

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2012, the related consolidated and company income statements and the related consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the six-month periods ended 30 June 2012 and 2011, and condensed notes to interim financial information of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

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

Conclusion

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

Statement of financial position as at 31 December 2011 presented for comparative purposes

I have audited the consolidated and company financial statements for the year ended 31 December 2011 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those statements in my report dated 16 February 2012. The consolidated and company statements of financial position as at 31 December 2011, presented for comparative purposes, are part of the consolidated and company financial statements. I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
14 August 2012

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 JUNE 2012

Major Cineplex Group Public Company Limited
Statements of Financial Position
As at 30 June 2012 and 31 December 2011

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2012	2011	2012	2011
Assets					
Current assets					
		395,776	460,800	272,972	358,313
		-	50,596	-	50,596
	8	-	50,596	-	50,596
	9	1,175,541	1,090,004	747,654	782,886
	9	1,175,541	1,090,004	747,654	782,886
	22	300	-	504,309	475,370
	22	300	-	504,309	475,370
	10	152,006	153,851	33,099	33,256
	10	152,006	153,851	33,099	33,256
		21,704	17,800	-	-
		21,704	17,800	-	-
	12	34,657	34,657	9,473	9,473
	12	34,657	34,657	9,473	9,473
		179,680	184,661	31,434	36,317
		179,680	184,661	31,434	36,317
		1,959,664	1,992,369	1,598,941	1,746,211
		1,959,664	1,992,369	1,598,941	1,746,211
Non-current assets					
	8	206,528	177,458	206,528	177,458
	8	206,528	177,458	206,528	177,458
		7,875	5,989	-	-
		7,875	5,989	-	-
		12,346	12,381	-	-
		12,346	12,381	-	-
		29,632	38,789	29,632	38,789
		29,632	38,789	29,632	38,789
	20	-	-	1,911,917	1,911,917
	20	-	-	1,911,917	1,911,917
	20	1,958,200	1,977,167	1,762,723	1,792,353
	20	1,958,200	1,977,167	1,762,723	1,792,353
	20	191,522	113,229	176,773	103,120
	20	191,522	113,229	176,773	103,120
	22	8,269	10,695	1,183,099	1,274,419
	22	8,269	10,695	1,183,099	1,274,419
	11	5,274,878	5,180,795	2,375,200	2,268,641
	11	5,274,878	5,180,795	2,375,200	2,268,641
		342,113	342,113	-	-
		342,113	342,113	-	-
	11	374,949	424,760	29,676	30,062
	11	374,949	424,760	29,676	30,062
	12	538,080	555,325	173,612	178,348
	12	538,080	555,325	173,612	178,348
		149,281	156,766	114,896	124,468
		149,281	156,766	114,896	124,468
		9,093,673	8,995,467	7,964,056	7,899,575
		9,093,673	8,995,467	7,964,056	7,899,575
		11,053,337	10,987,836	9,562,997	9,645,786
		11,053,337	10,987,836	9,562,997	9,645,786

Director _____

Director _____

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

Major Cineplex Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 June 2012 and 31 December 2011

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions 14 1,615,178 473,122 1,101,421 -					
Trade and other payables 13 1,502,020 1,260,880 1,096,296 908,306					
Current portion of long-term borrowings 14 861,306 1,546,393 840,300 1,540,048					
Short-term loans from related parties 22 - - 85,181 65,608					
Accrued income tax 108,325 82,854 78,948 52,917					
Other current liabilities 131,851 142,112 46,509 42,837					
Total current liabilities 4,218,680 3,505,361 3,248,655 2,609,716					
Non-current liabilities					
Long-term borrowings from financial institutions 14 166,263 967,004 141,549 960,860					
Employee benefit obligations 17,701 16,533 9,812 9,191					
Other non-current liabilities 433,212 442,522 26,751 20,253					
Total non-current liabilities 617,176 1,426,059 178,112 990,304					
Total liabilities 4,835,856 4,931,420 3,426,767 3,600,020					
Shareholders' equity					
Share capital 15					
Authorised share capital					
Ordinary shares, 904,500,990 shares at par value of Baht 1 each 904,501 904,501					
Ordinary shares, 906,000,000 shares at par value of Baht 1 each 906,000 906,000					
Issued and fully paid-up share capital					
Ordinary shares, 884,519,530 shares at par value of Baht 1 each 884,519 884,519					
Ordinary shares, 881,897,219 shares at par value of Baht 1 each 881,897 881,897					
Share premium 15 3,876,533 3,839,673 3,876,533 3,839,673					
Share premium - treasury shares 288,425 288,425 288,425 288,425					
Warrants 16 2,675 - 2,500 -					
Retained earnings					
Appropriated					
Legal reserve 90,600 90,600 90,600 90,600					
Unappropriated 1,035,758 928,700 1,095,115 1,074,926					
Other components of shareholders' equity (101,462) (129,755) (101,462) (129,755)					
Equity attributable to shareholders of the parent 6,077,048 5,899,540 6,136,230 6,045,766					
Non-controlling interest 21 140,433 156,876 - -					
Total shareholders' equity 6,217,481 6,056,416 6,136,230 6,045,766					
Total liabilities and shareholders' equity 11,053,337 10,987,836 9,562,997 9,645,786					

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

Major Cineplex Group Public Company Limited
Income Statements (Unaudited)
For the three-month periods ended 30 June 2012 and 2011

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2012	2011	2012	2011
Revenues	5				
Service income		1,340,939	1,508,280	756,557	908,094
Sales		447,627	498,001	191,208	200,408
Total revenues		<u>1,788,566</u>	<u>2,006,281</u>	<u>947,765</u>	<u>1,108,502</u>
Costs					
Cost of services		(909,154)	(1,037,837)	(561,574)	(649,644)
Cost of sales		(267,544)	(259,470)	(67,114)	(71,329)
Total Costs		<u>(1,176,698)</u>	<u>(1,297,307)</u>	<u>(628,688)</u>	<u>(720,973)</u>
Gross profit		611,868	708,974	319,077	387,529
Other operating income		69,453	16,749	131,524	195,724
Selling expenses		(127,577)	(102,819)	(56,041)	(45,121)
Administrative expenses		(287,820)	(275,088)	(168,306)	(151,966)
Finance costs		(34,090)	(34,853)	(26,298)	(30,199)
Share of result of investments - equity method		45,120	62,313	-	-
Profit before income tax		276,954	375,276	199,956	355,967
Income tax		(67,811)	(76,313)	(38,271)	(41,089)
Profit for the period		<u>209,143</u>	<u>298,963</u>	<u>161,685</u>	<u>314,878</u>
Attributable profit to:					
Shareholders of the parent		218,226	293,247	161,685	314,878
Non-controlling interests		(9,083)	5,716	-	-
		<u>209,143</u>	<u>298,963</u>	<u>161,685</u>	<u>314,878</u>
		<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Earnings per share	7				
Basic earnings per share		0.25	0.34	0.18	0.36
Diluted earnings per share		0.24	0.34	0.18	0.36

