

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 September 2012, the related consolidated and company income statements and the related consolidated and company statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month periods ended 30 September 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
9 November 2012

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2012

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

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2012	2011	2012	2011
Assets					
Current assets					
		290,839	460,800	167,020	358,313
		-	50,596	-	50,596
	9	-	-	-	-
	10	1,310,290	1,090,004	707,833	782,886
	23	-	-	477,205	475,370
	11	144,586	153,851	29,720	33,256
		37,431	17,800	-	-
	13	34,653	34,657	9,473	9,473
		159,814	184,661	31,658	36,317
		1,977,613	1,992,369	1,422,909	1,746,211
Non-current assets					
	9	268,267	177,458	268,267	177,458
		7,903	5,989	-	-
		12,913	12,381	-	-
		24,930	38,789	24,930	38,789
	21	-	-	1,956,918	1,911,917
	21	1,994,870	1,977,167	1,783,710	1,792,353
	21	237,433	113,229	216,793	103,120
	23	7,332	10,695	1,123,327	1,274,419
	12	5,294,457	5,180,795	2,408,102	2,268,641
		342,113	342,113	-	-
	12	348,747	424,760	37,286	30,062
	13	529,477	555,325	171,244	178,348
		147,843	156,766	114,049	124,468
		9,216,285	8,995,467	8,104,626	7,899,575
		11,193,898	10,987,836	9,527,535	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 September 2012 and 31 December 2011

		Unit: Baht'000				
		Consolidated		Company		
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		30 September	31 December	30 September	31 December	
Notes		2012	2011	2012	2011	
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term						
	borrowings from financial institutions	15	830,571	473,122	300,000	-
	Trade and other payables	14	1,490,240	1,260,880	864,045	908,306
	Current portion of long-term borrowings	15	873,742	1,546,393	840,296	1,540,048
	Short-term loans from related parties	23	-	-	215,334	65,608
	Accrued income tax		48,088	82,854	32,025	52,917
	Other current liabilities		177,858	142,112	88,186	42,837
	Total current liabilities		3,420,499	3,505,361	2,339,886	2,609,716
Non-current liabilities						
	Long-term borrowings from financial					
	institutions	15	1,165,973	967,004	1,131,479	960,860
	Employee benefit obligations		18,285	16,533	10,122	9,191
	Other non-current liabilities		440,386	442,522	38,057	20,253
	Total non-current liabilities		1,624,644	1,426,059	1,179,658	990,304
	Total liabilities		5,045,143	4,931,420	3,519,544	3,600,020

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 September 2012 and 31 December 2011

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2012	2011	2012	2011
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
	Share capital	16			
	Authorised share capital				
	Ordinary shares, 904,500,990 shares at par value of Baht 1 each	<u>904,501</u>		<u>904,501</u>	
	Ordinary shares, 906,000,000 shares at par value of Baht 1 each		<u>906,000</u>		<u>906,000</u>
	Issued and fully paid-up share capital				
	Ordinary shares, 886,274,747 shares paid-up of Baht 1 each	886,275		886,275	
	Ordinary shares, 881,897,219 shares paid-up of Baht 1 each		881,897		881,897
	Share premium	16	3,901,204	3,839,673	3,901,204
	Share premium - treasury shares		288,425	288,425	288,425
	Warrants	17	5,991	-	5,700
	Retained earnings				
	Appropriated				
	Legal reserve		90,600	90,600	90,600
	Unappropriated		885,925	928,700	875,510
	Other components of shareholders' equity		<u>(39,723)</u>	<u>(129,755)</u>	<u>(39,723)</u>
	Equity attributable to shareholders of the parent		6,018,697	5,899,540	6,007,991
	Non-controlling interests	22	<u>130,058</u>	<u>156,876</u>	<u>-</u>
	Total shareholders' equity		<u>6,148,755</u>	<u>6,056,416</u>	<u>6,007,991</u>
	Total liabilities and shareholders' equity		<u>11,193,898</u>	<u>10,987,836</u>	<u>9,527,535</u>

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 September 2012 and 2011

		Unit: Baht'000			
		Consolidated		Company	
	Notes	2012	2011	2012	2011
Revenues	5				
Service income		1,314,333	1,436,434	735,242	818,157
Sales		411,073	419,307	172,154	175,291
Total revenues		<u>1,725,406</u>	<u>1,855,741</u>	<u>907,396</u>	<u>993,448</u>
Costs					
Cost of services		(919,550)	(1,008,163)	(552,471)	(610,600)
Cost of sales		(245,476)	(222,899)	(59,061)	(62,358)
Total costs		<u>(1,165,026)</u>	<u>(1,231,062)</u>	<u>(611,532)</u>	<u>(672,958)</u>
Gross profit		560,380	624,679	295,864	320,490
Other operating income	6	51,293	50,476	102,197	95,722
Selling expenses		(103,756)	(126,915)	(51,239)	(47,068)
Administrative expenses		(282,890)	(273,651)	(163,494)	(158,850)
Financial costs		(29,842)	(34,973)	(21,629)	(28,159)
Share of result of investments - equity method		48,801	53,961	-	-
Profit before income tax		243,986	293,577	161,699	182,135
Income tax		(59,235)	(76,843)	(36,347)	(48,880)
Profit for the period		<u>184,751</u>	<u>216,734</u>	<u>125,352</u>	<u>133,255</u>
Attributable to:					
Owners of the parent		195,126	215,274	125,352	133,255
Non-controlling interests		(10,375)	1,460	-	-
		<u>184,751</u>	<u>216,734</u>	<u>125,352</u>	<u>133,255</u>
		<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
Earnings per share for profit attributable to the parent	8				
Basic earnings per share		0.22	0.24	0.14	0.15
Diluted earnings per share		0.22	0.24	0.14	0.15

