

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2010

AUDITOR'S REPORT

To the Shareholders of Major Cineplex Group Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2010 and 2009, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2010 and 2009, and the consolidated and company results of operations and cash flows for the years then ended of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, in accordance with generally accepted accounting principles.

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

Bangkok
24 February 2011

Major Cineplex Group Public Company Limited

Balance Sheets

As at 31 December 2010 and 2009

	Notes	Unit: Baht			
		Consolidated		Company	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	8	202,163,428	532,015,534	138,858,249	371,357,173
Short-term investment	9	48,526,268	-	48,526,268	-
Trade accounts receivable, net	10	797,909,433	793,730,155	285,569,036	374,681,085
Amounts due from related parties	33	55,335,943	44,009,495	435,490,340	535,961,096
Short-term loans to related parties	33	-	-	8,891,035	-
Advance for subscription	9	-	307,990,650	-	307,990,650
Inventories, net	11	134,615,650	178,010,205	19,363,608	23,912,954
Films under production		10,772,709	57,369,064	-	-
Current portion of prepaid rents	18	35,105,240	36,816,575	9,472,507	9,472,507
Other receivables	12	-	77,000,000	-	-
Other current assets	13	271,857,288	386,623,354	105,828,103	110,398,963
Total current assets		1,556,285,959	2,413,565,032	1,051,999,146	1,733,774,428
Non-current assets					
Restricted cash		5,921,874	5,868,866	-	-
Finance lease receivables		22,161,516	3,071,958	-	-
Account receivable - long-term contract		55,867,666	-	55,867,666	-
Investment in subsidiaries, net	14	-	-	1,878,640,243	1,860,640,243
Investment in associates, net	14	2,205,262,747	1,471,946,645	1,878,745,369	1,328,077,288
Interest in joint ventures	14	61,248,911	46,148,035	55,519,755	45,519,775
Long-term investment in other companies, net	9	278,094,853	30,210,042	278,094,853	30,210,042
Long-term loans to related parties	33	14,288,197	25,657,229	1,696,078,572	2,051,490,330
Property, plant and equipment, net	15	5,406,004,733	5,709,251,309	2,339,240,377	2,227,749,635
Goodwill, net	16	338,408,261	338,408,261	-	-
Intangible assets, net	17	418,346,511	500,692,825	30,571,572	11,803,297
Long-term prepaid rents	18	589,982,152	624,639,409	187,820,893	197,293,400
Other non-current assets	19	81,058,120	99,694,020	53,805,810	47,152,378
Total non-current assets		9,476,645,541	8,855,588,599	8,454,385,110	7,799,936,388
Total assets		11,032,931,500	11,269,153,631	9,506,384,256	9,533,710,816

Director _____

Director _____

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 31 December 2010 and 2009

		Unit: Baht			
		Consolidated		Company	
Notes		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions					
20		497,380,063	1,749,811,422	299,807,904	1,217,486,012
	Trade accounts and notes payable	539,360,225	624,908,996	382,880,525	331,310,459
33	Amounts due to related parties	36,192,600	26,792,765	140,628,399	100,281,189
33	Short-term loans from related parties	-	-	87,408,126	-
20	Current portion of long-term borrowings	158,828,032	318,127,353	28,000,000	300,395,191
	Accrued income tax	64,252,757	30,771,561	23,976,134	972,765
21	Other current liabilities	719,849,131	975,087,325	355,869,316	351,821,110
Total current liabilities		2,015,862,808	3,725,499,422	1,318,570,404	2,302,266,726
Non-current liabilities					
33	Long-term borrowings from related parties	440,126,829	-	507,938,295	58,148,928
20	Long-term borrowings from financial institutions	146,615,235	172,047,375	91,959,972	169,959,972
20	Debentures	2,300,000,000	1,500,000,000	2,300,000,000	1,500,000,000
14	Provision for liabilities on losses in subsidiaries	-	-	-	49,257,421
22	Other non-current liabilities	456,814,938	482,684,967	20,808,990	21,072,737
Total non-current liabilities		3,343,557,002	2,154,732,342	2,920,707,257	1,798,439,058
Total liabilities		5,359,419,810	5,880,231,764	4,239,277,661	4,100,705,784
Shareholders' equity					
Share capital					
23	Authorised share capital				
	Ordinary shares, 906,000,000 shares at par value of Baht 1 each	906,000,000	906,000,000	906,000,000	906,000,000
Issued and fully paid-up share capital					
23	Ordinary shares, 881,897,219 shares at par value of Baht 1 each	881,897,219	881,897,219	881,897,219	881,897,219
23	Share premium	3,839,673,605	3,839,673,605	3,839,673,605	3,839,673,605
9	Unrealised loss	(56,289,327)	(4,773,398)	(56,289,327)	(5,130,007)
Retained earnings					
Appropriated					
25	Legal reserve	90,600,000	90,600,000	90,600,000	90,600,000
23	Reserve for treasury shares	267,920,095	267,920,095	267,920,095	267,920,095
	Unappropriated	780,529,813	481,080,203	511,225,098	625,964,215
23	<u>Less</u> Treasury shares	(267,920,095)	(267,920,095)	(267,920,095)	(267,920,095)
Total parent's shareholders' equity		5,536,411,310	5,288,477,629	5,267,106,595	5,433,005,032
26	Minority interest	137,100,380	100,444,238	-	-
Total shareholders' equity		5,673,511,690	5,388,921,867	5,267,106,595	5,433,005,032
Total liabilities and shareholders' equity		11,032,931,500	11,269,153,631	9,506,384,256	9,533,710,816

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Income
For the years ended 31 December 2010 and 2009

		Unit: Baht			
		Consolidated		Company	
Notes		2010	2009	2010	2009
Revenues					
	Services income	4,476,388,018	4,145,544,327	2,243,183,636	2,101,542,468
	Sales	1,544,695,770	1,415,187,592	434,673,657	418,424,570
	Total revenues	6,021,083,788	5,560,731,919	2,677,857,293	2,519,967,038
Costs					
	Cost of providing services	2,996,908,059	3,011,817,162	1,636,006,438	1,550,596,676
	Cost of sales	947,602,108	907,433,464	153,793,755	159,924,253
	Total costs	3,944,510,167	3,919,250,626	1,789,800,193	1,710,520,929
	Gross profit	2,076,573,621	1,641,481,293	888,057,100	809,446,109
	Other operating income	128,259,649	141,027,007	262,526,358	366,834,060
	Profit before expenses	2,204,833,270	1,782,508,300	1,150,583,458	1,176,280,169
	Selling expenses	389,593,933	374,715,378	133,881,567	198,322,259
	Administrative expenses	1,072,424,346	976,152,510	554,838,089	548,866,970
	Management's remunerations	44,825,135	34,699,658	31,128,702	31,494,075
	Total expenses	1,506,843,414	1,385,567,546	719,848,358	778,683,304
	Operating profit	697,989,856	396,940,754	430,735,100	397,596,865
	Gain on disposals of investments	14,583,804	99,475,617	77,845,521	302,627,056
	Share of profit of investments in associates and joint ventures	328,288,516	57,191,790	-	-
	Profit before finance costs and income tax	1,040,862,176	553,608,161	508,580,621	700,223,921
	Finance costs	(138,411,197)	(133,368,738)	(113,877,343)	(129,412,240)
	Profit before income tax	902,450,979	420,239,423	394,703,278	570,811,681
	Income tax	(125,644,223)	(92,802,688)	(46,903,253)	(32,363,358)
	Net profit for the year	776,806,756	327,436,735	347,800,025	538,448,323
Attributable profit to:					
	Shareholders of the Company	761,988,752	333,724,752	347,800,025	538,448,323
	Minority interest	14,818,004	(6,288,017)	-	-
		776,806,756	327,436,735	347,800,025	538,448,323
Earnings per share for profit attributable to the shareholders of the Company					
	Basic earnings per share	0.91	0.39	0.41	0.63
	Diluted earnings per share	0.91	0.39	0.41	0.63

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2010 and 2009

Unit: Baht

Consolidated											
Company's shareholders' equity											
	Notes	Issued and paid-up share capital		Share premium	Unrealised gain (loss)	Retained earnings		Treasury shares	Minority interest	Total	
						Legal reserve	Treasury shares reserve				Unappropriated
Opening balance at 1 January 2010		881,897,219	3,839,673,605	(4,773,398)	90,600,000	267,920,095	481,080,203	(267,920,095)	100,444,238	5,388,921,867	
Dividends payment	31	-	-	-	-	-	(462,539,142)	-	-	(462,539,142)	
Disposal of investment in subsidiary	26	-	-	-	-	-	-	-	21,838,138	21,838,138	
Available-for-sale investments:											
Realised loss recognised in statement of income		-	-	3,972,517	-	-	-	-	-	3,972,517	
Unrealised loss recognised in equity		-	-	(55,488,446)	-	-	-	-	-	(55,488,446)	
Net profit for the year		-	-	-	-	-	761,988,752	-	14,818,004	776,806,756	
Closing balance at 31 December 2010		881,897,219	3,839,673,605	(56,289,327)	90,600,000	267,920,095	780,529,813	(267,920,095)	137,100,380	5,673,511,690	
Opening balance at 1 January 2009		881,897,219	3,839,673,605	444,423	90,600,000	15,548,640	615,598,285	(15,548,640)	(6,506,633)	5,421,706,899	
Reserve during the year	23	-	-	-	-	252,371,455	(252,371,455)	-	-	-	
Dividends payment	31	-	-	-	-	-	(215,871,379)	-	-	(215,871,379)	
Purchases of investments in subsidiaries	26	-	-	-	-	-	-	-	113,238,888	113,238,888	
Treasury shares	23	-	-	-	-	-	-	(252,371,455)	-	(252,371,455)	
Available-for-sale investments:											
Realised gain recognised in statement of income	9	-	-	(444,423)	-	-	-	-	-	(444,423)	
Unrealised loss recognised in equity		-	-	(4,773,398)	-	-	-	-	-	(4,773,398)	
Net profit for the year		-	-	-	-	-	333,724,752	-	(6,288,017)	327,436,735	
Closing balance at 31 December 2009		881,897,219	3,839,673,605	(4,773,398)	90,600,000	267,920,095	481,080,203	(267,920,095)	100,444,238	5,388,921,867	

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the years ended 31 December 2010 and 2009

								Unit: Baht
Company								
Retained earnings								
Appropriated								
Treasury								
Notes	Issued and paid-up share capital	Share premium	Unrealised gain (loss)	Legal reserve	shares reserve	Unappropriated	Treasury shares	Total
Opening balance at 1 January 2010	881,897,219	3,839,673,605	(5,130,007)	90,600,000	267,920,095	625,964,215	(267,920,095)	5,433,005,032
Dividends payment	31	-	-	-	-	(462,539,142)	-	(462,539,142)
Available-for-sale investments:								
Realised loss recognised in statement of income		-	4,269,294	-	-	-	-	4,269,294
Unrealised loss recognised in equity		-	(55,428,614)	-	-	-	-	(55,428,614)
Net profit for the year		-	-	-	-	347,800,025	-	347,800,025
Closing balance at 31 December 2010	<u>881,897,219</u>	<u>3,839,673,605</u>	<u>(56,289,327)</u>	<u>90,600,000</u>	<u>267,920,095</u>	<u>511,225,098</u>	<u>(267,920,095)</u>	<u>5,267,106,595</u>
Opening balance at 1 January 2009	881,897,219	3,839,673,605	444,423	90,600,000	15,548,640	555,759,327	(15,548,640)	5,368,374,574
Reserve during the year	23	-	-	-	252,371,455	(252,371,455)	-	-
Dividends payment	31	-	-	-	-	(215,871,980)	-	(215,871,980)
Treasury shares	23	-	-	-	-	-	(252,371,455)	(252,371,455)
Available-for-sale investments:								
Realised gain recognised in statement of income	9	-	(444,423)	-	-	-	-	(444,423)
Unrealised loss recognised in equity	9	-	(5,130,007)	-	-	-	-	(5,130,007)
Net profit for the year		-	-	-	-	538,448,323	-	538,448,323
Closing balance at 31 December 2009	<u>881,897,219</u>	<u>3,839,673,605</u>	<u>(5,130,007)</u>	<u>90,600,000</u>	<u>267,920,095</u>	<u>625,964,215</u>	<u>(267,920,095)</u>	<u>5,433,005,032</u>