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

Major Cineplex Group Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 30 June 2012 and 2011

	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Profit for the period	209,143	298,963	161,685	314,878
Other comprehensive income:				
Loss on remeasuring of available-for-sale investments	(4,000)	(4,754)	(4,000)	(4,754)
Other comprehensive expense for the period, net of income tax	(4,000)	(4,754)	(4,000)	(4,754)
Total comprehensive income for the period	205,143	294,209	157,685	310,124
Total comprehensive income (expense) attributable to:				
Shareholders of the parent	214,226	288,493	157,685	310,124
Non-controlling interests	(9,083)	5,716	-	-
	205,143	294,209	157,685	310,124

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

Major Cineplex Group Public Company Limited
Income Statements (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

		Unit: Baht'000			
		Consolidated		Company	
Notes		2012	2011	2012	2011
	Revenues				
	5				
	Service income	2,544,855	2,571,134	1,443,875	1,490,723
	Sales	910,526	905,313	344,150	327,847
	Total revenues	3,455,381	3,476,447	1,788,025	1,818,570
	Costs				
	Cost of services	(1,756,036)	(1,740,115)	(1,080,533)	(1,068,568)
	Cost of sales	(562,971)	(512,370)	(123,296)	(114,721)
	Total Costs	(2,319,007)	(2,252,485)	(1,203,829)	(1,183,289)
	Gross profit	1,136,374	1,223,962	584,196	635,281
	Other operating income	203,847	55,939	316,878	878,506
	Selling expenses	(232,604)	(197,703)	(83,512)	(79,841)
	Administrative expenses	(563,866)	(523,430)	(311,192)	(286,351)
	Finance costs	(69,304)	(73,836)	(53,979)	(64,282)
	Share of result of investments - equity method	100,809	132,113	-	-
	Profit before income tax	575,256	617,045	452,391	1,083,313
	Income tax	(129,833)	(116,415)	(88,265)	(63,104)
	Profit for the period	445,423	500,630	364,126	1,020,209
	Attributable profit to:				
	Shareholders of the parent	450,995	485,747	364,126	1,020,209
	Non-controlling interests	(5,572)	14,883	-	-
		445,423	500,630	364,126	1,020,209
		Baht	Baht	Baht	Baht
	Earnings per share				
	7				
	Basic earnings per share	0.51	0.57	0.41	1.19
	Diluted earnings per share	0.50	0.57	0.41	1.19

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Major Cineplex Group Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

		Unit: Baht'000			
		Consolidated		Company	
Note		2012	2011	2012	2011
	Profit for the period	445,423	500,630	364,126	1,020,209
	Other comprehensive income (expense):				
	Gain (loss) on remeasuring of available-for-sale investments	8	28,293	(102,793)	28,293
			(102,793)	(102,793)	(102,793)
	Other comprehensive income (expense) for the period, net of income tax		28,293	(102,793)	28,293
			(102,793)	(102,793)	(102,793)
	Total comprehensive income for the period	<u>473,716</u>	<u>397,837</u>	<u>392,419</u>	<u>917,416</u>
	Total comprehensive income (expense) attributable to:				
	Shareholders of the parent	479,288	396,361	392,419	917,416
	Non-controlling interests	(5,572)	1,476	-	-
		<u>473,716</u>	<u>397,837</u>	<u>392,419</u>	<u>917,416</u>

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

Major Cineplex Group Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the six-month periods ended 30 June 2012 and 2011

Unit: Baht'000

	Consolidated												
	Attributable to owners of the parent												
	Issued and paid-up share capital	Share premium	Share premium- Treasury share	Warrants	Retained earnings			Treasury shares	Other components of shareholders' equity Other comprehensive income	Available- for-sale investment	Total shareholders of the Company	Non- controlling interests	Total
					Legal reserve	Treasury shares reserve	Unappropriated						
Opening balance as at 1 January 2011	881,897	3,839,673	-	-	90,600	267,920	780,530	(267,920)	(56,290)	5,536,410	137,100	5,673,510	
Retrospective adjustment from change in accounting policy	-	-	-	-	-	-	(17,281)	-	-	(17,281)	(1,098)	(18,379)	
Opening balance after adjustment	881,897	3,839,673	-	-	90,600	267,920	763,249	(267,920)	(56,290)	5,519,129	136,002	5,655,131	
Changes in shareholders' equity for period													
Increase during the period	-	-	288,425	-	-	-	267,920	-	-	556,345	-	556,345	
Disposal of treasury shares during the period	-	-	-	-	-	(267,920)	-	267,920	-	-	-	-	
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	-	16,557	16,557	-	16,557	
Dividends payment (Note 17)	-	-	-	-	-	-	(504,584)	-	-	(504,584)	-	(504,584)	
Total comprehensive income (expense) for the period	-	-	-	-	-	-	485,747	-	(102,793)	382,954	14,883	397,837	
Closing balance as at 30 June 2011	<u>881,897</u>	<u>3,839,673</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>-</u>	<u>1,012,332</u>	<u>-</u>	<u>(142,526)</u>	<u>5,970,401</u>	<u>150,885</u>	<u>6,121,286</u>	
Opening balance as at 1 January 2012	881,897	3,839,673	288,425	-	90,600	-	928,700	-	(129,755)	5,899,540	156,876	6,056,416	
Changes in shareholders' equity for period													
Increase during the period (Notes 15 and 16)	2,622	36,860	-	2,675	-	-	-	-	-	42,157	-	42,157	
Dividends payment (Note 17)	-	-	-	-	-	-	(343,937)	-	-	(343,937)	(10,871)	(354,808)	
Total comprehensive income for the period	-	-	-	-	-	-	450,995	-	28,293	479,288	(5,572)	473,716	
Closing balance as at 30 June 2012	<u>884,519</u>	<u>3,876,533</u>	<u>288,425</u>	<u>2,675</u>	<u>90,600</u>	<u>-</u>	<u>1,035,758</u>	<u>-</u>	<u>(101,462)</u>	<u>6,077,048</u>	<u>140,433</u>	<u>6,217,481</u>	

