

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

I have reviewed the accompanying consolidated and company balance sheets of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited ("the Company") as at 30 September 2010, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009 and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2010 and 2009. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

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

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

I have audited the consolidated and company financial statements for the year ended 31 December 2009 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 25 February 2010. The consolidated and company balance sheets as at 31 December 2009, presented for comparative purposes, are components of the financial statements that I have audited and on which I issued a report as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
12 November 2010

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2010

Major Cineplex Group Public Company Limited

Balance Sheets

As at 30 September 2010 and 31 December 2009

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2010	2009	2010	2009
Assets					
Current assets					
	Cash and cash equivalents	184,323	532,016	79,005	371,357
9	Trade accounts receivable, net	727,582	793,730	258,855	374,681
22	Amounts due from related parties	40,007	44,009	414,734	535,961
10	Inventories, net	139,868	178,010	19,163	23,913
	Films under productions	46,215	57,369	-	-
8	Advance for subscription	-	307,991	-	307,991
13	Current portion of prepaid rents	35,351	36,817	9,473	9,473
11	Other receivables	-	77,000	-	-
	Other current assets	296,933	386,623	98,524	110,399
	Total current assets	1,470,279	2,413,565	879,754	1,733,775
Non-current assets					
	Restricted cash	5,910	5,869	-	-
	Finance lease receivables	19,609	3,072	-	-
	Accounts receivable - long-term contract	60,023	-	60,023	-
20	Investments in subsidiaries, net	-	-	1,878,640	1,860,640
20	Investments in associates, net	1,446,862	1,471,947	1,311,409	1,328,077
20	Interest in joint ventures	61,478	46,148	55,520	45,520
8	Long-term investments in other companies	337,012	30,210	337,012	30,210
22	Long-term loans to related parties	14,217	25,657	1,724,489	2,051,490
12	Property, plant and equipment, net	5,485,626	5,709,251	2,304,940	2,227,750
	Goodwill	338,408	338,408	-	-
12	Intangible assets, net	391,549	500,693	29,480	11,803
13	Long-term prepaid rents	598,647	624,639	190,189	197,293
	Other non-current assets	80,812	99,694	48,320	47,152
	Total non-current assets	8,840,153	8,855,588	7,940,022	7,799,935
	Total assets	10,310,432	11,269,153	8,819,776	9,533,710

Director _____

Director _____

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Balance Sheets (Cont'd)
As at 30 September 2010 and 31 December 2009

		Unit: Baht'000				
		Consolidated		Company		
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		30 September	31 December	30 September	31 December	
Notes		2010	2009	2010	2009	
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term						
	borrowings from financial institutions	14	354,608	1,749,811	165,323	1,217,486
	Trade accounts payable		574,221	624,909	472,208	331,310
	Amounts due to related parties	22	12,534	26,793	24,480	100,281
	Current portion of long-term borrowings	14	125,495	318,127	20,000	300,395
	Accrued income tax		58,597	30,772	31,765	973
	Other current liabilities		767,133	975,087	345,898	351,821
	Total current liabilities		1,892,588	3,725,499	1,059,674	2,302,266
Non-current liabilities						
	Long-term borrowings from related parties	22	-	-	70,811	58,149
	Long-term borrowings from financial institutions	14	217,474	172,047	100,018	169,960
	Debentures	14	2,300,000	1,500,000	2,300,000	1,500,000
	Provision for liabilities on losses in subsidiaries	20	-	-	-	49,257
	Other non-current liabilities		462,849	482,685	20,838	21,073
	Total non-current liabilities		2,980,323	2,154,732	2,491,667	1,798,439
	Total liabilities		4,872,911	5,880,231	3,551,341	4,100,705

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements .

Major Cineplex Group Public Company Limited
Balance Sheets (Cont'd)
As at 30 September 2010 and 31 December 2009

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
Notes		2010	2009	2010	2009
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	15				
Authorised share capital		906,000	906,000	906,000	906,000
Issued and fully paid-up share capital		881,897	881,897	881,897	881,897
Share premium	15	3,839,674	3,839,674	3,839,674	3,839,674
Unrealised loss		(28,224)	(4,773)	(28,224)	(5,130)
Retained earnings					
Appropriated					
Legal reserve		90,600	90,600	90,600	90,600
Reserve for treasury shares	15	267,920	267,920	267,920	267,920
Unappropriated		525,377	481,080	484,488	625,964
<u>Less</u> Treasury shares	15	(267,920)	(267,920)	(267,920)	(267,920)
Total parent's shareholders' equity		5,309,324	5,288,478	5,268,435	5,433,005
Minority interest	21	128,197	100,444	-	-
Total shareholders' equity		5,437,521	5,388,922	5,268,435	5,433,005
Total liabilities and shareholders' equity		10,310,432	11,269,153	8,819,776	9,533,710

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 30 September 2010 and 2009

		Unit: Baht'000			
		Consolidated		Company	
Notes		2010	2009	2010	2009
	Revenues				
	Service income	1,276,899	993,447	693,176	501,032
	Sales	398,005	308,458	132,547	100,583
	Total revenues	1,674,904	1,301,905	825,723	601,615
	Costs				
	Cost of services	(875,538)	(729,116)	(489,558)	(393,580)
	Cost of sales	(203,199)	(190,869)	(44,339)	(37,772)
	Total costs	(1,078,737)	(919,985)	(533,897)	(431,352)
	Gross profit	596,167	381,920	291,826	170,263
	Other operating income	28,580	31,725	48,879	54,229
	Profit before expenses	624,747	413,645	340,705	224,492
	Selling expenses	(90,461)	(73,736)	(35,882)	(26,302)
	Administrative expenses	(244,106)	(257,175)	(127,572)	(62,707)
	Management's remuneration	(10,380)	(7,034)	(6,972)	(6,645)
	Total expenses	(344,947)	(337,945)	(170,426)	(95,654)
	Operating profit	279,800	75,700	170,279	128,838
	Gain on disposal of investment	838	82,120	531	300,288
	Share of result of investments - equity method	36,231	27,311	-	-
	Profit before financial costs and income tax	316,869	185,131	170,810	429,126
	Financial costs	(34,060)	(32,143)	(28,269)	(32,915)
	Profit before income tax	282,809	152,988	142,541	396,211
	Income tax	(64,221)	(15,580)	(34,372)	(5,536)
	Net profit for the period	218,588	137,408	108,169	390,675
	Attributable to:				
	Shareholders of the parent	214,150	137,042	108,169	390,675
	Minority interest	4,438	366	-	-
	Net profit for the period	218,588	137,408	108,169	390,675
		Baht	Baht	Baht	Baht
	Earnings per share for profit attributable to the parent				
	Basic earnings per share	0.25	0.16	0.13	0.46
	Diluted earnings per share	0.25	0.16	0.13	0.46