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows
For the years ended 31 December 2010 and 2009

	Notes	Unit: Baht			
		Consolidated		Company	
		2010	2009	2010	2009
Cash flows from operating activities					
Cash generated from operations	32	1,714,825,692	1,681,579,872	811,454,820	841,941,843
Interest paid		(130,848,537)	(125,995,628)	(103,692,740)	(198,253,956)
Income tax paid		(92,155,085)	(125,494,511)	(23,899,883)	(80,182,547)
Net cash generated from operating activities		<u>1,491,822,070</u>	<u>1,430,089,733</u>	<u>683,862,197</u>	<u>563,505,340</u>
Cash flows from investing activities					
Cash increased from change status from associate to subsidiary	14	-	510,285	-	-
Cash received from disposal of investment in subsidiary		1,651,918	-	-	-
Advance for subscription	9	-	(307,990,650)	-	(307,990,650)
Payments for short-term investment	9	#####	#####	#####	#####
Proceeds from sales of short-term investment	9	1,401,074,012	1,993,036,503	1,401,074,012	1,993,036,503
Short-term loans made to related parties	33	-	-	(103,627,023)	-
Proceeds from settlements of short-term loans to related parties	33	-	-	94,735,988	-
Payment for discounted notes receivable		(13,644,468)	-	(10,000,000)	-
Loans made to related parties		(6,794,156)	(7,069,531)	(495,700,000)	(849,635,502)
Proceeds from settlements of loans to related parties		13,215,717	42,635,542	754,463,373	358,840,836
Loans to third parties		(5,000,000)	(13,000,000)	(5,000,000)	(13,000,000)
Proceeds from loan to third parties		9,251,045	6,808,278	9,251,045	6,808,278
Payments for investment in subsidiaries	14	(1,999,970)	(8,498,332)	(1,999,970)	(103,899,400)
Proceeds from disposals of investment in associates	14	46,518,810	39,620,497	46,518,810	39,620,497
Payments for investment in associates	14	(578,983,876)	(148,390,890)	(578,983,876)	(148,390,890)
Payments for investment in joint venture	14	(9,999,980)	(10,112,330)	(9,999,980)	(10,112,330)
Proceeds from disposals of long-term investments		17,928,228	-	17,928,228	-
Payments for long-term investments		(34,370,964)	-	(34,370,964)	-
Purchases of property, plant and equipment		(313,933,761)	#####	(348,720,627)	(302,181,079)
Proceeds from disposals of property, plant and equipment and leasehold rights		7,550,708	4,763,083	6,128,177	26,000
Dividends received from associates	14	106,493,062	73,600,300	106,493,062	73,600,300
Dividends received from long-term investments		1,604,772	-	1,604,772	-
Proceeds from cancellation of lease agreement		42,056,075	-	-	-
Payments of intangible assets		(402,988,834)	(564,579,506)	(23,920,272)	(11,803,296)
Interest received		9,811,594	8,692,756	58,110,102	43,122,646
Net cash used in investing activities		<u>#####</u>	<u>#####</u>	<u>(565,783,633)</u>	<u>#####</u>

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2010 and 2009

	Notes	Unit: Baht			
		Consolidated		Company	
		2010	2009	2010	2009
Cash flows from financing activities					
(Increase) decrease in restricted cash		(53,008)	254,237	-	-
Proceeds from short-term loans					
from related parties	33	-	-	373,350,297	-
Repayments from short-term loans					
from related parties	33	-	-	(285,942,169)	-
Proceeds from bank overdrafts		(37,002,352)	(9,412,824)	-	(7,632,838)
(Repayment) proceeds from short-term loan					
from financial institution		(955,078,110)	639,486,012	(917,678,110)	607,486,012
Repayments of finance lease liabilities		(6,799,835)	(7,141,010)	(395,192)	(5,708,077)
Proceeds from long-term loans					
from related parties	33	440,126,829	-	558,626,829	153,668,574
Repayments of long-term loans					
from related parties		-	-	(66,000,000)	(107,618,574)
Proceeds from long-term borrowings	20	100,000,000	2,975,257	100,000,000	-
Repayments of long-term borrowings	20	(540,000,000)	(943,600,000)	(450,000,000)	(919,000,000)
Proceeds from issuance of debenture	20	800,000,000	1,500,000,000	800,000,000	1,500,000,000
Dividends paid to shareholders	31	(462,539,142)	(215,871,379)	(462,539,143)	(215,871,980)
Payments for treasury shares	23	-	(252,371,455)	-	(252,371,455)
Net cash (used in) received from financing activities		<u>(661,345,618)</u>	<u>714,318,838</u>	<u>(350,577,488)</u>	<u>752,951,662</u>
Net (decrease) increase in cash and cash equivalents		(329,852,106)	290,627,457	(232,498,924)	264,498,915
Opening balance of cash and cash equivalents		532,015,534	241,388,077	371,357,173	106,858,258
Closing balance of cash and cash equivalents	8	<u><u>202,163,428</u></u>	<u><u>532,015,534</u></u>	<u><u>138,858,249</u></u>	<u><u>371,357,173</u></u>
Non-cash transactions					
Significant non-cash transactions are as follows:					
Investment in property, plant and equipment, not yet paid		98,913,070	371,083,088	74,096,273	155,017,743
Purchases of film rights, not yet paid		59,742,244	96,523,951	-	-
Purchases of property, plant and equipment under finance leases		21,527,753	2,165,912	-	-
Offsetting disposals of property and equipment with amounts due from related parties and other current assets		(65,702)	-	(40,697,017)	-
Disposal of investment in a subsidiary by share exchange	14	-	386,236,855	-	386,236,855
Offsetting disposal of investment in associate with loan to related parties		-	-	-	5,763,047
Offsetting disposal of investment in subsidiaries with loan from related parties and amounts due to related parties		-	-	20,000	469,819,331
Outstanding payable arising from films under production		-	23,096,987	-	-

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Cont'd)
For the years ended 31 December 2010 and 2009

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Non-cash transactions (Cont'd)				
Significant non-cash transactions are as follows: (Cont'd)				
Transfer amounts due from related parties to				
loans to related parties	-	-	14,572,720	-
Transfer advance for subscription to				
long-term investment	307,990,650	-	307,990,650	-
Transfer short-term loan from financial institution				
to long-term loan from financial institution	258,125,000	-	-	-
Offsetting dividends income with loans from				
and amounts due to related parties	-	-	40,000,000	32,000,000
Offsetting amounts due from related parties with				
loans from related parties	5,450,976	-	1,837,463	-
Offsetting trade accounts payable with				
loans to related parties	2,500	-	79,615,236	-
Offsetting amounts due to related parties and				
other current liabilities with loans to related parties	461,005	-	16,401,038	49,955,889
Offsetting assets with loans to related parties	20,000	-	20,000	6,840,894

The accompanying notes on pages 10 to 59 are an integral part of these consolidated and company financial statements.

1 General information

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

1839-1839/1 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 principally engages in theatre operations and entertainment services. The principal business operations of the Group are summarised as follows:

- Theatre operations
- Advertising and media services
- Bowling and Karaoke services
- Rental and services
- VCD, DVD/Blu-ray and film distribution
- Film production

These consolidated and company financial statements were authorised for issue by the Board of Directors on 24 February 2011.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. In addition the financial statements of Major Cineplex Lifestyle Leasehold Property Fund, who is an associate have been prepared and presented as in the basis and formats as required by Thai Accounting Standard No. 42 “Accounting for Investment Business”.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

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

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

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

TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of 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 requirement to present statement of financial position at the end of 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 statements without the statement of financial position as at the beginning comparative period. The Group will apply TAS 1 (Revised 2009) from 1 January 2011. It is likely that both statement of income and statement of comprehensive income will be presented as one statement.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 January 2013 retrospectively with an expected to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of PPE, 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 Group will apply this standard from 1 January 2011. The management is currently assessing the impact of applying 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 Group will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, amendments to accounting standards and accounting framework (Cont'd)

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TAS 23 (Revised 2009), the revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply this standard prospectively from 1 January 2011 but it is not expected to have any impact to the Group's financial statements because the Group has already applied the capitalised model.

TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. The Group will apply the revised standard from 1 January 2011 which may impact only to the disclosure of related parties information in the notes to financial statements.

TAS 27 (Revised 2009), the revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and gain or loss is recognised in statement of income. The Group will apply this standard prospectively to transactions with non-controlling interests from 1 January 2011.

TAS 28 (Revised 2009), on the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gain or loss in statement of income. The Group will apply this revised standard from 1 January 2011.

TAS 40 (Revised 2009), the standard has specific presentation and measurement requirements for investment property. The entity has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in statement of income. The Group will apply this standard from 1 January 2011. The Group will apply cost model for measurement. The management is currently assessing the impact of applying this standard.

TFRS 3 (Revised 2009), the revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply the revised standard prospectively to all business combination from 1 January 2011.

2 Accounting policies (Cont'd)

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

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of income.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are reported by using the cost method of accounting. Under the cost method income from investments in subsidiaries will be recorded when dividends are declared.

A list of the Group's principal subsidiaries and the financial effects of the acquisitions and disposals of are shown in Note 14.

b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of income, and its share of post-acquisition movements in reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group, except the following accounting policy.

2 Accounting policies (Cont'd)

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

b) Associates (Cont'd)

Investments in properties of Major Cineplex Lifestyle Leasehold Property Fund, which is an associate, are stated at fair value. At the subsequent balance sheet dates they are presented at fair value which is based on appraisal value by independent valuers approved by the Securities and Exchange Commission. The Management Company will conduct appraisal of properties every two years from the date of the appraisal for purchase or lease of the properties and will conduct a review of appraisal every year after the date of the latest appraisal. The Management Company will not appoint any Appraiser to appraise the property or leased property for more than 2 consecutive times.

During 2010, Siam Future Development Public Company Limited, (“Siam Future”), an associate, has chosen to early adopt the accounting standards regarding employee benefits and investment property. The Company does not have policy to early apply these standards and therefore has removed the effect of these standards before taking the share of results from investment in Siam Future in the consolidated financial statements.

In the Company’s separate financial statements, investments in associates are accounted for using the cost method of accounting.

A list of the Group’s principal associates and the financial effects of acquisitions and disposals of associates are shown in Note 14.

c) Interests in joint ventures

The Group’s interests in jointly controlled entities are initially recorded at cost and accounted for by the equity method in the consolidated financial statements. The Group recognised interest in joint venture which included goodwill (net of accumulated amortisation). The Group’s share of its joint venture’s post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movements in reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the interest in joint venture. When the Group’s share of losses in joint venture equals or exceeds its interest in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

In the Company’s separate financial statements, the cost method is applied to account for interests in joint venture.

A list of the Group’s joint venture and the financial effects of the acquisitions and disposals of joint venture are shown in Note 14.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

2 Accounting policies (Cont'd)

2.5 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, investments, trade accounts receivable and related party receivables. Financial liabilities carried on the balance sheet include trade accounts payable, related party payables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.7 Trade accounts receivable

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

2.8 Inventories and films under production

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

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

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

2.9 Investments

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

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

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments. Cost of investment includes transaction cost.

