LIFESTYLE entertainment

annual report of 2010

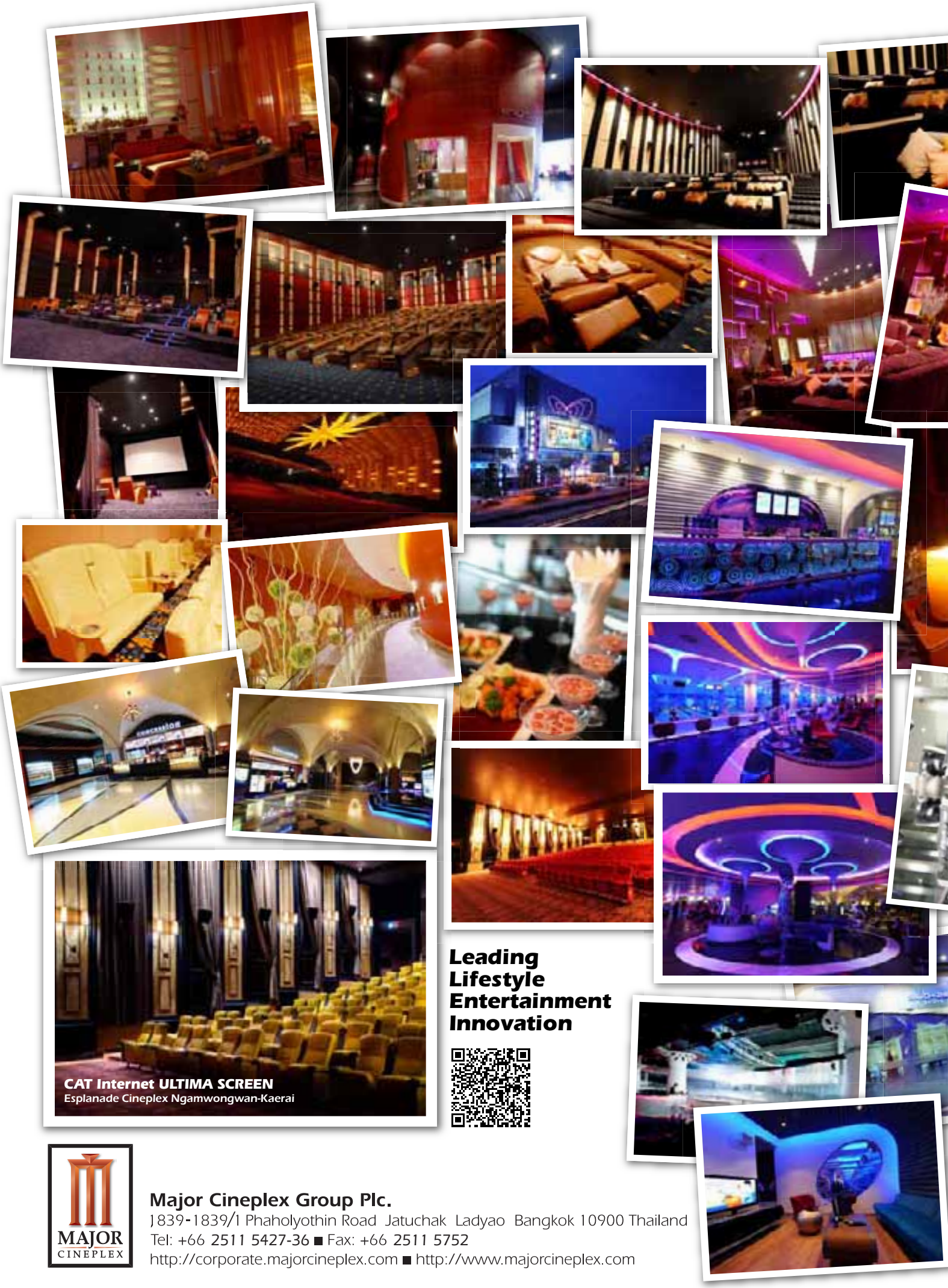
Aiming for higher returns

Focus on generating higher returns from existing assets.

Fundamentally stronger

Not only was the top line that strong; 3Q10 also registered a stellar net profit , all from the core businesses.

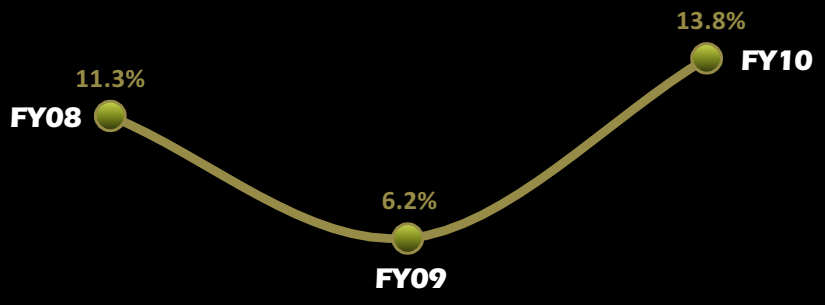
MAJOR CINEPLEX


CAT Internet ULTIMA SCREEN
Esplanade Cineplex Ngamwongwan-Kaerai
Leading
Lifestyle
Entertainment
Innovation
MAJOR
CINEPLEX
Major Cineplex Group Plc.
1839-1839/1 Phaholyothin Road Jatuchak Ladyao Bangkok 10900 Thailand
Tel: +66 2511 5427-36 ■ Fax: +66 2511 5752
http://corporate.majorcineplex.com ■ http://www.majorcineplex.com

Financial Highlights

As of December 31	2008	2009	2010
Revenue Bt.million	5,328	5,561	6,021
EBITDA Bt.million	1,498	1,249	1,446
Net profit Bt.million	626	334	762
EBITDA margin	28%	22%	24%
Net margin	12%	6%	13%
Total assets Bt.million	9,659	11,269	11,033
Total liabilities Bt.million	4,237	5,880	5,359
Total equity Bt.million	5,422	5,389	5,674
Number of shares million	881.9	881.9	881.9
Book value Bt.	6.15	6.11	6.43
Earnings per share Bt.	0.71	0.39	0.91
Divendend per share Bt.	0.64	0.35	0.80
Dividend payout	90%	90%	88%
Net interest-bearing D/E	0.37	0.60	0.51
Return on assets	6.6%	3.2%	6.8%
Return on equity	11.3%	6.2%	13.8%

ROE back on track



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LIFESTYLE entertainment

Milestone

January 2010

- Invested in Major Kantana Broadcasting Co., Ltd. which engages in cable television business, amounting to Bt. 9,999,980, representing 49.99% of its registered shares

April 2010

- Launched new Cineplexes at Mahachai serving 5 screens and at Saraburi serving 4 screens.
- Issued a straight, unsecured and unsubordinated Baht debenture worth Bt.800 million with 3-year term, maturity date on May 17, 2013, and a fixed interest rate of 3.35% per annum.

August 2010

- Renovated and re-launched a Cineplex at Seri Center which was re-branded as Paradise Cineplex serving 6 screens. Two additional screens were added and opened in 2011.

September 2010

- Launched a new Cineplex at Samsen serving 6 screens.
- Launched a new Digital IMAX 3D screen at Major Cineplex Ratchayothin.

November 2010

- MAJOR's Board of Directors approved additional investment of 33.00 million shares (Bt. 330 million) in Major Cineplex Lifestyle Leasehold Property Fund (MJLF) to retain the percentage of shareholding at 33.00%. The additional investment was paid on December 16, 2010.

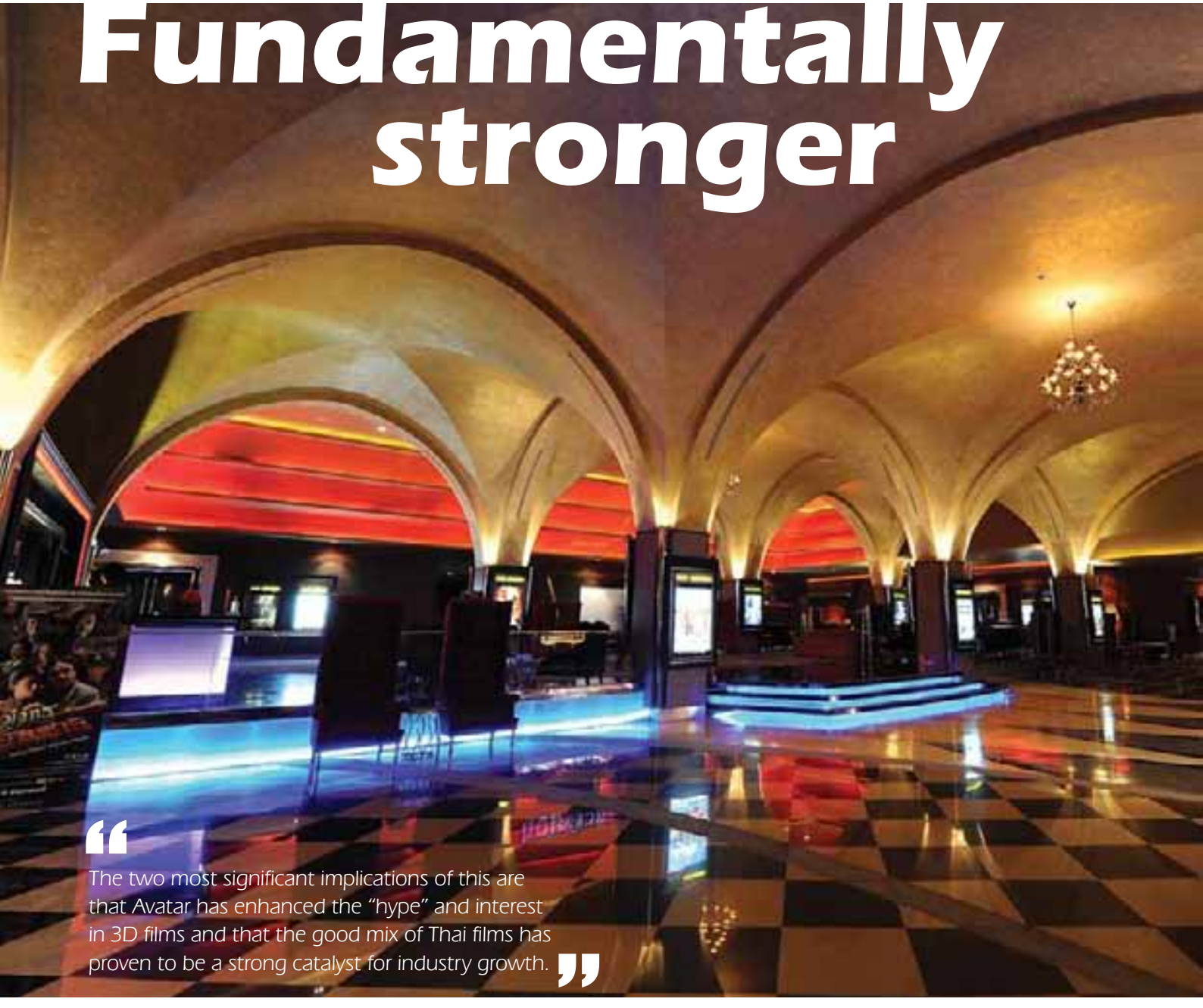
December 2010

- Launched a new Cineplex at Kampangpetch serving 4 screens.
- Further disposed its investment in California Wow Experience Plc. (CAWOW) down to 15.62% shareholding and recognized an impairment of investment in CAWOW amounting to Bt. 19.77 million as at December 31, 2010.

MESSAGES

Chairman of the Board of Directors
Somchainuk Engtrakul

Fundamentally stronger



"The two most significant implications of this are that Avatar has enhanced the "hype" and interest in 3D films and that the good mix of Thai films has proven to be a strong catalyst for industry growth."

Off to a relatively good start
For MAJOR, 2010 took off to a relatively good start. In the first quarter, the Hollywood film, Avatar, was very well received especially in metropolitan areas, while a Thai film, 32-Dec, was also very popular among the mass audience throughout the country. Some other films from both Hollywood and Thai studios also did relatively well. Admissions sales consequently grew nearly 20% yoy in 1Q10. The two most significant implications of this are that Avatar has enhanced the "hype" and interest in 3D films and that the good mix of Thai films has proven to be a strong catalyst for industry growth. Both developments create positive fundamentals for growth.

But not all that rosy, though!
The Thai political problems lingered on and intensified. Starting around mid-March, the "red-shirts" marched the streets of Bangkok demanding the Government to step down. At the beginning of April, they camped out at the Rajaprasong intersection, right in the heart of the Capital's shopping and business district. Momentum had gathered and led to a serious riot around the end of May when some buildings were set on fire. One of MAJOR's flagships, Paragon Cineplex, was virtually shut down for two months in 2Q10, the quarter in which Hollywood's summer blockbusters should have been seasonally producing high ticket sales.

> Not only was the top line that strong; 3Q10 also registered a stellar net profit of Bt.214 million, a 56% growth yoy, all from the core businesses without any extraordinary accounting item.

Toward the end of the year in October and November, the country was hit with serious floods, not in Bangkok, but in many provincial cities in the North, the Northeast, and the South. During that time, a number of Thai films, which typically do well in the provinces, were released. Unfortunately, these provincial cities, were instead coping with the flooding problems. Thus, some good Thai films, which were expected to do well, underperformed.

Fundamentally stronger

There exists one other interesting point to remark. Contrasting with the relatively low second and fourth quarter from the above-mentioned incidents, 3Q10 had emerged as a new record-high quarter in terms of total revenue, toppling the last record-high recently set in 4Q09. Not only was the top line that strong; 3Q10 also registered a stellar net profit of Bt.214 million, a 56% growth yoy, all from the core businesses without any extraordinary accounting item. What contributed to such strong revenue?

Of the top five films in 3Q10, three were locally-produced Thai films while from the Hollywood studios were the Twilight Saga: Eclipse and Resident Evil: Afterlife 3D. Among the three Thai films, one grossed around Bt.140 million, and the other two also finished in the neighborhood of Bt.100 million. Once again, the industry witnessed a very strong quarter with a good mix of mass Thai films, complimented by "less-than" mega-blockbusters from Hollywood.

Another sign of better fundamental is the improvement in profitability. The key strategic move to "re-focus at the core businesses" has been fruitful. The overall blended gross margin has improved, particularly in the original core cinema business. The "Integrated Films Company" created for the Group back in 2009 under M Pictures Entertainment Plc. (MPIC) also played a part in the cinema margin expansion through business integration. While the high-margin advertising media sales had not yet fully recovered, the cinema margins improvement had been behind the much faster recovery of the quarterly net profits. The return ratios have thus been curved up.

Reinforcing the foundation

For 2011, MAJOR stays committed to focus on its core competencies as in 2010. Further foundation reinforcement is the duty to also play a leading role in the development of the Thai film industry. MAJOR will continue to advocate more local films production, showcasing to the local studios to leverage off its strong & large film distribution network, while continuing new branch expansion, particularly in the provincial areas. The larger provincial network means a stronger foundation for Thai films to do well.

Another important strategic move is to adopt the Digital and 3D technologies. MAJOR is undergoing a study to further upgrade its Cineplex network to a Digital and 3D-capable network. With the upgraded network, more 3D films and more Hollywood films variety can be released in the local market with much lower costs, enabling MAJOR to service its customers in the metropolitan areas with a much wider range of films. This is expected to also help grow the industry.

> MAJOR will continue to advocate more local films production, showcasing to the local studios to leverage off its strong & large film distribution network

On behalf of the management team, I would like to express my full gratitude towards all customers, employees, shareholders, business partners and related organizations for your endeavors, supports and trust. I greatly appreciate your confidence in MAJOR and look forward to more successes in the years ahead.

Best regards,

Somchainuk Engtrakul
Chairman of the Board of Directors

MESSAGES

Chairman of the Executive Committee & CEO
Vicha Poolvaraluck

"The strategic move to build MPIC Group as a fully "Integrated Films Company" in 2009 has also resulted in a leveraged improvement on the cinema margin in 2010."

"Such a challenging environment forced us to look for ways to rebuild and led us to our strategic move to re-focus at the original core cinema business in a bid to restore profitability."

Aiming higher returns

Core business much stronger now
Lessons learnt in 2009 were proven very valuable. They played a great role in strengthening MAJOR in 2010. Such a challenging environment forced us to look for ways to rebuild and led us to our strategic move to re-focus at the original core cinema business in a bid to restore profitability.

The core cinema margin improved in 2010. Initiatives taken in 2H09; the dynamic pricing strategy, the cost structure streamlining, and the closure of underperforming branches; all contributed to margin improvement and the positive momentum carried on well into 2010.

Extra bonuses from business integration
The strategic move to build MPIC Group as a fully "Integrated Films Company" in 2009 has also resulted in a leveraged improvement on the cinema margin in 2010. To pave way for further sustainable industry growth, M Thirty-nine Co., Ltd. (M39) has strategically been established under the MPIC Group. The prime intention is to advocate the development in the Thai film industry for more locally produced films.

M39 is set up to produce high-quality Thai films and to showcase benefits in leveraging off the entire Group's fully integrated film distribution channel: theatrical distribution, cinema, and home entertainment distribution. The purpose is largely to encourage more external creative talents to produce high-quality Thai films with the essential message that they too can benefit from the country's strongest film distribution network at MAJOR Group. More quality Thai films mean more opportunity to expand the Cineplex network provincially.

The extra bonuses on the cinema margins occur when M39 films become blockbusters, as has happed with "32-Dec" in 1Q10. MAJOR effectively pays no royalties, and M39's production costs are largely funded by sponsorships. This leads to extraordinary profit margins, yet the sponsor partners are pleased with the brand exposure these Thai films give them in their target market. It is a true "win-win" for us all. While being able to advocate the growth of Thai films, the risk to the Group, involving in the film production business, is mitigated to virtually zero.

2011 looks like a "Golden Year"
Many Hollywood professionals have dubbed 2011 as another "Golden Year" of the film industry. Many Hollywood's mega blockbusters; such as, Transformers, Harry Potter, Pirates of the Caribbean, and Mission Impossible; are scheduled to be released throughout the year, all with a 3D and an IMAX 3D version. In the local context, the industry is also to enjoy new episodes of King Naresuan in 2011 as well. The films line-up resembles that of the last "Golden Year" in 2007. The only differences are that, this time around, our core cinema business is fundamentally stronger and our Cineplex network is larger than it was back in 2007.

> *"In addition to the excellent 2011 film outlook, MAJOR intends to focus on reaping more benefits from the core assets. That is, we will focus on generating even higher returns from our existing assets."*

Aiming for higher returns
In addition to the excellent 2011 film outlook, MAJOR intends to focus on reaping more benefits from the core assets. That is, we will focus on generating even higher returns from our existing assets. While we will selectively open new branches, we will primarily focus on improving yields from our existing assets and build on the efficiencies learned. Primary efforts will be made on ways to drive extra traffic into the Cineplex network and increase "same store" growth and profit margins.

The first move to generate higher traffic is to launch an important customer relationship management program called "M Generation" (M-Gen). For customers, M-Gen is a loyalty card in which they can collect points and redeem them on products and services offered within MAJOR's extended group of companies (i.e. admission tickets, popcorn & soft drinks, or perhaps concert tickets distributed by Thai Ticket Major Co., Ltd., etc.) M-Gen will offer new benefits to MAJOR as it operates with sophisticated software that can track movie-going behaviors of customers, providing valuable insights for ideas on how to better market our products and services and, more importantly, to better serve our customers. These insights are expected to drive more traffic, develop more opportunities for sales growth, and thus, in the medium-to-long term, provide higher returns.

Overall, MAJOR's business outlook appears very encouraging as we continue to build on our core strengths, increase yields from existing profitable assets, continue to recover on advertising media income, focus on incubating Thai films production, and enjoy the returns of the upcoming mega blockbusters. The Management team expects that these factors combined with the new initiatives should translate into continued higher rates of returns to all shareholders.

Best regards,

Vicha Poolvaraluck
Chairman of the Executive Committee & CEO

m PASSION

MAJOR Iconic Leadership
Professionalism
Adaptability
Speed
Service Excellence
Innovation
Optimism
Networking

Directors & Management Team

Somchainuk Engtrakul Age 65

Chairman of the Board

Education
- Ph.D (Honorary Degree) in Public Administration, Sripathum University
- Bachelor Degree of Law, Sripathum University
- Bachelor Degree of Art (Economics), UPSALA COLLEGE NEW JERSEY, USA

Experience
Oct 2004 - Present
- Chairman of the Board
Major Cineplex Group Plc.

2000 - 2004
- Permanent Secretary
Ministry of Finance

1997 - 2000
- Director - General
The Customs Department, Ministry of Finance

1996 - 1997
- Director - General
The Excise Department, Ministry of Finance

Other positions
- Chairman Dhipaya Insurance Plc.
- Chairman National Credit Bureau Company Limited

Director Training Program
- RCP - Role of the Chairman Program, Thai Institute of Director (IOD)

Vicha Poolvaraluck Age 46

Director, Chairman of Executive Commitee and CEO

Shareholding: 36.72%

Education
- Master Degree of Business Administration, United States International University of San Diego, USA
- Bachelor Degree of Business Administration, Chulalongkorn University

Experience
1995 - Present
- Chairman
Major Cineplex Group Plc.

2003 - Present
- Director, Siam Future Development Plc.

2003 - January 2011
- Director, California WOW Xperience Plc.

Other positions
- Director, Member Activities Chulalongkorn University Alumni Association
- MAI Advisory Committee, Market of Alternative Investment

Director Training Program
- DCP - Director Certification Program, Thai Institute of Director (IOD)

Verawat Ongvasith Age 39

Director and Executive Director

Shareholding: 0.89%

Relationship with Management
Younger brother of the Chairman's spouse

Education
- Master Degree of Business Administration, Boston University, USA
- Bachelor Degree of Business Administration, Chulalongkorn University

Experience
2002 - Present
- Director / Executive Director
Major Cineplex Group Plc.

2003 - Present
- Director
Siam Future Development Plc.

2003 - November 2009
- Director
California WOW Xperience Plc.

Director Training Program
- DAP - Director Accreditati on Program, Thai Institute of Director (IOD)

Paradee Poolvaraluck Age 46

Director and Executive Director

Shareholding: 3.46%

Relationship with Management
Chairman's spouse

Education
- Master Degree of Business Administration, United States International University of San Diego, USA
- Bachelor Degree of Business Administration, Chulalongkorn University

Experience
1998 - Current
- Director / Executive Director
Major Cineplex Group Plc.