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

Major Cineplex Group Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the six-month periods ended 30 June 2012 and 2011

	Unit: Baht'000									
	Company							Other components of shareholders' equity		
	Issued and paid-up share capital	Share premium	Share premium- Treasury share	Warrants	Retained earnings			Treasury shares	Available- for-sale investment	Total shareholders' equity
					Appropriated		Unappropriated			
					Legal reserve	Treasury shares reserve				
Opening balance as at 1 January 2011	881,897	3,839,673	-	-	90,600	267,920	511,225	(267,920)	(56,290)	5,267,105
Retrospective adjustment from change in accounting policy	-	-	-	-	-	-	(7,651)	-	-	(7,651)
Opening balance after adjustment	881,897	3,839,673	-	-	90,600	267,920	503,574	(267,920)	(56,290)	5,259,454
Changes in shareholders' equity for period										
Increase during the period	-	-	288,425	-	-	-	267,920	-	-	556,345
Disposal of treasury shares during the period	-	-	-	-	-	(267,920)	-	267,920	-	-
Realised loss from remeasurement of available-for-sale in income statement	-	-	-	-	-	-	-	-	16,557	16,557
Dividends payment (Note 17)	-	-	-	-	-	-	(504,584)	-	-	(504,584)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	1,020,209	-	(102,793)	917,416
Closing balance as at 30 June 2011	<u>881,897</u>	<u>3,839,673</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>-</u>	<u>1,287,119</u>	<u>-</u>	<u>(142,526)</u>	<u>6,245,188</u>
Opening balance as at 1 January 2012	881,897	3,839,673	288,425	-	90,600	-	1,074,926	-	(129,755)	6,045,766
Changes in shareholders' equity for period										
Increase during the period (Note 15 and 16)	2,622	36,860	-	2,500	-	-	-	-	-	41,982
Dividends payment (Note 17)	-	-	-	-	-	-	(343,937)	-	-	(343,937)
Total comprehensive income for the period	-	-	-	-	-	-	364,126	-	28,293	392,419
Closing balance as at 30 June 2012	<u>884,519</u>	<u>3,876,533</u>	<u>288,425</u>	<u>2,500</u>	<u>90,600</u>	<u>-</u>	<u>1,095,115</u>	<u>-</u>	<u>(101,462)</u>	<u>6,136,230</u>

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

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2012	2011	2012	2011
Cash flows from operating activities					
Cash generated from operations	19	947,395	1,193,556	513,141	599,198
Interest paid		(71,264)	(73,865)	(56,000)	(67,945)
Income tax paid		(104,362)	(85,577)	(62,233)	(31,031)
Net cash generated from operating activities		<u>771,769</u>	<u>1,034,114</u>	<u>394,908</u>	<u>500,222</u>
Cash flows from investing activities					
Payments for short-term investments		-	(150,000)	-	(150,000)
Proceeds from sales of short-term investments		53,223	150,141	53,223	150,141
Short-term loans to related parties	22	(1,800)	-	(764,472)	(50,766,018)
Proceeds from settlements short-term loans to related parties	22	1,500	-	735,533	50,337,357
Short-term loans to third parties		-	(4,323)	-	(5,985)
Loans made to related parties		(920)	(7,504)	(693)	(207,503)
Proceeds from settlements of loans to related parties	22	3,476	2,128	92,013	564,303
Loans made to third parties		(7,000)	-	(7,000)	-
Proceeds from settlements of loans to third parties		5,322	2,100	5,322	2,100
Proceeds from disposal of investment in an associate	20	145,044	24,039	145,044	24,039
Proceeds from decrease in share reduction of associate		-	202,500	-	202,500
Payments for investment in associate	20	(12,039)	(107,473)	(12,039)	(107,473)
Proceeds from disposals of investment in joint venture		-	1,000	-	1,000
Payments for investment in joint ventures	20	(73,653)	(14,400)	(73,653)	(14,400)
Proceeds from disposals of long-term investment		-	11,310	-	11,310
Purchases of property, plant and equipment		(111,182)	(166,631)	(74,993)	(129,281)
Proceeds from disposals of property, plant and equipment		14	54	14	-
Purchases of intangible assets		(256,609)	(167,005)	(4,039)	(1,652)
Interest received		12,326	7,069	40,193	31,017
Dividends received from subsidiaries and associates	20	68,529	287,834	89,714	821,423
Net cash (used in) received from investing activities		<u>(173,769)</u>	<u>70,839</u>	<u>224,167</u>	<u>762,878</u>
Cash flows from financing activities					
Proceeds from short-term loans from related parties	22	-	-	374,630	16,983,745
Repayments of short-term loans from related parties	22	-	-	(355,057)	(17,033,659)
Proceeds (repayment) from bank overdrafts		(6,044)	3,099	1,421	11
Decrease in restricted cash		(1,886)	(37)	-	-
Repayments of short-term borrowings		1,224,700	498,300	1,100,000	200,000
Payments for short-term borrowings		(76,600)	(569,808)	-	(499,808)
Repayments of finance lease liabilities		(1,646)	(1,388)	(998)	(648)
Repayments of loans from related parties		-	(440,127)	-	(508,938)
Proceeds from long-term borrowings	14	39,200	221,800	-	200,000
Repayments of long-term borrowings	14	(25,465)	(271,917)	(20,000)	(100,000)
Repayments of debenture	14	(1,500,000)	-	(1,500,000)	-
Proceeds from disposal of treasury shares		-	556,345	-	556,345
Proceeds from exercised warrants	15	39,482	-	39,482	-
Dividends paid to shareholders	17	(343,894)	(504,584)	(343,894)	(504,584)
Dividends paid to non-controlling interests	21	(10,871)	-	-	-
Net cash used in financing activities		<u>(663,024)</u>	<u>(508,317)</u>	<u>(704,416)</u>	<u>(707,536)</u>