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Income (Unaudited)
For the nine-month periods ended 30 September 2010 and 2009

		Unit: Baht'000			
		Consolidated		Company	
Notes		2010	2009	2010	2009
	Revenues				
	Service income	3,394,532	2,937,253	1,739,842	1,488,233
	Sales	1,167,316	970,619	329,489	300,975
	Total revenues	4,561,848	3,907,872	2,069,331	1,789,208
	Costs				
	Cost of services	(2,301,300)	(2,169,042)	(1,253,027)	(1,116,410)
	Cost of sales	(691,084)	(626,910)	(115,645)	(116,332)
	Total costs	(2,992,384)	(2,795,952)	(1,368,672)	(1,232,742)
	Gross profit	1,569,464	1,111,920	700,659	556,466
	Other operating income	93,365	99,421	191,449	235,856
	Profit before expenses	1,662,829	1,211,341	892,108	792,322
	Selling expenses	(301,823)	(252,787)	(94,230)	(140,556)
	Administrative expenses	(714,864)	(735,702)	(396,343)	(276,571)
	Management's remuneration	(37,181)	(23,544)	(26,837)	(20,857)
	Total expenses	(1,053,868)	(1,012,033)	(517,410)	(437,984)
	Operating profit	608,961	199,308	374,698	354,338
	Gain on disposal of investment	20,489	83,587	83,751	301,755
	Share of result of investments - equity method	99,427	35,756	-	-
	Profit before financial costs and income tax	728,877	318,651	458,449	656,093
	Financial costs	(105,699)	(92,980)	(85,880)	(99,778)
	Profit before income tax	623,178	225,671	372,569	556,315
	Income tax	(110,427)	(62,535)	(51,506)	(25,638)
	Net profit for the period	512,751	163,136	321,063	530,677
	Attributable to:				
	Shareholders of the parent	506,836	162,622	321,063	530,677
	Minority interest	5,915	514	-	-
	Net profit for the period	512,751	163,136	321,063	530,677
		Baht	Baht	Baht	Baht
	Earnings per share for profit attributable to the parent				
	Basic earnings per share	0.60	0.19	0.38	0.62
	Diluted earnings per share	0.60	0.19	0.38	0.62

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 30 September 2010 and 2009

Unit: Baht'000

	Consolidated									
	Parent's shareholders' equity									
	Issued and paid-up share capital	Share premium	Unrealised gain (loss)	Retained earnings				Treasury shares	Minority interest	Total
				Legal reserve	Treasury shares reserve	Unappropriated	Appropriated			
Opening balance as at 1 January 2010	881,897	3,839,674	(4,773)	90,600	267,920	481,080	(267,920)	100,444	5,388,922	
Net profit for the period	-	-	-	-	-	506,836	-	5,915	512,751	
Disposal of investment in a subsidiary (Note 21)	-	-	-	-	-	-	-	21,838	21,838	
Dividends (Note 17)	-	-	-	-	-	(462,539)	-	-	(462,539)	
Available-for-sale investment										
Realised gain in statement of income	-	-	1,997	-	-	-	-	-	1,997	
Unrealised loss recognised in equity	-	-	(25,448)	-	-	-	-	-	(25,448)	
Closing balance as at 30 September 2010	881,897	3,839,674	(28,224)	90,600	267,920	525,377	(267,920)	128,197	5,437,521	
Opening balance as at 1 January 2009	881,897	3,839,674	445	90,600	15,549	615,598	(15,549)	(6,507)	5,421,707	
Reserve during the period	-	-	-	-	252,371	(252,371)	-	-	-	
Net profit for the period	-	-	-	-	-	162,622	-	514	163,136	
Treasury shares	-	-	-	-	-	-	(252,371)	-	(252,371)	
Purchase of investment in subsidiaries	-	-	-	-	-	-	-	113,240	113,240	
Dividends (Note 17)	-	-	-	-	-	(215,872)	-	-	(215,872)	
Available-for-sale investment										
Unrealised gain recognised in equity	-	-	433	-	-	-	-	-	433	
Closing balance as at 30 September 2009	881,897	3,839,674	878	90,600	267,920	309,977	(267,920)	107,247	5,230,273	

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2010 and 2009

	Unit: Baht'000							
	Company							
	Retained earnings							
	Appropriated							
	Issued and paid-up share capital	Share premium	Unrealised gain (loss)	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Total
Opening balance as at 1 January 2010	881,897	3,839,674	(5,130)	90,600	267,920	625,964	(267,920)	5,433,005
Net profit for the period	-	-	-	-	-	321,063	-	321,063
Dividends (Note 17)	-	-	-	-	-	(462,539)	-	(462,539)
Available-for-sale investment								
Realised gain in statement of income	-	-	2,147	-	-	-	-	2,147
Unrealised loss recognised in equity	-	-	(25,241)	-	-	-	-	(25,241)
Closing balance as at 30 September 2010	881,897	3,839,674	(28,224)	90,600	267,920	484,488	(267,920)	5,268,435
Opening balance as at 1 January 2009	881,897	3,839,674	445	90,600	15,549	555,759	(15,549)	5,368,375
Reserve during the period	-	-	-	-	252,371	(252,371)	-	-
Net profit for the period	-	-	-	-	-	530,677	-	530,677
Treasury shares	-	-	-	-	-	-	(252,371)	(252,371)
Dividends (Note 17)	-	-	-	-	-	(215,872)	-	(215,872)
Available-for-sale investment								
Unrealised gain recognised in equity	-	-	433	-	-	-	-	433
Closing balance as at 30 September 2009	881,897	3,839,674	878	90,600	267,920	618,193	(267,920)	5,431,242

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods ended 30 September 2010 and 2009