Pol. Sub. Lt. Kriengsak Lohachala Age 67 **Director**

Education

- Doctor of Public Administration, Ramkhamhaeng University
- Master of Public Administration, Kent State University, USA
- Bachelor of Laws, Thammasat University

Experience

2000-2002 • Permanent Secretary, Bangkok Governor
1990-2000 • Deputy Permanent Secretary, Bangkok Governor

Other positions

- Consultant, Bureau of the Crown Property
- Chairman of the Board, MASTER AD plc.
- Member, Ruk Muangthai Foundation
- Chairman of the Board, A Plus Entertainment Plc.
- Independent Director, Kanyong Electric Plc.
- Consultant, Krungthep Thanakom Co., Ltd.
- Member, Rajaprajanugroh Foundation under the Royal Patronage
- Independent Director and Audit Committee, Pricha Group Plc.

Director Training Program

- DAP - Directors Accreditation Program, Thai Institute of Director (IOD)

Chai Jroongtanapibarn Age 55 **Independent Director & Chairman of Audit Committee**

Education

- Master Degree of Science Accounting, Thammasart University
- Bachelor Degree of Accounting, Chulalongkorn University

Experience

2002 - Present • Independent Director & Audit Committee, Major Cineplex Group Plc.
1980 - 1997 • Executive Director & Chief Finance Officer, The Minor Group

Other positions

- Chairman of Audit Committee, Team Precision Plc.
- Director, Siam Future Development Plc.
- Audit Committee, Oishi Plc.
- Chairman of Audit Committee, Thai Metal Trade Plc.
- Audit Committee, 124 Communications Plc.
- Audit Committee, Siam Food Plc.

Director Training Program

- ACP - Audit Committee Program
- DCP - Director Certification Program Thai Institute of Director (IOD)

Wallop Tangtrongchitr Age 58 **Independent Director and Audit Committee** Shareholding: 0.02%

Education

- Master Degree of Business Administration, Chapman University, USA
- Bachelor Degree of Business Administration, San Diego University, USA

Experience

2002 - Present • Independent Director / Audit Committee, Major Cineplex Group Plc.
1995 - 1997 • Co-Ordinator, Regency Co.,Ltd.
1983 - 1995 • Manager, Wellcom Co.,Ltd.
2520 - 2526 • Project Co-Ordinator, Viwat Construction Ltd.

Other positions

- Managing Director, Potara Co.,Ltd

Director Training Program

- FSD - Financial Statement for Director
- DCP - Director Certification Program
- DAP - Directors Accreditation Program
- FND - Finance for Non – Finance Directors Thai Institute of Director (IOD)

Naruenart Ratanakanok Age 54 **Independent Director and Audit Committee**

Education

- Bachelor of Business Administration (Economics), University of Detroit, USA

Experience

1995 - 1997 • Managing Director, GF Capital Security
1984 - 1987 • Busines Development Manager, Citicorp Capital Security

Other positions

- Executive Director, Livesmart Company Limited
- Audit Committee, Major Cineplex Group Plc.

Director Training Program

- ACP - Audit Committee Program
- DCP - Director Certification Program
- DAP - Directors Accreditation Program
- FSD - Financial Statement for Director Thai Institute of Director (IOD)

Wichai Poolworaluk Age 47 **Director** Shareholding: 0.47%

Relationship with Management Cousin of Chairman

Education

- Bachelor Degree of Economics, Thammasat University
- Modern Manager Program (MMP), Faculty of Commercial & Accountancy, ChulalongKorn University
- The Boss, Management & Psychology Institute
- CEO Development Institute
- Capial Market Academy

Experience

2007 - Present • Chairman of the Board, International Research Corporation Public Limited (IRCP)
2006 - Present • President, Woraluk Property Co.,Ltd.
2005 - Present • Executive Director, Major Cineplex Group Plc.
1993 - 2004 • Director & President, EGV Entertainment Plc. (EGV)

Other positions

- President, Member of the Board of Governors of the Stock Exchange of Thailand (SET)
- Committee Member, Thammasat Economics Association
- Vice Chairman, Federation of Thai Capital Market Orgainzation (FeTCO)
- Subcommittee for the Development of Business Venture & Budget The Institute for the Promotion of Teaching Science & Technology
- President, Thai Investors Association (TIA)

Director Training Program

- DCP - Director Certification Program Thai Institute of Director (IOD)

Attasith Damrongrat Age 45 **Director**

Education

- Master of Arts in Political Science, Ramkhamhang University
- Bachelor of Engineering, Chulalongkorn University

Experience

Nov 07- Present • Director, Major Cineplex Group Plc.

Other positions

- Advisor, Thai Press Association
- Director, Thai - Hong Kong Business Council
- Director, MMP, Chulalongkorn University
- Director,Thai Contractors Association

Thanakorn Puriwekin Age 53 **Director and Chief Films Officer** Shareholding: 0.12%

Education

- Master Degree of Business Administration, United States International University of San Diego, USA
- Bachelor Degree of Business Administration, Bangkok University

Experience

1995 - Present • Director / Chief Films Officer, Major Cineplex Group Plc.

Director Training Program

- DAP - Directors Accreditation Program, Thai Institute of Director (IOD)

Chatthaphum Khantiviriya Age 48 **Group Chief Financial Officer** Shareholding: 0.015%

Education

- Master Degree of Business Administration, Kasetsart University
- Bachelor Degree of Accounting, Chulalongkorn University

Experience

Mar 2007 - Present • Chief Financial Officer, Major Cineplex Group Plc.
Mar 2006 - Dec 2006 • Deputy Managing Director, RS Plc.
1998 - Mar 2006 • Chief Financial Officer, Major Cineplex Group Plc.

Chate Mungkhalodom Age 52 **Chief Media Sales**

Education

- MBA, Business Administration - California State Polytechnic University, Pomona
- Certificate in Computer Programming - Woodbury University
- BA - Accounting - Ramkhamhaeng University

Experience

Mar 2009 – Present • Chief Media Sales, Major Cineplex Group Plc.
Jan 2003 – Nov 2008 • Managing Director, Virgin BEC-Tero Radio (Thailand) Ltd., Bangkok
Oct 2002 – Dec 2002 • Finance Director, Virgin BEC-Tero Radio (Thailand) Ltd., Bangkok

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Jinda Wantanahatai Age 47 **Chief Retails Business** Shareholding: 0.030%

Education

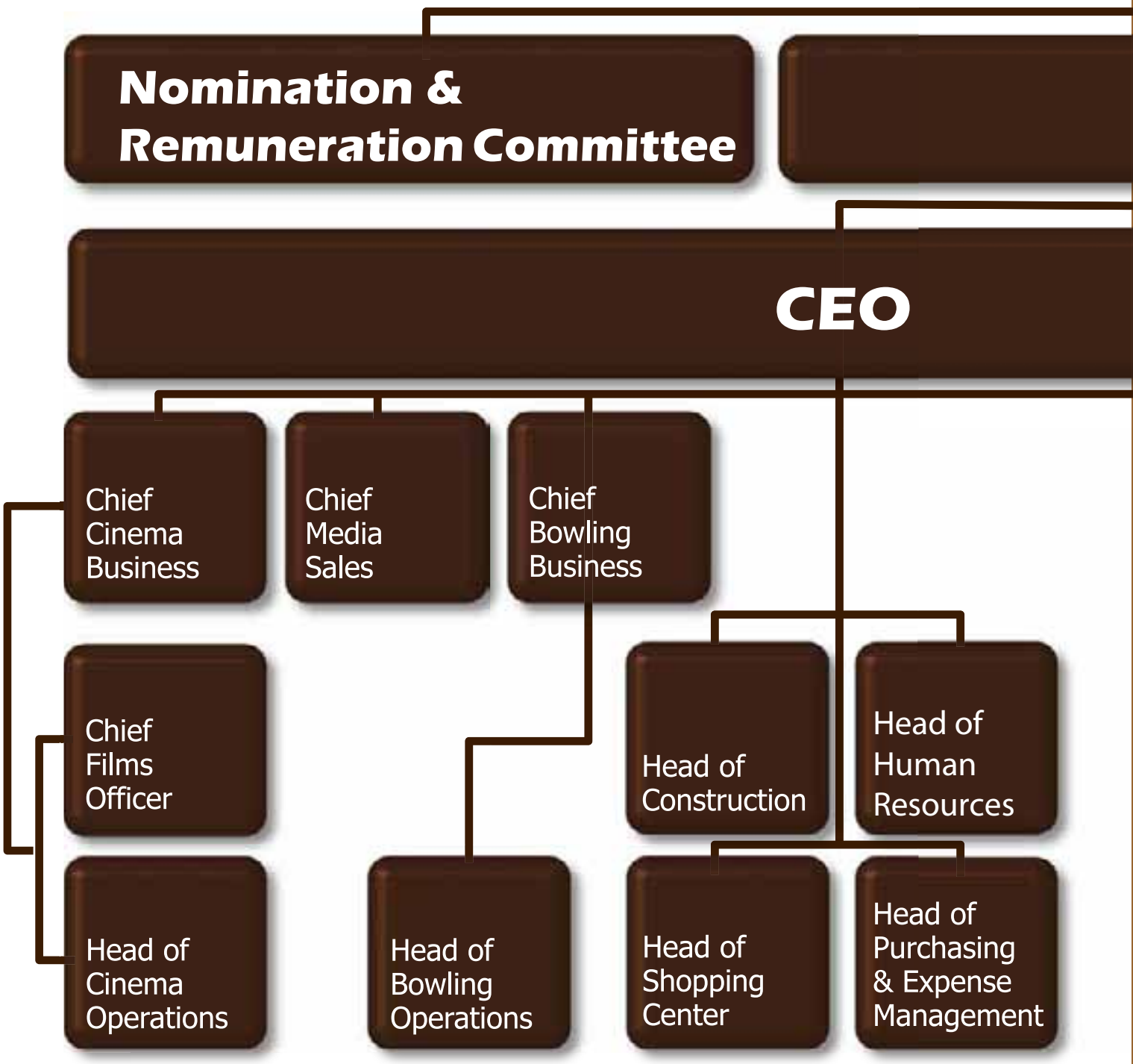
- Bachelor Degree of Arts, Chandrakasem Rajabhat University

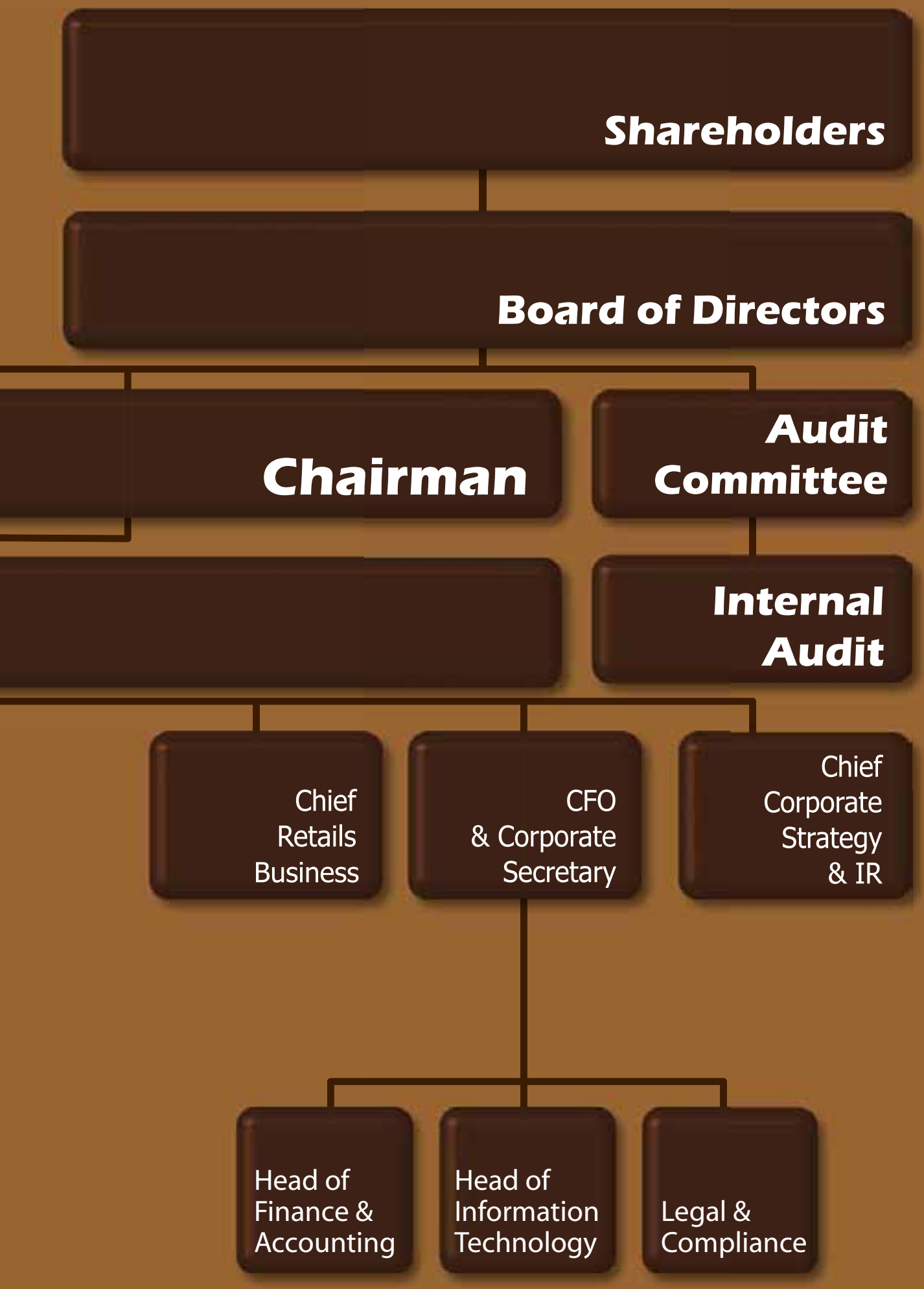
Experience

1993 - 1995 • Marketing Manager, The Mall Group Co.,Ltd.
1990 - 1992 • Marketing Manager, AG Wilkinson Property
1982 - 1989 • Marketing Manager, Dynasty Agency

ORGANIZATION

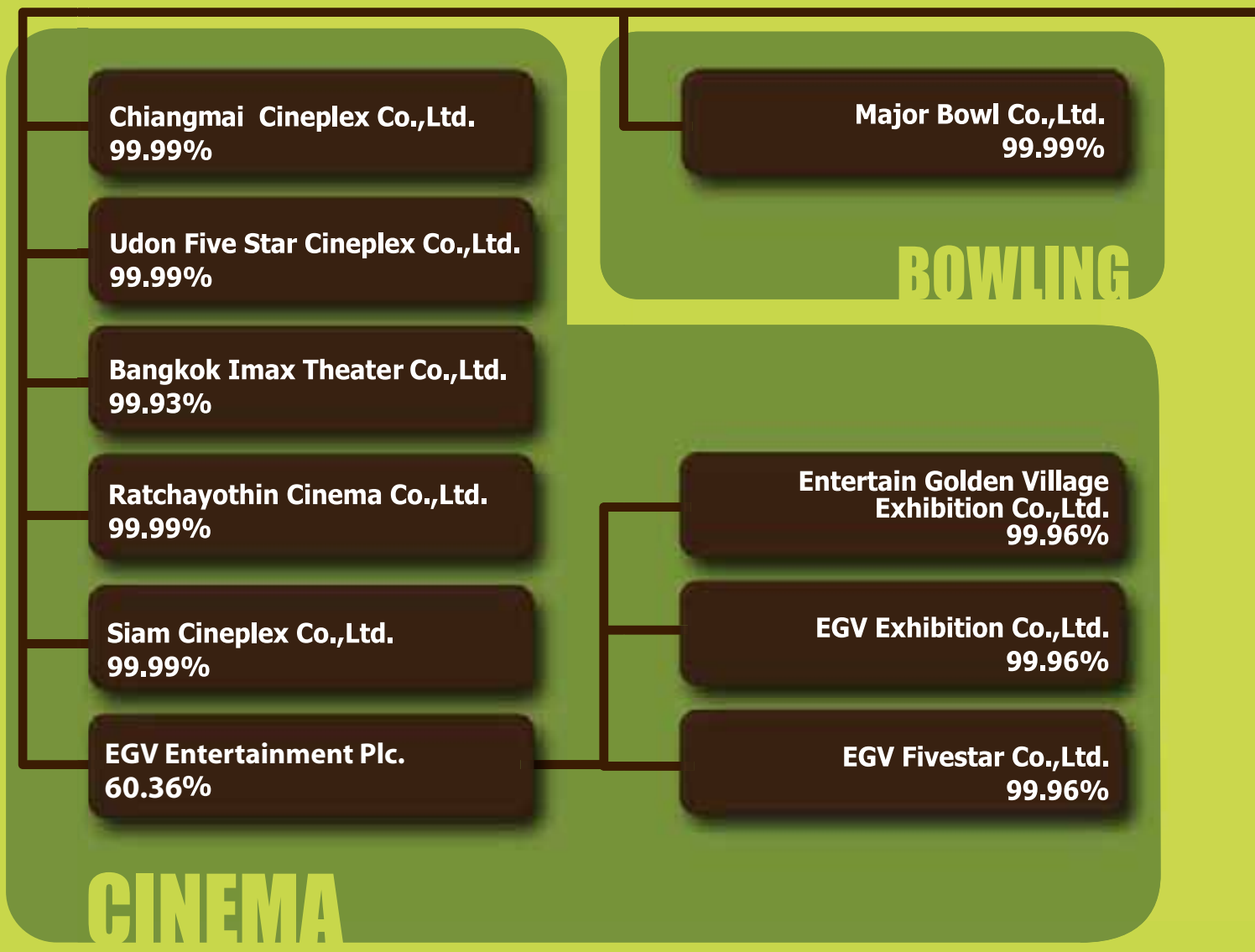
Organization Chart




Shareholders
Board of Directors
Chairman
Audit Committee
Internal Audit
Chief Retails Business
CFO & Corporate Secretary
Chief Corporate Strategy & IR
Head of Finance & Accounting
Head of Information Technology
Legal & Compliance

ORGANIZATION

Group Structure



Major Cineplex Group Plc.

ASSOCIATES

- Siam Future Development Plc. 23.24 %
- Ratchayothin Avenue Co., Ltd. 50.00 %
- Major Cineplex Lifestyle Leasehold Property Fund 33.00 %
- Major Kantana Broadcasting Co., Ltd. 49.99 %
- PVR Company Limited 9.09 %
- PVR bluO Entertainment Limited 49.00%
- Thaiticketmajor Co., Ltd. 40.00%
- California WOW Experience Plc. 15.62 %

RENTAL & SERVICES

- Major Cineplex Property Co.,Ltd. 99.99%
- Major Cineplex Service Co.,Ltd. 99.99%
- Ratchayothin Realty Co.,Ltd. 99.99%
- Ratchayothin Management Co.,Ltd. 99.99%

ADVERTISING

- Major Cinead Co.,Ltd. 99.93%

FILM DISTRIBUTION

- M Pictures Entertainment Plc. 65.93 %
- M Thirtynine Co., Ltd. 65.92%
- M Picture Co.,Ltd. 65.92%
- TV Forum Co.,Ltd. 65.92%
- M.V.D Co., Ltd. 65.92%
- Pacific Media Sales Co.,Ltd. 65.53%

ORGANIZATION

General Information of the Company Subsidiaries & Associates

Theatre Business
Major Cineplex Group Plc.
Registration no. 0107545000047
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema & Entertainment Complex operator, concession vendor
Registered capital 906,000,000
Paid up capital 881,897,219
% of investment 100.00%

Theatre Business
Chiangmai Cineplex Co., Ltd.
Registration no. 105543106571
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema operator, rental and services business, concession vendor
Registered capital 20,000,000
Paid up capital 20,000,000
% of investment 99.99%

Theatre Business
Udon Five Star Cineplex Co., Ltd.
Registration no. 0105546119569
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema operator
Registered capital 39,000,000
Paid up capital 39,000,000
% of investment 99.99%

Theatre Business
Bangkok Imax Theater Co., Ltd.
Registration no. 0105544003725
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema operator, concession vendor
Registered capital 1,000,000
Paid up capital 1,000,000
% of investment 99.93%

Theatre Business
Ratchayothin Cinema Co., Ltd.
Registration no. 0105541034255
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema operator, concession vendor
Registered capital 10,000,000
Paid up capital 10,000,000
% of investment 99.99%

Theatre Business
Siam Cineplex Co., Ltd.
Registration no. 0105547057656
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema operator, concession vendor
Registered capital 150,000,000
Paid up capital 150,000,000
% of investment 99.99%

Theatre Business
EGV Entertainment Plc.
Registration no. 0107545000225
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema & Entertainment Complex operator, concession vendor
Registered capital 440,000,000
Paid up capital 260,001,575
% of investment 60.36%

Theatre Business
Entertain Golden Village Exhibition Co., Ltd.
Registration no. 0105538116343
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema & Entertainment Complex operator, concession vendor
Registered capital 1,000,000
Paid up capital 1,000,000
% of investment 99.96%

Theatre Business
EGV Exhibition Co., Ltd.
Registration no. 0105539139100
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema & Entertainment Complex operator, concession vendor
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 99.96%

Theatre Business
EGV Five Star Co., Ltd.
Registration no. 0305543000551
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema & Entertainment Complex operator, concession vendor
Registered capital 40,000,000
Paid up capital 40,000,000
% of investment 99.96%

Bowling Business
Major Bowl Group Co., Ltd.
Registration no. 0105541034263
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Bowling alley operator, concession vendor
Registered capital 36,000,000
Paid up capital 36,000,000
% of investment 99.99%

Rental and Services Business
Major Cineplex Property Co., Ltd.
Registration no. 0105537078910
Head office 1221/39 Sukkhumvit Rd., North Klongton, Wattana, Bangkok
Nature of business Rental and services business
Registered capital 78,000,000
Paid up capital 78,000,000
% of investment 99.99%

Rental and Services Business
Major Cineplex Services Co., Ltd.
Registration no. 0105540016130
Head office 1221/39 Sukkhumvit Rd., North Klongton, Wattana, Bangkok
Nature of business Rental and services business
Registered capital 23,000,000
Paid up capital 23,000,000
% of investment 99.99%

Rental and Services Business
Ratchayothin Realty Co., Ltd.
Registration no. 0105539097628
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Rental and services business
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 99.99%

Rental and Services Business
Ratchayothin Management Co., Ltd.
Registration no. 0105540016121
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Rental and services business
Registered capital 5,000,000
Paid up capital 5,000,000
% of investment 99.99%

Advertising Business
Major Cinead Co., Ltd.
Registration no. 0105544103711
Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business Advertising agency
Registered capital 1,000,000
Paid up capital 1,000,000
% of investment 99.93%

Distribution Business
M Pictures Entertainment Plc.
Registration no. 107544000124
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business Films Licensee for distributions
Registered capital 641,250,000
Paid up capital 641,250,000
% of investment 65.93%