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

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2012 and 2011

	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Net (decrease) increase in cash and cash equivalents	(65,024)	596,636	(85,341)	555,564
Opening balance of cash and cash equivalents	460,800	202,163	358,313	138,858
Closing balance of cash and cash equivalents	<u>395,776</u>	<u>798,799</u>	<u>272,972</u>	<u>694,422</u>

Non-cash transactions

Significant non-cash transactions for the six-month periods ended 30 June 2012 and 2011:

Investment in property, plant and equipment, not yet paid	316,847	24,521	193,102	20,526
Purchases of film rights, not yet paid	44,924	10,662	-	-
Purchases of property, plant and equipment under finance leases	1,094	247	1,094	-
Purchases of property, plant and equipment by offsetting with loan to third parties	-	1,285	-	-
Purchases of film rights by offsetting with loan to third parties	-	354	-	-
Disposals of equipment by offsetting with other current assets	-	194	-	-
Disposals of equipment by offsetting with amount due from related parties	17,346	-	7,160	1,980
Offsetting amounts due from related parties with loans from related parties	-	79	-	-
Offsetting loan to related parties to loan from related parties	-	-	-	1,000
Dividend paid, not yet paid (Note 17)	43	-	43	-

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

Major Cineplex Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month periods ended 30 June 2012 and 2011

1 General information

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

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

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

These group interim consolidated and company financial information have been authorised for issue by the Board of Directors on 14 August 2012.

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

2 Basis of preparation

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

These interim consolidated and company financial information are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. statement of financial position, income statement, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

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

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2011 except TFRS 2 “Share-based Payment” (Note 4). The Group applied this standard for the warrant issued to directors and employees (“ESOP-W4”) as disclosed in Note 16 “Share-based payment”.

New accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation

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

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (Revised 2009)	The Effect of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3 Summary of significant accounting policies (Cont'd)

The Group's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented except TAS 12 and TFRS 8.

The management is currently assessing the impact of applying the TAS 12.

TFRS 8: The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the Chief Operating Decision-Maker.

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

4 New accounting standard

4.1 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

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5 Segment information

Financial information by business segments is as follows:

	Consolidated					Unit: Million Baht	
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the three-month period ended 30 June 2011							
Revenues							
Gross segment revenues	1,410	155	151	155	259	2	2,132
Inter-segment revenues	(59)	(3)	(23)	(24)	(17)	-	(126)
Net revenues	<u>1,351</u>	<u>152</u>	<u>128</u>	<u>131</u>	<u>242</u>	<u>2</u>	<u>2,006</u>
Segment results	<u>231</u>	<u>114</u>	<u>1</u>	<u>20</u>	<u>24</u>	<u>(11)</u>	379
Loss from selling of investments							(12)
Unallocated costs							(19)
Operating profit							<u>348</u>
For the three-month period ended 30 June 2012							
Revenues							
Gross segment revenues	1,216	175	149	154	197	37	1,928
Inter-segment revenues	(62)	(5)	(22)	(25)	(12)	(13)	(139)
Net revenues	<u>1,154</u>	<u>170</u>	<u>127</u>	<u>129</u>	<u>185</u>	<u>24</u>	<u>1,789</u>
Segment results	<u>143</u>	<u>117</u>	<u>7</u>	<u>10</u>	<u>(21)</u>	<u>(9)</u>	247
Gain from selling of investments							27
Unallocated costs							(8)
Operating profit							<u>266</u>

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5 Segment information (Cont'd)

	Consolidated						Unit: Million Baht
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the six-month period ended 30 June 2011							
Revenues							
Gross segment revenues	2,367	259	288	282	449	107	3,752
Inter-segment revenues	(117)	(3)	(45)	(43)	(25)	(43)	(276)
Net revenues	<u>2,250</u>	<u>256</u>	<u>243</u>	<u>239</u>	<u>424</u>	<u>64</u>	<u>3,476</u>
Segment results	<u>336</u>	<u>191</u>	<u>(4)</u>	<u>52</u>	<u>40</u>	<u>(25)</u>	<u>590</u>
Unallocated costs							<u>(32)</u>
Operating profit							<u>558</u>
For the six-month period ended 30 June 2012							
Revenues							
Gross segment revenues	2,305	304	280	305	432	122	3,748
Inter-segment revenues	(123)	(10)	(42)	(47)	(22)	(48)	(292)
Net revenues	<u>2,182</u>	<u>294</u>	<u>238</u>	<u>258</u>	<u>410</u>	<u>74</u>	<u>3,456</u>
Segment results	<u>270</u>	<u>187</u>	<u>(13)</u>	<u>28</u>	<u>(26)</u>	<u>(13)</u>	<u>433</u>
Compensation income							31
Gain from selling of investments							90
Unallocated costs							<u>(10)</u>
Operating profit							<u>544</u>

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6 Operating profit

The following items of unusual nature, size or incidence have been charged to the operating profit during the interim period.

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
For the three-month period ended				
Impairment loss for property, plant and equipment (reversal)	(7,294)	1,302	-	-
Loss from write-off of property and equipment (Note 11)	40,450	163	26,947	-
Doubtful debts and bad debts	6,043	1,009	-	-
Loss on inventory	7,617	548	-	-
Loss on goods returns (reversal)	(7,469)	3,923	-	-
	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
For the six-month period ended				
Impairment of assets	3,728	7,692	-	-
Loss from written-off of property and equipment (Note 11)	40,450	163	26,947	-
Doubtful debts and bad debts	4,305	228	580	-
Loss on inventory (Note 10)	10,534	815	-	-
Loss on goods returns (reversal)	(11,848)	4,470	-	-

7 Earnings per share

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

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

	Unit: Shares'000			
	Consolidated and Company			
	For the three-month period ended		For the six-month period ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
Number of weighted average shares:				
- basic	882,791	870,209	882,344	855,680
- diluted	900,960	870,209	896,598	855,680

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8 Investments

	Unit: Baht'000	
	Consolidated and Company	
	30 June 2012	31 December 2011
Current	-	50,596
Non-current	206,528	177,458
	<u>206,528</u>	<u>228,054</u>

