

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 31 March 2008, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2008 and 2007. 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 a 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 2007 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 26 February 2008. The consolidated and company balance sheets as at 31 December 2007, presented for comparative purposes, are components of the financial statements which I have audited and issued a report thereon 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
13 May 2008

Major Cineplex Group Public Company Limited

Balance Sheets

As at 31 March 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2008	2007	2008	2007
Assets					
Current assets					
	Cash on hand and at banks	177,229	215,815	51,195	78,567
	Short-term investments	15 447,475	302,905	447,475	302,905
	Trade accounts and notes receivable, net	6 899,192	1,094,321	206,465	200,571
	Accounts receivable - sponsors	94,612	71,250	90,753	63,064
	Amounts due from related parties	16 7,185	5,930	811,745	794,351
	Inventories, net	128,540	133,652	21,206	25,199
	Value added tax receivable	163,222	173,996	46,432	36,636
	Dividends receivable	16 27,033	-	103,663	125,840
	Other current assets	163,633	158,013	82,944	52,817
	Total current assets	2,108,121	2,155,882	1,861,878	1,679,950
Non-current assets					
	Restricted cash	6,988	6,981	-	-
	Investments in subsidiaries and associates, net	14 1,477,679	1,168,550	3,285,028	3,039,388
	Loans to related parties	16 25,091	25,385	1,788,983	1,857,913
	Loans to employees	12,541	10,868	9,744	8,709
	Property, plant and equipment, net	7 4,713,473	4,759,164	1,788,773	1,775,068
	Leasehold rights, net	7 657,581	665,889	189,170	191,255
	Film rights, net	8 164,873	310,071	-	-
	Goodwill, net	8 77,510	81,775	-	-
	Deposits	81,668	87,292	41,208	41,711
	Other non-current assets, net	13,861	22,083	2,979	2,919
	Total non-current assets	7,231,265	7,138,058	7,105,885	6,916,963
	Total assets	9,339,386	9,293,940	8,967,763	8,596,913

Director _____ Director _____

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 31 March 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
	Bank overdrafts and borrowings from financial institutions	713,407	913,692	539,146	471,482
	Trade accounts and notes payable	553,017	510,715	359,302	334,731
16	Amounts due to related parties	10,786	5,821	342,536	287,985
9	Current portion of borrowings from financial institutions	327,096	327,873	279,174	279,953
	Other accounts payable	179,009	182,304	93,492	84,331
	Accrued income tax	211,910	115,678	149,489	76,628
	Current portion of deferred rental and services income	19,630	22,470	1,445	4,023
	Accrued expenses	122,222	158,407	41,195	58,527
	Other current liabilities	174,070	249,695	52,864	64,883
	Total current liabilities	2,311,147	2,486,655	1,858,643	1,662,543
Non-current liabilities					
16	Borrowings from subsidiaries	-	-	779,705	808,705
9	Borrowings from financial institutions	583,970	678,419	580,222	673,519
	Deferred rental and services income	304,079	308,451	-	-
	Advance receipt from sponsors	28,217	13,333	28,217	13,333
	Deposits	185,810	180,475	20,839	21,541
	Provision for liabilities on losses in subsidiaries	-	-	75,192	60,738
	Other non-current liabilities	3,382	4,408	870	939
	Total non-current liabilities	1,105,458	1,185,086	1,485,045	1,578,775
	Total liabilities	3,416,605	3,671,741	3,343,688	3,241,318

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 31 March 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
Notes		2008	2007	2008	2007
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	10				
Authorised share capital		<u>906,000</u>	<u>906,000</u>	<u>906,000</u>	<u>906,000</u>
Issued and fully paid-up share capital		880,342	879,933	880,342	879,933
Share premium	10	3,822,469	3,816,018	3,822,469	3,816,018
Share subscription	11	7,522	-	7,522	-
Fair value reserve on available-for-sale investment	15	4,570	-	4,570	-
Retained earnings					
Appropriated - legal reserve		90,600	90,600	90,600	90,600
Unappropriated		<u>1,134,700</u>	<u>833,267</u>	<u>818,572</u>	<u>569,044</u>
Total parent's shareholders' equity		5,940,203	5,619,818	5,624,075	5,355,595
Minority interests		<u>(17,422)</u>	<u>2,381</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>5,922,781</u>	<u>5,622,199</u>	<u>5,624,075</u>	<u>5,355,595</u>
Total liabilities and shareholders' equity		<u>9,339,386</u>	<u>9,293,940</u>	<u>8,967,763</u>	<u>8,596,913</u>