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2010	2009	2010	2009
Cash flows from operating activities					
Cash generated from operations	19	1,300,254	975,625	684,096	624,424
Interest paid		(105,846)	(91,332)	(86,153)	(170,497)
Income tax paid		(82,594)	(125,495)	(20,714)	(80,038)
Net cash generated from operating activities		<u>1,111,814</u>	<u>758,798</u>	<u>577,229</u>	<u>373,889</u>
Cash flows from investing activities					
Cash increased from change status from associate to subsidiary		-	510	-	-
Proceeds from sales of investment in subsidiaries		366	-	-	-
Cash decreased from sales of investment in subsidiaries		(714)	-	-	-
Payments for short-term investments	8	(1,350,000)	(1,670,000)	(1,350,000)	(1,670,000)
Proceeds from sales of short-term investments		1,351,064	1,641,467	1,351,064	1,641,467
Shor-term loans to third parties		(13,800)	-	(10,000)	-
Loans made to related parties		(3,184)	(5,756)	(434,540)	(589,057)
Proceeds from settlements of loans to related parties		11,082	40,760	677,624	269,931
Proceed from loans made to third parties		7,072	4,540	7,072	4,540
Loans made to third parties		(5,000)	(6,000)	(5,000)	(6,000)
Payments for investment in subsidiaries	20	-	(8,498)	(2,000)	(103,899)
Proceeds from disposal of investment in associate	20	46,519	-	46,519	-
Payments for investment in associate	20	(11,648)	(148,391)	(11,648)	(148,391)
Payments for investment in joint venture	20	(10,000)	(10,113)	(10,000)	(10,113)
Proceeds from disposals of long-term investment		9,692	-	9,692	-
Payments for long-term investment	8	(34,371)	-	(34,371)	-
Purchases of property, plant and equipment		(139,004)	(725,548)	(213,515)	(309,490)
Proceeds from disposals of property, plant and equipment		6,919	4,964	6,071	10
Proceeds from cancellation of lease agreement		42,056	-	-	-
Payments for intangible assets		(265,999)	(440,146)	(21,064)	(10,083)
Interest received		7,931	6,669	45,637	11,902
Dividends received from associates	20	89,416	55,612	89,416	55,612
Net cash (used in) received from investing activities		<u>(261,603)</u>	<u>(1,259,930)</u>	<u>140,957</u>	<u>(863,571)</u>
Cash flows from financing activities					
Proceeds from bank overdrafts		(29,792)	12,578	15,498	(6,994)
Increase (decrease) in restricted cash		(41)	261	-	-
(Payments for) proceeds from short-term borrowings, net		(1,105,060)	126,885	(1,067,660)	154,885
Repayments of finance lease liabilities		(472)	(6,743)	(337)	(5,374)
Proceeds from loans from related parties	22	-	-	110,500	126,050
Settlements of loans from related parties		-	-	(56,000)	(103,500)
Proceeds from long-term borrowings	14	100,000	-	100,000	-
Repayment of long-term borrowings	14	(500,000)	(623,600)	(450,000)	(599,000)
Proceeds from issuance of debentures	14	800,000	1,500,000	800,000	1,500,000
Dividends paid to shareholders	17	(462,539)	(215,872)	(462,539)	(215,872)
Payments for treasury shares		-	(252,371)	-	(252,371)
Net cash (used in) received from generated from financing activities		<u>(1,197,904)</u>	<u>541,138</u>	<u>(1,010,538)</u>	<u>597,824</u>

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2010 and 2009

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Net (decrease) increase in cash and cash equivalents	(347,693)	40,006	(292,352)	108,142
Opening balance of cash and cash equivalents	532,016	241,388	371,357	106,858
Closing balance of cash and cash equivalents	<u>184,323</u>	<u>281,394</u>	<u>79,005</u>	<u>215,000</u>

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2010 and 2009:

	Unit: Baht'000			
	Consolidated		Company	
	2010	2009	2010	2009
Investment in property, plant and equipment, not yet paid	169,837	134,453	106,316	27,167
Purchases of film rights, not yet paid	37,935	47,079	-	-
Purchases of property, plant and equipment under finance leases	12,725	235	-	-
Disposals of equipment by offsetting with amount due to related parties	41	289	40,688	1,033
Disposal of investment in subsidiaries, not yet paid (Note 20.1)	2,000	-	2,000	-
Disposals of a subsidiary by share exchange	-	386,237	-	386,237
Offsetting disposal of investment in subsidiaries with loan from to related parties	-	-	-	364,865
Outstanding payable arising from investment in films under production	-	22,833	-	-
Offsetting dividend income with loans from related parties	-	-	40,000	32,000
Transfer of amounts due from related parties to loans to related parties	-	-	14,893	6,841
Transfer of advance for subscription to long-term investment	307,991	-	307,991	-
Transfer short-term borrowing to long-term borrowing	258,125	-	-	-
Offsetting trade accounts payable with loans to related parties	3	-	79,615	45,211
Offsetting assets with loans to related parties	20	-	-	8,148
Offsetting amounts due to related parties with loans to related parties	345	-	19,216	-

The accompanying notes on pages 11 to 36 are an integral part of these interim consolidated and company financial statements.

1 General information

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

1839-1839/1 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 consolidated and company interim financial statements have been authorised for issue by the Board of Directors on 12 November 2010.

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

2 Basis of preparation

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

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting” (formerly TAS 41) and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009.

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

a) Accounting framework

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

3 Accounting policies (Cont'd)

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

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

Effective for the periods beginning on or after 1 January 2011

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

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

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

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

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

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

4 Changes in accounting estimates

In compliance with the Thai Accounting Standard No. 16, Property, plant and equipment (formerly TAS 32), the Group has performed a review of the useful lives of its equipment in January 2010 by taking into account key factors that may have an impact to the extension of the asset useful lives including best maintenance of the assets and having appropriate controlled environment. The Group changed the estimated useful lives by using prospective adjustments. Sets out below are the comparison of the previous and new useful lives.

	<u>Previous useful lives (years)</u>	<u>New useful lives (years)</u>
Tools and equipment	10, 15	20

The effect from aforesaid changes was reflected in the three-month and nine-month periods ended 30 September 2010. The depreciation based on previous and new useful lives can be summarised as follows:

	<u>Consolidated</u>		<u>Company</u>	
	<u>Previous useful lives Baht</u>	<u>New useful lives Baht</u>	<u>Previous useful lives Baht</u>	<u>New useful lives Baht</u>
Depreciation charges for:-				
- Three-month period ended 30 September 2010	26,374,262	12,458,049	11,586,674	5,121,473
- Nine-month period ended 30 September 2010	79,525,373	36,688,471	35,015,878	15,464,133

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5 Segment information

Financial information by business segments is as follows:

	Consolidated					Unit: Million Baht	
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the three-month period ended 30 September 2010							
Revenues							
Gross segment revenues	1,199	130	150	147	227	8	1,861
Inter-segment revenues	(90)	(1)	(22)	(19)	(24)	(2)	(158)
Net revenues	<u>1,109</u>	<u>129</u>	<u>128</u>	<u>128</u>	<u>203</u>	<u>6</u>	<u>1,703</u>
Segment results	<u>182</u>	<u>92</u>	<u>6</u>	<u>41</u>	<u>42</u>	<u>(15)</u>	<u>348</u>
Unallocated costs							<u>(68)</u>
Operating profit							<u>280</u>
For the three-month period ended 30 September 2009							
Revenues							
Gross segment revenues	960	103	139	127	192	-	1,521
Inter-segment revenues	(129)	(1)	(12)	(13)	(32)	-	(187)
Net revenues	<u>831</u>	<u>102</u>	<u>127</u>	<u>114</u>	<u>160</u>	<u>-</u>	<u>1,334</u>
Segment results	<u>38</u>	<u>67</u>	<u>1</u>	<u>50</u>	<u>(17)</u>	<u>(3)</u>	<u>136</u>
Unallocated costs							<u>(60)</u>
Operating profit							<u>76</u>

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5 Segment information (Cont'd)

	Consolidated						Unit: Million Baht
	Cinema business	Advertising business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Film production	Consolidated
For the nine-month period ended 30 September 2010							
Revenues							
Gross segment revenues	3,118	362	427	528	673	130	5,238
Inter-segment revenues	(365)	(3)	(62)	(56)	(57)	(40)	(583)
Net revenues	<u>2,753</u>	<u>359</u>	<u>365</u>	<u>472</u>	<u>616</u>	<u>90</u>	<u>4,655</u>
Segment results	<u>361</u>	<u>250</u>	<u>11</u>	<u>175</u>	<u>53</u>	<u>(64)</u>	<u>786</u>
Unallocated costs							(177)
Operating profit							<u>609</u>
For the nine-month period ended 30 September 2009							
Revenues							
Gross segment revenues	2,924	304	424	378	566	-	4,596
Inter-segment revenues	(451)	(26)	(37)	(33)	(42)	-	(589)
Net revenues	<u>2,473</u>	<u>278</u>	<u>387</u>	<u>345</u>	<u>524</u>	<u>-</u>	<u>4,007</u>
Segment results	<u>117</u>	<u>149</u>	<u>(3)</u>	<u>151</u>	<u>(22)</u>	<u>(7)</u>	<u>385</u>
Unallocated costs							(186)
Operating profit							<u>199</u>

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6 Expenses by nature

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

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Depreciation	152,001	155,086	66,575	67,945
Amortisation				
- film rights	104,278	181,789	-	-
- computer software	1,697	435	1,483	-
- prepaid rents	8,742	8,343	2,368	2,367
Impairment of assets	4,614	26,202	-	-
Reversal of impairment loss for property, plant and equipment	(2,541)	-	-	-
Repair and maintenance expenditure	14,292	13,382	6,105	5,307
Staff costs	136,043	120,211	67,938	54,172
Loss from written-off of property, plant and equipment and intangible assets	7,177	8,658	-	4,968
Doubtful debts and bad debts (reversal)	3,742	(29,029)	-	-
Loss on inventory (reversal)	-	10,791	-	-
Reversal of loss on goods returns	(4,514)	(10,791)	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	107,961	102,416	44,339	37,772

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Depreciation (Note 12)	453,165	469,716	197,440	199,539
Amortisation				
- film rights (Note 12)	402,223	398,203	-	-
- computer software (Note 12)	4,024	633	3,387	-
- prepaid rents (Note 13)	27,458	25,051	7,104	7,125
Impairment of assets (Note 12)	4,614	28,202	-	-
Reversal of impairment loss for property, plant and equipment (Note 12)	(30,299)	-	-	-
Repair and maintenance expenditure	38,536	35,922	14,642	13,574
Staff costs	393,925	389,381	190,645	186,878
Loss from written-off of property, plant and equipment and intangible assets (Note 12)	91,995	8,658	-	4,968
Doubtful debts and bad debts	12,963	22,945	-	-
Loss on inventory	3,435	-	-	-
Loss on goods returns	9,334	209	-	-
Inventory				
- Cost of inventories recognised as expense (included in "Cost of sales")	326,992	326,905	115,645	116,332

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7 Earnings per share

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

The outstanding warrants as at 30 September 2010 which issued and offered warrants to directors and employees of the Company and its subsidiaries (Note 16) did not affect the diluted earnings per share since the exercise price of the outstanding warrants is higher than the average market price of the Company's shares during the period ended 30 September 2010.

	Unit: Shares'000			
	Consolidated and Company			
	For the three-month periods ended		For the nine-month periods ended	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Number of weighted average shares:				
- basic	840,990	840,990	840,990	856,073
- diluted	840,990	840,990	840,990	856,073

8 Investments

	Unit: Baht'000	
	Consolidated and Company	
	30 September 2010	31 December 2009
Current	-	-
Non-current	337,012	30,210
	<u>337,012</u>	<u>30,210</u>

8.1) Current

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

	Unit: Baht'000
	Consolidated and Company
	30 September 2010
Opening book value	-
Additions	1,350,000
Disposals	(1,350,000)
Closing book value	<u>-</u>

The Company disposed short-term investment during the period and recognised gain on disposal of Baht 1.06 million.

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8 Investments (Cont'd)

8.2) Non-current

Movements of non-current investment are as follows:

	Unit: Baht'000
	Consolidated and Company
	30 September 2010
Opening book value	30,210
Transfer from advance for subscription	307,991
Additions	34,371
Disposals	(12,465)
Change in fair value of investment	(23,095)
Closing book value	<u>337,012</u>

The Company disposed partial long-term investment during the period and recognised loss on disposal of Baht 2.77 million.

Long-term investments comprise:

California Wow Experience Public Company Limited

Investment in California Wow Experience Public Company Limited ("CAWOW") represents 19.9% holding in that company. The Company does not have controls and significant influence over its operations, and therefore, classifies investment in CAWOW as available-for-sale.