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 September 2012 and 2011

	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Profit for the period	184,751	216,734	125,352	133,255
Other comprehensive income:				
Gain on remeasuring of available-for-sale investments	61,739	18,571	61,739	18,571
Other comprehensive income for the period, net of income tax	61,739	18,571	61,739	18,571
Total comprehensive income for the period	246,490	235,305	187,091	151,826
Total comprehensive income attributable to:				
Owners of the parent	256,865	233,845	187,091	151,826
Non-controlling interests	(10,375)	1,460	-	-
	246,490	235,305	187,091	151,826

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 nine-month periods ended 30 September 2012 and 2011

		Unit: Baht'000			
		Consolidated		Company	
Notes		2012	2011	2012	2011
	Revenues				
	Service income	3,859,188	4,007,567	2,179,117	2,308,880
	Sales	1,321,598	1,324,620	516,304	503,138
	Total revenues	<u>5,180,786</u>	<u>5,332,187</u>	<u>2,695,421</u>	<u>2,812,018</u>
	Costs				
	Cost of services	(2,675,586)	(2,748,278)	(1,633,004)	(1,679,168)
	Cost of sales	(808,447)	(735,269)	(182,358)	(177,079)
	Total costs	<u>(3,484,033)</u>	<u>(3,483,547)</u>	<u>(1,815,362)</u>	<u>(1,856,247)</u>
	Gross profit	1,696,753	1,848,640	880,059	955,771
	Other operating income	255,140	106,415	419,076	974,228
	Selling expenses	(336,634)	(328,036)	(134,751)	(130,326)
	Administrative expenses	(846,481)	(793,662)	(474,686)	(441,783)
	Financial costs	(99,145)	(108,808)	(75,608)	(92,441)
	Share of result of investments - equity method	149,608	186,074	-	-
	Profit before income tax	819,241	910,623	614,090	1,265,449
	Income tax	(189,068)	(193,258)	(124,611)	(111,984)
	Profit for the period	<u>630,173</u>	<u>717,365</u>	<u>489,479</u>	<u>1,153,465</u>
	Attributable to:				
	Owners of the parent	646,120	701,021	489,479	1,153,465
	Non-controlling interests	(15,947)	16,344	-	-
		<u>630,173</u>	<u>717,365</u>	<u>489,479</u>	<u>1,153,465</u>
		<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
	Earnings per share for profit attributable to the parent				
	Basic earnings per share	0.73	0.81	0.55	1.33
	Diluted earnings per share	0.73	0.81	0.55	1.33

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 nine-month periods ended 30 September 2012 and 2011

	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Profit for the period	630,173	717,365	489,479	1,153,465
Other comprehensive income (expense):				
Gain (loss) on remeasuring of available-for-sale investments	90,032	(67,664)	90,032	(67,664)
Other comprehensive income (expense) for the period, net of income tax	90,032	(67,664)	90,032	(67,664)
Total comprehensive income for the period	720,205	649,701	579,511	1,085,801
Total comprehensive income attributable to:				
Owners of the parent	736,152	633,357	579,511	1,085,801
Non-controlling interests	(15,947)	16,344	-	-
	720,205	649,701	579,511	1,085,801

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 nine-month periods ended 30 September 2012 and 2011

Unit: Baht'000												
Consolidated												
Attributable to owners of the parent												
	Retained earnings							Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Share premium-Treasury share	Appropriated			Treasury shares	Other comprehensive income (expense)			Total shareholders of the Company	Non-controlling interests
Warrants				Legal reserve	Treasury shares reserve	Unappropriated		Available-for-sale investment				
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 equity for period												
Increase during the period	-	-	288,425	-	-	-	267,920	-	-	556,345	-	556,345
Disposal of treasury shares during the period	-	-	-	-	-	(267,920)	-	267,920	-	-	-	-
Addition investment in subsidiary by purchasing shares from non-controlling interest	-	-	-	-	-	-	(267)	-	-	(267)	(723)	(990)
Dividends payment (Note 18)	-	-	-	-	-	-	(883,796)	-	-	(883,796)	(4,365)	(888,161)
Total comprehensive income for the period	-	-	-	-	-	-	701,021	-	(67,664)	633,357	16,344	649,701
Closing balance as at 30 September 2011	<u>881,897</u>	<u>3,839,673</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>-</u>	<u>848,127</u>	<u>-</u>	<u>(123,954)</u>	<u>5,824,768</u>	<u>147,258</u>	<u>5,972,026</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 equity for period												
Increase during the period (Notes 16 and 17)	4,378	61,531	-	5,991	-	-	-	-	-	71,900	-	71,900
Dividends payment (Note 18)	-	-	-	-	-	-	(688,895)	-	-	(688,895)	(10,871)	(699,766)
Total comprehensive income for the period	-	-	-	-	-	-	646,120	-	90,032	736,152	(15,947)	720,205
Closing balance as at 30 September 2012	<u>886,275</u>	<u>3,901,204</u>	<u>288,425</u>	<u>5,991</u>	<u>90,600</u>	<u>-</u>	<u>885,925</u>	<u>-</u>	<u>(39,723)</u>	<u>6,018,697</u>	<u>130,058</u>	<u>6,148,755</u>