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 31 March 2008 and 2007

		Unit: Baht'000			
		Consolidated		Company	
Notes		2008	2007	2008	2007
Revenues					
	Admissions	541,614	766,727	360,495	436,816
	Concessions sales	112,268	154,804	70,675	85,458
	Advertising services and sponsorship income	229,215	284,080	44,161	62,921
	Bowling and Karaoke services income	126,727	111,598	3,041	22,262
	Rentals and services income	78,397	112,550	27,672	23,829
	Sales of VCD/DVD and film rights	127,450	134,472	-	-
	Fitness services income	-	5,233	-	-
	Dividends income	-	-	43,655	467,846
	Other operating income	121,077	28,089	174,089	81,457
	Total revenues	1,336,748	1,597,553	723,788	1,180,589
Expenses					
	Cost of film exhibition and theatre	501,025	641,633	330,120	383,267
	Cost of sales of concessions	45,239	60,151	28,376	33,226
	Cost of providing advertising services	7,863	10,451	-	-
	Cost of bowling and Karaoke services	89,039	73,306	2,623	11,535
	Cost of rentals and services	42,709	59,209	2,593	1,643
	Cost of sales of VCD/DVD and film rights	114,515	109,358	-	-
	Cost of providing fitness services	-	1,957	-	-
	Selling and administrative expenses	303,081	301,523	177,566	136,542
	Total expenses	1,103,471	1,257,588	541,278	566,213
	Operating profit	233,277	339,965	182,510	614,376
	Gain on disposals of investment	108,542	-	175,998	600
	Share of profit (loss) of investments - equity	91,128	(13,239)	-	-
	Profit before interest and tax	432,947	326,726	358,508	614,976
	Interest expense	(23,245)	(35,945)	(33,080)	(29,765)
	Income tax	(108,391)	(96,061)	(75,900)	(32,213)
	Net profit for the period	301,311	194,720	249,528	552,998
Attributable to:					
	Shareholders of the parent	301,433	196,883	249,528	552,998
	Minority interest	(122)	(2,163)	-	-
	Net profit for the period	301,311	194,720	249,528	552,998
		Baht	Baht	Baht	Baht
Earnings per share for profit attributable to the shareholders of the parent					
	Basic earnings per share	0.34	0.24	0.28	0.66
	Diluted earnings per share	0.34	0.24	0.28	0.66

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the three-month periods ended 31 March 2008 and 2007

	Consolidated							Unit: Baht'000
	Issued and	Share	Share	Fair value	Legal	Unappropriated	Minority	Total
Notes	paid-up	premium	subscription	reserve on	reserves	retained	interests	
	share capital	premium	subscription	investment	reserves	earnings	interests	Total
Opening balance 1 January 2008	879,933	3,816,018	-	-	90,600	833,267	2,381	5,622,199
Issuance of ordinary shares	10 409	6,451	-	-	-	-	-	6,860
Share subscription	11 -	-	7,522	-	-	-	-	7,522
Fair value reserve	15 -	-	-	4,570	-	-	-	4,570
Net profit (loss) for the period	-	-	-	-	-	301,433	(122)	301,311
Disposals of investment in subsidiary	-	-	-	-	-	-	(19,681)	(19,681)
Closing balance 31 March 2008	880,342	3,822,469	7,522	4,570	90,600	1,134,700	(17,422)	5,922,781
Opening balance 1 January 2007	787,185	2,735,697	136,041	-	63,522	447,932	26,253	4,196,630
Issuance of ordinary shares	87,954	1,019,301	(136,041)	-	-	-	-	971,214
Share subscription	-	-	16,059	-	-	-	-	16,059
Legal reserve appropriation	-	-	-	-	25,948	(25,948)	-	-
Net profit (loss) for the period	-	-	-	-	-	196,883	(2,163)	194,720
Closing balance 31 March 2007	875,139	3,754,998	16,059	-	89,470	618,867	24,090	5,378,623