PVR Company Limited

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

9 Trade accounts receivable, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Trade accounts receivable				
- Third parties	628,649	732,898	63,551	62,910
- Related parties (Note 22)	17,420	28,799	195,304	311,771
Unbilled revenue				
- Third parties	<u>130,136</u>	<u>84,788</u>	<u>-</u>	<u>-</u>
Total	776,205	846,485	258,855	374,681
<u>Less</u> Allowance for doubtful accounts	<u>(48,623)</u>	<u>(52,755)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable, net	<u><u>727,582</u></u>	<u><u>793,730</u></u>	<u><u>258,855</u></u>	<u><u>374,681</u></u>

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9 Trade accounts receivable, net (Cont'd)

Outstanding trade accounts receivable can be analysed as follows:

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Unbilled revenue	130,136	84,788	-	-
Trade accounts receivable				
Current	361,038	530,932	89,803	82,405
Overdue not more than 3 months	96,090	102,787	61,325	66,449
3 - 6 months	47,089	21,365	56,381	21,504
Over 6 months	141,852	106,613	51,346	204,323
Total	776,205	846,485	258,855	374,681
<u>Less</u> Allowance for doubtful accounts	(48,623)	(52,755)	-	-
Trade accounts receivable, net	<u>727,582</u>	<u>793,730</u>	<u>258,855</u>	<u>374,681</u>

10 Inventories, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Foods and beverages	30,328	30,101	18,089	15,651
VCD and DVD, net of allowance	72,876	61,661	-	-
Supplies	9,455	21,871	1,074	8,262
Finance lease space awaiting for transfer	18,188	56,587	-	-
	130,847	170,220	19,163	23,913
Goods in transit	9,021	7,790	-	-
Inventories, net	<u>139,868</u>	<u>178,010</u>	<u>19,163</u>	<u>23,913</u>

The allowance for obsolescence was recognised in the consolidated statement of income for the nine-month period ended 30 September 2010 amounting to Baht 3.43 million (31 December 2009: reversal of allowance for obsolescence was recognised amounting to Baht 2.50 million).

11 Other receivables

On 28 September 2009, a subsidiary of the Company (“the Seller”) entered into a “Factoring Agreement” with a factoring company (“the Buyer”). The Seller disposed a group of trade accounts receivable amounting to Baht 208.35 million to the Buyer at the consideration of Baht 187.51 million. On the agreement date, the Buyer made cash payment amounting to Baht 50.51 million to the Seller. The remaining amount paid by 7 monthly installment, at Baht 20.00 million per month with the last installment on 26 April 2010 at Baht 17.00 million. The Buyer does not have any right to claim back payments which have been made to the Seller.

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12 Property, plant, equipment and intangible assets, net

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment, net	Intangible assets, net	Property, plant and equipment, net	Intangible assets, net
For the nine-month period ended				
30 September 2010				
Opening net book amount	5,709,251	500,693	2,227,750	11,803
Additions	321,566	303,968	319,831	21,064
Disposals of investment in a subsidiary	(26,894)	-	-	-
Disposals, net	(5,687)	-	(45,201)	-
Write off, net	(89,744)	(2,251)	-	-
Depreciation/amortisation	(453,165)	(406,247)	(197,440)	(3,387)
Impairment of asset	-	(4,614)	-	-
Reversal of impairment charge	30,299	-	-	-
Closing net book amount	<u>5,485,626</u>	<u>391,549</u>	<u>2,304,940</u>	<u>29,480</u>

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

	Currency	Consolidated		Company	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		Thousand	Thousand	Thousand	Thousand
Property, plant and equipment	THB	35,199	113,340	16,053	39,241
Intangible assets	THB	13,724	79,067	13,724	24,913
	USD	1,387	3,688	-	-
Total	THB	48,923	192,407	29,777	64,154
	USD	1,387	3,688	-	-
Total in Thai Baht		<u>90,836</u>	<u>316,015</u>	<u>29,777</u>	<u>64,154</u>

During the second quarter, a branch of a subsidiary has been effected by the political protest. That branch has to cease its operation temporarily. Completion of the damage losses survey and insurance claims are expected to be concluded in the forth quarter.

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13 Prepaid rents

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2010		
Opening net book amount	661,456	206,766
Amortisation	(27,458)	(7,104)
Closing net book amount	633,998	199,662

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Current portion	35,351	36,817	9,473	9,473
Long-term portion	598,647	624,639	190,189	197,293
Total	633,998	661,456	199,662	206,766

14 Long-term borrowings and debentures

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Current				
Bank overdrafts	24,782	56,800	15,497	-
Short-term loans from financial institutions	329,826	1,693,011	149,826	1,217,486
Total bank overdrafts and short-term loans from financial institutions	354,608	1,749,811	165,323	1,217,486
Current portion of long-term borrowings				
- Finance lease liabilities	495	752	-	395
- Borrowing from banks and financial institutions	125,000	317,375	20,000	300,000
Total current portion of long-term borrowings	125,495	318,127	20,000	300,395
Non-current				
Finance lease liabilities	34,349	22,047	20,018	19,960
Borrowing from banks and financial institutions	183,125	150,000	80,000	150,000
Total non-current portion of long-term borrowings	217,474	172,047	100,018	169,960
Debentures	2,300,000	1,500,000	2,300,000	1,500,000
Total borrowings and debentures	2,997,577	3,739,985	2,585,341	3,187,841

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

The movements in long-term borrowings can be analysed as follows:

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2010		
Opening amount	467,375	450,000
Reclassification	258,125	-
Additions	100,000	100,000
Disposals of investment in a subsidiary	(17,375)	-
Repayments	(500,000)	(450,000)
Closing amount	<u>308,125</u>	<u>100,000</u>

Long-term bank borrowings bear interest at the rates ranging from 4.00% to 5.85% per annum and are secured by the pledge of property, building, leasehold rights and operating lease contracts.

Debentures

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2010		
Opening amount	1,500,000	1,500,000
Issuance of debenture	800,000	800,000
Closing amount	<u>2,300,000</u>	<u>2,300,000</u>

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

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

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

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

Borrowing facilities

As at 30 September 2010, the available credit facilities from financial institutions of the Group and the Company are Baht 2,247.09 million and Baht 1,984.50 million, respectively. The facilities mainly expiring within 3 years are subject to review at various dates. The facilities have been arranged to mainly used for cinema construction and working capital (31 December 2009: Baht 1,109.10 million and Baht 929.42 million, respectively).

15 Share capital and premium on share capital

	Authorised number of shares Shares'000	Issued and fully paid up shares		Shares premium Baht'000
		Number of shares Shares'000	Ordinary shares Baht'000	
For the nine-month period ended				
30 September 2010				
Opening balance	906,000	881,897	881,897	3,839,674
Closing balance	906,000	881,897	881,897	3,839,674

As at 30 September 2010, the total authorised number of ordinary shares is 906 million shares (31 December 2009: 906 million shares) with a par value of Baht 1 per share (31 December 2009: Baht 1 per share).

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

16 Warrants

The Company issued and offered warrants to directors and employees (ESOP) of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 5 years from the issued date. During the nine-month period ended 30 September 2010, warrants have not been exercised since the offered price exceeds the market price.