The accompanying condensed 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 nine-month periods ended 30 September 2012 and 2011

	Unit: Baht'000									
	Company									
	Retained earnings						Other components of shareholders' equity		Total shareholders' equity	
	Appropriated			Treasury			Other comprehensive income (expense)		Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Share premium-Treasury share	Warrants	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Available-for-sale investment	Total shareholders' equity
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 equity for period										
Increase during the period	-	-	288,425	-	-	-	267,920	-	-	556,345
Disposal of treasury shares during the period	-	-	-	-	-	(267,920)	-	267,920	-	-
Dividends payment (Note 18)	-	-	-	-	-	-	(883,796)	-	-	(883,796)
Total comprehensive income for the period	-	-	-	-	-	-	1,153,465	-	(67,664)	1,085,801
Closing balance as at 30 September 2011	<u>881,897</u>	<u>3,839,673</u>	<u>288,425</u>	<u>-</u>	<u>90,600</u>	<u>-</u>	<u>1,041,163</u>	<u>-</u>	<u>(123,954)</u>	<u>6,017,804</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 equity for period										
Increase during the period (Notes 16 and 17)	4,378	61,531	-	5,700	-	-	-	-	-	71,609
Dividends payment (Note 18)	-	-	-	-	-	-	(688,895)	-	-	(688,895)
Total comprehensive income for the period	-	-	-	-	-	-	489,479	-	90,032	579,511
Closing balance as at 30 September 2012	<u>886,275</u>	<u>3,901,204</u>	<u>288,425</u>	<u>5,700</u>	<u>90,600</u>	<u>-</u>	<u>875,510</u>	<u>-</u>	<u>(39,723)</u>	<u>6,007,991</u>

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

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

	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Cash flows from operating activities					
Cash generated from operations	20	1,160,033	1,582,998	452,111	720,356
Interest paid		(100,313)	(115,025)	(77,278)	(102,535)
Income tax paid		(223,834)	(193,941)	(145,503)	(90,375)
Net cash generated from operating activities		835,886	1,274,032	229,330	527,446
Cash flows from investing activities					
Payments for short-term investments		-	(250,000)	-	(250,000)
Proceeds from sales of short-term investments		53,223	150,141	53,223	150,141
Short-term loans to related parties	23	(1,800)	-	(1,170,066)	(88,753,068)
Proceeds from short-term loans to related parties	23	1,800	-	1,168,231	88,343,071
Short-term loans to third parties		-	(16,490)	-	(16,490)
Proceeds from short-term loans to third parties		10,500	17,000	-	17,000
Loan to third parties		(7,000)	(11,551)	(7,000)	(11,551)
Proceeds from loans to third parties		8,089	2,100	8,089	2,100
Loans to related parties		(1,120)	(8,503)	(893)	(208,503)
Proceeds from settlements of loans to related parties	23	4,613	14,047	151,985	621,086
Payments for investment in subsidiaries	21	-	(990)	(45,001)	(990)
Proceeds from disposal of investment in associate	21	145,044	42,040	145,044	42,040
Proceeds from share reduction		-	202,500	-	202,500
Payments for investment in associate	21	(33,026)	(129,009)	(33,026)	(129,009)
Proceeds from disposals of investment in joint venture		-	1,000	-	1,000
Payments for investment in joint venture	21	(113,673)	(23,400)	(113,673)	(23,400)
Proceeds from disposals of long-term investment		-	11,310	-	11,310
Purchases of property, plant and equipment		(102,572)	(222,008)	(75,008)	(138,578)
Proceeds from disposals of property, plant and equipment		4,377	72,072	38	73,987
Purchase of intangible assets		(330,228)	(284,731)	(14,084)	(1,652)
Interest received		14,693	14,950	82,215	48,034
Dividends received from subsidiaries and associates	21	95,754	315,059	133,938	848,648
Net cash (used in) received from investing activities		(251,326)	(104,463)	284,012	827,676

The accompanying condensed 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 nine-month periods ended 30 September 2012 and 2011

	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September	30 September	30 September	30 September
		2012	2011	2012	2011
Cash flows from financing activities					
Proceeds from short-term loans from related parties	23	-	-	723,923	21,914,044
Repayments of short-term loans from related parties	23	-	-	(574,197)	(21,952,822)
Proceeds (repayments) from bank overdrafts		(9,350)	16,908	-	476
Increase in restricted cash		(1,913)	(51)	-	-
Proceeds from short-term borrowings		1,609,400	644,100	1,450,000	300,000
Repayments of short-term borrowings		(1,242,600)	(589,808)	(1,150,000)	(499,808)
Repayments of finance lease liabilities		(2,492)	(1,129)	(1,496)	(1,023)
Repayments of loans from related parties		-	(440,127)	-	(508,938)
Proceeds from long-term borrowings	15	62,900	221,800	-	200,000
Repayment of long-term borrowings	15	(36,730)	(290,541)	(30,000)	(110,000)
Proceeds from issuance of debenture	15	1,000,000	-	1,000,000	-
Repayment of debenture	15	(1,500,000)	-	(1,500,000)	-
Proceeds from disposal of treasury shares		-	556,345	-	556,345
Proceeds from exercised warrants	16	65,908	-	65,908	-
Dividends paid to shareholders	18	(688,773)	(883,550)	(688,773)	(883,550)
Dividends paid to non-controlling interest	22	(10,871)	(4,365)	-	-
Net cash used in financing activities		(754,521)	(770,418)	(704,635)	(985,276)
Net (decrease) increase in cash and cash equivalents		(169,961)	399,151	(191,293)	369,846
Opening balance of cash and cash equivalents		460,800	202,163	358,313	138,858
Closing balance of cash and cash equivalents		290,839	601,314	167,020	508,704