Distribution Business
TV Forum Co., Ltd.
Registration no. 0105538027090
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business Radio and Television Media
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 65.92%

Distribution Business
M Thirtynine Co., Ltd.
Registration no. 0105552004395
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business Movie Producer
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 65.92%

Distribution Business
M Pictures Co., Ltd.
Registration no. 0105548154744
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business Movie Copyright Distribution
Registered capital 150,000,000
Paid up capital 150,000,000
% of investment 65.92%

Distribution Business
M.V.D. Co., Ltd.
Registration no. 0105545084664
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business Films Licensee for distributions
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 65.92%

Distribution Business
Pacific Media Sale Co., Ltd.
Registration no. 0105547163570
Head office 234 Suzuki Avenue Building (Ratchayothin), 13th Floor, Ratchadapisek Road, Ladyao, Jatuchak, Bangkok
Nature of business CD and DVD Distribution
Registered capital 100,000
Paid up capital 100,000
% of investment 65.53%

Strategic Investment
Siam Future Development Plc.
Registration no. 107545000187
Head office 99 Rachadapisek Rd., Dindaeng Bangkok
Nature of business Neighborhood shopping mall developer, rental and services business
Registered capital 1,047,089,351
Paid up capital 1,032,876,614
% of investment 23.24%

Strategic Investment
Ratchayothin Avenue Co.,Ltd
Registration no. 105550006391
Head office 99 Ratchadapisek Rd, Dindaeng Bangkok
Nature of business Neighborhood shopping mall developer
Registered capital 540,000,000
Paid up capital 540,000,000
% of investment 50.00%

Strategic Investment
Major Cineplex Lifestyle Leasehold Property Fund
Registration no. 179/2550
Head office Kasikorn Asset Management Co., Ltd. 400/22 KASIKORNBANK Building, 6th Floor, Phahon Yothin Avenue, Samsen Nai, Phaya Thai Bangkok
Nature of business Property Fund
Registered capital 3,300,000,000
Paid up capital 3,300,000,000
% of investment 33.00%

Strategic Investment
Major Kantana Broadcasting Co., Ltd.
Registration no. 105553012928
Head office 991 Siam Paragon, 5th - 6th Floor, Rama 1 Rd., Phathumwan Bangkok
Nature of business Cable television services
Registered capital 20,000,000
Paid up capital 20,000,000
% of investment 49.99%

Strategic Investment
Thaiticketmajor Co., Ltd.
Registration no. 105543020073
Head office 3199 Maleenon Tower Flr 27th, Rama 4 Rd, Klongtun, Bangkok
Nature of business Ticketing service for event organizers, bus, airline and hotel operators and Ticketing Software Specialists
Registered capital 10,000,000
Paid up capital 10,000,000
% of investment 40.00%

Strategic Investment
California WOW Experience Plc.
Registration no. 0107574700895
Head office 287 Liberty Square Building, Silom, Bangrak, Bangkok
Nature of business Fitness club operator
Registered capital 723,952,899
Paid up capital 550,369,767
% of investment 15.92%

Strategic Investment
PVR Company Limited
Registration no. 55-67827
Head office 61 Basant Lok, Vasant Vihar, New Delhi-110 057 India
Nature of business Multiplex cinema operator
Registered capital INR 350,000,000
Paid up capital INR 271,493,720
% of investment 9.09%

Strategic Investment
PVR bluO Entertainment Limited
Registration no. U74120DL2008PLC176081
Head office 61 Basant Lok, Vasant Vihar, New Delhi-110 057 India
Nature of business Bowling alley operator
Registered capital NR 150,000,000 (150,000,000 x 0.7697 =115,455,000 Baht)
Paid up capital INR 90,000,000 (90,000,000 x 0.7697=69,273,000 Baht)
% of investment 49.00%

BUSINESSES

Business Overview

"Lifestyle Entertainment Company"

Major Cineplex Group Plc (MAJOR) is Thailand's leading Lifestyle Entertainment Company with core business in cinema, bowling,karaoke, ice skating rink, retails space, film distribution and advertising media.

To broaden its network of lifestyle entertainment portfolio as well as establishing partnerships for sustainable future growth, MAJOR also invests:

- 23.24% in Siam Future Development Plc (SF) - a lifestyle-neighborhood-mall developer,
- 33.00% in Major Cineplex Lifestyle Property Fund (MJLF) - a real-estate investment trust (REIT) set up as a vehicle for the Group's expansion,
- 65.93% in M Pictures Entertainment Plc. (MPIC) - an integrated film distribution company,
- 49.99% in Major Kantana Broadcasting Co, Ltd. (MKB) - a cable television operator,
- 40.00% in Thai Ticket Major Co., Ltd. (TTM) - a ticket sales channels for concerts, sports events, transportation, etc.,
- 15.62% in California WOW Xperience Plc (CAWOW) - an "exertainment" fitness club operator,
- 9.09% in PVR Limited (PVR) - a leading, premium multiplex cinema exhibition company in India, and
- 49.00% in PVR blu-O Entertainment Limited (PVR blu-O) - a Joint Venture with PVR Ltd. to operate bowling alleys across India.

MAJOR was listed on the Stock Exchange of Thailand (SET) in May 2002.

"Cinema"

The "Cineplex" concept was first introduced to the Thais in 1995 when Mr. Vicha Poolvaraluck, the founder of MAJOR, built the first-of-its-kind Standalone "Cineplex" in Pinklao area of Bangkok. The Standalone "Cineplex" concept combines customer experiences of Cinema & Entertainment complex under the same roof. That means, moviegoers are offered; not only a wide range of films selection in the multiplex cinema format; but also a vast variety of restaurants, gift shops, bookstores and many other lifestyle shops in one stop. Thus, the Major Pinklao Standalone Cineplex has quickly become a very popular destination of lifestyle entertainment alternatives for Bangkok dwellers ever since. In the subsequent 3 years, three more Standalone Cineplexes had been added to the Cineplex network around Bangkok – Major Sukhumvit, Major Ratchayothin, & Major Rangsit and recently. The lastest Standalone Cineplex, Esplanade Ngamwongwan-Kaerai, was opened in December 2009.

The Standalone Cineplex is typically built on a long-term leasehold land (20-30 year). A Standalone Cineplex is about 7-10 story building. The top floors feature between 8-16 screens of cinemas and 20-38 lanes of bowling, while the bottom 2-3 floors are retails space for the "lifestyle" shops. With a strong "movie culture" which ensures continuous flow of moviegoers traffic every week, the retails space in the Standalone Cineplexes has been able to sustain a high occupancy rate at all time.

Besides the Standalone Cineplexes, MAJOR also deploys three other expansion models to populate Cineplexes around the country:

- Shopping mall model
- Lifestyle neighborhood mall model
- Hypermarket model

The shopping mall model was used more in the past when the shopping malls werewhere, sprouting up rapidly & practically every It was a handy growth vehicle as Cineplexes could ride on their historically high growth phase without too much capital outlay as for the Standalone Cineplex model. However, the rate of growth for shopping malls today has tapered down significantly. Nowadays, it takes 3-4 years for a shopping mall to be developed.

As an alternative vehicle for growth, the lifestyle neighborhood mall model was created in 2004 when MAJOR took a stake in a lifestyle-neighbor-mall developer, Siam Future Development Plc. (Siam Future). A lifestyle neighborhood mall is typically built on a smaller plot of land (1-2 acres) next to the residential areas. Because of its compact size, it takes only 6-12 months for a lifestyle neighborhood mall construction to complete, thus serving as an excellent vehicle to populate Cineplexes in the metropolitan areas as well as more urbanized areas around the country.

Major Cineplex	#screens	#seats
Pinklao	13	4,000
Sukhumvit	8	1,700
Ratchayothin	15	3,300
Rungsit	16	3,100
Ramkhumheang	7	2,100
Chiangmai	7	1,900
Rama III	9	2,600
Bangna	10	2,000
Samrong	12	2,200
Bangkapi	10	2,100
Rama II	9	1,800
Nakhonsawan	5	1,100
Nonthaburi	7	1,050
Udonthani	7	2,000
Chachoengsao	5	1,700
Fashion Island	11	2,400
Ubonrajathani	5	900
Petchakasem	6	1,700
Hua Hin	4	1,400
Samui	3	900
Pitsanulok	4	900
Changwattana	5	1,000
Pattaya	8	1,800
Chonburi	4	1,100
Krabi	4	1,100
Big C Navanakorn	3	600
Thanyaburi	4	1,100
Lotus Navanakorn	4	1,200
Banpong	5	1,400
Srinakarin	5	1,300
Salaya	5	1,200
Ayuttaya	4	1,300
Petchaboon	4	1,100
Amatanakorn	5	1,300
Mahachai	5	1,200
Saraburi	4	1,100
Samsen	6	1,500
Kamphaengphet	4	1,000
EGV Cinemas	**#screens**	**#seats**
Central Pinklao	11	1,900
Seacon Square	14	3,300
Future Park Rangsit	10	1,700
Bangkae	5	1,100
Ladprao	7	1,300
Korat	8	2,700
Sriracha	4	1,400
Aomyai	5	1,200
Paragon Cineplex	**#screens**	**#seats**
Siam Paragon	16	4,500
Esplanade Cineplex	**#screens**	**#seats**
Esplanade Ratchadapisek	12	2,700
Esplanade Ngamwongwan-Kaerai	16	4,200
Paradise Cineplex	**#screens**	**#seats**
Paradise Park	6	1,000
Total	**366**	**88,150**

* Grand EGV at Siam Discovery and Metropolis were permanently closed during 2010.
* At YE10, Seri Center was reopened & re-branded as Paradise Cineplex.

With the strong movie culture and having Cineplexes as anchor tenant, Siam Future has grown exponentially with retails space under management in the past few years. The synergy is extremely well pronounced. MAJOR could rapidly penetrate into the residential areas providing an enhanced convenience access to the moviegoers. Siam Future, on the other hand, could fill up its retails space easily having cinema & bowling anchoring in its lifestyle neighborhood malls.

The hypermarket model is used to populate the Cineplexes in the provincial areas. MAJOR builds cinemas & bowling in the hypermarket structures as an anchor tenant. For the provincial dwellers, hypermarket or discount store supercenter serves as a perfect destination, not only for shopping but also for family entertainment, in a very similar fashion as shopping malls are to the urban people. MAJOR joins with two hypermarket operators, Tesco Lotus & Big-C.

Currently MAJOR commands around 80% market share of the Thai cinema industry's admissions revenue. The sharp increase inmarket share in 2004 was due to the acquisition of EGV Entertainment Plc., the #2 player at that point with about 23% share. Subsequent to that M&A activity, there was no foreign cinema operator left in the Thai cinema industry.

At year-end 2010, MAJOR operates 5 different brands:

- Major Cineplex
- EGV Cinemas
- Paragon Cineplex
- Esplanade Cineplex
- Paradise Cinneplex

with a total of 50 branches, 366 screens and about 88,150 seats. MAJOR continues to add about 20-30 new screens a year as Thailand is still in the "underscreened" situation. MAJOR deploys the 4 expansion models discussed above as the growth vehicle depending upon the demography of each location.

MAJOR offers cinema services covering the full spectrum of the customer segments. The mass-segment cinema, "Major Cineplex" brand, is used for the geographical expansion & tapping the new markets. Various international designs are adopted for the customer experiences, unlike what the global cinema operators offer. For example, Las Vegas style interior design is adopted for the local mass-segment customers to experience.

On the high-end, plenty of service & product innovations are created and installed for the "Future of Entertainment Civilization" customer experiences in the "six-star" ambience at the "Paragon Cineplex." For example, the "Nokia Ultra Screen 1" at the Paragon Cineplex is equipped with nothing but fully-reclined, genuine leather seats in cubicles along with pillows & blankets for the entire auditorium seatings.

Another product innovation at the Paragon Cineplex is the "ENIGMA: the Shadow Screen", a luxurious movie club exclusively for members only.Thirty-four exclusive seats, resembling living room couches adjacent to an exclusive club equipped with full bar services, are perfect for private parties. The venue has become very popular, not only among the high net-worth individuals, but also the corporate customers who prefer using the ENIGMA for entertaining their VIP customers in an exclusive atmosphere.

BUSINESSES

"Bowling Karaoke & Ice Skating"

MAJOR BOWL HIT

Bowling & Karaoke was added to the portfolio of lifestyle entertainment services in 1997. The first 20 lanes were put up in Major Sukhumvit Standalone Cineplex. Rather than being a typical sports bowling venue, "Major Bowl Hit" was launched with an "entertainment bowling" concept and positioning, where friends & families can come in & enjoy the game. Major Bowl Hit is decorated with a modern & trendy design with the latest releases of music being played, perfectly enticing to the younger & family segments of consumers.

"Major Karaoke" was a perfect compliment of the entertainment bowling as it provides, not only a better utilization of the space, but also another alternative form of lifestyle entertainment. Similar to bowling, karaoke rooms are modernly designed and decorated, perfect for the segment of consumers that bowling attract.

While "Major Bowl Hit" offers the entertainment bowling to the mass segment around the country, "Blu-O Rhythm & Bowl" was introduced in 2006 as a "club fashion bowling," targeting at the higher-end of the consumer segments in the metro areas. The first Blu-O Rhythm & Bowl was put up in the Siam Paragon (a mega shopping mall in the heart of Bangkok) offering 38 bowling lanes, 12 karaoke rooms, and two Platinum rooms equipped with 4 exclusive bowling lanes each & karaoke facilities. In 2009, MAJOR operates totally 5 branches under brand "Blu-O Rhythm & Bowl," comprising of Paragon, Esplanade Ratchada, Pattaya, Ratchayothin and Esplanade Ngamwongwan-Kaerai.

The "sub-zero: the Ice Skate Club" is the latest lifestyle entertainment that hadbeen added to the portfolio. It has quickly become one of the most popular meeting joints for the hip & cool customer segments in town. Locating in the Esplanade Ratchada, Siam Future's Arte-tainment venue, the first sub-zero offers a compact ice skating rink of about 700 sq.m. with 4 ice karaoke rooms, ice dance studio, & classes for ice-skating, figure-skating, & ice hockey. The second sub-zero was opened in Dec 2009 at Esplanade Ngamwongwan-Kaerai.

In 2008, the concept of entertainment bowling was expanded internationally into India. A joint venture company, PVR blu-O Entertainment Co. Ltd. (PVR blu-O) was set up to operate entertainment bowling business in India in partnership with PVR Limited, a leading cinema operator incorporated and listed in Stock Exchange of India. The first "Club Fashion Bowling" operated by PVR blu-O has been commercially opened since March 2008 in Ambiance Mall - Gurgaon, New Delhi with 24 lanes.

At year-end 2010, MAJOR operates 26 bowling locations with 480 lanes, 334 karaoke rooms, 2 ice skating rinks.

	#bowling lanes	#karaoke rooms
Pinklao	20	15
Sukhumvit	20	10
Ratchayothin	38	28
Rungsit	26	18
Rama III	26	10
Bangna	18	14
Samrong	20	14
Bangkapi	14	12
Rama II	30	13
Fashion Island	16	13
Petchakasem	12	9
Changwattana	14	9
Ladprao	10	10
Piyarom	30	9
Thonglor (J-avenue)	8	11
Ayudhya	10	10
Nakhon Sawan	12	9
Udonthani	16	9
Hua Hin	8	10
Samui	8	7
Pitsanulok	8	6
Pattaya	22	9
Chonburi	10	8
Central Pinklao	-	21
Siam Paragon	38	16
Esplanade Ratchada	22	21
Esplanade Ngamwongwan-Kaerai	24	13
Total	**480**	**334**

Karaoke rooms at Grand EGV Siam Discovery and Future Park Rangsit were closed down during 2010.

BUSINESSES

“Advertising Services”

Advertising services business leverage off the traffic that cinema & other lifestyle entertainments attract. MAJOR had been able to draw between 25-30 million customers into the Cineplexes around the country annually. A subsidiary called CineAd Co.,Ltd. has been established to entice the advertisers and media agencies with full-range of advertising services, ranging from simple cinema screen advertising to fully-integrated below-the-line media solutions incorporating all media available in the Cineplex network around the country.

With additional revenues being generated on the existing assets, advertising services revenues enjoy a hefty margin of 80-90%. Today, CineAd packages integrate below-the-line media solutions for many dominant players in many industries. The solutions include not only the screen advertising but also new media like VDO walls, tri-vision, plasma screens, poll signs, bowling masking units, and outdoor media (Billboard/Cut-out), etc.

As one of the most effective, direct-to-target media alternatives, the cinemedia is among the highest growth in the entire media industry. For 2010, the cinemedia contributes about 6% of the advertising expenditures for the entire media industry.

"Rental & Services"

In the Standalone Cineplex, MAJOR operates retail space rental and services business to compliment the lifestyle entertainment model by offering the customers with more variety of entertainment service beyond movie, bowling, karaoke, and ice skating.

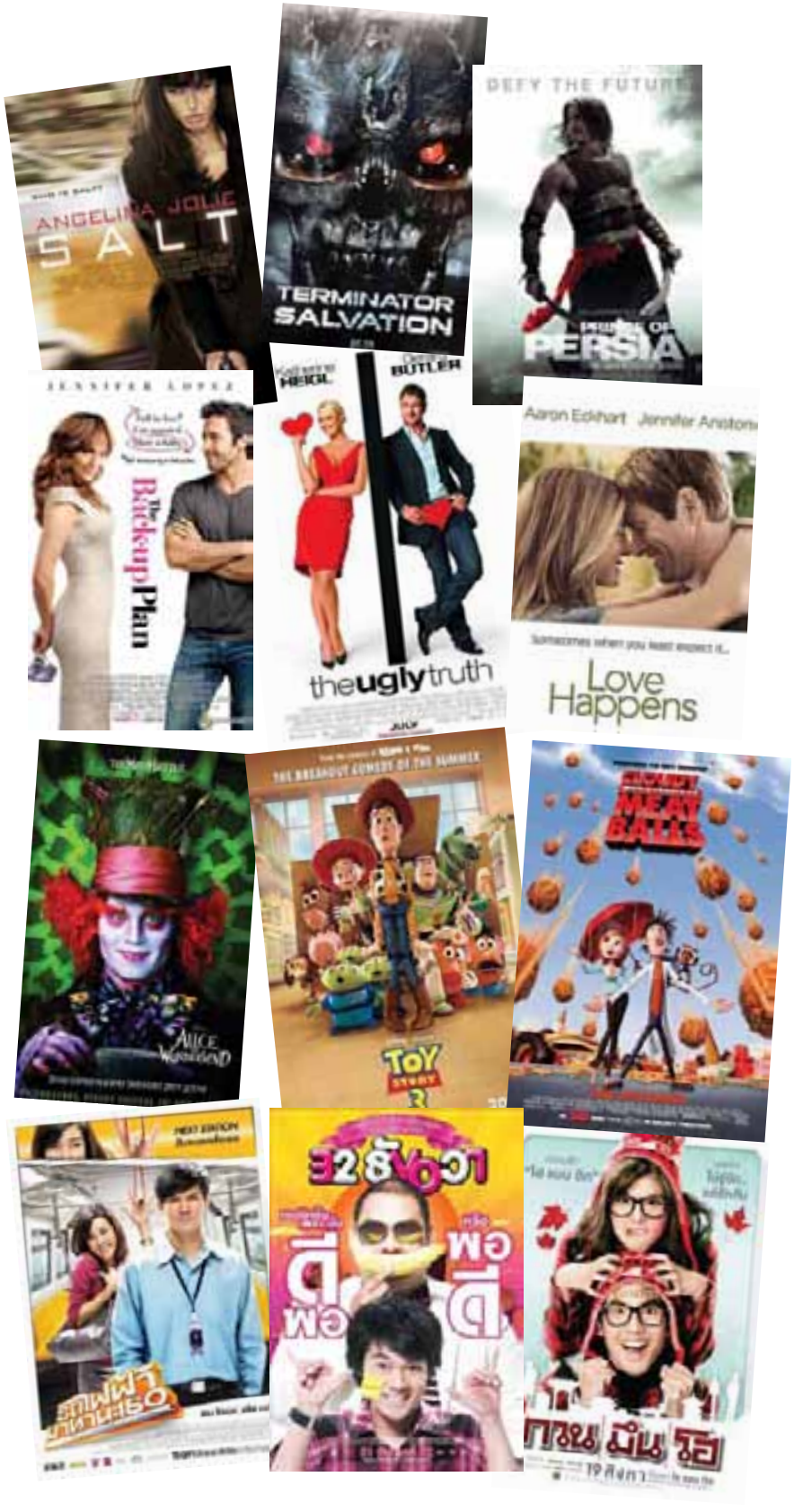
MAJOR selects trendy brands that offer distinctive products and services that match customers' lifestyle. Retails spaces are packaged in 2 types - long-term lease contracts which are more than 3 years and short-term rental contracts which are less than 3 years.

As the Cineplex has become "destination" for lifestyle entertainment, MAJOR has been able to attract many leading international chains as well as the newly emerging local brands. With the intense competition among the quick-serve restaurant chains, every brand is in need of new space to populate their new branches and expand their network every year. This has resulted in high occupancy rate at every location. Services accompanied space rental are the electricity, air-conditioned services, fire protection system, cleaning and security system as well as common area management services such as elevator, escalator and parking.

	retails space sq.m.	% occupancy
Sukhumvit	6,546	100%
Ratchayothin	1,921	100%
Rangsit	1,564	100%
Ramkhumheang	444	89%
Chiangmai	91	68%
Samrong	2,148	57%
Bangkapi	135	100%
Rama II	466	100%
Nakhonsawan	190	100%
Udonthani	351	100%
Samui	436	100%
Pitsanulok	186	100%
Future Park Rangsit	692	100%
Metropolis	21,305	84%
Aomyai	1,878	100%
Siam Paragon	155	100%
Chonburi	115	64%
Thong Lor	335	100%
Ngamwongwan-Kaerai	11,339	100%
Lotus Navanakorn	99	100%
Seacon Square	95	100%
total	**50,491**	**90%**

BUSINESSES

"Films Distribuion"



MAJOR has a strategic investment in the film distribution business through its 65.93% stake in M Pictures Entertainment Plc. (MPIC). Originally MAJOR's investments in film distribution business were direct. On the theatrical side, MAJOR was holding a stake in M Pictures Co., Ltd. (MP) which was providing the upstream theatrical distribution services. On the downstream home entertainment distribution side, MAJOR held a stake in Pacific Marketing and Entertainment Group Co., Ltd. whose name has subsequently been changed to MVD Co., Ltd. (MVD). Completed in July 2009, both MP & MVD have now been injected into MPIC to create an integrated distribution company under one roof.