8.1) Current

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

	Unit: Baht'000
	Consolidated and Company
	30 June 2012
Opening book value	50,596
Disposal	(49,819)
Change in fair value of investment	(777)
Closing book value	<u>-</u>

8.2) Non-current

Movements of non-current investment are as follows:

	Unit: Baht'000
	Consolidated and Company
	30 June 2012
Opening book value	177,458
Change in fair value of investment	29,070
Closing book value	<u>206,528</u>

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9 Trade and other receivables, net

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Third parties				
- Trade accounts receivable	706,337	702,755	41,868	103,795
- Unbilled revenue	154,191	124,207	51,023	9,575
Total	860,528	826,962	92,891	113,370
<u>Less</u> Allowance for doubtful accounts	(43,352)	(44,872)	-	-
Trade accounts receivable				
- Third parties, net	817,176	782,090	92,891	113,370
Trade accounts receivable				
- Related parties, net (Note 22)	8,013	24,255	175,198	223,820
Amounts due from related parties (Note 22)	59,270	38,293	299,095	326,382
Other accounts receivable	206,837	208,016	139,165	110,074
Prepaid expenses	84,245	37,350	41,305	9,240
Trade and other receivables	1,175,541	1,090,004	747,654	782,886

Outstanding trade accounts receivable - third parties can be analysed as follows:

Unbilled revenue	154,191	124,207	51,023	9,575
Trade accounts receivable				
Current	304,677	292,484	11,746	33,918
Overdue less than 3 months	260,435	313,185	24,958	65,528
3 - 6 months	48,868	22,766	2,692	1,059
Over 6 months	92,357	74,320	2,472	3,290
Total	860,528	826,962	92,891	113,370
<u>Less</u> Allowance for doubtful accounts	(43,352)	(44,872)	-	-
Trade accounts receivable - third parties, net	817,176	782,090	92,891	113,370

10 Inventories, net

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Foods and beverages	41,962	43,136	28,445	28,397
VCD and DVD, net of allowance	102,104	101,160	-	-
Supplies and others	6,508	6,473	4,654	4,859
Goods in transit	1,432	3,082	-	-
Inventories, net	152,006	153,851	33,099	33,256

The allowance for obsolescence was recognised in the consolidated income statement for the six-month period ended 30 June 2012 amounting to Baht 10,533,792 (30 June 2011: reversal of allowance for obsolescence was recognised amounting to Baht 815,437).

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11 Property, plant and equipment, and intangible assets, net

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment, net	Intangible assets, net	Property, plant and equipment, net	Intangible assets, net
For the six-month period ended				
30 June 2012				
Opening net book amount	5,180,795	424,760	2,268,641	30,062
Additions	429,123	211,810	269,189	4,039
Disposal, net	(10,548)	-	(362)	-
Write-off, net	(40,450)	-	(26,947)	-
Depreciation/amortisation	(283,400)	(258,535)	(135,321)	(4,425)
Reversal of impairment of assets	5,989	1,335	-	-
Impairment of assets	(6,631)	(4,421)	-	-
Closing net book amount	<u>5,274,878</u>	<u>374,949</u>	<u>2,375,200</u>	<u>29,676</u>

Capital expenditure contracted for at the statement of financial position date, but not recognised in the financial statements is presented as follows:

	Currency	Consolidated		Company	
		30 June 2012	31 December 2011	30 June 2012	31 December 2011
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	1,276	48,763	1,276	26,962
Intangible assets	THB	273,700	42,380	-	-
	USD	5,395	3,980	-	-
	EURO	82	20	-	-
Total	THB	274,976	91,143	1,276	26,962
	USD	5,395	3,980	-	-
	EURO	82	20	-	-
Total in Thai Baht		<u>450,735</u>	<u>218,649</u>	<u>1,276</u>	<u>26,962</u>

12 Prepaid rents

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Current portion	34,657	34,657	9,473	9,473
Long-term portion	538,080	555,325	173,612	178,348
Total	<u>572,737</u>	<u>589,982</u>	<u>183,085</u>	<u>187,821</u>

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2012		
Opening net book amount	589,982	187,821
Amortisation	(17,245)	(4,736)
Closing net book amount	<u>572,737</u>	<u>183,085</u>

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13 Trade and other payables

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts and notes payable	658,182	514,848	591,910	390,124
Amounts due to related parties (Note 22)	14,826	16,150	135,457	177,964
Other payables	321,461	268,102	156,619	131,204
Accrued expenses	309,791	289,793	99,354	105,014
Rental and service incomes received in advance	197,760	171,987	112,956	104,000
Trade and other payables	1,502,020	1,260,880	1,096,296	908,306

Rental and service incomes received in advance included cash advanced from customers amounting to Baht 49.59 million (31 December 2011: Baht 41.38 million), which received from selling of cash cards, being deposited at banks. In order to comply with the Notification of the Bank of Thailand applicable to the electronic card business, the balance of the deposit has to be maintained at the outstanding value of the cash cards on hands of the customers as the minimum.

14 Borrowings

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Current				
Bank overdrafts	20,478	26,522	1,421	-
Short-term loans from financial institutions	1,594,700	446,600	1,100,000	-
Total bank overdrafts and short-term loans from financial institutions	1,615,178	473,122	1,101,421	-
Current portion of long-term borrowings:				
- Finance lease liabilities	1,434	1,175	300	48
- Bank borrowings	59,872	45,218	40,000	40,000
- Debentures	800,000	1,500,000	800,000	1,500,000
Total current portion of long-term borrowings	861,306	1,546,393	840,300	1,540,048
Non-current portion				
- Finance lease liabilities	24,745	24,567	21,549	20,860
- Bank borrowings	141,518	142,437	120,000	140,000
- Debentures	-	800,000	-	800,000
Total non-current portion of borrowings	166,263	967,004	141,549	960,860
Total borrowings and debentures	2,642,747	2,986,519	2,083,270	2,500,908

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14 Borrowings (Cont'd)

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

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2012		
Opening amount	187,655	180,000
Additions	39,200	-
Repayments	(25,465)	(20,000)
Closing amount	201,390	160,000

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

Debentures

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2012		
Opening amount	2,300,000	2,300,000
Repayments	(1,500,000)	(1,500,000)
Closing amount	800,000	800,000

In August 2012, the Company issued unsubordinated debenture of Baht 1,000.00 million. The debenture is one-time return the principal on maturity date, unsecured, with a representative of the bondholders. The term of the debenture is 5 years from the issuance date. The interest rate is 4.6% per annum. The Company received considerations of Baht 1,000.00 million on 10 August 2012. The Company used proceeds from the debentures to repay bank borrowings.