17 Dividends

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

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

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

18 Commitments and contingencies

i) Bank guarantees and letter of credits

As at 30 September 2010, there are outstanding bank guarantees and letter of credits given on behalf of the Group to third parties amounting to Baht 197.02 million (31 December 2009: Baht 205.73 million).

ii) Guarantees

As at 30 September 2010, the Company and a subsidiary have given guarantees for bank loans granted to subsidiaries and an associate for a total of Baht 779.50 million (31 December 2009: Baht 635.74 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 2010	31 December 2009	30 September 2010	31 December 2009
Not later than 1 year	628	569	319	246
Later than 1 year but not later than 5 years	2,127	2,183	886	912
Later than 5 years	5,042	5,417	1,554	1,709
	<u>7,797</u>	<u>8,169</u>	<u>2,759</u>	<u>2,867</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 2010, the Group has commitments in respect of payments to film directors amounting to Baht 7.80 million (31 December 2009: Baht 11.59 million).

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19 Cash flows from operating activities

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

For the nine-month periods ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
Profit before income tax		623,178	225,671	372,569	556,315
Adjustments for:					
Depreciation and amortisation	12, 13	886,870	893,603	207,931	206,664
Doubtful debts and bad debts	6	12,963	22,945	-	-
Loss on diminution in value of inventories	6	3,435	-	-	-
Loss from allowance of doubtful debt - accrued interest		183	-	-	-
Loss on goods returns	6	9,334	209	-	-
Reversal of provision for deposits		-	(300)	-	-
Loss from factoring transaction		-	20,835	-	-
Reversal of impairment of investment in a subsidiary	20	-	-	(18,000)	(100)
Impairment loss on equipment and and intangible assets (reversal)	12	(25,685)	28,202	-	-
(Gain) loss on disposals of equipment		(1,282)	(249)	(1,563)	524
Loss from cancellation of lease agreement		42,762	-	-	-
Loss on write-off of equipment and intangible assets		7,143	8,658	-	4,968
Loss from write-off of deposits		60	-	-	-
Gain on disposals of investments in subsidiaries and associates	20	(19,707)	(81,423)	(18,203)	(299,491)
Gain on disposals of short-term investment	8	(1,064)	(2,164)	(1,064)	(2,164)
Loss from disposals of long-term investment	8	2,773	-	2,773	-
Realised gain on disposals of assets to the Property Fund		-	(7,663)	-	-
Shares of results of investments in associates and joint venture	20	(99,427)	(35,756)	-	-
Provision for liabilities on loss in subsidiaries (reversal)	20	-	-	(49,257)	(55,154)
Dividends income		(1,605)	-	(92,625)	(87,612)
Interest income		(7,952)	(5,932)	(66,503)	(75,271)
Financial costs		105,699	92,980	85,880	99,778
Changes in operating assets and liabilities:					
- trade accounts receivable		68,091	550,814	115,826	27,040
- other accounts receivable		77,000	-	-	-
- amounts due from related parties		7,819	(1,415)	130,504	199,338
- inventories		34,472	6,048	4,750	(9,752)
- movies under productions		11,154	(47,726)	-	-
- other current assets		86,257	(163,247)	22,635	(3,081)
- finance lease receivables		(10,134)	-	-	-
- long-term accounts receivable		(66,427)	-	(60,023)	-
- prepaid rents		-	(1,310)	-	(1,310)
- other non-current assets		16,630	83,117	(3,239)	(1,128)
- trade accounts payable		(79,715)	(301,632)	220,512	(54,539)
- amounts due to related parties		(3,623)	(48,165)	(56,557)	188,691
- other current liabilities		(359,362)	(264,868)	(112,015)	(71,233)
- other non-current liabilities		(19,586)	4,393	(235)	1,941
Cash flows from operating activities		1,300,254	975,625	684,096	624,424

20 Investments in subsidiaries, associates and interest in joint ventures

20.1) Movements of investment in subsidiaries

	<u>Company</u> <u>Baht'000</u>
Investment in subsidiaries	
For the nine-month period ended 30 September 2010	
Opening net book amount	1,860,640
Additions	2,000
Disposals	(2,000)
Reversal of impairment in a subsidiary	18,000
	<hr/>
Closing net book amount	<u>1,878,640</u>

V Slim and Beauty Spa Company Limited

Acquisition of investment

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

Disposal of investment

On 28 September 2010 the Company disposed its investment in VIE SPA of 199,997 shares for the considerations of Baht 2 million to an individual.

Exertainment Co., Ltd.

Disposal of investment

On 31 March 2010 a subsidiary has disposed all 3,599,995 shares held in Exertainment Co., Ltd. ("EXER") for the considerations of Baht 500,000 to an individual. As of that date, EXER had a negative equity. As a result of the disposal, the Group recognised a gain amounting to Baht 14.30 million in the consolidated statement of income for the nine-month period ended 30 September 2010.

For the company financial statements, the provision for liabilities and allowance for impairment in investment amounting to Baht 49.26 million and Baht 18.00 million, respectively, have been reversed and recognised under "Gain on disposal of investment" in the Company statement of income for the nine-month period ended 30 September 2010.

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

20.2) Movements of investment in associates

	Unit: Baht'000	
	Consolidated	Company
Investment in associates		
For the nine-month period ended 30 September 2010		
Opening net book amount	1,471,947	1,328,077
Additions	11,648	11,648
Disposals	(41,414)	(28,316)
Dividends received	(89,416)	-
Share of results	94,097	-
Closing net book amount	<u>1,446,862</u>	<u>1,311,409</u>

Siam Future Development Public Company Limited ("SF")

Acquisition of investment

During the nine-month period ended 30 September 2010, the Company has made additional investment in SF of 3.35 million shares totalling Baht 11.65 million, resulting in increase of holding percentage from 22.70% to 22.94%.

Disposal of investment

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

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 2010, the Group realised gain on disposals of Baht 10.51 million in the consolidated statement of income.

As at 30 September 2010, investment in associates included net book value of goodwill amounting to Baht 44.12 million (31 December 2009: Baht 44.12 million) in the consolidated financial statements.