For the upstream theatrical distribution, MP is to manage the 52-week films programming and smoothen out the revenue seasonality imposed by the Hollywood's numerous summer releases in 2Q and holiday seasons releases in 4Q. Distributing films from independent studios as well as other Asian films from Japan & Korea, MP could lessen the impacts of quarterly revenue shortfalls by releasing these films in 1Q & 3Q. With MAJOR's dominant market position in the exhibition window, MP is riding on a solid platform to maximize its revenue as well.

For the downstream home entertainment distribution, MVD is to manage the timing of the DVD/VCD releases as well as the DVD/VCD pricing in bid to optimize revenue generating ability in each window and protect the core cinema business. With the appropriate timing of the DVD/VCD releases (typically 3-4 months subsequent to theatrical releases) and with proper pricing, a film can maximize its revenues in the cinema window as well as in the home entertainment distribution window itself.

In 2009, MPIC Group has also set up a film production company, namely M Thirty-nine Co. Ltd. (M39), to stimulate and advocate growth in Thai films production. Leveraging of MPIC's own integrated distribution capability, combining with MAJOR's dominant market share in cinema, the Group ultimately aims to grow Thailand's film industry as a whole.

"Strategic Investments"

Siam Future Development Plc (Siam Future)

MAJOR currently invests 23.24% in Siam Future, a lifestyle-neighborhood-mall developer. The lifestyle malls that Siam Future develops are low-rise, open-air building next to the residential areas. The rationale for the investment in 2004 was to help each other grow. With the "movie culture," MAJOR is an anchor tenant that generate traffic to the lifestyle malls. With its rapid pace of expansion, Siam Future provides MAJOR with an excellent vehicle for growth, especially in the metropolitan areas where MAJOR wants to improve cinema-access convenience to its customers.

Siam Future is listed on the Stock Exchange of Thailand with the symbol SF.

Major Cineplex Lifestyle Property Fund (MJLF)

A major milestone that took place also in June 2007 was the completion of the REIT, Major Cineplex Lifestyle Property Fund (MJLF). Two of the Standalone Cineplexes (Major Ratchayothin & Major Rangsit) were initially injected into the MJLF, raising Bt2.3 billion in cash. With the proceed, MAJOR reinvests 33% back into the fund, while the remaining amount is being reinvested into a brand-new Standalone Cineplex in Ngamwongwan-Kaerai area. In late 2010, Suzuki Avenue Ratchayothin, a 50:50 joint venture between MAJOR & Siam Future, was injected into MJLF. The registered and paid-up capitals of MJLF have thus been increased to Bt3.3 billion. MAJOR has invested more and maintained the shareholding in MJLF at 33%.

This development marks an important step for the Group as MJLF becoming a vital vehicle for sustainable future growth. MAJOR has an alternative funding source when cash is needed to expand with the original Standalone Cineplex model without fresh capital calls. The Standalone Cineplexes with much larger number of cinema screens & bowling lanes are expected to drive higher rate of growth for the income statements than the balance sheets, enabling MAJOR to adopt the "asset-light" strategy with hope to generate higher rate of returns going forward.

MJLF is listed on the Stock Exchange of Thailand with the symbol MJLF.

Major Kantana Broadcasting Co., Ltd. (MKB)

In January 2010, MAJOR with Kantana Group Plc., set up a joint venture company, Major Kantana Broadcasting Co., Ltd., in which MAJOR holds 49.99% shareholding. MKB engages in cable television business under the name, "M Channel", broadcasting movie and movie-related entertainment variety programs on satellite TV throughout the country. With combined expertise of the two partners, MKB is set up to develop and help grow the film industry.

California WOW Xperience Plc (CAWOW)

At YE10, MAJOR invests 15.62% in CAWOW, a fitness club operator.

CAWOW is listed on the Stock Exchange of Thailand with the symbol CAWOW.

Thai Ticket Major Co.,Ltd. (TTM)

In June 2007, MAJOR took 40.0% stake in Thai Ticket Master Dot Com Co.,Ltd., whose name has subsequently been changed to Thai Ticket Major Co.,Ltd. (TTM). The rationale was to expand MAJOR's business into ticketing sales channel as well as enhancing value from the existing assets. Cinema ticket box offices are turned into also ticketing services counters for concerts, sports events, transportation. Not only better utilization of the resources at the box offices, TTM also generates additional traffic into the Cineplexes which could also be enticed to consume other entertainment services.

PVR Limited. (PVR)

Incorporated and listed in the Stock Exchange of India, PVR is a leading and premium Multiplex Cinema Exhibition company in India. PVR pioneered the multiplex revolution in India by establishing the first multiplex cinema in 1997 and the largest 11-screen multiplex cinema in the country in 2004. Currently, our geographically diverse cinema circuit in India consists of 33 cinemas with 142 screens. As of YE10, MAJOR's shareholding in PVR is 9.09%.

PVR is listed on the Stock Exchange of India with the symbol PVRL.

PVR blu-O Entertainment Ltd. (PVR blu-O)

A 51:49 joint venture company, namely PVR blu–O Entertainment Ltd. (PVR blu-O), was set up in 2008 by PVR Limited & MAJOR. While adding a new lifestyle entertainment to PVR's business model, PVR blu-O is to introduce a new experience of entertainment bowling to the Indian patrons and provide MAJOR with an opportunity to unlock potential growth in the Indian market. Both of these investments (in PVR and PVR blu-O) can be considered as a great opportunity to tap into the enormous growth potentials that the Indian market has to offer.

BUSINESSES

Risk Factors

Risks that MAJOR incurs in conducting its businesses can be classified as followed.

Risk from films release

Cinema exhibitors rely on steady flow of film releases as main source of revenue. Approximately, 45% - 50% of MAJOR's total revenues comes from revenue sharing of the movie admissions tickets sales, which depend on the number of films release and the films popularity. At present, cinema is the first and most important distribution window that films producers and distributors rely on in order to boost further sales in the downstream home entertainment market, such as VCD and DVD. Accordingly, trade among exhibitors, producers, and distributors are highly interdependent, all aim to maximize revenues to alleviate the risk of relying on the popularity of a single film.

MAJOR currently underscores its leadership position in the market with a firm market share of about 80%. Bargaining power with film producers and distributors has been enhanced over the years. The Films Distribution Group has also been strategically restructured and expanded to best strategize with the core cinema business by creating an integrated films distribution company. In addition, MPIC Group has also set up a film production company, namely M Thirty-nine Co. Ltd. (M39), to stimulate and advocate growth in Thai films production. MAJOR's vertical integration into film distribution businesses also alleviates the risk in films reliance as MAJOR's own distribution companies can release their own films during the "off-peak" seasons where there are less selection of Hollywood films.

MAJOR also deploying prepaid card, such as "m-cash" and "gift card", to provide ticketing convenience for customers via Internet ticketing and/or Automatic Ticketing Machines rather than having to queue-up in long lines at the conventional box office. It is also a "forward CRM" tool as the prepaid cards keep moviegoers coming back to redeem at our Cineplexes regardless of the film selection. MAJOR recognizes and rewards its prepaid moviegoers with extra services, such as seat upgrades, blanket service, etc. Thus, occupancy rate can be managed more efficiently regardless of the film selection.

Risk from competition

With respect to competition among the Thai cinema operators, MAJOR is the leader in the industry, both in number of screens and abilities to innovate new services and cinema experiences. MAJOR, with better access to capital, has also continuously expanded new branches using the four expansion models to populate

Cineplexes around the country. Depending upon the demography, Standalone model, Shopping mall model, Lifestyle neighborhood mall model and Hypermarket model are deployed to tap new markets and expand customer base. Renovations are done regularly at the existing branches to keep up with customers' changing lifestyles. Although MAJOR might be regarded as the distant leader, it has never been complacent, but consistently monitors expansion and development of the competitors. In addition, MAJOR also emphasizes on building and maintaining its customer base by consistently deploying marketing campaigns and leveraging on the Group's variety of lifestyle entertainments services. Consequently, MAJOR seems to be better equipped with many competitive edges, especially when compared with other players.

A possible competitor of the cinema business is VCDs and DVDs, both legal and illegal. However, it is not perceived as direct threats to MAJOR's revenues and growth of the cinema business. According to the research studies, MAJOR's customers are not only interested in movie entertainment, but also desire to consume other lifestyles entertainments services offered by the Group. As for the illegal distribution of VCDs and DVDs, the Thai government and law enforcement authority have increasingly taken a more serious battle against the illegal media with strong punishment. It is believed that the illegal distribution will be at least contained, if not completely eliminated.

Risk from new expansion

Any new expansion faces uncertainty on its return on investment. However, MAJOR has on average a payback period under 3-4 years and an internal rate of return of 15-20%. Every new investment must go through a market research and an intense feasibility study to ensure that there are sufficient streams of cash flows that uphold the 5-year payback policy. If not, then business model is adjusted, i.e. increase/reduce screens to reach critical mass or reduce rental charges, add bowling or retails space to help with the cash flow, etc. These are the standard practice that is performed for any new location. Investments only take place for the ones with high potentials for return. MAJOR's expansion partners, Siam Future, the hypermarkets and the shopping mall operators, also provide us with a good check-and-balance in demographical study.

Risk from management reliance

MAJOR has been established and successfully managed by Mr. Vicha Poolvaraluck. MAJOR is arguably relied on his profound experiences and reputation which may implies that risk from his shareholding stake divestment in MAJOR and/or resignation seems to be inevitable. However, Mr. Vicha Poolvaraluck is not only the founder of MAJOR, but also possessing strong passions to driving MAJOR to higher prosperity for over a decade. In addition, MAJOR is still in its adolescent stage of development with a bright future and strong growth prospects ahead. Logically there is no reason for him to abruptly abandon this investment.

Risk from fire accident

Every building and structure has a risk from fire accident. MAJOR has entered into various insurance policies including a fire case pursuant to the nature and general conditions of theatre business which terms and amounts covers all losses and damages that might be arisen.

Risk from terrorism

The insurgencies and/or acts of terrorism, such as bomb threats, usually have an immediate psychological, but short-lived, impact on MAJOR's operation. MAJOR has always recognized the importance of the security system and procedures and closely followed any threat through various news and intelligence source. Strict precautious measures have been taken to prevent possible disturbances at all branches. Some of the recent precautions to safeguard customers' lives and assets of all parties are the installation of metal detectors and wider & more thorough CCTV network at all MAJOR branches.

Risk from contagious disease

With the outbreak of Swine Flu among densely populated areas around the world, MAJOR has taken preemptive actions by closely following the announcements made by the Ministry of Public Health and implementing preventive measures by installing air purifiers, distributing masks for customers and spraying antibacterial disinfections on the seats.

GOVERNANCE

Good Corporate Governance

The Company is strongly committed to directing and operating its business by adhering to the Stock Exchange of Thailand's Good Corporate Governance (CG) practice guideline for listed companies. With this in mind, the Company's Board of Directors and the management has implemented, reviewing and improving good corporate governance practice to ensure that the Company has an efficient and transparent management system. The Company also strongly respects shareholders' right and equal treatment towards shareholders; provides accurate, sufficient and timely disclosure of significant information for the best benefits of shareholders; clearly defines qualifications of independent directors; appoints various committees; stipulates roles and responsibilities of its directors and top level management; and continuously encourages directors and executives' skill development. Such measures have been carried out to create and strengthen confidence among the Company's shareholders, investors, stakeholders and all concerned parties that MAJOR's business operations fully complies with good corporate governance practice and business ethics. The Company shall be perceived as a quality listed company with high responsibility and transparency in all parts of its operation. In 2010, the Company has implemented and maintained good corporate governance practices, which can be divided into 5 sections as follows:

1. Shareholders' right

1.1) Shareholders' right protection policy

- The Company's Board of Directors formulates the shareholders' right protection policy in writing in 2009. The policy emphasizes on allowing shareholders to have equal rights to have access to the Company's operational performance; participating in various decision making; and protecting, promoting, and encouraging shareholders to fully exercise their rights; and do not infringe shareholders' rights. Key policies are as follows:

Policy on shareholders' right protection

1. The Board of Directors is responsible for protecting and respecting basic rights of the Company's shareholders, such as right to purchase, sell or transfer shares, rights to the Company's profit sharing; rights to obtain sufficient information about the Company's operation; rights to attend the shareholders' meeting to appoint or terminate directors and independent auditors, approve dividend payment, formulate or amend Article and Memorandum of Association, and approve capital increase or reduction and special items.

2. The Board of Directors has duty to promote and support shareholders to exercise their right in various areas at the Annual General Shareholders' Meeting, including the right to propose meeting agenda in advance, the right to nominate persons as directors, the right to submit questions to the Company prior to the annual shareholders' meeting and the right to openly express opinions and ask questions at the shareholders' meeting.

3. The Board of Directors shall not take any action which may infringe or limit shareholders' right.

4. The Board of Directors has responsibility to facilitate the applying of the shareholders' rights such as giving the significant information updated via website, inviting the shareholders to visit the theatre, etc.

1.2) Allowing shareholders to study information prior to the shareholders' meeting

- The Board of Directors and the Company's administration have implemented a policy on shareholders' right, which covers the areas beyond those required by law, especially the right to receive information and significant information. At the Annual General Meeting of the Shareholders for the Year 2010 on 7 April 2010, the Company provided sufficient opportunity for shareholders to study the information for 30 days prior to the meeting date.

The information published on the Company's website: corporate.majorcineplex.com are as follows :
1. Invitation to the Annual General Meeting of the Shareholders for the Year 2010
2. Attachment 1 : The minutes of the Annual General Meeting of the Shareholders 2009
3. Attachment 2 : Annual Report for the Year 2009 in CD-ROM format
4. Attachment 3 : Financial Statements for year ended 31 December 2010
5. Attachment 4 : Information about net profit and dividend payment allocation
6. Attachment 5 : Background of directors who are nominated for reappointment replacing directors who retire at the expiration of their terms, and directors' authority
7. Attachment 6 : Directors remuneration details
8. Attachment 7 : List of independent auditors and auditors' remuneration
9. Proxy form A (general)
10. Proxy form B (Ministry of Commerce's form)
11. Proxy form C (for custodian)
12. Independent directors' details (for proxy)
13. Document to confirm shareholders' right to attend the meeting
14. The Company's rules related to shareholders' meeting
15. Map of the meeting venue

- The information and document were published in both Thai and English languages and are the same as the printed document mailed to shareholders. Shareholders were given sufficient time to study the information before receiving the printed document from the Company.
- In the meeting day, the company facilitated shareholders to exercise their rights to attend the meeting by implementing a barcode system for registration and vote counting, as well as providing the stamps for proxy authorization. The label of registered shareholders was provided for access convenience while meeting, without timeless to recheck their documents.
- After the Annual General Meeting of the Shareholders for the Year 2009, the Company compiled the document, including agenda, meeting resolutions, voting results, questions and shareholders' opinion expressed at the meeting, and prepared the "Annual General Meeting of the Shareholders for the Year 2009 Minutes" for publishing on the Company's website.

1.3) Preventing limitation of shareholders' right

- In 2009, the Company's Board of Directors did not take any action that might infringe or limit shareholders' right to study information and significant information as stated in the Company's policy on shareholders' right protection. The Company has published all the information on its website prior to the Annual General Meeting of the Shareholders for the Year 2010. The Company did not distribute additional document containing significant information during the meeting, or add or change meeting agenda or amend significant information without prior notice. The Company also encouraged the shareholders to exercise their rights to openly and sufficiently question the Company's Board of Directors during each agenda. The Board of Directors also implemented measures to prevent possible limitation of shareholders' right or limit the right of the shareholders who arrived late to attend the meeting.

1.4) Providing convenience in shareholders' right exercising

- The Company provided sufficient convenience for shareholders and shareholders' proxy to register to attend the meeting by implementing a barcode system for registration and vote counting as well as distributing voting ballots to the shareholders before the meeting began.
- The Company clearly stated shareholders' meeting rules and process in the meeting invitation. The moderator of the meeting also informed the attending shareholders of the rule and voting process at the meeting. The shareholders' meeting minutes also included a record that the meeting was informed of the rules and voting process.
- The Company invited its shareholders to exercise their right to site visit. The company also regularly updates information and significant information published on its website.

1.5) Giving sufficient time and opportunity for shareholders to express their opinions

- The Company provided opportunity for shareholders to ask questions related to the meeting agenda or the Company, and openly express their opinion. The Chairman of the Board of Directors asked the meeting at the end of each agenda. Questions related to the meeting agenda or the Company and shareholders' opinion, as well as the answers or clarification by the Board of Directors or the Company's management were all recorded in the meeting minutes.
- The Company arranged for voice recording of the shareholders' meeting, and disclosed the significant issues raised during the meeting in the meetingminutes for reference in the future and enable shareholders who could not attend the meeting to catch up with the meeting details.

1.6) Meeting attendance of directors

- With fully respect of shareholders' right, all the 11 members of the Board of Directors attended Annual General Meeting of the Shareholders for the Year 2010. It could conclude that the company still developed organizing the 2010 Annual General Meeting of Shareholders as more strict than the CG guideline.

2. Equitable treatment towards shareholders

Equitable treatment towards minor shareholders

- The Company allowed shareholders, individual or in groups holding minor shares of at least 100,000 shares for no more than 12 consecutive months, to propose meeting agenda 4 months prior to the Annual General Meeting of the Shareholders for the Year 2010 or from 1 October 2009 to 31 January 2010. The criteria for proposing meeting agenda in advance was published on the Company's website. The Board of Directors' Secretary was assigned to compile the meeting agenda and proposed to the independent directors for consideration and to make them the official meeting agenda. In 2010, no shareholders proposed meeting agenda.
- The Company open opportunity for shareholders, individual or in groups holding minor shares of at least 100,000 shares for no more than 12 consecutive months to nominate persons to be appointed as directors or submit questions related to the meeting agenda to the Company's Board of Directors prior to the Annual General Meeting of the Shareholders for the Year 2010 or from 1 October 2009 to 31 January 2010. The company'a secretary was assigned to compile the nominated persons's details and proposed to the nomination committee to consider the qualifications of person nominated by minor shareholders in accordance with the company's nomination procedure. In 2010, none of shareholders made nomination.
- The Board of Directors arranged the shareholders' meeting according to meeting agenda published on the Company's website in advance and sent in document form to the shareholders prior to the meeting date and time. In order to allocate appropriate time for consideration and to conform to the meeting regulations, the Company did not propose new agenda during the meeting or distribute additional document for shareholders' consideration without prior notice.
- The Board of Directors encouraged shareholders to select the proxy form that provides them with freedom to select voting decision – agree, not agree, abstain, by preparing Proxy B form. The Company also prepared the Proxy A (general) and Proxy C (for custodian) for its shareholders and published them for easy download on the Company's website 30 days prior to the meeting.
- The Board of Directors provided convenience for shareholders who could not attend the meeting but wish to exercise their voting rights by allowing them to assign proxy. The Company arranged for 3 independent directors to attend the meeting and vote on behalf of the shareholders; (i) Mr. Chai Jroongtanapibarn, Independent Director and Chairperson of Audit Committee (ii) Mr. Wallop Tangtrongchitr, Independent Director and Audit Committee Member (iii) Mr. Naruenart Ratanakanok, Independent Director and Audit Committee Member. Shareholders can appoint one of the two independent directors as their proxy.
- The Board of Directors encouraged the meeting to use voting ballots. Voting ballots were prepared for each agenda, such as dividend payment and independent auditor remuneration, for transparency and reference in case of objection later.

Conflict of interest prevention

- The Board of Directors formulated measures and approval process for related transaction between the Company and its subsidiaries or other persons who may have conflict of interest. Persons with direct conflict of interest are not allowed to participate in the consideration and decision making on the items they may have conflict of interest. The Audit Committee is required to consider and provide opinion on the necessity and justification of the items for the best benefits of the Company. The information about related transaction is disclosed in the notes to the financial analysis, which is prepared in accordance with the generally accepted accounting principles, in Annual Report of the Year 2010 (in Related transaction chapter) and the Form 56-1.

3. Roles of stakeholders

3.1) Good corporate governance policy related to stakeholders

- The Board of Directors has stipulated good corporate governance policies and measures related to stakeholders as follows:

1. Employees and families

The Company sets policy on treatment towards employees as follows :

Policy on treatment towards employees

1. The Company shall appropriately reward employees by considering each employee's performance using measurable tools and with fairness. The rewards include monthly remuneration, overtime payment, bonus, production reward, life and health insurance and provident fund.
2. The Company shall promote and develop employees' knowledge and skills, for example, by arranging trainings and seminars for executives and employees of all levels.
3. The Company shall fairly and equally treat all employees, such as in performance appraisal, work record confidentiality, and employees' benefits.
4. The Company shall respect employees' right and provide opportunities for employees to speak up in case they are not treated properly by providing comment box or through Human Resources Department.
5. The Company shall provide safe and hygienic work environment that enhance work efficiency and effectiveness.

2. Customers and creditors

The Company sets policy on treatment towards customers as follows :

Policy on treatment towards customers

1. The Company has the duty to build good relationship and long-term cooperation with its customers based on integrity and trust.
2. The Company shall create maximum customer satisfaction with sufficient and appropriate responsibility

and care, as well as giving priority to customers' problems and needs. The management and all employees shall respect the following measures:

- Committed to delivering quality products that directly meet the customers' requirement.
- Respect the conditions agreed with the customers.
- Equally propose price and trade conditions to customers in the same category.
- Provide the customers with accurate information about the product quality and qualifications to ensure confidence and fairness to the Company's customers.
- Willing to address customers' needs and concerns as well as to handle complaints, to recommend and to monitor progress of the matters informed by the customers.

Creditors

The Company sets policy on treatment towards creditors as follows :

Policy on treatment towards creditors

1. The Company shall build relationship with and treat creditors with integrity and trust.

2. The Company shall be responsible for and best respect all conditions agreed with the creditors.

3. Shareholders

The Board of Directors has formulated policy related to shareholders as follows :

Policy on treatment towards shareholders

1. The Company has duty to protect and respect basic rights of shareholders which are the right to purchase or transfer shares; the right to receive the Company's profit share, the right to receive sufficient information about the Company's operation; the right to participate in the shareholders' meeting to appoint or terminate directors, appoint external auditor, approve dividend payment, allocate annual net profit, set or amend Article or Memorandum of Association, capital increase or decrease and approve special items.

2. The Company has the right to promote and encourage shareholders to exercise their right at the Annual General Shareholders' Meeting, including the right to propose agenda in advance, the right to nominate directors in advance, the right to propose questions to the meeting prior to the meeting date, and the right to express opinion and ask questions in the meeting.

3. The Company shall not take any action that may infringe or limit the shareholders' right.

4. Business partners

The Company sets policy on treatment towards business partners as follows :

Policy on treatment towards business partners

1. The Company is responsible for building good relationship with every business partner.

2. The Company is responsible for providing equal opportunity for each business partner to propose products and services. The Company's management and employees who are responsible for dealing with customers shall follow the measures below :

- Equally and fairly treat all business partners.
- Considering and making decision by comparing quality of products and related conditions for the best benefits of the Company in both short and long term.
- Keeping confidentiality in relations to customers, not accepting bribes or commissions from business partners and not disclose information or one or many business partners to other partners.