Borrowing facilities

As at 30 June 2012, the available credit facilities from financial institutions of the Group and the Company are Baht 4,073.43 million and Baht 3,473.58 million, respectively (31 December 2011: Baht 4,330.18 million and Baht 3,675.00 million, respectively). The facilities, mainly expiring within 3 years, are subject to review at various dates. The facilities have been arranged to mainly used for cinema construction and working capital.

15 Share capital and premium on share capital

	Authorised number of shares Shares'000	Issued and fully paid-up shares		
		Number of shares Shares'000	Ordinary shares Baht'000	Shares premium Baht'000
For the six-month period ended 30 June 2012				
Opening balance	906,000	881,897	881,897	3,839,673
Issuance of shares				
- Reserve for exercise of warrants - ESOP-W4	8,690	-	-	-
- Warrant - ESOP-W3 was exercised	-	2,622	2,622	36,860
Share reduction	(10,189)	-	-	-
Closing balance	904,501	884,519	884,519	3,876,533

As at 30 June 2012, the total authorised number of ordinary shares is 904.5 million shares (31 December 2011: 906 million shares) with a par value of Baht 1 per share (31 December 2011: Baht 1 per share).

15 Share capital and premium on share capital (Cont'd)

At the Annual General Shareholders Meeting dated 3 April 2012, the shareholders approved the reduction of registered share capital from Baht 906,000,000 to Baht 895,810,990 by eliminating remaining unissued shares of the Company for 10,189,010 shares at a par of Baht 1 per share.

At the Annual General Shareholders Meeting dated 3 April 2012, the shareholders approved the increase of registered share capital from Baht 895,810,990 to Baht 904,500,990 by issuing new ordinary shares of 8,690,000 shares at a par value of Baht 1 per share to reserve for exercise of warrants (ESOP-W4). The Company registered the decrease and increase of share capital with the Ministry of Commerce on 12 April 2012 and 17 April 2012, respectively.

During the period, the warrants (ESOP-W3) of 2,353,960 units have been exercised as a result of increase in ordinary shares of 2,622,311 shares, totalling Baht 39.48 million.

16 Share-based payment - Warrants

Warrants issued and offered to directors and employees of the Company (ESOP - W4)

The Company issued and offered warrants to directors and employees (ESOP - W4) of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date in a maximum of 8,690,000 units. The exercise price of Baht 15.44 per share. The exercise of one warrant to one ordinary share. The warrants can exercise after 2 years from the date of issuance.

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Consolidated		Company	
	Average exercise price Baht per share	Option	Average exercise price Baht per share	Option
At 1 January 2012	-	-	-	-
Granted				
by the Company - ESOP - W4	15.44	8,690,000	15.44	8,690,000
by the subsidiary - ESOP - W1	1.59	4,424,625	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
At 30 June 2012	<u>17.03</u>	<u>13,114,625</u>	<u>15.44</u>	<u>8,690,000</u>

As at 30 June 2012, the Company has 8,690,000 outstanding warrants (31 December 2011: None) were exercisable.

Warrants issued and offered to the directors and employees of the Company (ESOP-W4)

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was 3.96 per option. The significant inputs into the model were a weighted average share price of 17.40 at the grant date, volatility of 38.54%, dividend yield of 6.39%, an expected option life of 4 years, and an annual risk-free interest rate of 3.28%.

Warrants issued and offered to directors and employees of the subsidiary (ESOP-W1)

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was 0.68 per option. The significant inputs into the model were a weighted average share price of 1.44 at the grant date, volatility of 70.09%, dividend yield of 2.72%, an expected option life of 5 years, and an annual risk-free interest rate of 3.34%.

The Group and the Company recognised the value of warrants over the vesting period. As at 30 June 2012, the warrants of Baht 2,675,245 and Baht 2,500,000, respectively, are recognised as an expense in the consolidated and company income statements with a corresponding credit to the consolidated and company equity.

17 Dividends

At the Board of Directors Meeting held on 16 February 2012, the directors passed a resolution to approve dividends in respect of the operating results for the period from July to December 2011 at Baht 0.39 per share, totalling Baht 343.94 million. The dividends will be distributed to the shareholders listed in the register on 5 March 2012 that approved by the Annual Ordinary Shareholders Meeting on 3 April 2012. The dividend were distributed the shareholders on 2 May 2012.

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

18 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 June 2012, there are outstanding bank guarantees and letter of credits given on behalf of the Group to third parties amounting to Baht 153.56 million (31 December 2011: Baht 149.39 million).

ii) Guarantees

As at 30 June 2012, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and an associate for a total of Baht 483.29 million (31 December 2011: Baht 490.10 million).

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

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

	Unit: Million Baht			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Not later than 1 year	746	760	425	434
Later than 1 year but not later than 5 years	2,863	2,806	1,700	1,627
Later than 5 years	5,570	4,941	2,579	1,787
	<u>9,179</u>	<u>8,507</u>	<u>4,704</u>	<u>3,848</u>

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

iv) Commitment from film productions

As at 30 June 2012, the Group has commitments in respect of payments to film directors amounting to Baht 7.60 million (31 December 2011: Baht 5.75 million).