20.3) Movements of interest in joint ventures

	Unit: Baht'000	
	Consolidated	Company
Interest in joint ventures		
For the nine-month period ended 30 September 2010		
Opening net book amount	46,148	45,520
Additions	10,000	10,000
Share of results	5,330	-
Closing net book amount	<u>61,478</u>	<u>55,520</u>

Acquisition of investment

Major Kantana Broadcasting Company Limited

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

Major Cineplex Group Public Company Limited
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20 Investments in subsidiaries, associates and interest in joint ventures (Cont'd)

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

Subsidiaries	Nature of business	Nature of relationship	% Ownership interest
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.93
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
EGV Entertainment Public Company Limited ("EGV")	Cinema services	Shareholder	60.36
		Indirect shareholding	39.61
M Picture Entertainment Public Company Limited ("MPIC")	Publishing, advertising and distribution of film rights	Shareholder	65.93
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	65.92
M Picture Co., Ltd.	Distribution of film rights for cinema services, VCD/DVD production and TV broadcast	Indirect shareholding	65.92
M.V.D. Co., Ltd. ("MVD")	Distribution of VCD/DVD and film rights	Indirect shareholding	65.92
M Thirtynine Co., Ltd. *	Studio movie production	Indirect shareholding	65.92
Subsidiary under MVD			
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect shareholding	65.53

* in 2009 was subsidiary under MVD

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

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

<u>Associates</u>	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
Siam Future Development Public Company Limited (“SF”)	Rental of building space and utilities services	Shareholder	22.94
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder Indirect shareholding via SF	50.00 11.47
Major Cineplex Lifestyle Leasehold Property Fund	Rental of building and utilities services	Shareholder	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00
<u>Joint ventures</u>	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
PVR blu-O Entertainment Limited (“PVR blu-O”)	Bowling, Karaoke and entertainment	Shareholder	49.00
Major Kantana Broadcasting Company Limited*	Cable television services	Shareholder	49.99

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

* newly established company

21 Minority interest

	<u>Unit: Baht'000</u>
	<u>Consolidated</u>
	<u>30 September</u>
	<u>2010</u>
Opening balance	100,444
Disposal of investment in subsidiary	21,838
Share of profit	5,915
Closing balance	<u>128,197</u>

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22 Related party transactions

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

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

The following significant transactions were carried out with related parties:

i) Sales of goods and services and others

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Management income				
Subsidiaries	-	-	-	6,300
Associates	-	608	-	608
Leasehold Property Fund	6,500	6,418	6,500	6,418
Related parties	1,650	1,200	1,650	1,200
	<u>8,150</u>	<u>8,226</u>	<u>8,150</u>	<u>14,526</u>
Advertising income				
Subsidiaries	-	-	46,906	35,580
Interest income				
Subsidiaries	-	-	18,335	17,425
Associates	35	235	35	235
	<u>35</u>	<u>235</u>	<u>18,370</u>	<u>17,660</u>
Sponsorship income				
Subsidiaries	-	-	90	-
Related parties	-	1,000	-	-
	<u>-</u>	<u>1,000</u>	<u>90</u>	<u>-</u>
Rental and services income				
Subsidiaries	-	-	671	596
Associates	-	9,799	-	2,376
Leasehold Property Fund	6,525	6,597	71	59
Related parties	11,093	1,582	1,610	351
	<u>17,618</u>	<u>17,978</u>	<u>2,352</u>	<u>3,382</u>
Dividends income				
Leasehold Property Fund	-	-	17,078	17,457
Related parties	1,605	-	1,605	-
	<u>1,605</u>	<u>-</u>	<u>18,683</u>	<u>17,457</u>
Other income				
Subsidiaries	-	-	1,457	549
Associates	-	1,421	-	-
Related parties	1,687	35	4	4
	<u>1,687</u>	<u>1,456</u>	<u>1,461</u>	<u>553</u>
Sale of equipment				
Subsidiaries	-	-	30,803	695

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22 Related party transactions (Cont'd)

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

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Management income				
Subsidiaries	-	-	-	30,900
Associates	-	5,133	-	5,133
Leasehold Property Fund	19,494	18,796	19,494	18,796
Related parties	4,950	3,600	4,950	3,600
	<u>24,444</u>	<u>27,529</u>	<u>24,444</u>	<u>58,429</u>
Advertising income				
Subsidiaries	-	-	118,987	106,740
Related parties	-	10,000	-	-
	<u>-</u>	<u>10,000</u>	<u>118,987</u>	<u>106,740</u>
Interest income				
Subsidiaries	-	-	60,757	70,653
Associates	385	1,450	385	1,450
	<u>385</u>	<u>1,450</u>	<u>61,142</u>	<u>72,103</u>
Sponsorship income				
Subsidiaries	-	-	476	-
Related parties	-	1,000	-	-
	<u>-</u>	<u>1,000</u>	<u>476</u>	<u>-</u>
Rental and services income				
Subsidiaries	-	-	2,014	1,065
Associates	-	31,182	-	9,023
Leasehold Property Fund	17,909	17,855	176	172
Related parties	32,152	4,534	6,371	853
	<u>50,061</u>	<u>53,571</u>	<u>8,561</u>	<u>11,113</u>
Dividends income				
Subsidiaries	-	-	-	32,000
Associates	-	-	37,044	4,000
Leasehold Property Fund	-	-	52,371	51,612
Related parties	1,605	-	1,605	-
	<u>1,605</u>	<u>-</u>	<u>91,020</u>	<u>87,612</u>
Other income				
Subsidiaries	-	-	2,530	5,453
Associates	15	4,290	-	28
Joint Ventures	-	2,295	-	4,500
Related parties	3,989	114	11	21
	<u>4,004</u>	<u>6,699</u>	<u>2,541</u>	<u>10,002</u>
Sale of equipment				
Subsidiaries	-	-	40,671	695

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22 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Rental and service expenses				
Subsidiaries	-	-	13,030	7,470
Associates	11,313	10,121	8,025	6,468
Leasehold Property Fund	33,110	29,829	25,708	22,818
Related parties	12,623	9,389	11,339	8,093
	<u>57,046</u>	<u>49,339</u>	<u>58,102</u>	<u>44,849</u>
Equipment rental expenses				
Subsidiaries	-	-	-	600
Associates	872	860	-	-
Related parties	5,400	5,400	5,400	5,400
	<u>6,272</u>	<u>6,260</u>	<u>5,400</u>	<u>6,000</u>
Interest expense				
Subsidiaries	-	-	720	6,062
Associates	237	234	237	234
Related parties	158	156	158	156
	<u>395</u>	<u>390</u>	<u>1,115</u>	<u>6,452</u>
Consulting fee				
Related parties	<u>5,850</u>	<u>6,450</u>	<u>5,850</u>	<u>6,450</u>
Sponsorship expense				
Associates	221	892	-	-
Leasehold Property Fund	252	300	-	-
Related parties	-	127	-	-
	<u>473</u>	<u>1,319</u>	<u>-</u>	<u>-</u>
Advertising cost				
Associates	2,267	832	-	-
Related parties	127	5,401	-	-
	<u>2,394</u>	<u>6,233</u>	<u>-</u>	<u>-</u>
Film hire cost				
Subsidiaries	-	-	19,185	25,891
	<u>-</u>	<u>-</u>	<u>19,185</u>	<u>25,891</u>
Other expenses				
Subsidiaries	-	-	2,983	1,334
Associates	1,195	843	1,131	591
Related parties	637	654	301	342
	<u>1,832</u>	<u>1,497</u>	<u>4,415</u>	<u>2,267</u>
Purchases of fixed assets				
Subsidiaries	<u>-</u>	<u>-</u>	<u>40,100</u>	<u>-</u>