5. Analysts, Investors and Financial Institutions

The Company sets policy on treatment towards Analysts, Investors and Financial Institutions as follows :

Policy on treatment towards business partners

1. The Company provide information to Analysts, Investors and Financial Institutions including the information about the financial performances, business outlook accordance with the regulations and good corporate governance policy.

2. All information including the news that might affect investment decision will be provided in the corporate website.

3.2) Compensation to stakeholders in case of damage caused by infringement

- The Board of Directors has implemented measures on the use of internal information that directors, executives and the Company's employees shall follow which are

Measures on preventing the use of internal information by directors, executives and employees

1. The Board of Directors' Secretary is responsible for reporting to the Company's directors and the management the shareholdings of the directors and executives, spouses and children who have not yet reached manhood, and report the changes in shareholdings according to the article 59 and punishment article 275 of the Securities and Exchange Act B.E. 2535.

2. The Board of Directors shall advise directors, executives and employees who have access to significant internal information to avoid trading the Company's shares one month before and one week after the distribution of such significant information, including financial statements which affect changes in share prices. This is to avoid possible frauds under the Securities and Exchange Act.

- The Company has stipulated the measures to prevent directors and the Company's executives from using internal information for own or others' benefits. The measures are stated in the Company's Code of Ethics for the Management and Employees which are as follows :

Measures on preventing conflict of interest of directors, executives and employees

1. The Company's management and employees shall not take any action for personal benefits or to obtain assets of the Company or customers.

2. The directors and employees shall not be engaged in or have own business or activities that may cause conflict of interest that may conflict with the responsibilities of the

directors and employees.

3. In case that the position and responsibilities of the executives and employees may directly or indirectly provide benefits to themselves or members of their family (spouse, father, mother, children, cousins) or acquaintance, the directors and employees shall not be involved in decision making and immediately report to their immediate supervisors.

4. The Company shall avoid assigning the directors or employees to perform a task that may lead to a situation that causes conflict of interest to the Company or the Company's customers.

5. In case the Company's directors and employees are involved in external activities or hold positions in other organizations, such as being directors, advisors, representatives or employees, such condition must not cause direct or indirect conflict of interest to the Company and its customers or affect the persons' ability to perform their duty.

6. Directors and employees are not allowed to work for or hold positions in other organizations which operate similar business or compete with or may have conflict of interest with the Company.

- The Company's Board of Directors has consistently received information about possible conflict of interest of directors, executives and employees in the Company's transactions. The Internal Audit Department is responsible for reporting information related to conflict of interest to the Audit Committee for acknowledgement and consideration and the Audit Committee consistently monitor, review and report the information to the Board of Directors for acknowledgement and consideration. In 2010, there is no report that the Company's directors, executives and employees having conflict of interest that causes damage to the Company.
- The Company has stipulated the following measures on compensating stakeholders in case of damage due to infringement.

1. Employees and families

Measures to prevent damage from employees' rights infringement

The Company has arranged for sufficient remuneration and benefits for its employees and strictly followed the treatment towards employees policy. A comment box is provided for employees as a channel to receive complaints and recommendation from employees affected by unpleasant work conditions.

In 2009, there is no employees' complaint related to infringement.

2. Customers

Measures to prevent damage from customers' rights infringement

The Company has taken good care of its customers in accordance with its treatment towards customers policy. Customer Liaison unit was set up as a channel for customers to file complaint in case they have problems and need help. Customers affected by infringement can contact the Customer Liaison through 2 channels which are via telephone to contact the Marketing Department or via the Company's website.

3. Creditors

Measures to prevent damage from creditors' rights infringement

The Company has implemented measures to prevent damage caused by creditors' rights infringement. The management has carefully considered and studied each creditor's qualification, based on integrity and credibility, before transaction to prevent future problems.

So far, the Company has never received complaints from creditors about damage caused by infringement.

4. Shareholders

Measures to prevent damage from shareholders' rights infringement

The Company has implemented measures in protecting the basic rights of shareholders, including the right to receive information, and the right to participate in shareholders' meeting, and encouraging shareholders to exercise their rights beyond those required by law, such as to propose meeting agenda in advance to the meeting date, and nominating persons to be elected as directors in advance. The Company shall evaluate and monitor the results of the implemented measures in order to prevent possible damages from shareholders' rights infringement. The evaluation shall be done internally through departments which are responsible for shareholders' rights protection, and externally through the AGM Checklist program organized on annual basis by the SEC, Thai Investors Association and the Association of Listed Companies. In 2010, there is no shareholders' complaint related to right infringement nor limitation.

5. Analysts, Investors and Financial Institutions

Measures to prevent damage from Analysts, Investors and Financial Institutions' rights infringement

The Company provide information to Analysts, Investors and Financial Institutions including the information about the financial performances, business outlook at least once a quarter or not less than 4 times per year. In addition, The information are provided in several channels such as IR line (02-511-5427 ext. 893), corporate website, one-on-one meeting, group meeting and site visit.

3.3) Stakeholders' participation mechanism

- The Board of Directors has set mechanism for stakeholders' participation as follows :

1. The Company provided a box to receive comment, complaints or opinion at the front of the office.

2. The Company provided opportunities for investors to express their opinions to the Board of Directors through the Company's website, under Investers Relations (IR) section.

3.4) Mechanism for protection of those who report frauds

- The Board of Directors

provided various channels for report on frauds, unethical or illegal practice related to financial statements and internal contort system through the Internal Audit Department via telephone or the Company's website.

- The Board of Directors ensured that the persons who report frauds would be well protected by keeping all information about the reporting person highly confidential.
- The Board of Directors has stipulated an effective process to handle the reports irregularity. Initially, the Internal Audit Department will make a summary and submit it to the Audit Committee for further investigation and report to the Board of Directors in case the matters are true and may have impact on the Company's operation.

4. Information disclosure and transparency

4.1) Results of the execution of corporate governance policy

- The Company reported accurate, appropriate and timely quarterly and annually for 2010 financial statements as well as other information through various channels for shareholders, investors and stakeholders to equally reach the information. In 2010, the Company accurately, adequately, timely and transparently disclosed the information required by the SEC and SET through SET's online channel and the Company's website. The Company has never been punished by the SEC or SET for not disclosing the information as required. The Company also regularly appraises the efficiency of information disclosure process and strictly follows the regulations on information disclosure.
- The Company also published and regularly updated all significant information submitted to the SET and other information on its website as wellas provided such information both in Thai and English for all stakeholders to have equal access to the information.

4.2) Remuneration of the directors and the management

- The Remuneration Committee formulated the 2010 policy on emuneration of directors, Chief Executive Officer and top executives as follows:

Policy on remuneration of directors, Chief Executive Officer and top executives

1. Remuneration of the Company's directors, Chief Executive Officer and top executives shall be set in accordance with their duty, scope of responsibility, fairness and attractiveness, which should be equal to remuneration for directors in other listed companies in the same industry and similar size, as well as the Company's performance, business environment and overall economic condition.
2. The Remuneration Committee shall be responsible for initial consideration and propose for the approval of the Board of Directors and the Annual General Meeting of the Shareholders the maximum remuneration of the year, position remuneration and meeting allowance.
3. The Remuneration Committee shall respect the resolution of the Annual General Meeting of the Shareholders on the remuneration budget and details which are also disclosed in the annual report. Remuneration that the directors received from positions in other companies, such as consultancy fee, and directorship in the Company's subsidiaries shall also be disclosed.
4. Any director who currently holds management position in the Company and receives remuneration in the forms of monthly salary will not be entitled for the remuneration.

- The Remuneration Committee proposed to the Board of Directors and the Annual General Meeting of the Shareholders for the Year 2010 to approve a total of no more than Baht 9.6 million remunerations for the non-executive directors. Remunerations for the directors are shown in remunerations of borad of directors section. The Company's directors who also hold directorship in subsidiaries did not receive remunerations from the subsidiaries.

4.3) Board of Directors' Report

- The Company prepared the Board of Directors' responsibility towards financial statements together with the independent auditor's report (published in the annual report under chapter Board of Dierctors' responsibility towards financial statements).

4.4) Roles and duties of the Board of Directors and Committees

- The Company's Board of Directors appointed committees to assist the Board in studying details, monitoring and supervising the Company's operations, as well as screening assigned tasks. Scope of authority, duty and responsibilities are clearly stated.

Board of Directors

- In 2010, the Board of Directors onvened 5 times. All meetings were arranged in compliance with the Company's Article of Association and the Public Limited Company Act B.E. 2535. Meeting invitation and related significant information were distributed to the directors 10 days prior to the meeting. The Board also provided adequate and equal opportunities for the directors to discuss significant issues. The Board of Directors' Secretary and legal advisor attended and recorded the meeting, questions, and recommendations by the directors in order to allow directors and concerned parties to study and audit. Directors' attendance is as follow table.
- In 2010, the Board of Directors organized 1 Annual General Meeting of the Shareholders for the year 2010 on 7 April 2010. Directors' attendance is as follows:

Name	Position	Board of Directors' Meetings / Total 4 Meetings	2010 Annual General Meeting
1. Mr. Somchainuk Engtrakul	Chairman / Independent Director	4/4	✓
2. Mr. Vicha Poolvaraluck	Director	4/4	✓
3. Mr. Verawat Ongvasith	Director	4/4	✓
4. Mrs. Paradee Poolvaraluck	Director	4/4	✓
5. Mr. Thanakorn Puliwekin	Director	4/4	✓
6. Mr. Wichai Poolvaraluck	Director	4/4	✓
7. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director	4/4	✓
8. Mr. Chai Jroongtanapibarn	Independent Director / Chairman of Audit Committee	4/4	✓
9. Mr. Wallop Tangtrongchitr	Independent Director / Audit Committee Member	4/4	✓
10. Mr. Naruenart Ratanakanok	Independent Director / Audit Committee Member	4/4	✓
11. Mr. Athasith Damrongrat	Independent Director	4/4	✓

The Company's top executives responsible for finance, auditor and legal advisors also attended the Annual General Meeting of the Shareholders.

Executive Committee

- The Company disclosed the opinions of the Board of Directors, and committees on their performance by preparing Message from the Chairman of the Board of Directors, Message from the Chief Executive Officer, the Audit Committee Report, the Nomination Committee Report, and the Remuneration Committee Report, which are published in the annual report.
- In 2010, the Executive Committee performed its duties in managing the Company's operation; reviewing policies, business plan, investment plan, and annual budget plan to present to the Board of Directors for approval; monitoring, supervising and controlling the execution of plans to achieve the preset goals earlier approved by the Board of Directors or as assigned; and reporting the quarterly and annual operational performance to the Board of Directors for acknowledgement. The Executive Committee also provided its opinion on the committee's performance in the Message from the Chief Executive Officer as published in the annual report.

Audit Committee

- The Audit Committee performed its duties in reviewing the financial statements of the Company and its subsidiaries, auditing the internal control report submitted every month by the Internal Audit, meeting with ndependent auditors to discuss various matters. The Audit Committee Chairman reported significant matters to the Board of Directors for consideration by including those matters as meeting agenda. The Audit Committee also provided its opinion in the Audit Committee Report as published in the annual report.
- In 2010, the Audit Committee convened 12 times and committee members' attendance is as follows :

Rank	Audit committee	Audit committes' Meeting / Total 12 Meetings
1	Mr. Chai Jroongtanapibarn	12/12
2	Mr. Wallop Tangtrongchitr	12/12
3	Mr. Naruenart Ratanakanok	12/12

Nomination and Remuneration Committee

In 2010, the Nomination Committee performed its duties in nominating 4 director to replace a director who left office at the end of their terms. The committee considered the qualifications, knowledge, capability, experience, good work history, and ethics. As a result, the 4 directors were nominated to be re-elected, which was approved by the Board of Directors and the annual general shareholders' meeting. In 2010, the Nomination Committee convened twice. All committess attend the meetings.

In 2010, the Remuneration Committee performed its duties in setting remunerations for directors who are not the Company's executives or employees for the year 2010, remunerations for committees for the year 2010, by considering their duties, scope of responsibilities, which are equal to the remunerations paid to directors in listed companies of the same size and in the same industry, as well as considering the Company's performance, business environment and the overall economy. The remunerations were submitted to the Board of Directors and the Annual General Meeting of the Shareholders

for approval. In 2010, the Remuneration Committee convened twice. All committess attend the meetings.

4.5) Relationship with shareholders

- The Company's Board of Directors formulated a policy to accurately, adequately, transparently and timely disclose reliable significant information and information that used as a channel to distribute all information, including the information about the Company, business, financial information, news that may affect investment decision, reports submitted to the SET, the Company's activities, and shareholders' meeting details, to enable shareholders to keep updated of the Company's movement and required information. The Investors Relations is directly responsible for information provision. Investors may contact the Investors Relations through 2 channels ; telephone and email : ir@major-cineplex.com.
- The Company prepared a rough investors relations plan which is subjected to change depending on conditions and environment as follows :

1. Organize a quarterly analysts meeting. The Company will also organize a meeting between its Investors Relations and analysts when analysts need more information on additional matters.
2. Arrange roadshows at least once a year to provide information to domestic and overseas investors.
3. Participate in exhibitions held to provide information to investors, such as the exhibitions arranged by SET, Brokers' Association and other organizations.

5. The Board of Directors' Responsibilities

5.1) Policy on Good Corporate Governance

- The Company's Board of Directors is committed to directing the business in compliance with the good corporate governance which is beneficial and important to promote efficiency and transparency of the Company's operation, increase competitive advantages, and add long-term value to the shareholders. The Board of Directors and the administration have formulated good corporate governance practice and made them the Company's policy in writing. The Board of Directors approved the policy which has essence as follows :

1. Respecting shareholders' right on various matters, including allowing shareholders to propose agenda in advance for the shareholders' meeting, and nominating in advance persons to be selected as directors, etc. and not taking any action which may infringe or limit the rights of shareholders.
2. Equitably and fairly treating all shareholders, investors, stakeholders and related parties.
3. Accurately, adequately, equitably, and timely disclosing information to shareholders, investors, stakeholders and related parties through appropriate channels, including website, to enable shareholders and stakeholders to have easy access to the information.
4. Performing its duties and responsibility in supervising and directing the operations of the Company with integrity, ethics and prudence to achieve the Company's goal and for the best benefits of the Company and its shareholders, as well as preventing conflict of interests.
5. Managing the Company with transparency under sufficient internal control and audit system.
6. Controlling and managing risks at the appropriate level.
7. Operating the Company with integrity and in compliance with laws and business ethics.

5.2) Structure of the Board of Directors and Committees

- The Board of Directors viewed that, considering its current scope of responsibilities, it is appropriate to have 11 members who have different qualifications, skills, experience and specialization that will benefit the Company, and ability to contribute time and efforts to perform duty to strengthen the Board of Directors.
- The Board of Directors gives priority to transparency and therefore stipulated that the Board of Director Chairman is an independent director and shall not be the same person as the Chief Executive Officer or President.
- The Board of Directors stipulated a formal and transparent process of directors nomination which is free from influence from shareholders with control authority. The Nomination Committee shall nominate directors by considering education, capability, experience, etc. in accordance with the scope of responsibilities of the Board of Directors or committees. The nominee list will be proposed to the Board of Directors' consideration and appointment.
- The Board of Directors disclosed the list of the directors and committee members in terms of names, positions, age, education, shareholdings, work experience and relationship with the Company's executives in various channels, including the annual report and the Company's website.

5.3) Leadership and vision

- The Board of Directors has strong leadership, vision and independence in making decision for the best benefit of the Company and its shareholders. Roles and responsibilities of each committee are clearly separated. The Administration is responsible for compiling necessary information for the Board of Directors' consideration.
- With a goal to ensure stable business with long-term sustainability and success, the Board of Director, in cooperation with the management in reviewing and ensuring that vision and mission best address the changing environment. The business goals, business plan and budget were prepared by taking into consideration the maximum added value and

long-term stability of the Company and its shareholders. The Board of Directors also direct the business and ensure that the business operation is efficiently executed by the management.

- The Board of Directors encouraged good corporate governance within the organization and formulated good corporate governance practice, code of ethics, measures and approval procedure of related transaction between the Company and related parties or persons who may have conflict of interest, as well as clearly separated the authority of shareholders from that of the Board of Directors and between the Board of Directors and the executives and other committees, in order to create balance of power and independence and transparency.

5.4) Conflict of interest

- The Board of Directors shall consider related transaction that may cause conflict of interest between shareholders, directors and the management with best prudence, integrity, reasonableness and independence within good busness ethic framework, and disclose complete information for the best benefit of the Company. The Board of Directors shall strictly conform to the criteria and procedures or regulations set by SET and ask the Audit Committee to provide information about the necessity and appropriateness of such transaction.
- The Board of Directors formulated measures and approval procedure of related transaction between the Company and its subsidiaries or persons who may have conflict of interest. The persons who may have direct and indirect conflict of interest shall not be allowed to make decision on the matter. The Audit Committee is required to participate in the consideration and provide opinions on the necessity and reasonableness of the items proposed for the best benefits of the Company. The Board of Directors also required the related transactions to be disclosed in the notes to the financial statements prepared by using the generally accepted accounting principles published in the annual report and the Form 56-1.

5.5) Business ethics

- The Board of Directors prepared the Management and Employees' Code of Ethics for the Company's management and employees to use as guideline in performing their duties and to strictly and consistently implement in terms of business operations, equitable and fair treatment towards stakeholders, matters related to conflict of interest, information confidentiality and possible fraudulent use of information, bribes, and gifts. The Board of Directors assigned the Internal Audit unit to monitor and audit the implementation of Code of Ethics.
- The Board of Directors shall monitor and ensure that the Company's business operation, directors' ability to perform their duties, operation by the management, and employees' work are within ethical framework in addition to the Company's regulations and related laws.

5.6) Balance of power for non-executive directors

- The Board of Directors structure comprises 6 non-executive and independent directors and 5 executive directors. As of 31 December 2010, the Company has 11 members of the Board of Directors. The balance of power by non-executive directors is as follows :

Executive directors 5 persons (45 percent)
Non-executive and independent directors 6 persons (55 percent)

5.7) Integration or segregation positions for managerial balance of power

- The Board of Directors clearly divides scopes of roles and responsibilities among the Board of Directors, Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, as well as the Chief Executive Officer with a clear stipulation that the Chairman of the Board of Directors shall not be the same person as the Chairman of the Executive Committee or Chief Executive Officer and shall not have any relations with the management in order to prevent any executive to have unlimited power and to enable managerial balance of power and cross checking.

5.8) Role and responsibilities of the Board of Directors

- In 2010, the Board of Directors reviewed and approved significant operational matters and directed the management to efficiently implement the policy and effectively manage the budget.
- The Board of Directors reviewed the approved written good corporate governance policy at least once a year.
- The Board of Directors prepared and distributed the Code of Ethics in writing to directors, executives and employees; and reviewed other ethics for directors, executives and employees to understand ethical standards applied to its business operation. The Board of Directors assigned the Internal Audit Department to monitor the execution of such standards.
- The Board of Directors provided financial statement control and regulations implementation. The Internal Audit Department independently performed its duty in monitoring the implementation of these regulations and control measures and reviewed the system at least once a year.

5.9) The Board of Directors' meeting

- The Board of Directors convened at least 4 times a year and arranged the meeting in accordance with the Company's rules, the Public Limited Company Act B.E. 2535 and SET's regulations. The Chairman of the Board of Directors, in the capacity of the meeting chairman, shall promote prudence in any consideration, provide sufficient time for the management to present significant information and for directors to

discuss the matter. Meeting minutes for every meeting was made for future reference and checking. The directors are responsible for attending every meeting of the Board of Directors except in case of extreme necessity.

- Before the Board of Directors' meeting in 2010, the Board of Directors' Secretary prepared meeting agenda for whole year 2010 in late 2009 for the Board of Directors to be able to schedule themselves for the meeting.
- In considering the number of meetings, the Board of Directors considered the duty and responsibility of the Board of Directors. The Board of Directors' Secretary shall prepare the whole year meeting agenda and matters to be considered in each meeting in order to provide sufficient detailed information for the Board of Directors to understand. For example, in the March meeting, the Board of Directors shall approve financial statement, schedule the annual general shareholders' meeting and set the date of closing of the Company's registration book, while the meetings in May, August and December are scheduled for reviewing and approving financial statements for the first, second and third quarters, and the December meeting is organized to consider budget for the following year.
- The meetings were strictly held in compliance with the Company's rules and regulations, and the Public Limited Company Act B.E. 2535. Meeting agenda and related information were distributed to the directors 10 days prior to the meeting date to provide sufficient time for the directors to study and discuss important issues. The Board of Directors' Secretary and legal advisors attended the meeting and prepared record, questions and directors' recommendation in the meeting for future reference and cross-checking.
- In each meeting, the Chairman of the Board of Directors would conduct the meeting to last for 1-2 hours, which is sufficient for the management to present the matters for consideration and for the directors to carefully and equally discuss the important issues. The Chairman of the Board of Directors also encouraged attending directors to use their best consideration, ask questions and make recommendation on each agenda in every meeting.

5.10) Self assessment of the Board of Directors

- The Board of Directors jointly assessed their performance, solved problems, and improved their work efficiency and effectiveness. The Board of Directors, evaluated meeting attendance and ensured that the number of directors attending the meeting was sufficient for the meeting. The Board of Directors' Secretary prepared criteria for self assessment of the whole directors for the Board of Directors' consideration and self assessment at the end of every year.

5.11) Remuneration of directors and executives

- The Board of Directors appointed the Remuneration Committee to be responsible for ensuring that the current remuneration of directors is in line with the pre-set criteria and in similar range as that offered by other companies in the same industry.

5.12) Directors and executives development

- The Board of Directors encouraged and provided training opportunities for the Company's directors and members of committees to further improve their ability to perform their tasks. In 2010, 9 directors attended courses organized by the Thailand Institute of Directors.
- The Secretary to the Board of Directors prepared Directors' Guidebook and criteria on information disclosure, profile, shareholdings, changes to shareholding of directors, etc. and distributed to new directors.
- The Board of Directors stipulated that the Chief Executive Officer shall prepare a regular report for the Board of Directors to update on the development and succession plans that the Chief Executive Officer and the President prepared in case they could not perform their duties.
- The Board of Directors approved the executive development plan by assigning the Chief Executive Officer to report progress of executive development plan undertaken during the year. This plan is considered in parallel to the succession plan.