2 Accounting policies (Cont'd)

2.9 Investments (Cont'd)

Available-for-sale investments are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the statement of income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity.

Fair value of marketable equity securities is calculated by reference to the purchasing prices quoted by the Stock Exchange of Thailand at the close of business on the balance sheet date. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment in securities.

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

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

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life or, if it is shorter, the lease term, as follows:

Buildings	20 years
Theatres	10, 20 years and the lease contracts periods
Buildings and theatres improvements	10, 20 years and the lease contracts periods
Utility system	5, 10, 15 years
Tools and equipment	5, 10, 15, 20 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles (including vehicles under finance leases)	5 years

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

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

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

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, and related taxes. All other borrowing costs are expenses.

2 Accounting policies (Cont'd)

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Excess of the fair value of an acquisition over the cost of the Group's share of the net assets of the acquired subsidiary or associated undertaking at the date of acquisition is recognised in the statement of income.

2.12 Other intangible assets

Film rights

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

Computer software

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

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

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

2.13 Prepaid rents

Prepaid rents represent land lease rights and leasehold rights of buildings are initially recognised at costs and amortised as expense over the lease periods.

2.14 Impairment of assets

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

2 Accounting policies (Cont'd)

2.15 Leases

Leases - where a Group Company is the lessee

Leases of property, plant and equipment, which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payable. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant period rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases - where a Group Company is the lessor

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

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.16 Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred and subsequently stated at cost.

2.17 Employee benefits

The Group operates a provident fund, that is a defined contribution plan. The assets of which are held in a separate fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

The warrants granted to directors and employees of the Group are recognised when they are exercised.

2.18 Provisions

Provisions, excluding the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

2 Accounting policies (Cont'd)

2.19 Provision for goods returns

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

2.20 Revenue recognition

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

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

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

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

Revenue from advertising is recognised when the media are appeared.

Revenue from cable television service is recognised when the services are rendered over the contract periods.

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

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

Other revenues are recognised on the following basis:

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

2.21 Income tax

The Group calculates income tax in accordance with the Revenue Code and records income tax on an accrual basis.

The Group does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from amortisation of film rights.

2.22 Dividend payment

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

2 Accounting policies (Cont'd)

2.23 Segment reporting

Segment information has been prepared based on the internal report of the Group, which disaggregates its business by services or products.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects from change of foreign currency exchange rates, interest rates and non-performance of contractual obligations by counterparties. Risk management is carried out by Group Management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

3.1.1 Interest rate risk

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

3.1.2 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3.2 Fair value

The book values of financial assets and liabilities with a maturity of less than one year are approximate their fair values. Long-term borrowings and loans made with related parties carried an interest at the market interest rate. Management believe that their net book values are assumed to approximate their fair value.

4 Critical accounting estimates, assumptions and judgements

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

4.1 Impairment of receivables

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

4.2 Allowance for obsolete, slow-moving and defective inventories

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

4.3 Provision for goods returns

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

4.4 Valuation of films under production

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

4.5 Revenue/amortisation of film rights

Film rights are amortised and recognised to cost of sales of film rights at the ratio relating to the expected revenue earned from each of the revenue-generated channel over the lifetime of rights. The expected revenue-generated from each channel which used for calculating the amortisation ratio is estimated by management and based on historical information and experience.

4.6 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management estimates.

4.7 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5 Capital risk management

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

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

6 Change in accounting estimate

In compliance with the Thai Accounting Standard No. 16, Property, plant and equipment, the Group has performed a review of the useful lives of its equipment in January 2010 by taking into account key factors that may have an impact to the extension of the asset useful lives including best maintenance of the assets and having appropriate controlled environment. The Group changed the estimated useful lives by using prospective adjustments. Sets out below are the comparison of the previous and new useful lives.

	Previous useful lives (years)	New useful lives (years)
Tools and equipment	10, 15	20

The effect from aforesaid changes was reflected in the year ended 31 December 2010. The depreciation based on previous and new useful lives can be summarised as follows:

	Consolidated		Company	
	Previous useful lives Baht	New useful lives Baht	Previous useful lives Baht	New useful lives Baht
Depreciation charges	104,807,706	48,886,364	45,969,654	20,389,646

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7 Segment information

Financial information by business segment is as follows:-

	Consolidated						Unit: Million Baht
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Films production	Consolidated
For the year ended 31 December 2010							
Revenues							
- Gross segment revenues	3,830	809	514	649	938	202	6,942
- Inter segment revenues	(255)	(306)	(6)	(75)	(98)	(53)	(793)
Net revenues	3,575	503	508	574	840	149	6,149
Segment results	268	354	26	207	63	(44)	874
Unallocated costs							(176)
Operating profit							698
Gain on disposal of investment							14
Share of profit of associates and joint ventures							328
Interest expense							(138)
Profit before income tax							902
Income tax							(125)
Net profit							777
Segment fixed assets	3,325	19	780	1,266	11	5	5,406
Investments in associates and interest in joint ventures							2,266
Unallocated assets							3,361
Consolidated total assets							11,033

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7 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	Films production	Consolidated
For the year ended 31 December 2009							
Revenues							
- Gross segment revenues	3,920	693	542	525	835	18	6,533
- Inter segment revenues	(414)	(306)	(10)	(45)	(49)	(7)	(831)
Net revenues	<u>3,506</u>	<u>387</u>	<u>532</u>	<u>480</u>	<u>786</u>	<u>11</u>	<u>5,702</u>
Segment results	<u>213</u>	<u>232</u>	<u>7</u>	<u>209</u>	<u>(1)</u>	<u>(27)</u>	<u>633</u>
Unallocated costs							<u>(236)</u>
Operating profit							397
Gain on disposal of investment							99
Share of profit of associates and joint ventures							57
Interest expense							<u>(133)</u>
Profit before income tax							420
Income tax							<u>(93)</u>
Net profit							<u>327</u>
Segment fixed assets	3,478	18	859	1,337	13	4	5,709
Investments in associates and interest in joint ventures							1,518
Unallocated assets							<u>4,042</u>
Consolidated total assets							<u>11,269</u>

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7 Segment information (Cont'd)

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

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

8 Cash and cash equivalents

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Cash on hand	36,591,896	44,324,444	25,851,718	26,672,330
Deposits held at call with banks	165,562,513	437,682,116	113,006,531	294,684,843
Fixed accounts	9,019	8,974	-	-
Government bond	-	50,000,000	-	50,000,000
Cash and cash equivalents	<u>202,163,428</u>	<u>532,015,534</u>	<u>138,858,249</u>	<u>371,357,173</u>

The effective interest rates on short-term bank deposit are ranging from 0.50 % to 1.25 % per annum (2009: 0.15% to 0.75% per annum).

As of 31 December 2009, Government bond was Bank of Thailand Bond amounting to Baht 50 million, beared interest at 1.184% per annum. The maturity was 3 months, which was due on 10 February 2010.

9 Investments

	Unit: Baht	
	Consolidated and Company	
	2010	2009
Current	48,526,268	-
Non-current	278,094,853	30,210,042
	<u>326,621,121</u>	<u>30,210,042</u>

Current

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

	Unit: Baht	
	Consolidated and Company	
	2010	2009
Opening book value	-	170,444,423
Additions	1,449,768,490	1,820,000,000
Disposals	(1,400,000,000)	(1,990,000,000)
Realised gain recognised in statement of income	<u>(1,242,222)</u>	<u>(444,423)</u>
Closing book value	<u>48,526,268</u>	<u>-</u>

The Company disposed all short-term investment during the year and recognised gain on disposal of Baht 1.07 million (2009: Baht 3.04 million).

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9 Investments (Cont'd)

Non-current

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Investments in other companies	297,861,835	30,210,042	297,861,835	30,210,042
<u>Less</u> allowance for impairment	<u>(19,766,982)</u>	-	<u>(19,766,982)</u>	-
Investments in other companies, net	<u>278,094,853</u>	<u>30,210,042</u>	<u>278,094,853</u>	<u>30,210,042</u>

Movements of non-current investments are as follows:

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Opening book value	30,210,042	-	30,210,042	-
Transfer from advance for subscription	307,990,650	-	307,990,650	-
Additions	34,370,964	-	34,370,964	-
Disposals	(24,792,723)	-	(24,792,723)	-
Classification of investment in associate as available-for-sale	-	34,983,440	-	35,340,049
Change in fair value of investments	(49,917,098)	(4,773,398)	(49,917,098)	(5,130,007)
Impairment loss	<u>(19,766,982)</u>	-	<u>(19,766,982)</u>	-
Closing book value	<u>278,094,853</u>	<u>30,210,042</u>	<u>278,094,853</u>	<u>30,210,042</u>

Long-term investments comprise:

California Wow Experience Public Company Limited

Investment in California Wow Experience Public Company Limited ("CAWOW") represents 15.62% holding in that company. The Company does not have controls and significant influence over its operations since the disposal of the investment, and accordingly, classifies investment in CAWOW as available-for-sale (Note 14). As at 31 December 2010, the Company recognised an impairment of investment in CAWOW amounting to Baht 19.77 million.

PVR Company Limited

On 24 December 2009, the Company has acquired 2,557,000 shares of PVR Company Limited ("PVR"), which is incorporated and listed in India at Rupee 165 per share or Baht 120.45, representing 9.09% of paid-up share capital, for the considerations of Baht 307,990,650. As at 31 December 2009, PVR was under registration process for the increased share capital. As of that date the Company presented such payment as advance for subscription. During the first quarter, the registration was completed. Therefore the investment is presented as available-for-sale investment and the change in fair value of investment is recognised under shareholders' equity.

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10 Trade accounts receivable, net

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Trade accounts receivable				
- third parties	732,429,491	732,898,352	76,352,280	62,910,191
- related parties (Note 33)	15,911,706	28,798,918	189,359,338	311,770,894
Unbilled revenue				
- third parties	98,255,043	84,787,674	18,237,024	-
- related parties (Note 33)	154,971	-	1,620,394	-
Total	846,751,211	846,484,944	285,569,036	374,681,085
<u>Less</u> Allowance for doubtful accounts	(48,841,778)	(52,754,789)	-	-
Trade accounts receivable, net	<u>797,909,433</u>	<u>793,730,155</u>	<u>285,569,036</u>	<u>374,681,085</u>

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

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Unbilled revenue	99,194,887	84,787,674	19,857,418	-
Trade accounts receivable				
Current	493,714,794	530,932,481	110,840,250	82,405,521
Overdue less than 3 months	125,740,753	102,787,092	66,926,655	66,448,810
3 - 6 months	15,191,739	21,365,033	41,217,306	21,503,550
Over 6 months	112,909,038	106,612,664	46,727,407	204,323,204
Total	846,751,211	846,484,944	285,569,036	374,681,085
<u>Less</u> Allowance for doubtful accounts	(48,841,778)	(52,754,789)	-	-
Trade accounts receivable, net	<u>797,909,433</u>	<u>793,730,155</u>	<u>285,569,036</u>	<u>374,681,085</u>

11 Inventories, net

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Foods and beverages	29,603,839	30,100,785	16,301,484	15,651,126
VCD and DVD	84,073,443	78,095,827	-	-
Supplies	14,768,349	21,871,571	3,062,124	8,261,828
Inventories held for sale	11,645,004	56,586,963	-	-
	140,090,635	186,655,146	19,363,608	23,912,954
<u>Less</u> Allowance for obsolescence and diminution in value of inventories	(9,297,384)	(16,435,374)	-	-
	130,793,251	170,219,772	19,363,608	23,912,954
Goods in transit	3,822,399	7,790,433	-	-
	<u>134,615,650</u>	<u>178,010,205</u>	<u>19,363,608</u>	<u>23,912,954</u>

Reversal of allowance for obsolescence was recognised in the consolidated statement of income for the year ended 31 December 2010 amounting to Baht 7,137,990 due to a physical destruction of inventories during the year (2009: the Group recognised an allowance amounting to Baht 2,462,131).