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2008 and 2007

	Company						Unit: Baht'000	
	Notes	Issued and paid-up share capital	Share premium	Share subscription	Fair value reserve on available-for-sale investment	Legal reserves	Unappropriated retained earnings	Total
Opening balance 1 January 2008		879,933	3,816,018	-	-	90,600	569,044	5,355,595
Issuance of ordinary shares	10	409	6,451	-	-	-	-	6,860
Share subscription	11	-	-	7,522	-	-	-	7,522
Fair value reserve	15	-	-	-	4,570	-	-	4,570
Net profit for the period		-	-	-	-	-	249,528	249,528
Closing balance 31 March 2008		<u>880,342</u>	<u>3,822,469</u>	<u>7,522</u>	<u>4,570</u>	<u>90,600</u>	<u>818,572</u>	<u>5,624,075</u>
Opening balance 1 January 2007		787,185	2,735,697	136,041	-	63,522	(351,959)	3,370,486
Issuance of ordinary shares		87,954	1,019,301	(136,041)	-	-	-	971,214
Share subscription		-	-	16,059	-	-	-	16,059
Legal reserve appropriation		-	-	-	-	25,948	(25,948)	-
Net profit for the period		-	-	-	-	-	552,998	552,998
Closing balance 31 March 2007		<u>875,139</u>	<u>3,754,998</u>	<u>16,059</u>	<u>-</u>	<u>89,470</u>	<u>175,091</u>	<u>4,910,757</u>

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month periods ended 31 March 2008 and 2007

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2008	2007	2008	2007
Cash flows from operating activities	13	188,316	610,561	56,169	379,678
Cash flows from investing activities					
Payments for short-term investments	15	(140,000)	-	(140,000)	-
Loans made to related parties	16	-	(17,583)	(53,000)	(228,904)
Proceeds from settlements of loans to related parties	16	294	-	121,930	44,380
Payments for investment in associates	14	(69,642)	(50,000)	(69,642)	(50,000)
Purchases of property, plant and equipment		(140,702)	(315,440)	(104,865)	(217,759)
Loans to employees		(1,673)	696	(1,035)	1,420
Payments for leasehold rights		-	(41,000)	-	(6,461)
Dividends received from subsidiaries and associates		16,622	-	65,832	-
Payments for film rights		(2,711)	(83,039)	-	-
Proceeds from disposals of property, plant and equipment		140,665	797	140,012	-
Net cash used in investing activities		(197,147)	(505,569)	(40,768)	(457,324)
Cash flows from financing activities					
Increase in restricted cash		(7)	(22)	-	-
Proceeds (repayments) from short-term borrowings		50,000	(809,000)	50,000	(804,000)
Repayments of finance lease liabilities		(4,220)	(352)	(3,820)	(752)
Proceeds from loans from subsidiaries	16	-	-	29,000	112,500
Proceeds from long-term borrowings		-	120,000	-	120,000
Settlements of loans from subsidiaries	16	-	-	(58,000)	(12,371)
Settlements of long-term borrowings	9	(92,750)	(513,250)	(92,000)	(490,000)
Cash received for share subscription	11	7,522	16,059	7,522	16,059
Cash received from issuance of ordinary shares	10	6,860	971,214	6,860	971,214
Net cash used in financing activities		(32,595)	(215,351)	(60,438)	(87,350)
Net decrease in cash and cash equivalents		(41,426)	(110,359)	(45,037)	(164,996)
Opening balance of cash and cash equivalents		169,648	404,698	67,086	241,038
Closing balance of cash and cash equivalents		128,222	294,339	22,049	76,042

The notes on pages 10 to 25 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month periods ended 31 March 2008 and 2007

	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Cash and cash equivalents comprise:				
Cash on hand and cash at banks	177,229	308,619	51,195	88,096
Bank overdrafts	(49,007)	(14,280)	(29,146)	(12,054)
Total cash and cash equivalents	<u>128,222</u>	<u>294,339</u>	<u>22,049</u>	<u>76,042</u>

Non-cash transactions

Significant non-cash transactions for the three-month periods ended 31 March 2008 and 2007:

	Note	Unit: Baht'000			
		Consolidated		Company	
		2008	2007	2008	2007
Investment in property, plant and equipment not yet paid		46,624	32,754	38,352	12,563
Purchases of film rights not yet paid		51,518	19,507	-	-
Purchases of property, plant and equipment under finance leases		14,396	6,325	14,396	5,287
Investment in an associate by share exchange	14	255,998	-	255,998	-

The notes on pages 10 to 25 are an integral part of these interim financial statements.