For more information, please contact the following departments.
Customer Line: Tel. 02-511-5427 ext. 114
Legal & Compliance: Tel 0-2515-5300 ext. 831
Investor Relations: Tel. 02-511-5427 ext. 893
Internal Audit: Tel. 0-2515-5300 ext 429

GOVERNANCE

Corporate Management Structure

The Company's Management Structure, as of 31 December 2010, comprises of the Board of Directors and 3 committees namely Executive Committee, Audit Committee and Nomination and Remuneration Committee. The committees' scopes of authorities as responsibilities are as follows:

(1) Board of Directors

Definition

- Non-Executive Directors

Non-Executive Directors mean outside directors who are not the Company's executive or employees, nor executive directors, nor authorized signatory directors, independent from major shareholder, executives and stakeholders, able to equally protect the benefit of all shareholders, and prevent conflict of interest between the Company and related parties.

- Executive Directors

Executive Directors mean directors who are involved in routine operation and management as well as are authorized signatory directors.

The Board of Directors comprises the Chairman who is an Independent director, 6 independent directors and 5 executive directors. The number of 11 members of the Board of Directors is supposed to be appropriate, as well as the composition of 45 percent executive directors all are knowledgeable and can provide in-depth comment in regards to entertainment industry as well as formulate strategic business plan, while non-executive independent directors shall be account for 55 percent. The non-executive directors shall have good knowledge and understanding of the overall entertainment industrial sector, finance and banking, asset management, auditing, law and others, which would encourage positive opinion expression in the Board of Directors' meetings. The Board of Directors shall make decision for the best benefits of the Company.

As of December 31, 2010, MAJOR's Board of Directors consisted of eleven directors as follow:

Name	Position	% of Shareholding
1. Mr.Somchainuk Engtrakul	Chairman, Independent Director	-
2. Mr.Vicha Poolvaraluck	Director	36.72%
3. Mr.Verawat Ongvasith	Director	0.89%
4. Mrs.Paradee Poolvaraluck	Director	3.46%
5. Mr.Thanakorn Puliwekin	Director	0.14%
6. Mr.Wichai Poolvaraluck	Director	0.47%
7. Mr.Athasith Damronggrat	Director, Independent Director	-
8. Mr.Chai Jroongtanapibarn	Independent Director,	0.08%
	Chairman of Audit Committee	
9. Mr.Wallop Tangtrongchitr	Independent Director,	0.02%
	Audit Committee Member	
10. Mr.Naruenart Ratanakanok	Independent Director	-
	Audit Committee Member	
11. Pol.Sub.Lt. Kriengsak Lohachala*	Director, Independent Director	-

Authorized signatory director on the Company's behalf

Authorized signatory director on the Company's behalf is "Mr. Vicha Poolvaraluk, Mrs. Paradee Poolvaraluk, Mr. Verawat Ongvasith, Mr. Thanakorn Puriwekin; two in four jointly sign and combined with the Company Seal will be binding upon the Company"

Authorities of the Board of Directors

1. The Board may assign one or more directors to act on its behalf.
2. The Board may authorize a director to sign together with the Company seal on behalf of the Company.
3. The Board may appoint or empower any person to conduct MAJOR's business under its supervision with suitable issues and timings. Its appointment or empowerment may be withdrawn by the Board itself.
4. Directors, who might have interests on any matter, must have no right to vote on such matters.
5. The Board might approve the interim dividend payment if the Company has sufficient profit to do so. This payment should be reported to the next Shareholders' Meeting.
6. Regarding to the Public Company Limited Act B.E 2535 indicated that some transactions, e.g., the consideration and approval of the Company's Financial statements, the consideration of profit and capital reserve allocation, the election for directors' replacement due to term expiration, the determination of remuneration, the appointment of external Auditors with their compensation, the sales and transfers of MAJOR's partial or overall business, the purchase or transfer the ownership from other companies, the preparation, amendment or revocation of MAJOR's leasing contracts and the empowerment to any person to conduct the business on behalf of MAJOR or the merger with other persons to share profits and losses, the Board must have the resolution from the shareholders' meeting on such matters.

Responsibilities of the Board of Directors

1. The Board must conduct the business in compliance with laws, the Company's Objectives, Articles of Association, and resolutions of the Shareholders' Meetings with integrity and prudence for MAJOR's best interests.
2. The Board must inform the Company immediately their direct or indirect interests regarding to the company's contracts occurred during the fiscal year. Furthermore, they must inform their changes on their holding common shares or bond in the Company itself or the Affiliate Companies during the fiscal year.
3. The Board must arrange the Meeting at least every three months with more than a half of total directors attending the meetings. The resolutions of the meetings are based on the majority votes.
4. The Board must organize the Annual General Shareholders' Meeting within four months after the ending of the Company's fiscal year.
5. All directors are restricted from conducting, investing, and being partner in the companies having the same business as MAJOR.

In case that any director or parties with possible conflict of interest, as per announcements of the Securities and Exchange Commission (SEC) and/ or the Stock Exchange of Thailand (SET), may have conflict of interest, the director(s) shall have no authority to approve the matter thus for the best benefits of the Company and shareholders.

(2) Independent directors

Definition

Independent directors mean director that have specifications as follows:
1. Hold not exceeding 0.5% of total voting shares of the company, its subsidiaries, affiliates or other jurustic persons with possible conflict of interest, including the shares held by their related persons (under section 258 of securities and exchange act)
2. Neither involving in management, non controlling nor being authorized signatory person, nor being the company's executive' employees, salaried consultant, competent authorized person to control the company, its subsidiaries, affiliates or other jurustic persons and in the last 3 years before appointment.
3. Not being a person related by blood or legal registration such as father, mother, spouse, and child including spouse of the child to executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the company or its subsidiary and be independent from major shareholdersm executives and controlling persons.
4. Not having a business relationship with the company in occasional service and commercial business, in accordance with the SET's requirement on the related transaction.
5. Not being a person who has been appointed as a representative of the company's director, major shareholders or shareholders who are related to the major shareholders.
6. Not having any characteristics which make him/her incapable in expressing independent opinions.
7. Be capable in protecting all shareholders/ benefits equally and supervising in order to prohibits any conflict of interest between the company and related persons, and able to attend the meetings of the Board of directors in order to make a decision on significant issues.

Independent directors shall perform their duty independently to ensure that the company's politics, plans and operations are correct, appropriate and in line with the company's objectives and rules as well as the shareholders' meeting resolution and related laws in order to equally protect shareholders' benefits. Furthermore, this definition of independent directors has been revised so as to be more strictly than that defined by SEC.

Criteria in selecting independent directors

The Company selects independent directors by considering knowledge, experience good understanding of related businesses, vision, sufficient time to perform duty and qualities as

stated in the concerned government agencies' announcements, regulations and rules. The Company would invite qualified persons to be its independent directors. The Company considers that the independent directors are able to exercise their knowledge and capability as well as provide opinions that are useful and appropriate to support the Company's business operation.

(3) Audit Committee

The meeting of the Board of Directors resolved the qualifications of the Audit Committee in accordance with and under the international standards as promulgated by SEC. Moreover, the authority scope of the Audit Committee was adjusted according to and under the SET notification.

Definition

Audit Committee members mean persons appointed by the Board of Directors or the company's shareholders. The Audit committee members must be independent directors and not to be directors assigned by the Board of Directors to make decision on business operations of the company, parent companies, subsidiaries, joint venture, similar subsidiaries, or any juristic persons that may have conflict of interst. They must be neither the director of parent companies, subsidiaries, joint venture and similar subsidiaries. They must have qualifications and responsibilites as announced by the SEC and as per the SET regulations on the qualifications and work scope of Audit Committee. They shall also have sufficient knowledge and experience to review the reliability of the financial statements and perform other duties under their roles as Audit Committee membes.

The Board of Directors considered that all the Audit Committee members are qualified according to the company's definition and comply with the SEC and SET regulations. The Audit Committee meeting also considered that Mr. Chai Jroongtanapibarn has good knowledge and expertise in accounting and finance, as well as experience in auditing which is adequate to review the relaibility of the financial statements. Therefore, he was appointed as the Chairman of the Audit Committee, the biography has been disclosed in the Audit Committee member's certificate of biography submitted to SET in 2009 according to the new regulation.

Audit Committee all are Independent Directors, has passed the "Audit Committee Program" arranged by Institute of Directors. Three members of Audit Committee are;

Responsibilities of Audit Committee

Name	Position
1. Mr.Chai Jroongtanapibarn	Chairperson of Audit Committee
2. Mr.Wallop Tangtrongchitr	Audit Committee
3. Mr.Naruenart Ratanakanok	Audit Committee

1. To review that disclosure of information in the Company's financial reports are correct and adequate.
2. To review that the Company has established appropriate and effective internal control system and internal audit system and observe the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit.
3. To review that the Company abides by the law and regulations of the Securities and Exchange and the regulations of the Stock Exchange of Thailand, or any relevant laws governing the Company's business.
4. To select and propose for appointment of the Company's auditor and audit fee and to attend a meetingwith the auditor without the presence of the management as least once a year.
5. To consider the connected transactions or transactions that may involve conflict of interest inaccordance with the laws and regulations of the Stock Exchange of Thailand to ensure that such transactions are appropriate and most beneficial to the Company.
6. To prepare the Report of the Audit Committee and disclose the report in the Company's Annual Report.The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.

(A) Opinions concerning with the correctness, completeness and trustworthiness of the financial reports of the Company.
(B) Opinions concerning with the adequacy of the Company's internal control system.
(C) Opinions concerning with the Company's compliance with the law and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.
(D) Opinions concerning with the appropriateness of the auditor.
(E) Opinions concerning with the transactions that may involve conflict of interest.
(F) The number of the Audit Committee's Meetings and attendance record for each of the Audit Committee Members.
(G) Opinions or overall observation that the Audit Committee has received by performing according to the Charter of the Audit Committee.
(H) Other reports which should be acknowledged by the shareholders and general investors under the duties and responsibilities assigned from the Board of Directors of the Company.

7. To perform other activities as delegated by the Company's Board of Directors with consent from the Audit Committee.
8. To be accountable to the Board of Directors as per roles and responsibilities entrusted by the Board of Directors and shall report to it the performance, recommendation and findings at least twice a year.

In any case where any Audit Committee member or parties with possible conflict of interest, have conflict of interest which the company or its affiliates, the acquisition or sale of assets of listed companies and related transactions (if any), as per announcements of the SEC and/or SET, the Audit Committee shall report the matter to the Board of Directors and/or the shareholders' meeting for consideration and approval in compliance with referred law and regulations.

Responsibilities of

(4) Executive Committee

Executive Committee of MAJOR consisted of four members;

Name	Position
1. Mr.Vicha Poolvaraluck	Chairperson of Executive Committee
2. Mr.Verawat Ongvasith	Executive Committee
3. Mrs.Paradee Poolvaraluck	Executive Committee
4. Mr.Thanakorn Puliwekin	Executive Committee

Executive Committee

1. Operate and manage the Company's business in accordance with laws, objectives and regulations of the Company as assigned by the Board of directors.
2. Operate and manage the Company's business in accordance with policy and strategy set by the Board of directors.
3. Follow shareholders' resolutions with honesty, ethics and care for the Company's benefits.
4. Approve borrowings or lending from/to financial institutions including guarantee or make payment in ordinary business of the Company such as capital expenditures with in 60 million baht per each transaction.
5. Appoint or cancel staff of the Company whose title are lower than chief executive officer.
6. Prepare, propose and set business policy and strategy to the Board of directors.
7. Organize the Company's structure and management including interviewing, employing, training and unemploying staff.
8. Set business plan, authority and budget as well as manage business according to policy and strategy proposed to the Board of directors.

All related or conflict of interest transactions with executive directors in accordance with rules and regulations of Securities and Exchange Commission must not be voted by those executive directors who are related or have conflict of interests.

(5) Nomination and Remuneration Committee

Definition

• Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee means group of persons appointed by the Board of Directors as the Nomination and Remuneration Committee. The Nomination and Remuneration Committee Chairman shall be an independent director. At least two thirds of the Nomination and Remuneration Committee members shall be independent directors in order to maintain transparency and independence in performing their duty. The committee members shall have good knowledge and sufficient experience to nominate directors and top management of the Company, as well as to perform other tasks as the Nomination Committee.

The Company's Nomination and Remuneration Committee comprises the Committee Chairman who is an independent director, 2 independent directors and 1 executive director (information of the Nomination and Remuneration Committee members are under the Information about the Board of Directors and Management chapter). The Board of Directors considered that all members of the Nomination and Remuneration Committee have the qualifications defined by the Company and comply with the good governance practice announced by the Stock Exchange of Thailand. The Nomination and Remuneration Committee considered that Mr.Chai Jroongthanapibarn, an independent director, is knowledgeable and has experience in nomination and remuneration of directors and top management, and therefore appointed him the Committee Chairman.

As of 31 December 2009, the Nomination and Remuneration Committee comprises 4 members with 3 years term. They are as follows:

Name	Position
1. Mr.Chai Jroongtanapibarn	Chairman of the Nomination and Remuneration Committee
2. Mr.Wallop Tangtrongchitr	Nomination and Remuneration Committee Member
3. Mr.Naruenart Ratanakanok	Nomination and Remuneration Committee Member
4. Mr.Verawat Ongvasith	Nomination and Remuneration Committee Member

Responsibilities on Nomination Function

1. To formulate criteria and policy in nominating directors, members of different committees and the Chief Executive Officer.
2. To consider and nominate appropriate persons to be appointed as directors, and members of different committees and the Chief Executive Officer for approval by the Board of Directors and/or Shareholders' Meeting.
3. To report to the Board of Directors the results of the Nomination Committee meetings or other matters that the Board of Directors should be informed.
4. To perform any tasks assigned by the Board of Directors.

Responsibilities on Remuneration Function

1. To set all rules and policies on remunerations for the Board of Directors, committees and Chief Executive Officer for the approval by the Board of Directors and/or, as the case may be, the shareholders' meeting.
2. To set necessary and appropriate annual remunerations for the Board of Directors, committees and the Chief Executive Officer
3. To report to the Board of Directors the Remuneration Committee's meeting results or other matters the Board of Directors should be informed.
4. To perform any tasks assigned by the Board of Directors.

(6) Company secretary

The Board of Directors appointed Mr. Chattaphum Khantiviriya, Group Chief Financial Officer, to perform the duties of company secretary on giving the advices regarding laws and regulations which the Board of Directors shall be aware, to monitor the Board of Directors' conduct as well as to coordinate and follow up the execution to be according to the Board of Directors' resolution.

Responsibilities of the company secretary

1. To give basic advice to the Board of Directors on related laws, regulations and provisions in accordance with the good practices as well as follow up and monitor the compliance to be accurate and consistent.
2. To arrange meetings of the Board of Directors, committees and shareholders in accordance with the applicable laws, the company's regulations and practices, as well as complying wit the good corporate governance policy of the company and SET.
3. To monitor the disclosing of data and information to the responsible government agencies according to the regulations and requiremetns of related organizaitons, including communicating with shareholders and take care of them appropriately.
4. To provide and keep the following documents;
a) Directors' record
b) Invitation letter and minutes if the Board of Directors meeting, as well as the company's annual report.
c) Invitation letter to shareholders and tis mitnues.
5. To keep the conflict of interest report provided by directors or executives.
6. To support the assignment given by the Board of Directors.
7. To operate others as specified by the Capital Market committee of SET.

(7) Chief Executive Officer and Management Team

At the end of 2010, Management Team of MAJOR consisted of seven members;

Name	Position
1. Mr.Vicha Poolvaraluck	CEO
2. Mr.Thanakorn Puliwekin	Chief Films Officer
3. Mr.Chattaphum Khantiviriya	Group Chief Financial Officer
4. Mrs.Jinda Wantanahatai	Chief Retails Business
5. Mr.Jiradej Nusthit	Chief Corporate Strategy & Investor Relations
6. Mr.Chate Mungkhaladom	Chief Media Sales

Responsibilitites of the Chief Executive Officer

1. To formulate business plan, investment plan, and annual budget plan for approval by the executive committee and/or the Board of Directors.
2. To be responsible for the overall management and to deliberate all the company's policies to achieve the preset objectives and within the policy, business plan and budget plan approved by the Board of Directors.
3. To be responsible an execution or

payment according to the company's authorization regulations or annual budget approved by the Board of Directors.
4. To recruit, hire, tranasfer, reshuffle, suspend or terminate employment of any executives or employees and to stipulate scope of roles and responsibilities and apprpriate remuneration. An execution of position equivalent to seniod vie president or higher shall be reported to the Board of Directors, while an execution of positions equivalent to the internal audit department executives shall be made with the Audit Committee's consideration.
5. To appoint respective authorized persons to sign the company's document in the area of accounting, finance, purchase, production, sale and general management as well as other important document.
6. To set, change, revise or cancel any rules, regulations, order, announcement, punishment measures and internal control systems for use as guideline for all employees and to enable the internal management is executed as per the company's policies.
7. To appoint advisors in various respects significant to the operations for the best benefits of the company. The CEO is empowered to appoint attorney(s) to the lawsuit or defend case related to the company.
8. To assign person(s) to perform task on his/her behalf as deemed appropriate. Such authorization can be terminated, changed or modified.
9. To report the company's performance, progress of any projects and financlal status to the executive committee and the Board of Directors.
10. To perform other works assigned by the executive committee or the Board of Directors.
In case that the CEO or other persons with possible conflict of interest may have conflict of interest, the CEO shall have no right to approve such matter.

Remuneration of the Board of Directors

The Board of Directors' meeting no.1/2553 on 25 February 2010 resolved to approve, according to minute of Nomination and Remuneration Committee, and propose to Annual General Meeting of Sharholder year 2010 to approve the 2010 remunerations of director no more than Baht 8,100,000.
The 2010 remuneration of director comprise annual remuneraiton and meeting allowance amount of 6.6 million baht and special remuneration amount of 1.5 million baht. The structure of remuneration of each director as follows;

Name	Position	Annual Remuneration (Baht)	Special remuneration (Baht)
1. Mr.Somchainuk Engtrakul	Chairman/Independent Director	800,000	300,000
2. Mr.Vicha Poolvaraluck	Director	662,500	300,000
3. Mr.Verawat Ongvasith	Director	582,500	100,000
4. Mrs.Paradee Poolvaraluck	Director	562,500	100,000
5. Mr.Thanakorn Puliwekin	Director	562,500	100,000
6. Pol.Sub.Lt. Kriengsak Lohachala	Independent Director	500,000	100,000
7. Mr.Athasith Damrongrat	Director/Independent Director	500,000	100,000
8. Mr.Wichai Poolvaraluck	Director	500,000	100,000
9. Mr.Chai Jroongtanapibarn	Independent Director	682,500	100,000
	Chairperson of Audit Committee		
10. Mr.Wallop Tangtrongchitr	Independent Director	582,500	100,000
	Audit Committee Member		
11. Mr.Naruenart Ratanakanok	Independent Director Audit Committee Member	582,500	100,000

Other Remuneration

In addition to ordinary remuneration, The Company also allocate Employee Stock Options Program for the company directors and employees (prior to the company's initial public offering) in the recognition of the directors and employees' contribution to the company as well as motivation to work for the company in the long run. The details of ESOP which is valid are as follows:

Employee stock option (ESOP-W3) was distributed among directors and management as followed:

Name	Title	Number of options (Million)	Percentage
Mr.Chattaphum Khantiviriya	Chief Financial Officer	0.64	4.92
Mr.Kittikorn Poomsawang	Director Project Management	0.60	4.62
Mrs.Jinda Wantanaha	Chief Retails Business	0.60	4.62
Mr.Jiradej Nusthit	Chief Corporate Strategy & Investor Relations	0.30	2.31
Ms.Buppa Wandee	Director Human Resource Department	0.25	1.92

Remuneration of MAJOR's Management

(Million Baht)

Remuneration	2010	
	Persons	Remuneration
Salary, Bonus and Provident Fund		
TOTAL	15	44.83

GOVERNANCE

Internal Control

Audit Committee supervised and monitored the operations of Internal Audit Department on a consistency basis. In 2010, the Committee held a total of 12 meetings, occasionally with the Management, the Auditors, the Internal Auditors, and Independent, Non-Executive Directors. At each meeting, the Committee reported its views and recommendations independently, as an evaluation of sufficiency for the internal control system can be concluded as follows:

Organization and Environment: The Committee views that MAJOR has prudently set its operational targets with organization structure appropriate for business under takings. Moreover, it has also set up rules on actions against the company's interests and penalty procedures for those who violate the rules. Risk Management: MAJOR has considered its problems and risks and sought guidelines, remedial measures to control and reduce risks. Meanwhile, the Internal Audit Unit Department has been established to carry out the auditing process and submit the audit results to the Audit Committee on a quarterly basis. Administration Control for Executives: MAJOR has apparently formulated the scope of authority for each level of the executives and determined strict measures in considering actions, activities related to major shareholders, directors, executives or any persons concerned with these persons on ground of maximum benefit of the company. The approval for such activities must obtain discretion from the Audit Committee and/or the Board of Directors as the case may be. Information System and Communication: MAJOR provides adequate information for decision making of the Board of Directors and put in place filing system with complete, categorized and reliable documents. MAJOR also applies the accounting policy in accordance with the accounting principles generally accepted and appropriate with its nature of business.

Monitoring System: MAJOR has made a comparison between the business targets and the actual performance on a consistency basis and then informed the Board of Directors. Moreover, MAJOR also implements the internal audit process of which the results will be reported directly to the Audit Committee. Monitoring of Inside Information Usage MAJOR places an importance on dissemination of transparent information to all parties including institutional investors, analysts, minor investors and local and foreign investors, who are subject to receiving information on an equality and fair basis. The Company's policy to provide information to outsiders includes the designation of a person who is assigned to file specific information for investors for acknowledgement with accuracy and hitting to the point. The Company also supervises the use of inside information in terms that the material information which significantly has an impact towards the operational performance shall not be revealed to the public. Such information will be disclosed only to the limited and concerned groups of persons.

Besides determining directors, executives and employees to sign in the agreements for keeping a secret issue and/or the inside corporate information, MAJOR has also set a means to control them not to use the Company's inside information for their own benefits by defining penalty for those who violate the regulations.

Human Resources

1. Personnel

As of December 31, 2010, MAJOR recorded the number of 3,301 employees, to be well-prepared for the continual growth on Cinema & Concession Business, Bowling & Karaoke Business, Advertising Business and Rental Business. In year 2010, MAJOR opened 4 new cineplexes at Samsen, Mahachai, Saraburi, Kamphaeng Phet to cover the full spectrum of customer segments.

Business Unit	Number of Employees
Head Office	240
Cinema & Concession	1,999
Bowling & Karaoke	854
Advertising	46
Rental Space & Services	162
Film Copyright & DVD, VCD, Blu Ray Distribution	138
Total	3,439

Staff remunerations, consisting of salary, overtime payment, bonus and provident fund, totaled to Baht 562,700,231 in 2010.