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12 Other receivable

On 28 September 2009, Major Cinead Ltd., a subsidiary of the Company (“the Seller”) entered into a “Factoring Agreement” with a factoring company (“the Buyer”). The Seller disposed a group of trade accounts receivable amounting to Baht 208.35 million to the Buyer at the consideration of Baht 187.51 million. On the agreement date, the Buyer made cash payment amounting to Baht 50.51 million to the Seller. The remaining amount paid by 7 monthly installments, at Baht 20 million per month with the last instalment on 26 April 2010 at Baht 17 million. The Buyer does not have any right of recourse.

13 Other current assets

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Value added tax receivable	89,686,687	177,388,894	18,769,044	25,309,138
Other accounts receivable	31,125,169	35,415,228	14,766,877	4,324,725
Prepaid expenses	21,590,720	43,035,329	10,521,851	12,670,061
Withholding tax deducted at sources	38,991,147	25,588,496	-	49,211
Others	90,463,565	105,195,407	61,770,331	68,045,828
	<u>271,857,288</u>	<u>386,623,354</u>	<u>105,828,103</u>	<u>110,398,963</u>

14 Investments in subsidiaries and associates and interests in joint ventures, net

a) **Movements of investments in subsidiaries and associates and interests in joint ventures are as follows:**

Investment in subsidiaries

	Unit: Baht	
	Company	
	2010	2009
Investment in subsidiaries	1,878,640,243	1,878,640,243
<u>Less</u> Allowance for impairment	-	(18,000,000)
Investment in subsidiaries, net	<u>1,878,640,243</u>	<u>1,860,640,243</u>

For the years ended 31 December

Opening net book amount	1,860,640,243	1,662,580,317
Acquisition	1,999,970	490,136,265
Increase from change status from associate to subsidiary	-	270,333,010
Disposal	(1,999,970)	(562,409,349)
Reversal of allowance for impairment	18,000,000	-
Closing net book amount	<u>1,878,640,243</u>	<u>1,860,640,243</u>

14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint venture are as follows:** (Cont'd)

Investment in subsidiaries (Cont'd)

During 2010

V Slim and Beauty Spa Company Limited

Acquisition of investment

On 25 January 2010 the Company has invested in V Slim and Beauty Spa Company Limited, ("VIE SPA") which provides spa services, amounting to Baht 1,999,970 representing 99.99% of its registered shares.

Disposal of investment

On 28 September 2010 the Company disposed its investment in VIE SPA of 199,997 shares for the considerations of Baht 2.0 million to an individual.

Exertainment Co., Ltd.

Disposal of investment

On 31 March 2010 a subsidiary has disposed all 3,599,995 shares held in Exertainment Co., Ltd. ("EXER") for the considerations of Baht 500,000 to an individual. As at 31 March 2010, EXER had a negative equity. As a result of the disposal, the Group recognised a gain amounting to Baht 14.30 million in the consolidated statement of income for the year ended 31 December 2010.

For the Company financial statements, the provision for liabilities and allowance for impairment in investment amounting to Baht 49.26 million and Baht 18.00 million, respectively, have been reversed and recognised under "Gain on disposal of investment" in the Company statement of income for the year ended 31 December 2010.

During 2009

EGV Five Star Co., Ltd.

Acquisition of investment

During 2009, EGV Entertainment Public Company Limited ("EGV") which is a subsidiary has acquired 400,000 ordinary shares, representing 10% of paid-up share capital in EGV Five Star Co., Ltd. ("EGVF") from a minority at Baht 12.50 per share, for a total consideration of Baht 5.00 million. As a result of this acquisition, the Company owns 99.99% of EGVF's registered shares capital. The fair value of EGVF's net assets acquired on the acquisition date was Baht 5.02 million. Negative goodwill arisen from this acquisition is Baht 0.02 million has been recognised under "other income" in the consolidated statement of income.

M Pictures Entertainment Public Company Limited

Disposal of investment

On 1 July 2009, the Company sold all 19,999,995 ordinary shares in MVD Co., Ltd. ("MVD") to M Pictures Entertainment Public Company Limited ("MPIC"). The selling price is Baht 19.60 per share for a total considerations of Baht 392.00 million, resulting in a gain of Baht 123.10 million in the Company financial statements (cost method). The Company has also acquired 275,883,475 ordinary shares of MPIC at the price of Baht 1.40 per share, for consideration of Baht 386.24 million, by exchange of ordinary shares of MVD at the fair value of Baht 392.00 million and received payment by cash of Baht 5.76 million. The percentage of shareholding in MPIC has changed from 40.81% to 65.93% after completion of these transactions. In the consolidated financial statements, gain on disposal of investment in MVD amounting to Baht 89.57 million, has been recognised to the extent of third parties' holding in MPIC, with the Company's own portion of gain was eliminated with goodwill arisen from acquisition of MPIC.

14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint venture are as follows: (Cont'd)**

Investment in subsidiaries (Cont'd)

Details of disposal are as follows:

	Unit: Baht'000	
Considerations received in form of shares	386,237	
Considerations received in form of cash	5,763	392,000
Fair value of net assets of MVD		<u>(129,087)</u>
Gain from disposal of investment - equity method		262,913
Percentage of third parties' holding		34.07%
Gain from disposals of investment in the consolidated financial statements		<u>89,574</u>

The net book values of the identifiable assets and liabilities transferred from MPIC on the acquisition date which are included in the consolidated financial statements are as follows:

	Unit: Baht'000
Cash and cash equivalents	510
Current assets	196,926
Non-current assets	377,296
Current liabilities	(363,953)
Non-current liabilities	<u>(5,885)</u>
Net book value of net assets	<u>204,894</u>

Disposal of investments in subsidiaries

On 29 September 2009, the Company disposed its interests of 39.61% in EGV Entertainment Public Company Limited ("EGV"), which is a subsidiary, to Major Cineplex Services Co., Ltd., Chiangmai Cineplex Co., Ltd., Ratchayothin Management Co., Ltd., and Ratchayothin Realty Co., Ltd., which are subsidiaries. Gain from disposal of investment amounting to Baht 176.00 million has been recognised in the Company statement of income.

Investment in associates

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
For the years ended 31 December				
Opening net book amount	1,471,946,645	1,506,765,502	1,328,077,288	1,687,896,576
Acquisitions	578,983,876	148,390,890	578,983,876	148,390,890
Decrease from change status from associate to subsidiary	-	(92,533,267)	-	(270,333,010)
Disposals	(41,413,932)	(32,755,870)	(28,315,795)	(115,027,354)
Decrease from change status from associate to available-for-sale	-	(34,983,440)	-	(122,849,814)
Dividends received	(127,441,462)	(73,600,300)	-	-
Share of results	323,187,620	50,663,130	-	-
Closing net book amount	<u>2,205,262,747</u>	<u>1,471,946,645</u>	<u>1,878,745,369</u>	<u>1,328,077,288</u>

14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint ventures are as follows: (Cont'd)**

Investment in associates (Cont'd)

Gain on disposals of assets to Major Cineplex Lifestyle Leasehold Property Fund will be realised on the straight-line basis over the lease contracts periods of the buildings leased out to the Property Fund. During 2010, the Group realised gain on disposal in the consolidated statement of income of Baht 14.01 million (2009: Baht 11.17 million).

As at 31 December 2010, investment in associates included net book value of goodwill in the consolidated financial statements amounting to Baht 44.12 million (2009: Baht 44.12 million).

During 2010

Siam Future Development Public Company Limited (“SF”)

Additional investment in associate

During 2010, the Company has made additional investment in SF of 6.49 million shares totalling Baht 28.98 million.

Disposal of investment in associate

The Company disposed its investment in SF of 14.37 million shares for the considerations of Baht 46.52 million and recognised gain from disposal amounting to Baht 5.10 million and Baht 18.20 million in the consolidated and Company statements of income, respectively.

The aforesaid acquisition and disposal resulted in the change to shareholding percentage from 24.10% to 23.24%.

Ratchayothin Avenue Company Limited (“RAV”)

Additional investment in associate

On 12 November 2010 at the Board of Directors Meeting No. 4/2010, the directors have approved for additional investment of 22.00 million shares in RAV, to retain the percentage of shareholding at 50% for considerations of Baht 220.00 million. The additional shares were due for the first payment on 29 October 2010, totalling Baht 55.00 million. The remaining payment of Baht 165.00 million was made on 15 December 2010.

Major Cineplex Lifestyle Leasehold Property Fund (“MJLF”)

Additional investment in associate

On 12 November 2010 at the Board of Directors Meeting No.4/2010, the directors have approved for additional investment of 33.00 million shares in MJLF, to retain the percentage of shareholding at 33.00% for consideration of Baht 330.00 million. The additional investment was paid on 16 December 2010.

14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- a) **Movements of investments in subsidiaries and associates and interests in joint venture are as follows: (Cont'd)**

Investment in associates (Cont'd)

During 2009

Siam Future Development Public Company Limited (“SF”)

Additional investment in associate

On 16 July 2009, the Company has acquired 124 million newly issued ordinary shares of SF at Baht 1.20 per share, for the consideration of Baht 148.40 million. Purpose of this acquisition is to maintain the interest of 24.10% in SF's registered shares.

California WOW Experience Public Company Limited (“CAWOW”)

Disposal of investments in associate

During November 2009, the Company disposed its investment in CAWOW to 19% of holding interest. The Company recognised loss from disposal amounting to Baht 75.41 million and impairment loss amounting to Baht 87.51 million in the Company statement of income and recognised gain from disposal of investment amounting to Baht 6.86 million in the consolidated statement of income.

After the disposal on 14 November 2009, the Company does not have control nor significant influence on CAWOW's operations. Therefore, CAWOW is no longer an associate of the Group. The Company classified remaining investment in CAWOW as available-for-sale (Note 9) and recognised unrealised loss from change in fair value in shareholders' equity.

Interest in joint ventures

For the years ended 31 December	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Opening book amount	46,148,035	29,507,045	45,519,775	35,407,445
Investment in joint venture	9,999,980	10,112,330	9,999,980	10,112,330
Share of result	5,100,896	6,528,660	-	-
Closing book amount	61,248,911	46,148,035	55,519,755	45,519,775

During 2010

Major Kantana Broadcasting Company Limited (“KAN”)

Acquisition of investment

On 27 January 2010, the Company has invested in KAN, which engages in cable television business, amounting to Baht 9,999,980, representing 49.99% of its registered shares.

During 2009

PVR bluO Entertainment Co., Ltd. (“PVR bluO”)

Acquisition of investment

On 24 February 2009, the Company additionally invested in PVR bluO of 1,225,000 shares at Rupee 10 equivalent to Baht 8.25, totalling Baht 10.12 million.