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

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2012 and 2011:

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Purchase of plant and equipment, not yet paid	490,012	67,038	290,491	39,536
Purchases of film rights, not yet paid	38,252	12,897	-	-
Purchases of plant and equipment under finance leases	1,153	945	1,094	-
Purchase of plant and equipment by offsetting with loans to third parties	-	1,285	-	-
Purchase of film rights by offsetting with loan to third parties	-	354	-	-
Disposal of plant and equipment, net yet received	112	50,241	-	16,253
Disposal of plant and equipment by offsetting with amount due from related parties	17,346	-	7,160	-
Disposal of equipments by offsetting with other current assets	-	3,517	-	1,157
Transfer of amounts due from related parties to loans to related parties	-	-	-	78
Offsetting loans to related parties with loans from related parties	130	-	-	1,000
Dividends paid, not yet paid (Note 18)	122	245	122	245

The accompanying condensed 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 nine-month periods ended 30 September 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 9 November 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 (warrant) 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 stay).

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.

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

5 Segment information

Financial information by business segments is as follows:

Unit: Million Baht

	Consolidated						Consolidated
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	
For the three-month period ended 30 September 2011							
Revenues							
Gross segment revenues	1,278	167	168	153	220	3	1,989
Inter-segment revenues	(60)	(1)	(23)	(23)	(26)	-	(133)
Net revenues	<u>1,218</u>	<u>166</u>	<u>145</u>	<u>130</u>	<u>194</u>	<u>3</u>	<u>1,856</u>
Segment results	<u>140</u>	<u>120</u>	<u>3</u>	<u>22</u>	<u>(10)</u>	<u>-</u>	<u>275</u>
Gain from selling of investments							8
Unallocated costs							(9)
Operating profit							<u>274</u>
For the three-month period ended 30 September 2012							
Revenues							
Gross segment revenues	1,157	191	145	148	200	6	1,847
Inter-segment revenues	(64)	(5)	(20)	(24)	(9)	-	(122)
Net revenues	<u>1,093</u>	<u>186</u>	<u>125</u>	<u>124</u>	<u>191</u>	<u>6</u>	<u>1,725</u>
Segment results	<u>95</u>	<u>125</u>	<u>6</u>	<u>14</u>	<u>(12)</u>	<u>(3)</u>	<u>225</u>
Compensation income							25
Unallocated costs							(25)
Operating profit							<u>225</u>

Major Cineplex Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
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5 Segment information (Cont'd)

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

Unit: Million Baht

	Consolidated						Consolidated
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	
For the nine-month period ended 30 September 2011							
Revenues							
Gross segment revenues	3,645	425	456	436	669	110	5,741
Inter-segment revenues	(178)	(4)	(68)	(66)	(50)	(43)	(409)
Net revenues	<u>3,467</u>	<u>421</u>	<u>388</u>	<u>370</u>	<u>619</u>	<u>67</u>	<u>5,332</u>
Segment results	<u>476</u>	<u>311</u>	<u>(1)</u>	<u>74</u>	<u>30</u>	<u>(25)</u>	865
Gain from selling of investments							9
Unallocated costs							(41)
Operating profit							<u>833</u>
For the nine-month period ended 30 September 2012							
Revenues							
Gross segment revenues	3,462	495	425	453	632	128	5,595
Inter-segment revenues	(187)	(15)	(62)	(71)	(31)	(48)	(414)
Net revenues	<u>3,275</u>	<u>480</u>	<u>363</u>	<u>382</u>	<u>601</u>	<u>80</u>	<u>5,181</u>
Segment results	<u>365</u>	<u>312</u>	<u>(7)</u>	<u>42</u>	<u>(38)</u>	<u>(16)</u>	658
Compensation income							56
Gain from selling of investments							90
Unallocated costs							(35)
Operating profit							<u>769</u>

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6 Other operating income

Other operating income included a compensation for damage from flood during 2011 amounting to Baht 24.72 million. The compensation is expected to be received in November 2012.

7 Operating profit

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

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Impairment loss for property and equipment and intangible assets	1,713	4,376	-	-
Loss from write-off of property and equipment	4,223	-	15	-
Doubtful debts and bad debts	-	325	-	-
Loss on diminution in value of inventories (reversal)	(1,700)	3,307	-	-
Loss on goods returns	7,400	10,158	-	-

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Impairment loss for property and equipment and intangible assets (Note 12)	5,441	12,068	-	-
Loss from write-off of property, equipment (Note 12)	44,673	163	26,962	-
Doubtful debts and bad debts	4,305	554	580	-
Loss on diminution in value of Inventories (Note 11)	8,834	4,122	-	-
Loss on goods returns (reversal)	(4,448)	14,628	-	-