2. Human Resource Management Policy

2.1 Recruitment and Motivation

MAJOR places a focus on internal recruitment and then gives additional trainings since promotion from within will not only get staff acquainted with the company's operations and help create morale in working, but also attract them to stay longer with the company, who provides them with the competitive compensation with other companies in the same industry. In addition, MAJOR has provided nice working environment that would increase staffs enthusiasm.

2.2 Human Resource Development

MAJOR arranges for the staff both on-the-job training and functional training. For on-the-job training, senior staffs give advices and recommendations all through the whole process to junior staffs. With respect to functional trainings, various in-house training courses will be arranged by both internal and external lecturers or sending staff to attend outside seminar programs such as those organized consistently by The Management and Psychology Institute (MPI). MAJOR arranges other Soft Skills such as Leadership skill, Selling & negotiation technique, Marketing skill, Team work development etc.

In addition, MAJOR has co-operated with Stock Exchange of Thailand (SET), which is a long-term program with an objective to promote and serve students who need to utilize their free time by working to get experiences. In this connection, MAJOR offers the students a chance to practice in some position considered to be appropriate with their maturity, skill, and spare time of each student.

GOVERNANCE

Related Transactions

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (million baht)	Major details/conditions
Siam Future Development Plc.	Associate with 23.24% holding	Expenses:		
		1. Rental and service fee	38.46	To rent rental space to operate cinema and bowling businesses in Chachoengsao, Thonglor, Piyarom and Esplanade branches, approved by audit committtee as comparable to market price.
		2. Utilities fee	0.34	
		3. Equipment rental fee	3.07	
		4. Advertising cost	2.36	
		5. Sponsorship Fee	0.54	
		Trade account receivable	0.58	
		Other receivable	15.79	
		Deposits received	5.52	
		Account payable	0.15	
		Other payable	4.20	
Ratchayothin Avenue Co., Ltd.	Associates with 50% direct holding and 11.62% indirect holding through SF	Revenues:		
		Interest income	0.42	
		Expenses:		
		1. Rental and service fee	1.14	Rental space for Suziki avenue. Approved by Audit Committee to be comparable to market price.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (million baht)	Major details/conditions
		2. Cost of advertising	4.83	
		3. Interest expense	1.16	
		Other receivable	0.12	
		Deposits received	0.56	
		Prepaid rental fee	17.92	
		Trade payable	0.16	
		Other payable	0.26	
		Finance lease liabilities – non-current	11.98	
		Long-term loans to related parties guarantees for bank loans	332.00	The company guarantee for bank loans with out any further guarantee charges. This guarantee was proportionate to % shareholding and was aprroved by Audit Committee.
Major Cineplex Lifestyle Leasedhold Property Fund	Associate with 33.00% holding	Revenues:		
		1. Management fee income	26.97	Property management fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
		2. Utilities fee income	23.71	Utilities and services fee which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
		Expenses:		
		1. Rental and service fee	123.93	Rental space to operate cinema and bowling businesses under MJLF area. This is a normal business transaction, approved by Audit Committee to be comparable to market price.
		2.Sponsorship income	0.89	
		Account receivable	1.31	
		Other receivable	3.29	
		Dividend income	20.95	
		Deposit	3.46	
		Other payable	0.06	
		Advanced receipt from property lease	30.20	

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (million baht)	Major details/conditions
		Deposit received (included in other non-current liabilities)	120.00	
California WoW Xperience Plc.	Investment of 15.62% holding	Revenues:		
		1. Rental and service fee income	24.52	Related transaction with Ratchayothin Realty Co., Ltd with purpose of space rental at ratchayothin branch and Ratchayothin Co.,Ltd. with purpose of space rental at Sukhumvit branch worth 6,000 baht per sq.m.
		2. Utilities fee income	6.06	
		Property tax income	4.82	
		Trade account receivable	11.59	
		Deposit received (included in other non-current liabilities)	3.67	
Thai Ticket Major Co., Ltd.	Associate with 40% holding	Trade account receivable	0.13	Trade account receivable from selling movie tickets for MAJOR.
		Other receivable	0.86	
		Other payable	3.66	
PVR Bluo Entertainment Ltd.	Associate with 49% holding	Other receivable	3.48	
MacThai Co., Ltd.	100% holding by Mr.Vicha Poolvaraluck	Revenues:		
		1. Rental and service fee income	6.54	Rental space at Ratchayothin, Sukhumvit, Rangsit, Samrong and Metropolis branches. This is normal transaction and approved by audit committee to be market price.
		2. Utility fee income	5.06	
		Expenses:		
		1. Consulting fee	1.20	
		2. Advertising fee	1.63	
		Trade account receivable	1.06	
		Other Account receivable	0.72	
		Other payable	20.63	
		Deposit received	0.30	

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (million baht)	Major details/conditions
Well Ad Co., Ltd.	Holding by Mr.Vicha and Mrs. Paradee Poolvaraluck	Management fee	23.40	Bt 1.95 million per month started from 1 January 2007 – 31 December 2011. Aprroved by Audit Committee. The agreed price is no more than 1% of revenue which comparative less than compensation for Managing Director in listed companies.
Well Cineplex Co., Ltd.	Holding by Mr.Vicha Poolvaraluck's father		Revenue:	
		1. Management fee income	4.80	Bt.400,000 a month for managing pinklao branch owned by Mr.Vicha's father.
		Expenses:		
		Equipment rental	21.60	Bt.1.8 miliion a month covered 8 the atres for 15 years strated from 1 February 2002 to 31 January 2017.The agreed price was comparable for those of EGV cinema at Central Pinklao and was approved by Audit Committee.
		Deposit (include in non-current asset)	3.70	
Well Entertainment Ltd.	Holding by Mr.Vicha Poolvaraluck's father	Expenses:		Rental spaces and service charges amount to 800 baht a month a sq.m. for operate cinema business at pinklao branch for 15 years started from 1 February 2002 to 31 January 2017. The agreed price is comparable for those of EGV cinema at Central Pinklao and was approved by Audit Committee.
		1. Space rental and service fee	22.85	
		2. Utility fee	8.66	
		Trade accounte payable	1.48	
		Other payable	1.40	
		Deposit (include in non-current asset)	3.70	
Petch Pinklao Co., Ltd.	100% holding by Mr.Vicha Poolvaraluck	Expenses:		
		1. Space rental and service fee	14.24	Paid for the right to rent MAJOR cineplex pinklao branch. The agreed price was comparable Central Pinklao's project and was approved by Audit Committee.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (million baht)	Major details/conditions
		2. Utility fee	2.69	
		Trade payable	0.58	
		Other payable	1.57	
Ratchayothin Avenue Management Co., Ltd.	12.04% Indirect holding through SF plc. and 49.96% Indirect holding through Ratchayothin Avenue Co.,Ltd.	Revenues:		
		Management fee	1.80	
		Expenses:		
		Utility fee	0.63	
		Other receivable	4.34	
		(Include in related perties)		This transaction was for rental space with purpose of operating the company's office at suzuki avenue. Approved by Audit Committee to be comparable to market price.
		Long-term prepaid rental fee	11.94	
		Financial lease liabilities	7.98	

Major Shareholders:

Top ten major shareholders as of December 31, 2010 are as follows:

Shareholder	Number of shares (Million)	Percentage
Vicha Poolvaraluck	323,840,100	36.72%
Thai NVDR Limited	67,807,025	7.68%
Major Cineplex Group Public Company Limited	40,907,700	4.63%
STATE STREET BANK AND TRUST COMPA NY	35,833,500	4.06%
STATE STREET BANK AND TRUST COMPANY FOR AUSTRALIA	35,204,100	3.99%
HSBC (SINGAPORE) NOMINEES PTE LTD	30,608,700	3.47%
Paradee Poolvaraluck	30,470,436	3.45%
Taveechat Churangkul	28,820,000	3.26%
TFB FOR MFC-THAI FUND INVESTMENT PLAN	9,976,450	1.13%
Sorat Vanichvarakij	8,550,000	0.96%

Employee Stock Option Program

ESOP-W3

Employee Stock Option Program #3 (ESOP-W3)

Type	indicate holder and non-transferable
Term	5 years from the issuing date
Amount	13,000,000 units
Offering method	allot to directors and employees total 82 persons without offering price (-0- baht a unit)
Exercise ratio	1 warrant for 1.02 common share
Exercise price	16.447 baht per share*
Exercise period	last working day of February, May, August and November till expiry on which the last date is November 15, 2012.

ESOP-W3

Exercise Result ESOP-W3

	Exercise Date share	Number of ordinary share capital (Bt)	Increased of authorized	Use of proceed
1	30/11/2007	No exercise	-	-
2	29/02/2008	409,000	6,858,930	Working capital
3	02/06/2008	103,100	1,695,686	Working capital
4	01/09/2008	No exercise	-	-
5	28/11/2008	No exercise	-	-
6	27/02/2009	No exercise	-	-
7	29/05/2009	No exercise	-	-
8	31/08/2009	No exercise	-	-
9	27/11/2009	No exercise	-	-
10	28/02/2010	No exercise	-	-
11	31/05/2010	No exercise	-	-
12	31/08/2010	No exercise	-	-
13	30/11/2010	No exercise	-	-

Share Repurchase Project

According to the resolution of the board of directors' meeting no. 7/2008 held on December 15, 2008 regarding the approval on the proposed share repurchase for financial management purposes to maintain an appropriated value of the Company's stock, due to the current market price has been lower than its book value. In addition, it shall help to increase liquidity, support a better financial management and improve earning per share for shareholders.The details are as follows:

- The maximum amount for the share repurchase is 650 million baht.
- The number of shares repurchased 88 million shares (at par value 1.00 baht per share) or equal to 9.98 % of the total of paid-up capital. The repurchase period will be started form December 15, 2008 to June 28, 2009.
- Procedure used for the repurchasing of shares - on the Stock Exchange of Thailand
- The repurchase price shall not exceed 115 % of the average closing price of 5 trading days, prior to the repurchase date.

After the shares repurchase program, shareholders should receive a higher dividend per share, since the repurchased sharesare not eligible to dividend receivable. With the same reason, the return on equity should also increase while the company should have reduction in liquid assets and book value.

Result of Share Repurchase at the end of project. Cumulative number of shares repurchased to date 40,907,700 shares or equal to 4.64% of paid-up capital which is 267,920,095 baht in total.

Resale of share repurchased

Board of directors no. 1/2010, held on 25 February 2010, approve the resale of share repurchased with the details as follows:

- Number of shares resold 40,907,700 shares or equal to 4.64% of the total of paid-up capital.
- Procedure for shares resold - on the Stock Exchange of Thailand
- The period for the resale of shares will be from 12 March 2010 to 27 June 2012 (after 6 months from the completion date of share repurchase and not later than 3 years from this time)
- The offering price for the resale of the repurchased shares shall not be less than 85% of the average weighted closing price of 5 business days prior to the resale Date.

GOVERNANCE

Social Activities

January

Major Cineplex Group offered 25,530 free movie tickets through Prime Minister Apisith Vejjajiva to be distributed to children who attend Children's Day activities on January 9, 2010 at the Government House.

On the National Children Day, Major Cineplex Group and FM91 Traffic Pro invited underprivileged children from 9 Foundations; The Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of Her Majesty the Queen, Foundation for Slum Child Care under the Royal Patronage of H.R.H. Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra, The Thai Red Cross Children Home, Foundation for the Blinds in Thailand, Pakkred Home for Mentally and Physically Handicapped Babies (Ban Fueng Pha), Phrapradaeng Foundation for the Welfare of the Disabled Person, Department of Social Development and Welfare, The Foundation For The Deaf Under The Royal Patronage of her majesty the Queen to attend animation movie "G-Force"

February

MAJOR Bowl Group in collaboration with Ph.D. students, Faculty of Political Science and public administration, Bangkok University, led by Manaswin Nantawut (Tik Shiro), Chairman of VIP1 organized a bowling tournament charity to raise money for underprivileged children. Funds raised by this activity was donated to TV program which supported social activities, such as Entertain program on Channel 3, Hi week-end by Kob on Channel 5, Chuy Chao Baan on Channel 7, Phuen Kaew on Channel 9, Phu Nam Kon Dhen on NBT Channel, etc.

March

Major Cineplex Group in collaboration with Siam Hero Co., Ltd. by Colonel Adul Maliphan along with many athletes and movie stars such as Lieutenant Colonel Wanchana Sawaddee, Winai Kraibud, Somjitr Jong Joho, Paradorn Srichaphan, and organized social activities project for 300 children from the five southern-border provinces: Yala, Pattani, Narathiwat, Songkhla,

and Satun. They children watched the movie "The Little Comedian", Baan Chan Dta-Lok Wai Gon (Por Son Wai), without any charges.

Major Cineplex Group in collaboration with Mr. Paradorn – Mrs. Natalie Srichaphan in donating tickets sales of a special movie-screening, "Bangrachan 2", to Mrs. Susa Rakprapheug, Director of Veteran General Hospital for veteran affairs in the hospital.

April

Major Cineplex Group organized special activities for the elders on April 13, 2010, the National Day of the Elders. Those with age of 60 and over get a privilege of free movies at all branches of Major Cineplex Group across the country

June

Major Cineplex Group helped distribute white wristband for the "Thai white's heart" Project at 27 branches of Major Cineplex Group. The purpose of this project was to gathering the power to jointly create a peaceful society. Funds raised will be spent on building houses for children sexually abused by family members and on helping out the Juvenile Vocational Training Centres; Baan Karuna, Baan Mutita, Baan Ubekka. Scholarships were also provided to orphaned children in three southern border provinces, housing shelter for families of children in government hospitals in the Ronald's House.

Major Cineplex Group in collaboration with Toyota Motor Thailand Co., Ltd. organized social activities project "Toyota Movie for Kids" for orphaned children and underprivileged children from foundation all over Thailand to attend free movies and join recreation activities to expose and inspire the children with new experiences between June 2010 – January 2011

August

Major Cineplex Group in collaboration with Toyota Motor Thailand Co., Ltd. and Toyota dealers in the North; Toyota Chiengmai Co.,Ltd, Toyota Nakorn Pink Co., Ltd., and Toyota Lanna Co., Ltd; organized the 2nd social activities project

"Toyota Movie for Kids" for 200 underprivileged children from Sem Pringpuangkeo Foundation to join recreation activities and watch "Toy Story 3" at Major Cineplex Central Plaza Chiengmai Airport

Major Cineplex Group realized the utmost importance, in producing quality human resources, is to enable good educations. The social activity, named "Sharing Love with School", was thought up to help school (in the remote area with no budget to renovate) repair and improve school buildings, playgrounds and landscaping around the school. The selected school was Ban Nong Hiang School, Moo 7, T. Hin Lek Fai, Hua Hin, Prachuap Khiri Khan, which was in a rundown condition and lack of budget for building improvements. Vicha Poolworaluk, Chairman of Major Cineplex Group, along with the Management team and staff around 150 people, travelled from Bangkok to help out. The kindergarten building, playground, toilet have also been repaired and improved. New desks, new chairs, new lighting equipment, new white boards, new window frame, and new door etc. were donated to prevent the teaching and learning environment at the school.

September

Major Cineplex Group in collaboration with the Stock Exchange of Thailand donated the funds raised from the bowling tournament charity, "SET TOGETHER CHARITY 2010", to Assistant Secretary General of Pradabot Foundation. The Foundation provides educations to the disadvantaged and underpriviledged children. The bowling tournament charity was organized on the occasion of celebrating the 35th Anniversary of the Stock Exchange of Thailand at Blu-O Rhythm & Bowl, 5th Floor, Paragon Cineplex.

October

Major Cineplex Group in collaboration with Dutch Mill Group and EF Education First, organized "the 4th English on Screen Movie Camp" program under Edutainment Learning concept at Siam Pavalai Theater, 6th Floor, Paragon Cineplex. 2,000 senior-high-school students were recruited for free English courses taught in the theatre. The top-5 most talented students were given scholarships to study English for 2 weeks in 4 different countries, i.e. England, USA, Canada and Australia.

Major Cineplex Group donated 300,000 baht along with canned food to representatives of the family of Thai TV 3 News Channel 3 in order to help the floods victims.

Major Cineplex Group donated exercise equipment to Jutinan Bhirombhakdi, Chairman of Paralympics Committee of Thailand at Sports Authority of Thailand office for the Thai Paralympics athletes' preparations to compete in the 10th Asian Para Games at the Guangzhou City People's Republic of China

November

Major Cineplex Group in collaboration with Toyota Motor Thailand Co., Ltd. and Toyota dealers; Toyota Thaiyon Chonburi Co.,Ltd, Toyota Interyon Chonburi (1999) Co., Ltd., Toyota (1998) Co., Ltd; organized the 3rd social activities project "Toyota Movie for Kids" for 300 underprivileged children from the Father Ray foundation to join recreation activities and watch the movie, "Cats & Dogs", at Major Cineplex Pattaya

Major Cineplex Group in collaboration with The Mall Ratchasima Co., Ltd. donated tickets sales of a special movie screening, "My Best Body Guard", at EGV Korat to Rapee Phongbupouih, Governor of Ratchasima Province, for the purpose of helping the people in Nakhon Ratchasima who had suffered from floods.

December

Major Cineplex Group in collaboration with Toyota Motor Thailand Co., Ltd. and Toyota dealers; Toyota Thaiyen Co.,Ltd and Toyota Korat (1988) Ltd; organized the 4th social activities project "Toyota Movie for Kids" for 300 underprivileged children from Baan Ratchasima District 3 to join recreation activities and watch the movie, "The Chronicles of Narnia 3 : Voyage of The Dawn Treader", at EGV Korat

Major Cineplex Group donated 100,000 baht to Krung Thai Bank Public Company Limited in order to help rehabilitate the flood victims.

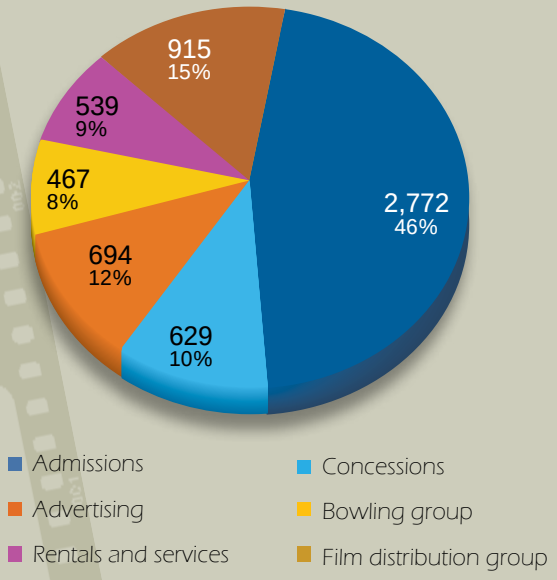
Major Cineplex Group donated 100,000 baht from concert "Build your home with music " through Korn Chatikavanij, Minister of Finance, in order to support and repair of housing for people affected by flooding.

FINANCIALS

Management discussion & analysis

Company Overview

Revenue Structure



MAJOR operates 5 core Business Groups consisting of Cinema Group (including Admission sales and concession sales), Bowling Group (including bowling, karaoke and ice skating rink business), Retail space management and rental Group, Advertising media Group, and Films distribution Group (Theatrical film distribution and Home distribution of VCD, DVD, and Blu-ray discs and films production).

With addition of new Cineplexes and some capacity management activities in 2010, MAJOR at YE10 operates 366 cinema screens serving 88,150 seats, 480 bowling lanes, 334 karaoke rooms, 2 ice skating rinks, and 50,491 sq.m. of retail space.

The Films distribution Group, which has been strategically restructured and expanded to best synergise with the core cinema business in 2009, has emerged as a strong integrated group of companies. The restructuring process started off from putting MVD Co., Ltd. (MVD), a home entertainment distributor of DVD, VCD, and Blu-ray discs, under M Pictures Entertainment Public Company Limited (MPIC) Group. The intention was to create an integrated films distribution company when combining with MPIC's existing subsidiary, M Pictures Co. Ltd. (MP), an upstream theatrical distributor. Additionally also in 2009, MPIC Group has set up a film production company, namely M Thirty-nine Co. Ltd. (M39), to stimulate and advocate growth in Thai films production with the ultimate goal of growing Thailand's film industry as a whole. This has resulted in a "fully integrated films company" which, not only has improved the performance of MPIC Group itself, but also has improved profitability for MAJOR's core cinema business as well.

In an effort to be a total lifestyle entertainment company, MAJOR has also been investing in Siam Future Development Plc. (SF), a lifestyle neighborhood mall developer, California Wow Xperience Plc. (CAWOW), an "exertainment" fitness operator, and Thai Ticket Major Co. Ltd., an "online realtime" ticketing services for performances and exhibitions. Additionally in 2010, MAJOR has also set up a joint venture company, MAJOR Kantana Broadcasting Co., Ltd. (MKB) with Kantana Group Plc. MKB operates cable TV business, broadcasting movies and entertainment variety programs via satellites with an intention to build the bigger base of moviegoers for the cinema business as well as serving alternative in-home entertainment.

Internationally, MAJOR invests in PVR Limited (PVR). Incorporated and listed in the Stock Exchange of India, PVR is a leading and premium Multiplex Cinema Exhibition company in India. PVR pioneered the multiplex revolution in India by establishing the first multiplex cinema in 1997 and the largest 11-screen multiplex cinema in the country in 2004. Currently, its geographically diverse cinema circuit in India consists of 33 cinemas with 142 screens. The business relationship with PVR began in 2008 when MAJOR set up a joint venture company, PVR blu-O Entertainment Limited (PVR blu-O) with PVR. While adding a new lifestyle entertainment to PVR's business model, PVR blu-O was to introduce a new experience of entertainment bowling to the Indian patrons. The entertainment bowling concept has been very well received in New Delhi, the first location of PVR blu-O. Thus, the full rollout plan to other major cities in India is underway. This joint venture activity provides MAJOR with a great opportunity to unlock potential growth in the Indian market. Both of these investments (in PVR and PVR blu-O) can be considered as a great opportunity to tap into the enormous growth potentials that the Indian market has to offer.

2010 Performance

In 2010, MAJOR generated a total revenue of Bt.6,021 million, an increase of Bt.460 million or 8% from the previous year. The main reason was the recovery of the advertising media business on the back of the strong economic recovery in Thailand in 2010; especially when compared to 2009, a challenging year with both the local political difficulties and the global economic crisis. Business and industrial confidence, as well as the consumer confidence, had all come back very strongly in 2010. Another reason was the result of the film distribution business integration which had put MPIC in much better position to generate continuing strong performances.