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14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

b) The details of investments in subsidiaries and associates and interests in joint ventures are as follows:

	Nature of business	Nature of relationship	% Ownership interest	
			2010	2009
Subsidiaries				
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Cineplex Services Co., Ltd.	Utility services	Shareholder	99.99	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Management Co., Ltd.	Utility services	Shareholder	99.99	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.93	99.93
Udorn Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
EGV Entertainment Public Company Limited ("EGV")	Cinema services	Shareholder	60.36	60.36
		Indirect shareholding	39.61	39.61
M Pictures Entertainment Public Company Limited ("MPIC")	Publishing, advertising and distribution of film rights	Shareholder	65.93	65.93
Subsidiaries under EGV				
Entertain Golden Village Exhibition Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96	99.96
EGV Exhibition Co., Ltd.	Cinema services, advertising services, area for rent	Indirect shareholding	99.96	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96	99.96
Subsidiaries under MPIC				
TV Forum Co., Ltd.	Television media	Indirect shareholding	65.92	65.92
M Pictures Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	65.92	65.92
M.V.D. Co., Ltd. ("MVD")	Distribution of VCD/DVD and film rights	Indirect shareholding	65.92	65.92
M Thirtynine Co., Ltd.*	Studio film production	Indirect shareholding	65.92	65.92
Subsidiaries under MVD				
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect shareholding	65.53	65.53
Associates				
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	23.24	24.10
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00	50.00
		Indirect shareholding via SF	11.62	12.05
Major Cineplex Lifestyle Leasehold Property Fund	Rental of building and utilities services	Shareholder	33.00	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00	40.00

14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

- b) The details of investments in subsidiaries and associates and interests in joint ventures are as follows: (Cont'd)

	Nature of business	Nature of relationship	% Ownership interest	
			2010	2009
Joint ventures				
PVR bluO Entertainment Limited ("PVR bluO")	Bowling, karaoke and entertainment services	Shareholder	49.00	49.00
Major Kantana Broadcasting Company Limited**	Cable television services	Shareholder	49.99	-

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

* in 2009 was subsidiary under MVD

** newly established company in 2010

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14 Investments in subsidiaries and associates and interests in joint ventures, net (Cont'd)

b) The details of investments in subsidiaries and associates and interests in joint ventures are as follows: (Cont'd)

The Group's share of results of its associates and its share of the assets and liabilities are as follows:

	<u>Assets Baht</u>	<u>Liabilities Baht</u>	<u>Revenues Baht</u>	<u>Profit Baht</u>	<u>% Ownership interest</u>
Year ended 31 December 2010					
<u>Associates</u>					
Siam Future Development Public Company Limited	8,143,539,817	4,588,662,209	2,054,723,092	53,596,535	23.24
Ratchayothin Avenue Company Limited	1,678,434,796	456,901,645	845,667,438	153,930,610	50.00
			Indirect shareholding via SF		11.62
Major Cineplex Lifestyle Leasehold Property Fund	1,295,718,829	66,610,971	128,794,188	111,884,653	33.00
Thaiticketmajor Company Limited	48,667,298	38,052,490	39,125,597	3,775,822	40.00
Year ended 31 December 2009					
<u>Associates</u>					
Siam Future Development Public Company Limited	2,073,637,431	1,359,655,001	377,094,103	43,830,442	24.10
Ratchayothin Avenue Company Limited	562,807,978	394,603,630	69,974,613	1,123,877	50.00
			Indirect shareholding via SF		12.05
Major Cineplex Lifestyle Leasehold Property Fund	908,339,943	16,706,351	106,534,833	78,733,371	33.00
Thaiticketmajor Company Limited	58,665,546	43,312,371	35,344,923	5,177,482	40.00

14 Investments in subsidiaries and associates and interests in joint venture, net (Cont'd)

c) Provision for liabilities on losses in subsidiaries

In 2009, EGV Entertainment Public Company Limited has provided a guarantee for Exertainment Co., Ltd.'s bank loans amounting to Baht 21.60 million and MVD Co., Ltd. has provided loans to Pacific Media Sales Co., Ltd., indirect shareholding amounting to Baht 60.00 million (2008: Baht 60.10 million).

During 2010 EGV has disposed all shares of EXER to an individual. The Company made a reversal of provision for liabilities on losses in EXER amounting to Baht 49.26 million and recognised under "Gain on disposals of investments" in the Company statement of income.

The movements of provision for liabilities on losses in such companies for the years ended 31 December 2010 and 2009 are as follows:

	Unit: Baht	
	Company	
	2010	2009
Opening balance	49,257,421	124,713,325
Additional provision	-	4,802,727
Disposal of subsidiary	-	(58,658,631)
Reversal of provision	(49,257,421)	(21,600,000)
Closing balance	-	49,257,421

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15 Property, plant and equipment, net

	Consolidated							Unit: Baht	
	Land	Building and building improvements	Theatre and theatre improvements	Utility system	Tools, equipment and fixtures	Office equipment	Motor vehicles	Construction in progress	Total
At 1 January 2009									
Cost	208,316,998	593,232,392	2,983,884,816	711,670,069	3,437,372,875	300,199,179	33,138,204	292,580,953	8,560,395,486
<u>Less</u> Accumulated depreciation	-	(160,626,208)	(1,070,450,704)	(352,390,824)	(1,810,862,649)	(212,067,499)	(15,041,501)	-	(3,621,439,385)
Allowance for impairment	-	-	-	-	(6,108,258)	(170,821)	-	-	(6,279,079)
Net book value	<u>208,316,998</u>	<u>432,606,184</u>	<u>1,913,434,112</u>	<u>359,279,245</u>	<u>1,620,401,968</u>	<u>87,960,859</u>	<u>18,096,703</u>	<u>292,580,953</u>	<u>4,932,677,022</u>
For the year ended 31 December 2009									
Opening net book value	208,316,998	432,606,184	1,913,434,112	359,279,245	1,620,401,968	87,960,859	18,096,703	292,580,953	4,932,677,022
Additions	-	18,358,143	68,939,788	52,952,427	183,053,261	17,905,649	3,738,377	1,172,108,474	1,517,056,119
Increase from change status from associate to subsidiary	-	5,699,529	-	-	5,716,143	1,403,076	-	-	12,818,748
Transfer	-	750,762,922	178,736,451	227,301,399	132,361,005	(105,392)	-	(1,289,056,385)	-
Transfer assets to inventory	-	-	-	-	-	-	-	(63,196,982)	(63,196,982)
Reclassification	-	-	-	-	(25,701)	-	25,701	-	-
Disposals, net	-	-	-	(873,055)	(1,613,311)	(40,764)	(2,361,448)	-	(4,888,578)
Write-off, net	-	-	(90,407)	(1,094,650)	(28,995,241)	(238,671)	-	(1,489,350)	(31,908,319)
Depreciation charge	-	(39,477,519)	(191,942,414)	(43,338,239)	(314,966,689)	(34,916,490)	(5,667,062)	-	(630,308,413)
Impairment charge	-	-	(21,000,000)	-	(1,998,288)	-	-	-	(22,998,288)
Closing net book value	<u>208,316,998</u>	<u>1,167,949,259</u>	<u>1,948,077,530</u>	<u>594,227,127</u>	<u>1,593,933,147</u>	<u>71,968,267</u>	<u>13,832,271</u>	<u>110,946,710</u>	<u>5,709,251,309</u>
At 31 December 2009									
Cost	208,316,998	1,371,318,457	3,231,470,649	989,512,220	3,736,980,836	323,502,340	29,691,391	110,946,710	10,001,739,601
<u>Less</u> Accumulated depreciation	-	(203,369,198)	(1,262,393,119)	(395,285,093)	(2,132,745,738)	(250,138,383)	(15,859,120)	-	(4,259,790,651)
Allowance for impairment	-	-	(21,000,000)	-	(10,301,951)	(1,395,690)	-	-	(32,697,641)
Net book value	<u>208,316,998</u>	<u>1,167,949,259</u>	<u>1,948,077,530</u>	<u>594,227,127</u>	<u>1,593,933,147</u>	<u>71,968,267</u>	<u>13,832,271</u>	<u>110,946,710</u>	<u>5,709,251,309</u>

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15 Property, plant and equipment, net (Cont'd)

	Consolidated							Unit: Baht	
	Land	Building and building improvements	Theatre and theatre improvements	Utility system	Tools, equipment and fixtures	Office equipment	Motor vehicles	Construction in progress	Total
For the year ended 31 December 2010									
Opening net book value	208,316,998	1,167,949,259	1,948,077,530	594,227,127	1,593,933,147	71,968,267	13,832,271	110,946,710	5,709,251,309
Additions	-	32,152,250	22,977,237	9,593,162	139,661,141	17,263,716	4,787,781	207,939,297	434,374,584
Decrease from disposal of subsidiary	-	-	(5,705,295)	(1,350,436)	(19,214,006)	(624,717)	-	-	(26,894,454)
Transfer	-	22,816,639	96,284,541	9,750,767	101,327,785	(170,197)	-	(230,009,535)	-
Disposals, net	-	-	-	(45)	(853,714)	21,925	(4,905,417)	-	(5,737,251)
Write-off, net	-	(8,735,718)	(92,611,541)	(347,463)	(28,531,776)	(1,335,801)	-	-	(131,562,299)
Depreciation charge	-	(86,779,788)	(186,399,634)	(55,957,902)	(236,106,239)	(35,578,857)	(4,491,447)	-	(605,313,867)
Impairment charge	-	-	21,000,000	-	9,492,046	1,394,665	-	-	31,886,711
Closing net book value	<u>208,316,998</u>	<u>1,127,402,642</u>	<u>1,803,622,838</u>	<u>555,915,210</u>	<u>1,559,708,384</u>	<u>52,939,001</u>	<u>9,223,188</u>	<u>88,876,472</u>	<u>5,406,004,733</u>
At 31 December 2010									
Cost	208,316,998	1,414,378,919	3,159,300,763	974,561,766	3,816,817,405	276,437,178	25,148,305	88,876,472	9,963,837,806
<u>Less</u> Accumulated depreciation	-	(286,976,277)	(1,355,677,925)	(418,646,556)	(2,256,299,116)	(223,497,152)	(15,925,117)	-	(4,557,022,143)
Allowance for impairment	-	-	-	-	(809,905)	(1,025)	-	-	(810,930)
Net book value	<u>208,316,998</u>	<u>1,127,402,642</u>	<u>1,803,622,838</u>	<u>555,915,210</u>	<u>1,559,708,384</u>	<u>52,939,001</u>	<u>9,223,188</u>	<u>88,876,472</u>	<u>5,406,004,733</u>

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15 Property, plant and equipment, net (Cont'd)