8 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 periods ended		For the nine-month periods ended	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Number of weighted average shares:				
- basic	885,111	881,897	883,273	864,515
- diluted	888,062	881,897	885,777	864,515

Major Cineplex Group Public Company Limited
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9 Investments

	Unit: Baht'000	
	Consolidated and Company	
	30 September	31 December
	2012	2011
Current	-	50,596
Non-current	268,267	177,458
	<u>268,267</u>	<u>228,054</u>

9.1) Current

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

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

9.2) Non-current

Movements of non-current investment are as follows:

	Unit: Baht'000
	Consolidated and Company
	30 September
	2012
Opening book value	177,458
Change in fair value of investment	90,809
Closing book value	<u>268,267</u>

Major Cineplex Group Public Company Limited
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10 Trade and other receivables, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Third parties				
- Trade accounts receivable	812,135	702,755	63,192	103,795
- Unbilled revenue	144,753	124,207	34,757	9,575
Total	956,888	826,962	97,949	113,370
<u>Less</u> Allowance for doubtful accounts	(43,352)	(44,872)	-	-
Trade accounts receivable				
- Third parties, net	913,536	782,090	97,949	113,370
Trade accounts receivable				
- Related parties, net (Note 23)	10,962	24,255	140,975	223,820
Amounts due from related parties (Note 23)	43,966	38,293	255,263	326,382
Other accounts receivable	247,683	208,016	166,371	110,074
Prepaid expenses	94,143	37,350	47,275	9,240
Trade and other receivables	1,310,290	1,090,004	707,833	782,886

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

Unbilled revenue	144,753	124,207	34,757	9,575
Trade accounts receivable				
Current	422,206	292,484	51,540	33,918
Overdue less than 3 months	191,820	313,185	8,768	65,528
3 - 6 months	79,246	22,766	471	1,059
Over 6 months	118,863	74,320	2,413	3,290
Total	956,888	826,962	97,949	113,370
<u>Less</u> Allowance for doubtful accounts	(43,352)	(44,872)	-	-
Trade accounts receivable - third parties, net	913,536	782,090	97,949	113,370

11 Inventories, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Foods and beverages	38,160	43,136	24,808	28,397
VCD and DVD, net of allowance	93,465	101,160	-	-
Supplies and others	9,908	6,473	4,912	4,859
Goods in transit	3,053	3,082	-	-
Inventories, net	144,586	153,851	29,720	33,256

The allowance for obsolescence was recognised in the consolidated income statement for the nine-month period ended 30 September 2012 amounting to Baht 8.83 million (2011: Baht 4.12 million).

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12 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 nine-month period ended				
30 September 2012				
Opening net book amount	5,180,795	424,760	2,268,641	30,062
Additions	593,737	292,141	366,593	14,084
Disposal, net	(15,054)	-	(364)	-
Write-off, net	(44,673)	-	(26,962)	-
Depreciation/amortisation	(419,706)	(363,355)	(199,806)	(6,860)
Impairment of assets	(642)	(4,799)	-	-
Closing net book amount	<u>5,294,457</u>	<u>348,747</u>	<u>2,408,102</u>	<u>37,286</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 September 2012	31 December 2011	30 September 2012	31 December 2011
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	12,304	48,763	12,304	26,962
Intangible assets	THB	244,240	42,380	-	-
	USD	4,877	3,980	-	-
	EURO	62	20	-	-
Total	THB	256,544	91,143	12,304	26,962
	USD	4,877	3,980	-	-
	EURO	62	20	-	-
Total in Thai Baht		<u>410,070</u>	<u>218,649</u>	<u>12,304</u>	<u>26,962</u>

13 Prepaid rents

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Current portion	34,653	34,657	9,473	9,473
Long-term portion	529,477	555,325	171,244	178,348
Total	<u>564,130</u>	<u>589,982</u>	<u>180,717</u>	<u>187,821</u>

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2012		
Opening net book amount	589,982	187,821
Amortisation	(25,852)	(7,104)
Closing net book amount	<u>564,130</u>	<u>180,717</u>

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14 Trade and other payables

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Trade accounts and notes payable	643,161	514,848	425,865	390,124
Amounts due to related parties (Note 23)	16,828	16,150	73,618	177,964
Other payables	290,780	268,102	132,489	131,204
Accrued expenses	312,648	289,793	110,741	105,014
Rental and service incomes received in advance	226,823	171,987	121,332	104,000
Trade and other payables	1,490,240	1,260,880	864,045	908,306

Rental and service incomes received in advance included cash advanced from customers amounting to Baht 53.93 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.

15 Borrowings

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Current				
Bank overdrafts	17,171	26,522	-	-
Short-term loans from financial institutions	813,400	446,600	300,000	-
Total bank overdrafts and short-term loans from financial institutions	830,571	473,122	300,000	-
Current portion of long-term borrowings:				
- Finance lease liabilities	1,415	1,175	296	48
- Bank borrowings	72,327	45,218	40,000	40,000
- Debentures	800,000	1,500,000	800,000	1,500,000
Total current portion of long-term borrowings	873,742	1,546,393	840,296	1,540,048
Non-current portion				
- Finance lease liabilities	24,475	24,567	21,479	20,860
- Bank borrowings	141,498	142,437	110,000	140,000
- Debentures	1,000,000	800,000	1,000,000	800,000
Total non-current portion of borrowings	1,165,973	967,004	1,131,479	960,860
Total borrowings and debentures	2,870,286	2,986,519	2,271,775	2,500,908

Major Cineplex Group Public Company Limited
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15 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 nine-month period ended 30 September 2012		
Opening amount	187,655	180,000
Additions	62,900	-
Repayments	(36,730)	(30,000)
Closing amount	213,825	150,000

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 nine-month period ended 30 September 2012		
Opening amount	2,300,000	2,300,000
Additions	1,000,000	1,000,000
Repayments	(1,500,000)	(1,500,000)
Closing amount	1,800,000	1,800,000

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 4.60% 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 September 2012, the available credit facilities from financial institutions of the Group and the Company are Baht 4,835.60 million and Baht 4,275.00 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 be mainly used for cinema construction and working capital.