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19 Cash flows from operating activities

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

For the six-month period ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 June 2012	30 June 2011	30 June 2011	30 June 2011
Profit before tax		575,256	617,045	452,391	1,083,313
Adjustments for:					
Depreciation and amortisation	11, 12	559,180	512,866	144,482	145,538
Doubtful and bad debts	6	4,305	228	580	-
Loss on obsolescence	6	10,534	815	-	-
Provision for interest receivable		34	34	-	-
Loss on goods returns (reversal)	6	(11,848)	4,470	-	-
Impairment loss	6	3,728	7,692	-	-
Gain on disposals of equipment		(6,813)	(230)	(6,813)	-
Loss on write-off equipment	6	40,450	163	26,947	-
Gain on disposals of investments in associate and joint venture	20	(86,398)	(14,218)	(103,375)	(17,151)
Gain on disposals of short-term investment		(3,404)	(141)	(3,404)	(141)
Loss from disposals of long-term investment		-	13,842	-	13,842
Shares of results of investments in associates and joint ventures	20	(100,809)	(132,113)	-	-
Provision of liabilities on loyalty program		8,440	6,000	8,440	6,000
Employee benefit obligations		1,168	1,114	620	547
Warrants	16	2,675	-	2,500	-
Dividends income		(2,733)	-	(92,447)	(800,475)
Interest income		(12,770)	(7,739)	(44,898)	(43,364)
Finance costs		69,304	73,836	53,979	64,282
Changes in operating assets and liabilities:					
- trade and other receivables		(65,449)	84,382	53,252	26,123
- inventories		(9,196)	(6,710)	157	(10,533)
- movies under productions		(3,904)	10,423	-	-
- other current assets		4,987	(77,010)	4,883	(17,639)
- finance lease receivables		35	(497)	-	-
- long-term accounts receivable		9,157	10,279	9,157	10,280
- other non-current assets		9,163	(95,754)	11,250	(93,738)
- trade and other payables		(28,039)	18,713	(2,289)	137,570
- other current liabilities		(6,347)	172,339	(4,769)	93,867
- other non-current liabilities		(13,311)	(6,273)	2,498	877
Cash flows generated from operating activities		947,395	1,193,556	513,141	599,198

20 Investments in subsidiaries, associates and interest in joint ventures

20.1 Investment in subsidiaries

Movements of investment in subsidiaries can be analysed as follows:

	Unit: Baht'000
	Company
For the six-month period ended 30 June 2012	
Opening net book amount	1,911,917
Closing net book amount	1,911,917

During the period, the Company received a dividend from a subsidiary amounting to Baht 21.18 million.

20.2 Investment in associates

Movements of investment in associates can be analysed as follows:

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2012		
Opening net book amount	1,977,167	1,792,353
Additions	12,039	12,039
Disposals	(58,646)	(41,669)
Dividends received	(68,529)	-
Share of results	96,169	-
Closing net book amount	1,958,200	1,762,723

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the six-month period ended 30 June 2012, the Group realised gain on disposals of Baht 8.16 million in the consolidated income statement.

As mentioned in the note 2.3 c) to 2011 annual financial statements, an associate recognised a profit from change in fair value of investment property at 30 June 2012 amounting to Baht 289.32 million, which is not recognised in the Group's share of result of its associate due to the Group applied cost model for measurement the investment property.

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

20.2 Investment in associates (Cont'd)

Siam Future Development Public Company Limited (“SF”)

Additional of investment in associate

In May 2012, the Company has made additional investment in SF of 1.50 million shares totalling Baht 12.04 million.

Disposal of investment in associate

During the six-month period ended 30 June 2012, the Company disposed its investment in SF of 17.96 million shares for the considerations of Baht 145.04 million and recognised gain from disposal amounting to Baht 86.40 million and Baht 103.37 million in the consolidated and company income statements, respectively.

The aforesaid disposal of investment resulted in the change to shareholding percentage from 24.46% to 22.86%.

At the Annual General Shareholders Meeting of SF held on 22 March 2012, the shareholders approved a dividend payment of 129,995,010 shares at par of Baht 1 to the shareholders at a rate of 8 shares per 1 share dividend. The dividend payment rate is Baht 0.125 per share. The fractions of shares will receive in cash at the rate of Baht 0.125 per share and the dividend payment in cash is Baht 0.01389 per share, totalling dividend payment per share is Baht 0.13889. The dividends will be distributed to the shareholders listed in the register on 3 April 2012. The Company received a share dividend of 30.31 million shares and a cash dividend of Baht 3.37 million on 20 April 2012.

20.3 Interest in joint ventures

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

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2012		
Opening net book amount	113,229	103,120
Additions	73,653	73,653
Share of results	4,640	-
Closing net book amount	<u>191,522</u>	<u>176,773</u>

20 Investments in subsidiaries, associates and interest in joint ventures

20.3 Interest in joint ventures

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

Addition investment

On 11 November 2011, the Board of Directors Meeting No. 4/2554, the directors approved for the additional investment of Rupee 276.00 million to retain the percentage of shareholding at 49% in PVR blu-O. The Company paid for the share subscription of Rupee 139.70 million, equivalents to Baht 88.85 million, the remaining will be paid by March 2013.

K Arena Co., Ltd.

Acquisition of investment

On 27 April 2012, the Company invested in K Arena Co., Ltd., which engages in karaoke service amounting to Baht 9,999,800, representing 50% of its registered shares.

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

	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
Subsidiaries			
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.93
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
EGV Entertainment Public Company Limited (“EGV”)	Cinema services	Shareholder Indirect shareholding	60.36 39.61
M Picture Entertainment Public Company Limited (“MPIC”)	Publishing, advertising and distribution of film rights	Shareholder	66.07
Talent One Co., Ltd.	Film production and services for all forms of entertainment	Shareholder	80.00

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

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

	<u>Nature of business</u>	<u>relationship</u>	<u>interest</u>
Subsidiaries under EGV			
Entertain Golden Village Exhibition Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96
EGV Exhibition Co., Ltd.	Cinema services, advertising services, area for rent	Indirect shareholding	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	99.96
Subsidiaries under MPIC			
TV Forum Co., Ltd.	Television media business	Indirect shareholding	66.07
M Picture Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	66.07
M.V.D. Co., Ltd. ("MVD")	Distribution of VCD/DVD and film rights	Indirect shareholding	66.07
M Thirtynine Co., Ltd.	Studio movie production	Indirect shareholding	66.07
Subsidiary under MVD			
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect shareholding	65.68
Associates			
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	22.86
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00
Major Cineplex Lifestyle Leasehold Property Fund	Rental of building and utilities services	Indirect shareholding via SF	11.43
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00
Joint ventures			
PVR blu-O Entertainment Limited ("PVR blu-O")	Bowling, Karaoke and entertainment	Shareholder	49.00
Major Kantana Broadcasting Company Limited	Cable television services	Shareholder	44.99
K Arena Co., Ltd.	Karaoke services	Shareholder	50.00