	Company						Construction in progress	Unit: Baht Total
	Land	Building, theatre and theatre improvements	Utility system	Tools, equipment and fixtures	Office equipment	Vehicles		
At 1 January 2009								
Cost	173,406,998	1,434,284,917	198,753,746	1,188,326,108	123,420,868	20,255,659	45,918,563	3,184,366,859
<u>Less</u> Accumulated depreciation	-	(452,412,943)	(32,014,102)	(580,647,721)	(66,058,311)	(7,058,073)	-	(1,138,191,150)
Net book value	<u>173,406,998</u>	<u>981,871,974</u>	<u>166,739,644</u>	<u>607,678,387</u>	<u>57,362,557</u>	<u>13,197,586</u>	<u>45,918,563</u>	<u>2,046,175,709</u>
For the year ended 31 December 2009								
Opening net book value	173,406,998	981,871,974	166,739,644	607,678,387	57,362,557	13,197,586	45,918,563	2,046,175,709
Additions	-	61,441,227	26,862,846	100,774,452	11,209,707	37,600	256,872,988	457,198,820
Transfer	-	175,457,288	55,821,518	70,410,768	98,100	-	(301,787,674)	-
Write-off, net	-	-	-	(4,968,472)	-	-	-	(4,968,472)
Disposals, net	-	-	(868,839)	(699,066)	(33)	-	-	(1,567,938)
Depreciation charge	-	(95,601,714)	(16,055,217)	(131,283,267)	(22,364,282)	(3,784,004)	-	(269,088,484)
Closing net book value	<u>173,406,998</u>	<u>1,123,168,775</u>	<u>232,499,952</u>	<u>641,912,802</u>	<u>46,306,049</u>	<u>9,451,182</u>	<u>1,003,877</u>	<u>2,227,749,635</u>
At 31 December 2009								
Cost	173,406,998	1,671,183,432	280,488,110	1,351,769,103	134,094,630	20,293,259	1,003,877	3,632,239,409
<u>Less</u> Accumulated depreciation	-	(548,014,657)	(47,988,158)	(709,856,301)	(87,788,581)	(10,842,077)	-	(1,404,489,774)
Net book value	<u>173,406,998</u>	<u>1,123,168,775</u>	<u>232,499,952</u>	<u>641,912,802</u>	<u>46,306,049</u>	<u>9,451,182</u>	<u>1,003,877</u>	<u>2,227,749,635</u>
For the year ended 31 December 2010								
Opening net book value	173,406,998	1,123,168,775	232,499,952	641,912,802	46,306,049	9,451,182	1,003,877	2,227,749,635
Additions	-	86,881,828	12,203,394	127,765,003	11,488,218	-	184,478,456	422,816,899
Transfer	-	96,340,452	18,114,614	54,980,511	1,475,229	-	(170,910,806)	-
Disposals, net	-	(5,802,196)	(3,275,185)	(31,419,368)	(202,078)	(4,517,442)	-	(45,216,269)
Depreciation charge	-	(108,324,265)	(21,419,239)	(110,149,910)	(23,189,767)	(3,026,707)	-	(266,109,888)
Closing net book value	<u>173,406,998</u>	<u>1,192,264,594</u>	<u>238,123,536</u>	<u>683,089,038</u>	<u>35,877,651</u>	<u>1,907,033</u>	<u>14,571,527</u>	<u>2,339,240,377</u>
At 31 December 2010								
Cost	173,406,998	1,848,538,458	306,308,374	1,471,047,067	146,290,697	13,878,913	14,571,527	3,974,042,034
<u>Less</u> Accumulated depreciation	-	(656,273,864)	(68,184,838)	(787,958,029)	(110,413,046)	(11,971,880)	-	(1,634,801,657)
Net book value	<u>173,406,998</u>	<u>1,192,264,594</u>	<u>238,123,536</u>	<u>683,089,038</u>	<u>35,877,651</u>	<u>1,907,033</u>	<u>14,571,527</u>	<u>2,339,240,377</u>

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15 Property, plant and equipment, net (Cont'd)

As at 31 December 2010, the costs of fully depreciated property and equipment that are still in use are amounting to Baht 2,169.32 million (2009: Baht 1,512.31 million), and Baht 398.66 million (2009: Baht 304.91 million) in the consolidated financial statements, and the Company's financial statements, respectively.

Additions during 2010 in the consolidated financial statements included of assets acquired under finance lease agreements amounting to Baht 5.68 million (2009: Baht 2.17 million).

In 2010, the Group and the Company do not pledge any assets as collateral. In 2009, properties with the net book value amounting to Baht 556.31 and Baht 350.54 million are pledged as collateral for bank borrowings (Note 20) by the Group and the Company, respectively.

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

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Cost - capitalised finance leases	26,928,464	23,844,092	21,945,683	22,221,571
<u>Less</u> Accumulated depreciation	<u>(3,486,780)</u>	<u>(3,127,997)</u>	<u>(3,312,902)</u>	<u>(2,252,667)</u>
Net book amount	<u>23,441,684</u>	<u>20,716,095</u>	<u>18,632,781</u>	<u>19,968,904</u>

16 Goodwill, net

	Unit: Baht
	Consolidated
At 1 January 2009	
Cost	158,863,335
<u>Less</u> Accumulated amortisation	<u>(74,831,343)</u>
Net book value	<u>84,031,992</u>
For the year ended 31 December 2009	
Opening net book value	84,031,992
Additions	92,034,438
Increase from change status from associate to subsidiary (Note 14)	167,358,208
Disposal of investment in a subsidiary (Note 14)	<u>(5,016,377)</u>
Closing net book value	<u>338,408,261</u>
At 31 December 2009	
Cost	413,239,604
<u>Less</u> Accumulated amortisation	<u>(74,831,343)</u>
Net book value	<u>338,408,261</u>
For the year ended 31 December 2010	
Opening net book value	338,408,261
Closing net book value	<u>338,408,261</u>
At 31 December 2010	
Cost	413,239,604
<u>Less</u> Accumulated amortisation	<u>(74,831,343)</u>
Net book value	<u>338,408,261</u>

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17 Intangible assets, net

	Consolidated			Unit: Baht
	Film rights	Computer program	Total	Company Computer program
At 31 December 2009				
Cost	990,853,844	2,995,639	993,849,483	11,803,297
<u>Less</u> Accumulated amortisation	(847,156,631)	(983,747)	(848,140,378)	-
Allowance for impairment	(11,924,888)	-	(11,924,888)	-
Net book value	<u>131,772,325</u>	<u>2,011,892</u>	<u>133,784,217</u>	<u>11,803,297</u>
For the year ended 31 December 2009				
Opening net book value	131,772,325	2,011,892	133,784,217	-
Additions	649,050,161	12,053,296	661,103,457	11,803,297
Increase from change status from associate to subsidiary (Note 14)	195,994,837	1,789,170	197,784,007	-
Write-off, net	(3,671,268)	-	(3,671,268)	-
Amortisation	(471,134,930)	(613,951)	(471,748,881)	-
Impairment charge	(16,558,707)	-	(16,558,707)	-
Closing net book value	<u>485,452,418</u>	<u>15,240,407</u>	<u>500,692,825</u>	<u>11,803,297</u>
At 31 December 2009				
Cost	1,747,312,792	16,838,105	1,764,150,897	11,803,297
<u>Less</u> Accumulated amortisation	(1,241,809,161)	(1,597,698)	(1,243,406,859)	-
Allowance for impairment	(20,051,213)	-	(20,051,213)	-
Net book value	<u>485,452,418</u>	<u>15,240,407</u>	<u>500,692,825</u>	<u>11,803,297</u>
For the year ended 31 December 2010				
Opening net book value	485,452,418	15,240,407	500,692,825	11,803,297
Additions	437,805,284	24,960,046	462,765,330	23,920,271
Write-off, net	(2,250,593)	-	(2,250,593)	-
Amortisation	(526,704,767)	(6,030,716)	(532,735,483)	(5,151,996)
Impairment charge	(10,125,568)	-	(10,125,568)	-
Closing net book value	<u>384,176,774</u>	<u>34,169,737</u>	<u>418,346,511</u>	<u>30,571,572</u>
At 31 December 2010				
Cost	2,441,055,727	41,798,151	2,482,853,878	35,723,568
<u>Less</u> Accumulated amortisation	(2,008,422,996)	(7,628,414)	(2,016,051,410)	(5,151,996)
Allowance for impairment	(48,455,957)	-	(48,455,957)	-
Net book value	<u>384,176,774</u>	<u>34,169,737</u>	<u>418,346,511</u>	<u>30,571,572</u>

Intangible assets in the Company's financial statements represents computer software under installation amounting to Baht 4,811,590. The installation is expected to be completed in 2011 (2009: Baht 11,803,297).

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18 Prepaid rents

	Unit: Baht	
	Consolidated	Company
At 1 January 2009		
Cost	794,528,266	238,577,878
<u>Less</u> Accumulated amortisation	(113,913,674)	(23,628,122)
Allowance for impairment	(178,985)	-
Net book value	<u>680,435,607</u>	<u>214,949,756</u>
For the year ended 31 December 2009		
Opening net book value	680,435,607	214,949,756
Additions	16,058,267	1,310,500
Amortisation	(35,037,890)	(9,494,349)
Closing net book value	<u>661,455,984</u>	<u>206,765,907</u>
At 31 December 2009		
Cost	810,586,533	239,888,378
<u>Less</u> Accumulated amortisation	(148,951,564)	(33,122,471)
Allowance for impairment	(178,985)	-
Net book value	<u>661,455,984</u>	<u>206,765,907</u>
For the year ended 31 December 2010		
Opening net book value	661,455,984	206,765,907
Disposal of investment in a subsidiary	(178,985)	-
Amortisation	(36,189,607)	(9,472,507)
Closing net book value	<u>625,087,392</u>	<u>197,293,400</u>
At 31 December 2010		
Cost	810,533,054	239,888,378
<u>Less</u> Accumulated amortisation	(185,445,662)	(42,594,978)
Net book value	<u>625,087,392</u>	<u>197,293,400</u>

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Current portion	35,105,240	36,816,575	9,472,507	9,472,507
Long-term portion	589,982,152	624,639,409	187,820,893	197,293,400
Total	<u>625,087,392</u>	<u>661,455,984</u>	<u>197,293,400</u>	<u>206,765,907</u>

Prepaid rents represent leasehold rights. Leasehold rights with the net book value amounting to Baht 61.46 million (2009: Baht 2,964.77 million) are pledged as collateral for bank borrowings (Note 20).

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19 Other non-current assets, net

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Deposits	79,511,440	89,360,314	51,530,666	39,937,514
Others	1,546,680	10,333,706	2,275,144	7,214,864
	<u>81,058,120</u>	<u>99,694,020</u>	<u>53,805,810</u>	<u>47,152,378</u>

20 Borrowings and debentures

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Current				
Bank overdrafts	17,572,161	56,800,410	-	-
Short-term loans from financial institutions	479,807,902	1,693,011,012	299,807,904	1,217,486,012
Total bank overdrafts and short-term loans from financial institutions	<u>497,380,063</u>	<u>1,749,811,422</u>	<u>299,807,904</u>	<u>1,217,486,012</u>
Current portion of long-term borrowings:				
- Finance lease liabilities	828,032	752,096	-	395,191
- Bank borrowings	158,000,000	317,375,257	28,000,000	300,000,000
Total current portion of long-term borrowings	<u>158,828,032</u>	<u>318,127,353</u>	<u>28,000,000</u>	<u>300,395,191</u>
Non-current portion				
- Finance lease liabilities	36,490,235	22,047,375	19,959,972	19,959,972
- Bank borrowings	110,125,000	150,000,000	72,000,000	150,000,000
Total non-current portion of borrowings	<u>146,615,235</u>	<u>172,047,375</u>	<u>91,959,972</u>	<u>169,959,972</u>
- Debentures	<u>2,300,000,000</u>	<u>1,500,000,000</u>	<u>2,300,000,000</u>	<u>1,500,000,000</u>
Total borrowings and debentures	<u>3,102,823,330</u>	<u>3,739,986,150</u>	<u>2,719,767,876</u>	<u>3,187,841,175</u>

The interest rate exposure on the borrowing of the Group and the Company is as follows:

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Borrowings:				
- at fixed rates	2,817,126,169	3,215,810,483	2,619,767,876	2,737,841,175
- at floating rates	285,697,161	524,175,667	100,000,000	450,000,000
Total borrowings	<u>3,102,823,330</u>	<u>3,739,986,150</u>	<u>2,719,767,876</u>	<u>3,187,841,175</u>

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20 Borrowings and debenture (Cont'd)

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

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Opening balance	467,375,257	1,408,000,000	450,000,000	1,369,000,000
Reclassification	258,125,000	-	-	-
Disposal of investment of subsidiary	(17,375,257)	-	-	-
Additions	100,000,000	2,975,257	100,000,000	-
Repayments	(540,000,000)	(943,600,000)	(450,000,000)	(919,000,000)
Closing balance	268,125,000	467,375,257	100,000,000	450,000,000

Maturity of bank borrowings:

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Within 1 year	158,000,000	317,375,257	28,000,000	300,000,000
Between 1 year and 2 years	102,125,000	150,000,000	64,000,000	150,000,000
Between 2 years and 5 years	8,000,000	-	8,000,000	-
	268,125,000	467,375,257	100,000,000	450,000,000

Short-term loans from financial institutions represent bills of exchange and promissory notes denominated in Thai Baht bearing interest at the rates ranging from 1.38% to 2.70% per annum (2009: 2.40% to 7.50% per annum).