The admissions sales however grew by a merely 1%. The main reason was the Thai political crisis in 2Q10. The political mob had camped out at the Rajaprasong intersection, right in the heart of the Capital's shopping and business district. Momentum had gathered and led to a serious riot around the end of May when some buildings were set on fire. One of MAJOR's flagships, Paragon Cineplex, was virtually shut down for two months in 2Q10, the quarter in which Hollywood's summer blockbusters should have been seasonally producing high ticket sales. And toward the end of the year in October and November, the country was hit with serious floods, not in Bangkok, but in many provincial cities in the North, the Northeast, and the South. During which time, a number of Thai films, which typically do well in the provinces, were released. Unfortunately, these provincial cities, were instead coping with the flooding problems. Thus, some good Thai films, which were expected to do well, underperformed.

An in-depth analysis into the quarterly results would show that admissions sales in 1Q10 and 3Q10 grew quite strongly at 19% and 34% respectively. In 1Q10, the Hollywood film, "Avatar", was very well received especially in metropolitan areas, while a Thai film, "32-Dec", was also very popular among the mass audience throughout the country. Some other films from both Hollywood and Thai studios also did relatively well. Admissions sales consequently grew at 19% yoy in 1Q10. The two most significant implications of this are that Avatar has enhanced the "hype" and interest in 3D films and that the good mix of Thai films has proven to be a strong catalyst for industry growth. Both developments create positive fundamentals for growth.

3Q10 had also emerged quite strongly, setting as a new record-high quarter with Bt.871 million admissions sales. Of the top five films in 3Q10, three were locally-produced Thai films while from the Hollywood studios were the "Twilight Saga: Eclipse" and "Resident Evil: Afterlife 3D." Among the three Thai films, one grossed around Bt.140 million, and the other two also finished in the neighborhood of Bt.100 million. Once again, the industry witnessed a very strong quarter with a good mix of mass Thai films, complimented by, this time, the "less-than" mega-block-busters from Hollywood.

Total costs for 2010 were Bt.3,945 million, an increase of merely Bt.25 million or 1% yoy, much less than the growth rate in the total revenue. The first reason was the recovery of the advertising media sales. But a more encouraging sign of better fundamental was the apparent margins improvement in the core cinema business. Though FY10 admissions sales were virtually flat yoy, the costs had actually decreased by 4% yoy. The "dynamic pricing strategy", which started to implement in 2H08 and carried on well into 2010, helped absorb the 2Q10 & 4Q10 sales shortfalls as a result of the political and flooding problems. In addition, the integration with MPIC Group had also helped boost the cinema margins. The "32-Dec" was a film produced and distributed by the MPIC Group and was very successful with high admissions sales. The business integration implied that MAJOR effectively pays no royalties, while M39's production costs are largely funded by sponsorships. This led to extraordinary profit margins

SG&A expenses have grown by 9% yoy to Bt.1,507 million because of two main reasons. First, there were one-off accounting expenses related to closure of two cinema branches, Grand EGV Siam Discovery in 1Q10 and EGV Metropolis in 4Q10. The rationale was that these two branches had been underperforming. It was probably better off to relocate the assets to the new locations where the same assets could generate better returns. EGV Metropolis had been temporary closed since April 2010 when the mob had taken over Rajaprasong intersection for two months. Subsequently, the building was partially burnt down in the May riot. The whole building thus remained closed until the year end. MAJOR decided to restructure Metropolis by converting the cinema space into retail rental space. As such, the remaining book values of the cinema fixtures had to be written off. Another reason for higher SG&A expenses was the impairment of investment in CAWOW to reflect the market value.

Net profit for 2010 was Bt.762 million, increased 128% yoy with three main reasons. First, it was because of the recovery of the high-margin advertising media business as discussed above. Secondly, the higher profitability of the core cinema business had also improved from a few reasons, also discussed above. The third reason was because of the one-time gain. In 4Q10, an associate, Ratchayotin Avenue Co., Ltd., has injected its lifestyle mall, "Suzuki Avenue", into the MJLF resulting in the one-time gain. Thus the share of profit from investments in associates had gone up considerably. However, the full-year operating profit stripping off the extra gain still registered an encouraging growth rate of 112%.

Financial position as of year-end

Assets

At YE09, MAJOR has Bt.11,032 million in total assets, down Bt.236 million or 2% yoy. The main rationale was from the closure of the two cinema branches discussed above. The change in the current

assets and non-current assets was because the investment in PVR was accounted as "advance for subscription" in the current assets at YE09, while it was classified as long-term investment in the non-current assets as at YE10.

Besides the investment in PVR, the non-current assets increased from another reason. MJLF had raised another Bt.1,000 million to invest in the "Suzuki Avenue" as discussed above. MAJOR also subscribed and maintained its shareholding at 33%.

There were Bt.202 million of cash & cash equivalent at YE10. The net cash generating from operating activities was Bt.1,492 million, the net cash used in the investing activities was Bt1,160 million, and the net cash used in financing activities was Bt.661 million

Source of funds

At YE10, major source of funds came from Bt.800 million-debenture issuance. The proceeds were used to payback short-term borrowings from financial institutions, resulting in a sharp drop of "Bank overdrafts and short-term borrowings from financial institution", from Bt.1,750 million at YE09 to Bt.497 million at YE10. The increase in non-current liabilities was from the issuance of a straight, unsecured and unsubordinated Baht debenture worth Bt.800 million with 3-year term, maturity date on May 17, 2013, and a fixed interest rate of 3.35% per annum. This was to cope in the changing environment in which the local interest rate trend was on the rise.

Liquidity and Profitability Ratios

Liquidity position at YE10 had also improved. The current ratio rose to 0.77x from 0.65x at YE09. This is a result of the sharp decrease of the short-term borrowings from the financial institutions. The liquidity position could have been higher, i.e. the current ratio of almost 1x, had there was no subscription in the capital increase for MJLF, as there would have been free cash of about Bt.330 million.

MAJOR's profitability had improved quite strongly in 2010 from many reasons as discussed above. There was margins expansion across almost all businesses, especially the core cinema business. The share of profits from investments in associates & joint ventures was also very strong because the associates & the joint ventures were doing well and partly because of not having to realize any more losses of CAWOW. The one-off gain, occurred in the income statement of one associate, Ratchayotin Avenue Co., Ltd., was from the associate's gain on "REIT-ing" its asset into MJLF. The profitability however remained very strong even stripping off these one-off gain item and the share of profit from investments. The operating profit solely from the five main business lines still grew 112% (vs. total revenue growth of 8%) yoy even without the extraordinary items.

Report of the Audit Committee

The Audit Committee of Major Cineplex Group Public Company Limited is comprised of three independent directors. The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

For the fiscal year 2010, the Audit Committee held twelve meetings. In such meetings, the Audit Committee met external auditor to review the Company's consolidated financial statement every quarter-end 2010 and provided assessments and recommendations to the Board of Directors and also met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. Where weaknesses were identified in internal controls, corrective action plan has been taken to eliminate or reduce the associated risks.

Accordingly, in our opinion, the internal control of Major Cineplex Group Public Company Limited operated effectively throughout the year to ensure that the Company's assets were safeguarded, proper accounting records were maintained, and resources were utilized efficiently. The Audit Committee has recommended to the Board of Directors that Mr. Kajornkiat Arunpirojanakul CPA License no. 3445, Mrs. Nataporn Panudom CPA License no. 3430 and Mr. Pisit Thangtanagul CPA License no. 4095 of PricewaterhouseCoopers ABAS Limited, be re-appointed as the Company's auditor for the financial year ending December 31, 2011. The re-appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on April 5, 2011.

Chai Jroongtanapibarn
Chairman of Audit Committee
March 15th, 2011

Responsibility Statement

of the Board of Directors to the Financial Statement

The Board of directors is responsible for the Company and consolidated financial statements as well as financial information as publicized in annual report. The financial statements are prepared according to generally accepted accounting standard in Thailand which applied appropriate policy, consistent practice with careful consideration and best estimation as well as enough disclosure of information in the notes to financial statement. Moreover, the Board of directors has provided and maintained efficient internal control system to ensure that accounting records are accurate, complete and adequate to preserve assets and prevent fraud or materially irregular operations.

Also, the Board of directors has appointed audit committees who are independent directors and not be a part of management team to take responsibility of financial statements, internal control system and to ensure and opine over related and conflict of interests transactions that are accurate and complete. The audit committee's opinion has been shown in the audit committee report in this annual report.

The Board of directors believes that the Company's internal control system is sufficient and be able to ensure that the Company and consolidated financial statements as of December 31, 2010 are reasonably trusted.

Mr. Somjainuk Engtrakul
Chairman of the Board

Mr. Vicha Poolvaraluck
Chairman

FINANCIALS

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

Unit: Baht

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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

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

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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
Amounts due to related parties	33	36,192,600	26,792,765	140,628,399	100,281,189
Short-term loans from related parties	33	-	-	87,408,126	-
Current portion of long-term borrowings	20	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
Other current liabilities	21	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					
Long-term borrowings from related parties	33	440,126,829	-	507,938,295	58,148,928
Long-term borrowings from financial institutions	20	146,615,235	172,047,375	91,959,972	169,959,972
Debentures	20	2,300,000,000	1,500,000,000	2,300,000,000	1,500,000,000
Provision for liabilities on losses in subsidiaries	14	-	-	-	49,257,421
Other non-current liabilities	22	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					
Ordinary shares, 881,897,219 shares at par value of Baht 1 each	23	881,897,219	881,897,219	881,897,219	881,897,219
Share premium	23	3,839,673,605	3,839,673,605	3,839,673,605	3,839,673,605
Unrealised loss	9	(56,289,327)	(4,773,398)	(56,289,327)	(5,130,007)
Retained earnings					
Appropriated					
Legal reserve	25	90,600,000	90,600,000	90,600,000	90,600,000
Reserve for treasury shares	23	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
Less Treasury shares	23	(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
Minority interest	26	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

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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	27	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	28	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	14	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	29	(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	26	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	30				
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								
					Retained earnings					
					Appropriated					
	Notes	Issued and paid-up share capital	Share premium	Unrealised gain (loss)	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Minority interest	Total
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				
	Notes	Issued and paid-up share capital	Share premium	Unrealised gain (loss)	Legal reserve	Treasury 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		881,897,219	3,839,673,605	(56,289,327)	90,600,000	267,920,095	511,225,098	(267,920,095)	5,267,106,595
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		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

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

Unit: Baht

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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		1,491,822,070	1,430,089,733	683,862,197	563,505,340
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	(1,449,768,490)	(1,820,000,000)	(1,449,768,490)	(1,820,000,000)
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)	(1,143,807,119)	(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		(1,160,328,558)	(1,853,781,114)	(565,783,633)	(1,051,958,087)

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

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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		(661,345,618)	714,318,838	(350,577,488)	752,951,662
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	202,163,428	532,015,534	138,858,249	371,357,173
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 releted 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
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 instituion 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 parites	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.

Major Cineplex Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

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.

For the years ended 31 December 2010 and 2009

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.

For the years ended 31 December 2010 and 2009

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.

For the years ended 31 December 2010 and 2009

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 if 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.

For the years ended 31 December 2010 and 2009

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.

For the years ended 31 December 2010 and 2009

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

7 Segment information

Financial information by business segment is as follows:-

	Consolidated						Unit: Million Baht
For the year ended 31 December 2010	**Cinema business**	**Advertising business**	**Bowling and Karaoke business**	**Rental and services**	**VCD/DVD and film rights distribution**	**Films production**	**Consolidated**
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

7 Segment information (Cont'd)

	Consolidated						Unit: Million Baht
For the year ended 31 December 2009	**Cinema business**	**Advertising business**	**Bowling and Karaoke business**	**Rental and services**	**VCD/DVD and film rights distribution**	**Films production**	**Consolidated**
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	3,506	387	532	480	786	11	5,702
Segment results	213	232	7	209	(1)	(27)	633
Unallocated costs							(236)
Operating profit							397
Gain on disposal of investment							99
Share of profit of associates and joint ventures							57
Interest expense							(133)
Profit before income tax							420
Income tax							(93)
Net profit							327
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							4,042
Consolidated total assets							11,269

For the years ended 31 December 2010 and 2009

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	202,163,428	532,015,534	138,858,249	371,357,173

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
	326,621,121	30,210,042

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	(1,242,222)	(444,423)
Closing book value	48,526,268	-

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).

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
Less allowance for impairment	(19,766,982)	-	(19,766,982)	-
Investments in other companies, net	278,094,853	30,210,042	278,094,853	30,210,042

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	(19,766,982)	-	(19,766,982)	-
Closing book value	278,094,853	30,210,042	278,094,853	30,210,042

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.

For the years ended 31 December 2010 and 2009

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
Less Allowance for doubtful accounts	(48,841,778)	(52,754,789)	-	-
Trade accounts receivable, net	797,909,433	793,730,155	285,569,036	374,681,085

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
Less Allowance for doubtful accounts	(48,841,778)	(52,754,789)	-	-
Trade accounts receivable, net	797,909,433	793,730,155	285,569,036	374,681,085

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
Less 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	-	-
	134,615,650	178,010,205	19,363,608	23,912,954

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).

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
	271,857,288	386,623,354	105,828,103	110,398,963

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
Less Allowance for impairment	-	(18,000,000)
Investment in subsidiaries, net	1,878,640,243	1,860,640,243
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	1,878,640,243	1,860,640,243

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 chare, 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		(129,087)
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		89,574

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	(5,885)
Net book value of net assets	204,894

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	
For the years ended 31 December	**2010**	**2009**	**2010**	**2009**
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	2,205,262,747	1,471,946,645	1,878,745,369	1,328,077,288

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

Unit: Baht

	Consolidated		Company	
For the years ended 31 December	**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.

For the years ended 31 December 2010 and 2009

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	% Ownership interest 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	% Ownership interest 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

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:

	Assets Baht	Liabilities Baht	Revenues Baht	Profit Baht	% Ownership interest
Year ended 31 December 2010					
Associates					
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					
Associates					
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

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
Less 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	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
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	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
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
Less 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	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

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	208,316,998	1,127,402,642	1,803,622,838	555,915,210	1,559,708,384	52,939,001	9,223,188	88,876,472	5,406,004,733
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
Less 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	208,316,998	1,127,402,642	1,803,622,838	555,915,210	1,559,708,384	52,939,001	9,223,188	88,876,472	5,406,004,733

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

	Company							Unit: Baht
	Land	Building, theatre and theatre improvements	Utility system	Tools, equipment and fixtures	Office equipment	Vehicles	Construction in progress	Total
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
Less Accumulated depreciation	-	(452,412,943)	(32,014,102)	(580,647,721)	(66,058,311)	(7,058,073)	-	(1,138,191,150)
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
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	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
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
Less Accumulated depreciation	-	(548,014,657)	(47,988,158)	(709,856,301)	(87,788,581)	(10,842,077)	-	(1,404,489,774)
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
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	173,406,998	1,192,264,594	238,123,536	683,089,038	35,877,651	1,907,033	14,571,527	2,339,240,377
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
Less Accumulated depreciation	-	(656,273,864)	(68,184,838)	(787,958,029)	(110,413,046)	(11,971,880)	-	(1,634,801,657)
Net book value	173,406,998	1,192,264,594	238,123,536	683,089,038	35,877,651	1,907,033	14,571,527	2,339,240,377

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
Less Accumulated depreciation	(3,486,780)	(3,127,997)	(3,312,902)	(2,252,667)
Net book amount	23,441,684	20,716,095	18,632,781	19,968,904

16 Goodwill, net

Unit: Baht

	Consolidated
At 1 January 2009	
Cost	158,863,335
Less Accumulated amortisation	(74,831,343)
Net book value	84,031,992
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)	(5,016,377)
Closing net book value	338,408,261
At 31 December 2009	
Cost	413,239,604
Less Accumulated amortisation	(74,831,343)
Net book value	338,408,261
For the year ended 31 December 2010	
Opening net book value	338,408,261
Closing net book value	338,408,261
At 31 December 2010	
Cost	413,239,604
Less Accumulated amortisation	(74,831,343)
Net book value	338,408,261

For the years ended 31 December 2010 and 2009

17 Intangible assets, net

Unit: Baht

	Consolidated			Company
	Film rights	Computer program	Total	Computer program
At 31 December 2009				
Cost	990,853,844	2,995,639	993,849,483	11,803,297
Less Accumulated amortisation	(847,156,631)	(983,747)	(848,140,378)	-
Allowance for impairment	(11,924,888)	-	(11,924,888)	-
Net book value	131,772,325	2,011,892	133,784,217	11,803,297
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	485,452,418	15,240,407	500,692,825	11,803,297
At 31 December 2009				
Cost	1,747,312,792	16,838,105	1,764,150,897	11,803,297
Less 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	485,452,418	15,240,407	500,692,825	11,803,297
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	384,176,774	34,169,737	418,346,511	30,571,572
At 31 December 2010				
Cost	2,441,055,727	41,798,151	2,482,853,878	35,723,568
Less 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	384,176,774	34,169,737	418,346,511	30,571,572

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).

18 Prepaid rents

Unit: Baht

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

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	625,087,392	661,455,984	197,293,400	206,765,907

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).

For the years ended 31 December 2010 and 2009

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
	81,058,120	99,694,020	53,805,810	47,152,378

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	497,380,063	1,749,811,422	299,807,904	1,217,486,012
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	158,828,032	318,127,353	28,000,000	300,395,191
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	146,615,235	172,047,375	91,959,972	169,959,972
- Debentures	2,300,000,000	1,500,000,000	2,300,000,000	1,500,000,000
Total borrowings and debentures	3,102,823,330	3,739,986,150	2,719,767,876	3,187,841,175

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	3,102,823,330	3,739,986,150	2,719,767,876	3,187,841,175

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.

For the years ended 31 December 2010 and 2009

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
	719,849,131	975,087,325	355,869,316	351,821,110

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	-	-
	456,814,938	482,684,967	20,808,990	21,072,737

23 Share capital and premium on share capital

		Issued and fully paid-up		
	Authorised number of shares	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	906,000,000	881,897,219	881,897,219	3,839,673,605

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	Exercise period 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	Consolidated 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

For the years ended 31 December 2010 and 2009

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

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	761,988,752	333,724,752	840,989,611	852,270,797	0.91	0.39

	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	347,800,025	538,448,323	840,989,611	852,270,797	0.41	0.63

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.

For the years ended 31 December 2010 and 2009

32 Cash flows from operating activities

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

Unit: Baht

	Notes	Consolidated 2010	Consolidated 2009	Company 2010	Company 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		1,714,825,692	1,681,579,872	811,454,820	841,941,843

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
	33,568	52,603	33,568	98,746
Advertising income				
Subsidiaries	-	-	160,264	141,960
Related parties	-	10,000	-	-
	-	10,000	160,264	141,960
Interest income				
Subsidiaries	-	-	78,214	97,562
Associates	419	1,674	419	1,674
Joint venture	23	-	23	-
	442	1,674	78,656	99,236
Sponsorship income				
Subsidiaries	-	-	476	-
Associates	-	1,000	-	-
	-	1,000	476	-

For the years ended 31 December 2010 and 2009

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
	66,295	82,519	11,253	14,708
Dividends income				
Subsidiaries	-	-	-	72,000
Associates	-	-	127,441	73,600
Related parties	1,605	-	1,605	-
	1,605	-	129,046	145,600
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
	7,648	12,784	4,813	11,042
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
	214,059	195,767	214,083	179,325
Equipment rental expenses				
Subsidiaries	-	-	400	2,400
Associates	3,070	3,055	-	-
Related parties	21,600	21,600	21,600	21,600
	24,670	24,655	22,000	24,000

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
	1,794	1,551	5,143	21,759
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	-	-
	1,764	2,407	3,879	34,095
Advertising cost				
Associates	7,193	5,759	-	-
Related parties	1,708	3,107	-	-
	8,901	8,866	-	-
Film hire cost				
Subsidiaries	-	-	94,714	30,531
Associates	-	94	-	94
Related parties	-	16,971	-	9,989
	-	17,065	94,714	40,614
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
	5,631	5,715	47,580	6,194
Purchases of fixed assets				
Subsidiaries	-	-	79,563	389
Management's remunerations	44,825	34,700	31,129	31,494

For the years ended 31 December 2010 and 2009

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:

	Pricing policies
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

Unit: Baht'000

	Consolidated		**Company**	
	2010	**2009**	**2010**	**2009**
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
	16,067	28,799	190,979	311,771
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
	34,388	44,009	414,542	495,961
Dividends receivables (included in "Amounts due from related parties")				
Subsidiaries	-	-	-	40,000
Associates	20,948	-	20,948	-
	20,948	-	20,948	40,000
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
	16,435	18,570	10,860	13,260

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	-
	3,530	8,476	155,928	68,352
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
	36,192	26,773	140,628	100,281
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	-	-
	123,977	124,973	-	-
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
	19,960	19,662	19,960	19,662

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.

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

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

Unit: Baht'000

	Consolidated		Company	
For the year ended 31 December	**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	14,288	25,657	1,696,079	2,051,490

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.

	Company	
For the year ended 31 December	**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

Unit: Baht'000

	Consolidated		Company	
For the year ended 31 December	**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.

For the years ended 31 December 2010 and 2009

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:

		Consolidated		Company	
	Currency	2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 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.

Reference

Share Registrar	Thailand Securities Depository Co., Ltd. 62 Stock Exchange of Thailand, Floor 4,6 and 7 Rachadapisek Rd., Klongtoey, Bangkok 10110 Tel: 02-359-1200-1
Auditor	Mr. Kajornkiet Aroonpirodkul Authorized Auditor No. 3445 Pricewaterhouse Coopers ABAS Co., Ltd. 15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120 Tel: 02-344-1000, 02-286-9999
Legal Advisor	K.Kulkanist Khamsirivatchara Siam Premier International Law Office Ltd. 26th Floor, The Offices at Central World, 999/9 Rama I Road, Pathumwan, Bangkok 10330 Tel: 02-646-1888
Debenture Registrar	TMB Bank Public Company Limited No. 3000 Phaholyothin Rd., Jomphol, Jatuchak, Bangkok
Debenture Representative	TMB Bank Public Company Limited No. 3000 Phaholyothin Rd., Jomphol, Jatuchak, Bangkok

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Produced & Distribued by Major Cineplex Group Plc.
1839-1839/1 Phaholyothin Road, Jatuchak, Ladyao, Bangkok 10900. Thailand
Tel : +66 2511 5427-36 Fax : +66 2511 5752
http://corporate.majorcineplex.com http:// www.majorcineplex.com

Designed & Printed by Style Creative House Co., Ltd.
32/152 Ramintra 65 Rd., Ladprao, Bangkok 10230. Thailand
Tel : +66 2945 8051-6 Fax : 0 2945 8057
www.style.co.th

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Major Cineplex Group Plc.
1839-1839/1 Phaholyothin Road, Jatuchak, Ladyao, Bangkok 10900,Thailand
Tel: +66 2511 5427-36 ■ Fax: +66 2511 5752
http://corporate.majorcineplex.com ■ http://www.majorcineplex.com