16 Share capital and premium on share capital

	Authorised number of shares Shares'000	Issued and fully paid-up shares		
		Number of ordinary shares Shares'000	Ordinary shares Baht'000	Shares premium Baht'000
For the nine-month period ended 30 September 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	-	4,378	4,378	61,531
Share reduction	(10,189)	-	-	-
Closing balance	904,501	886,275	886,275	3,901,204

As at 30 September 2012, the total authorised number of ordinary shares is 904,500,990 shares (31 December 2011: 906,000,000 shares) with a par value of Baht 1 per share (31 December 2011: Baht 1 per share).

16 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 3,929,560 units have been exercised as a result of increase in ordinary shares of 4,377,528 shares, totalling Baht 65.91 million.

17 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 September 2012	<u>17.03</u>	<u>13,114,625</u>	<u>15.44</u>	<u>8,690,000</u>

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

17 Share-based payment - Warrants (Cont'd)

The weighted average fair value of options granted by the Company and the subsidiary during the period determined using the Black-Scholes valuation model are consisted:

Variable	the Company ESOP - W4	The Subsidiary ESOP - W1
Fair value of warrant (Baht per option)	3.90 - 4.69	0.75
Volatility (%)	32.01 - 37.58	69.25
Dividend yield (%)	4.41 - 6.55	2.12
Weighted average share price at the grant date (Baht per share)	18.20	1.49
Expected option life (year)	2.22 - 4.22	5
Risk-free interest rate (%)	3.39 - 3.59	3.51

The Group and the Company recognised the value of warrants over the vesting period. As at 30 September 2012, the warrants of Baht 5,991,064 and Baht 5,700,000, respectively, are recognised as an expense in the consolidated and company income statements with a corresponding credit to the consolidated and company equity.

18 Dividends

At the Board of Directors Meeting held on 14 August 2012, the directors 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 Baht 344.96 million. The dividends were distributed to shareholders listed in the register on 28 August 2012. The dividend were distributed the shareholders on 11 September 2012.

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

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

19 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 September 2012, there are outstanding bank guarantees and letter of credits given on behalf of the Group to third parties amounting to Baht 158.22 million (31 December 2011: Baht 149.39 million).

ii) Guarantees

As at 30 September 2012, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and an associate for a total of Baht 497.37 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 September 2012	31 December 2011	30 September 2012	31 December 2011
Not later than 1 year	767	760	488	434
Later than 1 year but not later than 5 years	3,098	2,806	1,982	1,627
Later than 5 years	5,594	4,941	2,732	1,787
	<u>9,459</u>	<u>8,507</u>	<u>5,202</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 September 2012, the Group has commitments in respect of payments to film directors amounting to Baht 8.30 million (31 December 2011: Baht 5.75 million).

v) Contingencies from licensor

In the third quarter of 2012, a subsidiary received a notice from the film licensor stating that the claim of USD 410,839, or approximately Baht 12.70 million, in penalties against the subsidiary due to excessive returns on sales of the Licensor's product under the cancelled agreement. As at 30 September 2012, the subsidiary recorded a provision for penalty of USD 128,762, or approximately Baht 4.00 million. The subsidiary did not accrue for the remaining balance of USD 282,077, or approximately Baht 8.70 million, in these financial statements because the management confided that they fully complied with related terms and conditions in the agreement and will be able to negotiate with the film licensor. The difference is due to returned goods from the cancelled agreement, which are not specified in the agreement. Management is currently in the process of negotiating with the film licensor and are reviewing related amount on an ongoing basis. This matter is expected to be concluded in the fourth quarter of 2012.

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20 Cash flows from operating activities