Long-term bank borrowings bear interest at the rates ranging from 4.00% to 4.85% per annum (2009: 4.50% to 6.50% per annum) and are secured by the pledge of building and leasehold rights (Note 15 and Note 18). Lease liabilities are effectively secured as the right to the leased asset revert to lessor in the event of default.

Debentures

	Unit: Baht	
	Consolidated	Company
Opening amount	1,500,000,000	1,500,000,000
Issuance of debenture	800,000,000	800,000,000
Closing amount	2,300,000,000	2,300,000,000

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

Term	Issue date	Maturity date	Debentures Baht Million	Fixed interest rate (%) per annum
3 years	15 June 2009	15 June 2012	1,500	4.80
3 years	9 April 2010	17 May 2013	800	3.35

Interest is due for payment quarterly and every six months. The Company will have to maintain the debt to equity ratio at the ratio stipulated in the prospectus.

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

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20 Borrowings and debenture (Cont'd)

Borrowing facilities

As at 31 December 2010, the available credit facilities from financial institutions of the Group and the Company are Baht 2,614.30 million, and Baht 2,270.00 million, respectively, which will mainly be used for acquisitions of cinema construction and working capital (2009: Baht 1,109.10 million and Baht 929.42 million, respectively).

21 Other current liabilities

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Other payables	225,864,571	495,070,574	137,895,497	200,874,138
Accrued expenses	228,933,412	235,039,787	103,061,993	72,402,360
Rental and services income received in advance	132,243,279	51,852,853	80,003,049	2,705,980
Undue output value added tax	67,601,638	83,110,813	26,182,989	34,888,678
Deposits and advance receipts	6,254,581	14,444,272	1,469,196	545,983
Others	58,951,650	95,569,026	7,256,592	40,403,971
	<u>719,849,131</u>	<u>975,087,325</u>	<u>355,869,316</u>	<u>351,821,110</u>

22 Other liabilities

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Deposit	211,480,747	211,421,573	20,808,990	21,072,737
Rental and services income received in advance	245,334,191	271,263,394	-	-
	<u>456,814,938</u>	<u>482,684,967</u>	<u>20,808,990</u>	<u>21,072,737</u>

23 Share capital and premium on share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of shares	Ordinary shares Baht	Share premium Baht
At 1 January 2009	906,000,000	881,897,219	881,897,219	3,839,673,605
Issuance of shares	-	-	-	-
At 31 December 2009	906,000,000	881,897,219	881,897,219	3,839,673,605
Issuance of shares	-	-	-	-
At 31 December 2010	<u>906,000,000</u>	<u>881,897,219</u>	<u>881,897,219</u>	<u>3,839,673,605</u>

The total authorised number of ordinary shares is 906,000,000 shares (2009: 906,000,000 shares) with a par value of Baht 1 per share (2009: Baht 1 per share). The issued and fully paid-up ordinary shares is 881,897,219 shares (2009: 881,897,219 shares).

During 2009, the Company repurchased 40.91 million shares through the Stock Exchange of Thailand. The total amount paid to repurchase of the shares was Baht 267.92 million which has been presented as treasury shares under the shareholders' equity. The treasury shares are held for reissuance at a later date. The Company allocated retained earnings as a reserve for treasury shares amounting to Baht 267.92million (2009: 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.

24 Warrants

Warrants issued and offered to directors and employees (ESOP)

The Company issued and offered grants of 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 4 years and 5 years, respectively, from the issued date.

The exercise ratio and price are detailed belows:

	Issued date	Issued units Million	Exercise price Baht/unit	Exercise period	
				Start	End
ESOP-W3	12 November 2007	13.0	16.447	30 November 2007	15 November 2012

The exercise prices and ratios of warrants are as follows:

	Exercise Ratio unit/share	Exercise price Baht/unit
ESOP-W3	1.020	16.447

During 2010, warrants have not been exercised since the offered price exceeds the market price.

25 Legal reserve

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

26 Minority interest

	Unit: Baht	
	Consolidated 2010	2009
Opening balance	100,444,238	(6,506,633)
Acquisition of subsidiaries	-	113,238,888
Disposals	21,838,138	-
Share of profit (loss) from subsidiaries	14,818,004	(6,288,017)
Closing balance	137,100,380	100,444,238

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27 Other operating income

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Dividend income	1,604,773	-	129,046,235	145,600,300
Gains on disposals of property, plant and equipment	2,510,702	21,671,965	1,608,784	32,203
Management fee income	33,567,593	52,602,845	33,567,593	98,746,182
Interest income	9,724,822	7,617,159	85,667,544	103,641,573
Gain on exchange rate	7,228,936	1,081,157	689,169	-
Property tax income	25,074,190	22,348,964	2,314,412	2,399,133
Others	48,548,633	35,704,917	9,632,621	16,414,669
	128,259,649	141,027,007	262,526,358	366,834,060

On 18 November 2009, the Company has cancelled the lease agreement and agreed to return the leased areas of theatres and bowling at Siam Discovery Center within 31 March 2010. The lessor has agreed to pay the compensation to the Company amounting to Baht 42.76 million.

28 Expenses by nature

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Depreciation on property and equipment (Note 15)	605,313,867	630,308,413	266,109,888	269,088,486
Amortisation of intangible assets				
- film rights (Note 17)	526,704,767	471,134,930	-	-
- Computer software (Note 17)	6,030,716	613,951	5,151,996	-
- prepaid rents (Note 18)	36,368,592	35,037,890	9,472,507	9,494,349
Impairment of assets (Reversal) (Note 17)	(21,761,143)	39,556,996	-	-
Impairment of investment (Note 9)	19,766,982	-	19,766,982	87,509,765
Repairs and maintenance expenditure	55,310,096	56,457,658	22,734,029	22,992,795
Staff costs	562,700,231	521,151,279	290,200,411	277,340,470
Loss from written-off of property, plant and equipment	46,710,403	35,579,587	-	-
Doubtful accounts and bad debts	5,691,390	23,936,571	366,614	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	530,195,060	602,533,635	153,793,755	159,571,039

29 Finance costs

	Unit: Baht			
	Consolidated		Company	
	2010	2009	2010	2009
Interest expenses:				
Bank borrowings	44,782,385	128,179,631	17,065,829	104,120,004
Borrowings - related parties	221,390	-	3,570,637	20,207,601
Finance lease	1,803,040	1,931,865	1,636,495	1,827,393
Debentures	91,604,382	3,257,242	91,604,382	3,257,242
Total	138,411,197	133,368,738	113,877,343	129,412,240

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30 Earnings per share

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

For the calculation of the diluted earnings per share, the net profit adjusted for weighted average number of ordinary shares are assume for conversion of all dilutive potential ordinary shares being warrants as detailed in Note 24.

The outstanding warrants as at 31 December 2010 which issued and offered warrants to directors and employees of the Company and its subsidiaries (Note 24) 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 year ended 31 December 2010.

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

	Consolidated					
	Net profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
	2010	2009	2010	2009	2010	2009
For the years ended 31 December						
Basic earnings per share	761,988,752	333,724,752	840,989,611	852,270,797	0.91	0.39
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	<u>761,988,752</u>	<u>333,724,752</u>	<u>840,989,611</u>	<u>852,270,797</u>	<u>0.91</u>	<u>0.39</u>
	Company					
	Net profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
	2010	2009	2010	2009	2010	2009
For the years ended 31 December						
Basic earnings per share	347,800,025	538,448,323	840,989,611	852,270,797	0.41	0.63
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	<u>347,800,025</u>	<u>538,448,323</u>	<u>840,989,611</u>	<u>852,270,797</u>	<u>0.41</u>	<u>0.63</u>

31 Dividends

For the year ended 31 December 2010

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 June 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.

For the year ended 31 December 2009

On 9 April 2009, at the Annual Ordinary Shareholders' Meeting of the Company, the shareholders passed a resolution to approve a dividend in respect of the period from July to December 2008 of Baht 0.25 per share, totalling Baht 215.87 million. The dividends were distributed to the shareholders on 4 May 2009.

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32 Cash flows from operating activities

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

	Notes	Unit: Baht			
		Consolidated		Company	
		2010	2009	2010	2009
Profit before income tax		902,450,979	420,239,423	394,703,278	570,811,681
Adjustments for:					
Depreciation and amortisation	15, 16, 18	1,174,417,942	1,137,095,184	280,734,391	278,582,833
Doubtful accounts and bad debts	28	5,691,390	23,936,571	366,614	-
Provision for goods returns		13,928,641	4,843,899	-	-
Loss on diminution in value of inventories (reversal)	11	(6,698,772)	2,462,131	-	-
Impairment charge in subsidiary (reversal)		-	-	(18,000,000)	(100,000)
Impairment charge in associate and long-term investment	9, 14	19,766,982	-	19,766,982	87,509,765
Loss from factoring transaction	12	-	20,834,699	-	-
Gain from disposal of short-term investment		(1,074,012)	(3,036,503)	(1,074,012)	(3,036,503)
Loss (gain) on disposals of property, plant and equipment and leasehold rights		(1,879,158)	(750,794)	(1,608,924)	508,486
Loss on cancellation of lease agreement	15, 17	42,761,569	-	-	-
Loss on write-off of property, plant and equipment and intangible assets		48,960,996	35,579,587	-	4,968,472
Written-off of deposit		60,000	-	-	-
Loss on impairment of assets (reversal)	15, 17	(21,761,144)	39,556,995	-	-
Shares of profit from associates and joint ventures	14	(328,288,516)	(57,191,790)	-	-
Gain on disposals of investments in subsidiaries and associates	14	(19,706,563)	(96,439,112)	(18,203,015)	(224,083,695)
Loss on disposal of long-term investment		6,864,495	-	6,864,495	-
Provision for liabilities on losses in subsidiaries (reversal)	14	-	-	(49,257,421)	(75,455,904)
Dividend income from associates and long-term investment	27	(1,604,773)	-	(129,046,235)	(145,600,300)
Interest income		(9,724,822)	(7,617,159)	(85,667,544)	(103,641,573)
Finance costs		138,411,197	133,368,738	113,877,344	129,412,240
Changes in operating assets and liabilities (excluding impact from acquisition and disposal of subsidiary):					
- trade accounts receivable		(138,261)	424,802,278	89,112,049	(37,228,766)
- amounts due from related parties		14,961,498	(27,358,438)	150,680,590	312,208,408
- other receivable		77,000,000	(77,000,000)	-	-
- inventories		49,858,668	14,830,988	4,549,346	8,218,700
- films under production		46,596,356	(34,272,077)	-	-
- other current assets		114,634,849	(55,373,651)	13,345,425	(34,369,365)
- receivables under finance lease agreements		(19,089,558)	(3,071,958)	-	-
- accounts receivable long-term contract		(55,867,666)	-	(55,867,666)	-
- prepaid rent		-	(16,058,267)	-	(1,310,500)
- other non-current assets		14,204,955	162,042,013	(10,904,476)	(1,378,693)
- trade accounts and notes payable		(138,018,040)	(135,893,631)	131,185,302	(10,619,648)
- amounts due to related parties		19,699,182	(46,057,583)	53,447,041	164,758,921
- other current liabilities		(345,972,506)	(198,015,837)	(77,284,999)	(78,654,562)
- other non-current liabilities		(25,620,216)	20,124,166	(263,745)	441,846
Cash flows from operating activities		<u>1,714,825,692</u>	<u>1,681,579,872</u>	<u>811,454,820</u>	<u>841,941,843</u>

33 Related party transactions

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

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

As described in Note 14, the Company exchanged the ordinary shares in MVD Co., Ltd. with the ordinary shares of M Picture Entertainment Public Company Limited (“MPIC”). As a result, the Company’s percentage of ownership in the registered shares of MPIC has changed from 40.81% to 65.93% and MPIC and its subsidiaries become subsidiaries of the Company. Transactions with MPIC and its subsidiaries which were previously presented as transactions with related companies are presented as transactions with subsidiaries since the transactions date.