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22 Related party transactions (Cont'd)

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

For the nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
Rental and service expenses				
Subsidiaries	-	-	36,156	20,347
Associates	30,857	29,500	21,014	19,098
Leasehold Property Fund	92,383	87,312	71,051	66,880
Related parties	37,668	27,950	33,822	24,022
	<u>160,908</u>	<u>144,762</u>	<u>162,043</u>	<u>130,347</u>
Equipment rental expenses				
Subsidiaries	-	-	400	1,800
Associates	2,182	2,123	-	-
Related parties	16,200	16,200	16,200	16,200
	<u>18,382</u>	<u>18,323</u>	<u>16,600</u>	<u>18,000</u>
Interest expense				
Subsidiaries	-	-	2,085	19,591
Associates	706	697	706	697
Related parties	471	464	471	464
	<u>1,177</u>	<u>1,161</u>	<u>3,262</u>	<u>20,752</u>
Consulting fee				
Related parties	18,750	19,150	18,750	19,150
Sponsorship expense				
Associates	541	998	-	-
Leasehold Property Fund	612	850	-	-
Related parties	-	127	-	-
	<u>1,153</u>	<u>1,975</u>	<u>-</u>	<u>-</u>
Advertising cost				
Associates	5,626	832	-	-
Related parties	1,630	5,401	-	-
	<u>7,256</u>	<u>6,233</u>	<u>-</u>	<u>-</u>
Film hire cost				
Subsidiaries	-	-	70,165	25,891
Associates	-	94	-	94
Related parties	-	14,603	-	9,989
	<u>-</u>	<u>14,697</u>	<u>70,165</u>	<u>35,974</u>
Other expenses				
Subsidiaries	-	-	45,641	33,997
Associates	3,224	1,532	2,766	1,252
Related parties	2,098	2,028	1,184	1,049
	<u>5,322</u>	<u>3,560</u>	<u>49,591</u>	<u>36,298</u>
Purchases of fixed assets				
Subsidiaries	-	-	75,713	-

During the nine-month period ended 30 September 2010, rental and management fee charged among related parties have been revised to reflect current market and economic conditions.

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22 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Trade accounts receivable (included in "Trade accounts receivable")				
Subsidiaries	-	-	191,490	303,343
Associates	2,758	2,964	66	272
Joint ventures	-	-	-	-
Related parties	14,662	25,835	3,748	8,156
	<u>17,420</u>	<u>28,799</u>	<u>195,304</u>	<u>311,771</u>
Amounts due from related parties				
Subsidiaries	-	-	390,661	467,896
Associates	19,073	19,381	3,139	3,444
Joint ventures	3,168	6,603	3,168	6,603
Related parties	16,161	18,025	16,161	18,018
	<u>38,402</u>	<u>44,009</u>	<u>413,129</u>	<u>495,961</u>
Dividends receivable (included in "Amounts due from related parties")				
Subsidiaries	-	-	-	40,000
Related parties	1,605	-	1,605	-
	<u>1,605</u>	<u>-</u>	<u>1,605</u>	<u>40,000</u>
Total	<u>40,007</u>	<u>44,009</u>	<u>414,734</u>	<u>535,961</u>
Deposits (included in "Other non-current assets")				
Associates	7,155	7,386	2,076	2,076
Related parties	9,384	11,184	9,384	11,184
	<u>16,539</u>	<u>18,570</u>	<u>11,460</u>	<u>13,260</u>
Trade accounts payable (included in "Trade accounts payable")				
Subsidiaries	-	-	200,505	68,352
Associates	-	1,420	-	-
Related parties	-	7,056	-	-
	<u>-</u>	<u>8,476</u>	<u>200,505</u>	<u>68,352</u>
Other payables (included in "Amounts due to related parties")				
Subsidiaries	-	-	15,937	80,991
Associates	8,417	19,423	6,778	13,111
Related parties	2,495	3,701	490	2,510
Directors	1,622	3,669	1,275	3,669
	<u>12,534</u>	<u>26,793</u>	<u>24,480</u>	<u>100,281</u>

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22 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Advance received from land rental (included in "Other non-current liabilities")				
Associates	31,506	32,292	-	-
Deposit received (included in "Other non-current liabilities")				
Associates	120,003	120,003	-	-
Related parties	4,306	4,970	-	-
	<u>124,309</u>	<u>124,973</u>	<u>-</u>	<u>-</u>
Finance lease liability (included in "Long-term borrowings")				
Associates	11,930	11,797	11,930	11,797
Related parties	7,953	7,865	7,953	7,865
	<u>19,883</u>	<u>19,662</u>	<u>19,883</u>	<u>19,662</u>

iv) Loans to related parties

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2010		
Subsidiaries, associates and employees		
Opening balance	25,657	2,051,490
Loans made during the period	3,550	449,454
Loans repayments during the period	(14,990)	(776,455)
Closing balance	<u>14,217</u>	<u>1,724,489</u>

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

v) Long-term loans from related parties

	Unit: Baht'000
	Company
For the nine-month period ended 30 September 2010	
Opening balance	58,149
Loans received during the period	110,500
Loans repaid during the period	(97,838)
Closing balance	<u>70,811</u>

Loans from subsidiaries are carrying interest at the rate of 4.00% per annum and there is no specific repayment date.

23 Post balance sheet events

i) Investment in PVR Blu-O Entertainment Limited (“PVR blu-O”)

On 12 May 2010 at the Board of Directors Meeting No. 2/2553, the directors have approved for additional investment of 2.45 million shares in PVR blu-O at the par value of Rupee 10, totalling Rupee 24.50 million. As at 30 September 2010, the investment is in process.

ii) Increase in share capital of Ratchayothin Avenue Company Limited

On 12 November 2010 at the Board of Directors Meeting No. 4/2010, the directors have approved for additional investment of 22.00 million shares in Ratchayothin Avenue Company Limited, to retain the percentage of shareholding at 50% for consideration of Baht 220.00 million. The additional shares are due for the first payment on 29 October 2010, totalling Baht 55.00 million and the remaining payment will be due before Ratchayothin Avenue Company Limited sell and lease assets to Major Cineplex Lifestyle Leasehold Property Fund.