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

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21 Non-controlling interest

	Unit: Baht'000
	Consolidated
	30 June
	2012
Opening balance	156,876
Decrease by dividend paid	(10,871)
Share of profit	(5,572)
Closing balance	<u>140,433</u>

22 Related party transactions

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

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

The following significant transactions were carried out with related parties:

i) Sales of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
For the three-month period ended 30 June	2012	2011	2012	2011
Sales of goods and services				
Subsidiaries	-	-	89,672	64,737
Associates	595	516	3,789	141,125
Leasehold Property Fund	16,292	16,857	36,946	37,050
Joint Ventures	1,254	472	326	349
Related parties	19,030	17,913	5,210	2,554
	<u>37,171</u>	<u>35,758</u>	<u>135,943</u>	<u>245,815</u>

	Unit: Baht'000			
	Consolidated		Company	
For the six-month period ended 30 June	2012	2011	2012	2011
Sales of goods and services				
Subsidiaries	-	-	154,907	638,648
Associates	1,586	1,507	16,255	262,116
Leasehold Property Fund	31,390	29,850	72,292	46,649
Joint Ventures	1,535	771	446	427
Related parties	35,758	31,435	7,741	5,169
	<u>70,269</u>	<u>63,563</u>	<u>251,641</u>	<u>953,009</u>
Sale of equipment				
Subsidiaries	-	-	-	1,980
Joint Ventures	17,346	-	7,160	-
	<u>17,346</u>	<u>-</u>	<u>7,160</u>	<u>1,980</u>

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22 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts receivable (included unbilled revenue)				
Subsidiaries	-	-	173,910	219,334
Associates	3,335	9,294	727	2,825
Joint venture	678	749	282	66
Related parties, net of allowance for doubtful accounts	4,000	14,212	279	1,595
	<u>8,013</u>	<u>24,255</u>	<u>175,198</u>	<u>223,820</u>
Amounts due from related parties				
Subsidiaries	-	-	267,637	304,950
Associates	23,083	21,385	7,143	5,341
Joint venture	22,792	4,680	11,406	4,680
Related parties	10,662	12,228	10,176	11,411
	<u>56,537</u>	<u>38,293</u>	<u>296,362</u>	<u>326,382</u>
Dividends receivables				
Associates	2,733	-	2,733	-
	<u>59,270</u>	<u>38,293</u>	<u>299,095</u>	<u>326,382</u>
Deposit (included in "Other non-current assets")				
Associates	8,979	8,979	3,460	3,460
Related parties	3,800	5,000	3,800	5,000
	<u>12,779</u>	<u>13,979</u>	<u>7,260</u>	<u>8,460</u>
Finance lease receivables				
Related parties	1,818	1,817	-	-
	<u>1,818</u>	<u>1,817</u>	<u>-</u>	<u>-</u>

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22 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	203,762	145,031
Associates	16,496	10,266	16,134	9,254
Related parties	331	1,204	208	1,079
	<u>16,827</u>	<u>11,470</u>	<u>220,104</u>	<u>155,364</u>
Other payables (included in "Amounts due to related parties")				
Subsidiaries	-	-	123,614	164,583
Associates	9,285	8,529	8,156	7,213
Joint venture	645	343	10	343
Related parties	3,025	3,693	2,327	2,525
Directors	1,871	3,585	1,350	3,300
	<u>14,826</u>	<u>16,150</u>	<u>135,457</u>	<u>177,964</u>
Advance received for rental And services (included in "Other non-current liabilities")				
Associate	29,673	30,197	-	-
Related parties	17,845	18,600	-	-
	<u>47,518</u>	<u>48,797</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Associates	120,003	120,003	-	-
Related parties	8,906	8,906	135	135
	<u>128,909</u>	<u>128,909</u>	<u>135</u>	<u>135</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions")				
Associates	12,187	12,125	12,187	12,125
Related parties	8,125	8,083	8,125	8,083
	<u>20,312</u>	<u>20,208</u>	<u>20,312</u>	<u>20,208</u>

22 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”) for the use of financing to other Major’s Group companies. The short-term loans to related parties as at 30 June 2012 comprise unsecured loans repayable within 1 month amounting to Baht 504,309,263 which carry interest at the rate of 4.00% per annum.

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

For the six-month period ended 30 June 2012	Unit: Baht’000	
	Consolidated	Company
Opening balance	-	475,370
Loans borrowed during the period	1,800	764,472
Loans repaid during the period	(1,500)	(735,533)
Closing balance	300	504,309

The related interest income was Baht 9.34 million. As at 30 June 2012, the accrued interest income was Baht 1.62 million.

v) Long-term loans to related parties

For the six-month period ended 30 June 2012	Unit: Baht’000	
	Consolidated	Company
Subsidiaries and associates and employees		
Opening balance	10,695	1,274,419
Loans made during the period	1,050	693
Loans repayments during the period	(3,476)	(92,013)
Closing balance	8,269	1,183,099

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

vi) Short-term loans from related parties

The short-term loans from related parties are loans from fellow subsidiaries of Major Cineplex Group Public Company Limited (“Major’s Group”) for the use of financing to other Major’s Group companies. The short-term loans from related parties as at 30 June 2012 comprise unsecured loans repayable within 1 month amounting to Baht 85,181,248 which carry interest at the rate of 4.00% per annum.

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

For the six-month period ended 30 June 2012	Unit: Baht’000
	Company
Opening balance	65,608
Loans borrowed during the period	374,630
Loans repaid during the period	(355,057)
Closing balance	85,181

The related interest expense was Baht 1.22 million. As at 30 June 2012, the accrued interest expense was Baht 0.25 million.

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23 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 30 June 2012 are as follows:

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade account receivable				
Trade account receivable (net of deposit received from customer)	6,060	7,338	580	1,345
<u>Less</u> Allowance for doubtful account	(6,060)	-	(580)	-
Trade account receivable, net	<u>-</u>	<u>7,338</u>	<u>-</u>	<u>1,345</u>

24 Events occurring after the reporting date

At the Board of Directors Meeting held on 14 August 2012, the Board passed a resolution to approve interim dividends in respect of the operating results for the period from January to June 2012 at Baht 0.39 per share, totalling of Baht 344.96 million. The dividends will be distributed to shareholders listed in the register on 28 August 2012 and will be paid on 11 September 2012.