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

	Unit: Baht’000			
	Consolidated		Company	
	2010	2009	2010	2009
Management income				
Subsidiaries	-	-	-	46,143
Associates	26,968	29,048	26,968	29,048
Related parties	6,600	23,555	6,600	23,555
	<u>33,568</u>	<u>52,603</u>	<u>33,568</u>	<u>98,746</u>
Advertising income				
Subsidiaries	-	-	160,264	141,960
Related parties	-	10,000	-	-
	<u>-</u>	<u>10,000</u>	<u>160,264</u>	<u>141,960</u>
Interest income				
Subsidiaries	-	-	78,214	97,562
Associates	419	1,674	419	1,674
Joint venture	23	-	23	-
	<u>442</u>	<u>1,674</u>	<u>78,656</u>	<u>99,236</u>
Sponsorship income				
Subsidiaries	-	-	476	-
Associates	-	1,000	-	-
	<u>-</u>	<u>1,000</u>	<u>476</u>	<u>-</u>

33 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Rental and services income				
Subsidiaries	-	-	2,967	1,736
Associates	23,709	58,285	224	10,126
Joint venture	406	-	-	-
Related parties	42,180	24,234	8,062	2,846
	<u>66,295</u>	<u>82,519</u>	<u>11,253</u>	<u>14,708</u>
Dividends income				
Subsidiaries	-	-	-	72,000
Associates	-	-	127,441	73,600
Related parties	1,605	-	1,605	-
	<u>1,605</u>	<u>-</u>	<u>129,046</u>	<u>145,600</u>
Other income				
Subsidiaries	-	-	3,956	6,490
Associates	857	8,553	857	28
Joint venture	-	2,295	-	4,500
Related parties	6,791	1,936	-	24
	<u>7,648</u>	<u>12,784</u>	<u>4,813</u>	<u>11,042</u>
Sale of equipment and leases of property and buildings				
Subsidiaries	-	-	40,671	695

ii) Purchase of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Rental and service expenses				
Subsidiaries	-	-	46,867	29,870
Associates	163,867	157,307	122,251	116,189
Related parties	50,192	38,460	44,965	33,266
	<u>214,059</u>	<u>195,767</u>	<u>214,083</u>	<u>179,325</u>
Equipment rental expenses				
Subsidiaries	-	-	400	2,400
Associates	3,070	3,055	-	-
Related parties	21,600	21,600	21,600	21,600
	<u>24,670</u>	<u>24,655</u>	<u>22,000</u>	<u>24,000</u>

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33 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Interest expense				
Subsidiaries	-	-	3,349	20,208
Associates	1,165	931	1,165	931
Related parties	629	620	629	620
	<u>1,794</u>	<u>1,551</u>	<u>5,143</u>	<u>21,759</u>
Consulting fee				
Related company	24,600	25,600	24,600	25,600
Sponsorship expense				
Subsidiaries	-	-	3,879	34,095
Associates	1,435	2,280	-	-
Related parties	329	127	-	-
	<u>1,764</u>	<u>2,407</u>	<u>3,879</u>	<u>34,095</u>
Advertising cost				
Associates	7,193	5,759	-	-
Related parties	1,708	3,107	-	-
	<u>8,901</u>	<u>8,866</u>	<u>-</u>	<u>-</u>
Film hire cost				
Subsidiaries	-	-	94,714	30,531
Associates	-	94	-	94
Related parties	-	16,971	-	9,989
	<u>-</u>	<u>17,065</u>	<u>94,714</u>	<u>40,614</u>
Other expenses				
Subsidiaries	-	-	43,608	2,107
Associates	3,427	3,159	2,922	2,691
Related parties	2,204	2,556	1,050	1,396
	<u>5,631</u>	<u>5,715</u>	<u>47,580</u>	<u>6,194</u>
Purchases of fixed assets				
Subsidiaries	-	-	79,563	389
Management's remunerations	<u>44,825</u>	<u>34,700</u>	<u>31,129</u>	<u>31,494</u>

33 Related party transactions (Cont'd)

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

Pricing policies for related party transactions are as follows:

	<u>Pricing policies</u>
Management fee	Ageed prices as stipulated in the agreements
Advertising fee	Ageed price which approximate to market price
Interest charge	Rate determined with reference to the interest rate quoted by commercial banks
Rental and services	Ageed prices which approximate to market price
Equipment rental	Ageed prices which approximate to market price
Computer service	Ageed prices as stipulated in the agreements
Leasehold rights	Ageed prices which approximate to market price
Sponsorship fee	Ageed prices as stipulated in the agreements
Film hire cost	Ageed prices which approximate to market price

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

	<u>Unit: Baht'000</u>			
	<u>Consolidated</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Trade accounts receivable (include unbilled revenue) (included in "Trade accounts receivable")				
Subsidiaries	-	-	187,600	303,343
Associates	2,022	2,964	601	272
Joint venture	253	-	160	-
Related parties	13,792	25,835	2,618	8,156
	<u>16,067</u>	<u>28,799</u>	<u>190,979</u>	<u>311,771</u>
Other receivables (included in "Amounts due from related parties")				
Subsidiaries	-	-	397,473	467,896
Associates	20,085	19,381	3,832	3,444
Joint venture	3,508	6,603	3,508	6,603
Related parties	10,795	18,025	9,729	18,018
	<u>34,388</u>	<u>44,009</u>	<u>414,542</u>	<u>495,961</u>
Dividends receivables (included in "Amounts due from related parties")				
Subsidiaries	-	-	-	40,000
Associates	20,948	-	20,948	-
	<u>20,948</u>	<u>-</u>	<u>20,948</u>	<u>40,000</u>
Deposit (included in "Other non-current assets")				
Associates	9,035	7,385	3,460	2,076
Related parties	7,400	11,185	7,400	11,184
	<u>16,435</u>	<u>18,570</u>	<u>10,860</u>	<u>13,260</u>

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33 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	153,954	68,352
Associates	344	1,420	-	-
Related parties	3,186	7,056	1,974	-
	<u>3,530</u>	<u>8,476</u>	<u>155,928</u>	<u>68,352</u>
Other payables (included in "Amounts due to related parties")				
Subsidiaries	-	-	128,797	80,991
Associates	8,187	19,423	6,804	13,111
Related parties	24,011	3,681	1,727	2,510
Board	3,994	3,669	3,300	3,669
	<u>36,192</u>	<u>26,773</u>	<u>140,628</u>	<u>100,281</u>
Advance received for land rental (included in "Other non-current liabilities")				
Associate	30,197	32,292	-	-
Deposits received (included in "Other non-current liabilities")				
Associates	120,003	120,003	-	-
Related parties	3,974	4,970	-	-
	<u>123,977</u>	<u>124,973</u>	<u>-</u>	<u>-</u>
Finance lease liabilities (included in "Long-term borrowings")				
Associates	11,976	11,797	11,976	11,797
Related parties	7,984	7,865	7,984	7,865
	<u>19,960</u>	<u>19,662</u>	<u>19,960</u>	<u>19,662</u>

33 Related party transactions (Cont'd)

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 in Thailand. The short-term loans to related parties as at 31 December 2010 comprise unsecured loans repayable within 1 month amounting to Baht 8,891,035, which are carrying interest at the rate 4% per annum.

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

For the year ended 31 December	Company	
	2010	2009
	Baht'000	Baht'000
Opening balance	-	-
Loans borrowed during the year	103,627	-
Loans repaid during the year	(94,736)	-
Closing balance	<u>8,891</u>	<u>-</u>

The related interest expense was Baht 67,699 (2009: Nil). At 31 December 2010, the accrued interest expense was Baht 51,550 (2009: Nil).

v) Long-term loans to related parties

For the year ended 31 December	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Subsidiaries and associates and employees				
Beginning balance	25,657	62,489	2,051,490	1,595,663
Loans made during the year	7,300	7,070	510,646	864,624
Loans repayments during the year	(18,669)	(43,902)	(866,057)	(408,797)
Ending balance	<u>14,288</u>	<u>25,657</u>	<u>1,696,079</u>	<u>2,051,490</u>

The loans to related parties are carrying interest at the rates ranging from 4.00% to 7.25% per annum (2009: 4.80% to 8.50% per annum) and there is no specific repayment date.

33 Related party transactions (Cont'd)

vi) Short-term loans from related parties

The short-term loans from related parties are loans from fellow subsidiaries of Major Cineplex Group Public Company Limited (“Major’s Group”) in Thailand for the use of financing to other Major’s Group companies in Thailand. The short-term loans from related parties as at 31 December 2010 comprise unsecured loans repayable within 1 month amounting to Baht 87,408,126, which are carrying interest at the rate 4% per annum.

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

For the year ended 31 December	Company	
	2010	2009
	Baht’000	Baht’000
Opening balance	-	-
Loans borrowed during the year	373,350	-
Loans repaid during the year	(285,942)	-
Closing balance	87,408	-

The related interest expense was Baht 532,036 (2009: Nil). At 31 December 2010, the accrued interest expense was Baht 335,828 (2009: Nil).

vii) Long-term loans from related parties

For the year ended 31 December	Unit: Baht’000			
	Consolidated		Company	
	2010	2009	2010	2009
Subsidiaries and associates				
Beginning balance	-	-	58,149	408,964
Loans received during the year	440,127	-	558,627	153,668
Loans repaid during the year	-	-	(108,838)	(504,483)
Ending balance	440,127	-	507,938	58,149

The loans from subsidiaries and an associate are carrying interest at the rates ranging from 4.00% to 6.12% per annum, and 6.375% to 7.25% per annum, respectively (2009: 6.25% to 7.00% per annum) and there is no specific repayment date.

viii) Management’s remuneration

In 2010 the total remuneration of the directors and management approximated Baht 44.83 million (2009: Baht 34.70 million), including salaries and other benefits.

ix) Investments in subsidiaries, associates and joint ventures

Details of investments in subsidiaries, associates and joint ventures are set out in Note 14.

34 Commitments and contingencies

i) Bank guarantees and letter of credits

There are bank guarantees and letter of credits given on behalf of the Group to third parties outstanding as at 31 December 2010 amounting to Baht 205.30 million (2009: Baht 205.73 million).

ii) Guarantees

As of 31 December 2010, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and associates for a total of Baht 706.92 million (2009: Baht 635.74 million).

iii) Operating lease commitments - where a Group Company 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	
	2010	2009	2010	2009
Not later than 1 year	703	569	387	246
Later than 1 year but not later than 5 years	2,138	2,183	877	912
Later than 5 years	4,976	5,417	1,496	1,709
	7,817	8,169	2,760	2,867

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) Capital commitments

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

	Currency	Consolidated		Company	
		2010	2009	2010	2009
		Baht'000	Baht'000	Baht'000	Baht'000
Property, plant and equipment	THB	18,817	113,340	8,825	39,241
Intangible assets	THB	6,981	79,067	6,981	24,913
	USD	1,514	3,688	-	-
Total	THB	25,798	192,407	15,806	64,154
	USD	1,514	3,688	-	-
Total in Thai Baht		66,745	316,015	15,806	64,154

v) Commitment for film productions

As at 31 December 2010, the Group has commitments in respect of payments to film directors amounting to Baht 1.03 million (2009: Baht 11.59 million).

35 Subsequent events

a) Dividends

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.