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

For the nine-month periods ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2012	30 September 2011	30 September 2012	30 September 2011
Profit before income tax		819,241	910,623	614,090	1,265,449
Adjustments for:					
Depreciation and amortisation	12, 13	808,913	737,722	213,770	218,554
Doubtful debts and bad debts	7	4,305	554	580	-
Loss on diminution in value of inventories	7	8,834	4,122	-	-
Loss from allowance of doubtful debt - accrued interest		51	348	-	-
Loss on goods returns (reversal)	7	(4,448)	14,628	-	-
Impairment loss on equipment and intangible assets	7	5,441	12,068	-	-
Gain on disposals of equipment		(6,781)	(2,599)	(6,834)	(1,889)
Loss on write-off of equipment and intangible assets	7	44,673	163	26,962	-
Gain on disposals of investments in subsidiaries, associates and joint venture	21	(86,398)	(22,627)	(103,375)	(28,147)
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 venture	21	(149,608)	(186,074)	-	-
Provision of liabilities on loyalty program		21,990	9,700	21,990	9,700
Employee benefit obligation		1,753	1,671	930	821
Warrants	17	5,991	-	5,700	-
Dividends income		(2,780)	(6,029)	(136,718)	(842,185)
Interest income		(15,094)	(17,138)	(63,433)	(70,197)
Financial costs		99,145	108,808	75,608	92,441
Changes in operating assets and liabilities:					
- trade and other receivables		(204,073)	108,401	65,631	114,329
- inventories		424	(16,438)	3,536	(10,161)
- films under productions		(19,631)	(1,700)	-	-
- other current assets		14,308	(69,529)	4,660	(16,140)
- finance lease receivables		(532)	(1,251)	-	-
- accounts receivable - long-term contract		13,859	12,635	13,859	12,635
- other non-current assets		7,834	(87,139)	9,330	(86,315)
- trade and other payables		(220,053)	(133,114)	(331,934)	(57,256)
- other current liabilities		18,210	200,444	23,359	103,229
- other non-current liabilities		(2,137)	(8,952)	17,804	1,787
Cash flows from operating activities		<u>1,160,033</u>	<u>1,582,998</u>	<u>452,111</u>	<u>720,356</u>

21 Investments in subsidiaries, associates and interest in joint ventures

21.1 Investment in subsidiaries

Movements of investment in subsidiaries can be analysed as follows:

	Unit: Baht'000
	Company
For the nine-month period ended 30 September 2012	
Opening net book amount	1,911,917
Additions	45,001
Closing net book amount	<u>1,956,918</u>

EGV Entertainment Public Company Limited ("EGV")

Additional of investment in subsidiary

During the nine-month period ended 30 September 2012, the Company has purchased additional common shares of EGV of 9.86 million shares totalling Baht 45.00 million from one of its subsidiaries. The aforesaid addition of investment resulted in changes to direct shareholding percentage from 60.36% to 64.16% and indirect shareholding percentage from 39.61% to 35.81%. Nevertheless, this transaction does not have effect to the consolidated financial information.

During the period, the Company received a dividend from a subsidiary amounting to Baht 38.18 million.

21.2 Investment in associates

Movements of investment in associates can be analysed as follows:

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2012		
Opening net book amount	1,977,167	1,792,353
Additions	33,026	33,026
Disposals	(58,646)	(41,669)
Dividends received	(95,754)	-
Share of results	139,077	-
Closing net book amount	<u>1,994,870</u>	<u>1,783,710</u>

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund. During the nine-month period ended 30 September 2012, the Group realised gain on disposals of Baht 12.24 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 September 2012 amounting to Baht 304.02 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.

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

21.2 Investment in associates (Cont'd)

Siam Future Development Public Company Limited (“SF”)

Additional of investment in associate

During the nine-month period ended 30 September 2012, the Company has made additional investment in SF of 4.23 million shares totalling Baht 33.03 million.

Disposal of investment in associate

During the nine-month period ended 30 September 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 additional and disposal of investment resulted in the change to shareholding percentage from 24.46% to 23.09%.

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 were 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.

21.3 Interest in joint ventures

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

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2012		
Opening net book amount	113,229	103,120
Additions	113,673	113,673
Share of results	10,531	-
Closing net book amount	<u>237,433</u>	<u>216,793</u>

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

Additional of investment in joint venture

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 208.70 million, equivalents to Baht 128.87 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 10.00 million, representing 50% of its registered shares.

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

21.4 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	64.16
		Indirect shareholding	35.81
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
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

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

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

	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
Associates			
Siam Future Development Public Company Limited (“SF”) Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	23.09
	Rental of building space and utilities services	Shareholder Indirect shareholding via SF	50.00 11.55
Major Cineplex Lifestyle Leasehold Property Fund Thaiticketmajor Co., Ltd.	Rental of building and utilities services	Shareholder	33.00
	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.

22 Non-controlling interests

	<u>Unit: Baht'000</u>
	<u>Consolidated</u>
	<u>30 September</u>
	<u>2012</u>
Opening balance	156,876
Decrease by dividend paid	(10,871)
Share of results	(15,947)
Closing balance	<u>130,058</u>

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23 Related party transactions

The significant investments in subsidiaries, associates and joint ventures are set out in Note 21.

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

The following significant transactions were carried out with related parties:

i) Sales of goods and services and others

For the three-month periods ended 30 September	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Sales of goods and services				
Subsidiaries	-	-	85,973	73,553
Associates	447	869	168	650
Leasehold property fund	15,634	16,949	36,800	37,513
Joint ventures	742	316	120	146
Related parties	10,466	22,402	1,563	8,657
	<u>27,289</u>	<u>40,536</u>	<u>124,624</u>	<u>120,519</u>
Sale of equipment				
Joint ventures	4,117	-	-	-
	<u>4,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
For the nine-month periods ended 30 September	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
Sales of goods and services				
Subsidiaries	-	-	240,879	712,203
Associates	2,033	2,376	16,423	262,766
Leasehold property fund	47,024	46,799	109,092	84,162
Joint ventures	2,265	1,087	554	573
Related parties	46,349	63,940	9,304	13,826
	<u>97,671</u>	<u>114,202</u>	<u>376,252</u>	<u>1,073,530</u>
Sale of equipment				
Subsidiaries	-	-	-	1,980
Joint ventures	21,463	-	7,160	-
	<u>21,463</u>	<u>-</u>	<u>7,160</u>	<u>1,980</u>

