>49,436</u>	<u>51,354</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Associates	120,003	120,003	-	-
Related parties	6,119	3,974	135	-
	<u>126,122</u>	<u>123,977</u>	<u>135</u>	<u>-</u>
Finance lease payable (included in "Long-term borrowings")				
Associates	12,094	11,976	12,094	11,976
Related parties	9,675	7,984	8,063	7,984
	<u>21,769</u>	<u>19,960</u>	<u>20,157</u>	<u>19,960</u>

iv) Short-term loans to related parties

The short-term loans to related parties are loans to fellow subsidiaries of Major Cineplex Group Public Company Limited ("Major's Group") in Thailand for the use of financing to other Major's Group companies. The short-term loans to related parties as at 30 September 2011 comprise unsecured loans repayable within 1 month amounting to Baht 418,888,243 which carry interest at the rate of 4% per annum.

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

	Baht'000
For the nine-month period ended 30 September 2011	Company
Opening balance	8,891
Loans borrowed during the period	88,753,068
Loans repaid during the period	(88,343,071)
Closing balance	<u>418,888</u>

The related interest income was Baht 9.52 million. As at 30 September 2011, the accrued interest income was Baht 1.40 million.

22 Related party transactions (Cont'd)

v) Long-term loans to related parties

For the nine-month period ended 30 September 2011	Unit: Baht'000	
	Consolidated	Company
Subsidiaries and associates and employees		
Opening balance	14,288	1,696,079
Loans made during the period	8,503	209,581
Loans repayments during the period	(14,047)	(621,086)
Closing balance	<u>8,744</u>	<u>1,284,574</u>

The long-term loans to related parties are carrying interest at the rates ranging from 4.00% to 7.25% per annum and there is no specific repayment date.

vi) Short-term loans from related parties

The short-term loans from related parties are loans from fellow subsidiaries of Major Cineplex Group Public Company Limited ("Major's Group") in Thailand for the use of financing to other Major's Group companies. The short-term loans from related parties as at 30 September 2011 comprise unsecured loans repayable within 1 month amounting to Baht 48,629,688, which carry interest at the rate of 4.00% per annum.

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

For the nine-month period ended 30 September 2011	Unit: Baht'000
	Company
Opening balance	87,408
Loans borrowed during the period	21,914,044
Loans repaid during the period	<u>(21,952,822)</u>
Closing balance	<u>48,630</u>

The related interest expense was Baht 2.60 million. As at 30 September 2011, the accrued interest expense was Baht 0.16 million.

vii) Long-term loans from related parties

For the nine-month period ended 30 September 2011	Unit: Baht'000	
	Consolidated	Company
Subsidiaries and associates and employees		
Opening balance	440,127	507,938
Loans received during the period	-	1,000
Loans repaid during the period	(440,127)	(508,938)
Closing balance	<u>-</u>	<u>-</u>

The loans from subsidiaries and an associate carry interest at the rates ranging from 4.00% to 6.12% and 6.38% to 7.25% per annum, respectively, and there is no specific repayment date.

23 Post balance sheet events

23.1 Impact from flood

Subsequent to 30 September 2011, the Company has been impacted by the disaster of floods. The Company's assets damaged from this event are equipment. The Company is currently assessing the damage amount from this event. This event is considered as a non-adjusting event that is not required for an adjustment in the financial statements being presented.

The assets affected by the floods are insured. However, the Company will not recognise the insurance recovery until it is virtually certain that the future economic benefits will flow to the Company.

23.2 Investment in a subsidiary and joint venture

On 11 November 2011, the Board of Directors approved to acquire 80% interest of a new subsidiary amounting to Baht 32.00 million and additional investment of 27.60 million shares interest for the considerations of Rupee 276.00 million in PVR blu-O to retain the percentage of shareholding at 49%.