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23 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
For the three-month periods ended 30 September				
Purchases of goods and services				
Subsidiaries	-	-	27,579	21,291
Associates	10,606	13,414	8,093	8,901
Leasehold property fund	36,193	38,931	26,271	29,733
Joint ventures	12	-	12	-
Related parties	30,444	25,549	28,226	23,235
	<u>77,255</u>	<u>77,894</u>	<u>90,181</u>	<u>83,160</u>
Management's remunerations				
Management	11,320	11,096	6,624	5,907
	<u>11,320</u>	<u>11,096</u>	<u>6,624</u>	<u>5,907</u>
	Unit: Baht'000			
	Consolidated		Company	
	2012	2011	2012	2011
For the nine-month periods ended 30 September				
Purchases of goods and services				
Subsidiaries	-	-	119,116	107,433
Associates	31,889	49,068	23,998	34,520
Leasehold property fund	106,294	108,410	77,589	82,063
Related parties	93,311	82,173	80,459	65,591
	<u>231,494</u>	<u>239,651</u>	<u>301,162</u>	<u>289,607</u>
Purchases of fixed assets				
Subsidiaries	-	-	-	12,232
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,232</u>
Management's remunerations				
Management	35,546	36,610	20,174	20,419
	<u>35,546</u>	<u>36,610</u>	<u>20,174</u>	<u>20,419</u>

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23 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Trade accounts receivable (included unbilled revenue)				
Subsidiaries	-	-	140,139	219,334
Associates	2,564	9,294	54	2,825
Joint venture	1,128	749	459	66
Related parties, net of allowance for doubtful accounts	7,270	14,212	323	1,595
	<u>10,962</u>	<u>24,255</u>	<u>140,975</u>	<u>223,820</u>
Amounts due from related parties				
Subsidiaries	-	-	232,151	304,950
Associates	21,810	21,385	5,864	5,341
Joint venture	8,751	4,680	4,207	4,680
Related parties	10,625	12,228	10,261	11,411
	<u>41,186</u>	<u>38,293</u>	<u>252,483</u>	<u>326,382</u>
Dividends receivables				
Associates	2,780	-	2,780	-
	<u>43,966</u>	<u>38,293</u>	<u>255,263</u>	<u>326,382</u>
Deposit (included in "Other non-current assets")				
Associates	8,979	8,979	3,460	3,460
Related parties	3,200	5,000	3,200	5,000
	<u>12,179</u>	<u>13,979</u>	<u>6,660</u>	<u>8,460</u>
Finance lease receivables				
Related parties	1,817	1,817	-	-
	<u>1,817</u>	<u>1,817</u>	<u>-</u>	<u>-</u>

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23 Related-party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Trade accounts payable				
Subsidiaries	-	-	63,492	145,031
Associates	3,991	10,266	320	9,254
Related parties	4,005	1,204	3,919	1,079
	<u>7,996</u>	<u>11,470</u>	<u>67,731</u>	<u>155,364</u>
Amounts due to related parties (included in "Trade and other payables")				
Subsidiaries	-	-	59,427	164,583
Associates	8,572	8,529	7,362	7,213
Joint venture	696	343	-	343
Related parties	6,648	3,693	6,154	2,525
Directors	912	3,585	675	3,300
	<u>16,828</u>	<u>16,150</u>	<u>73,618</u>	<u>177,964</u>
Advance received for rental and services (included in "Other non-current liabilities")				
Associate	29,412	30,197	-	-
Related parties	17,467	18,600	-	-
	<u>46,879</u>	<u>48,797</u>	<u>-</u>	<u>-</u>
Deposits received (included in "Other non-current liabilities")				
Associates	120,003	120,003	983	-
Related parties	8,906	8,906	135	135
	<u>128,909</u>	<u>128,909</u>	<u>1,118</u>	<u>135</u>
Finance lease liabilities (included in "Long-term borrowings from financial institutions and related parties")				
Associates	12,220	12,125	12,220	12,125
Related parties	8,147	8,083	8,147	8,083
	<u>20,367</u>	<u>20,208</u>	<u>20,367</u>	<u>20,208</u>

23 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 September 2012 comprise unsecured loans repayable within 1 month amounting to Baht 477,205,344 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 nine-month period ended 30 September 2012	Unit: Baht’000	
	Consolidated	Company
Opening balance	-	475,370
Loans made during the period	1,800	1,170,066
Loans received during the period	(1,800)	(1,168,231)
Closing balance	-	477,205

The related interest income was Baht 14.16 million. As at 30 September 2012, the accrued interest income was Baht 1.57 million.

v) Long-term loans to related parties

For the nine-month period ended 30 September 2012	Unit: Baht’000	
	Consolidated	Company
Subsidiaries and associates and employees		
Opening balance	10,695	1,274,419
Loans made during the period	1,250	893
Loans received during the period	(4,613)	(151,985)
Closing balance	7,332	1,123,327

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 September 2012 comprise unsecured loans repayable within 1 month amounting to Baht 215,334,248 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 nine-month period ended 30 September 2012	Unit: Baht’000
	Company
Opening balance	65,608
Loans made during the period	723,923
Loans repaid during the period	(574,197)
Closing balance	215,334

The related interest expense was Baht 2.43 million. As at 30 September 2012, the accrued interest expense was Baht 0.52 million.

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24 Information on quality of assets

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2012	31 December 2011	30 September 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>