1 Summary of significant of accounting policies

1.1 Basis of preparation

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 Account Profession 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 41, "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.

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.

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 2007.

These interim financial statements have added additional information in relation to critical accounting estimated and judgements and capital risk management as required by the revised standards TAS 35.

The following amendments to standards and new standard as published by the Federation of Accounting Professions are mandatory for the Group's accounting periods beginning on or after 1 January 2008.

Revised standards

TAS 25 "Cash Flow Statements"

TAS 29 "Leases"

TAS 31 "Inventories"

TAS 33 "Borrowing Costs"

TAS 35 "Presentation of Financial Statements"

TAS 39 "Accounting Policies, Changes in Accounting Estimates and Errors"

TAS 41 "Interim Financial Reporting"

TAS 43 "Business Combinations"

TAS 49 "Construction Contracts"

New standard

TAS 51 "Intangible Assets"

The revised standards do not result in substantial effect to the Group's financial statements except TAS 35 and TAS 43.

These interim financial statements include revisions to the presentation of minority interest and the statement of cash flows and include additional information in Note 2 in relation to critical accounting estimated and judgements and capital risk management as required by the revised standard TAS 35.

TAS 43 (Revised 2007) requires the indefinite useful lives of intangible to be tested for impairment annually and no amortisation is required. The change in accounting policy is applied prospectively.

Costs that incur 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.

These interim financial statements should be read in conjunction with the 2007 annual financial statements.

These consolidated interim financial statements were authorised for issue by the Board of Directors on 13 May 2008.

2 Additional information

2.1 Critical accounting estimates, assumption and judgements

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

1 Impairment of receivable

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

2 Impairment of goodwill

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

3 Property, plant and equipment and intangible assets

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

2.2 Capital risk management

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

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

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 31 March 2008

3 Segment information

Financial information by business segments is as follows:-

	Consolidated					Unit: Million Baht	
	Cinema business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Fitness center	Eliminated	Consolidated
For the three-month period ended 31 March 2008							
Revenues	875	133	105	135	-	(10)	1,238
Segment result	136	(4)	54	2	(2)	-	186
Gain on cancellation of lease agreement Unallocated costs							98 (51)
Operating profit							233
For the three-month period ended 31 March 2007							
Revenues	1,203	118	160	151	5	(39)	1,598
Segment result	282	3	93	7	(1)	-	384
Unallocated costs							(44)
Operating profit							340

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 31 March 2008

4 Significant items charged to operating profit

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

For the three-month period ended	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Gain on cancellation of lease agreement (Note 7)	98,441	-	98,441	-
Gain on disposal of investment (Note 14)	108,542	-	175,998	-

5 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.

For the calculation of the diluted earnings per share, the net profit adjusted for the weighted average number of ordinary shares are assumed for conversion of all dilutive potential ordinary shares being warrants as per Note 11.

For the three-month period ended	Unit: Shares'000			
	Consolidated		Company	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Number of weighted average share:				
- For the basic earnings per share	880,050	832,947	880,050	832,947
- For the diluted earnings per share	881,161	833,559	881,161	833,559

6 Trade accounts and notes receivable, net

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Unbilled revenue - advertising	8,743	19,601	-	-
Notes receivable	4,835	10,816	40	56
Trade accounts receivable				
- advertising	686,301	669,196	181,415	166,423
- sales of VCD, DVD and film rights	155,193	366,472	-	-
- others	63,234	47,350	25,010	34,092
Total	918,306	1,113,435	206,465	200,571
Less: Allowance for doubtful accounts	(19,114)	(19,114)	-	-
Trade accounts and notes receivable, net	899,192	1,094,321	206,465	200,571

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 31 March 2008

6 Trade accounts and notes receivable, net (Cont'd)

Outstanding trade accounts and notes receivable can be analysed as follows:

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Unbilled revenue - advertising	8,743	19,601	-	-
Trade accounts and notes receivable				
- Current	491,113	648,477	30,156	117,965
- Overdue not more than 3 months	284,675	242,391	124,765	60,718
- 3 - 6 months	75,424	58,203	45,992	16,597
- over 6 months	58,351	144,763	5,552	5,291
Total	918,306	1,113,435	206,465	200,571
<u>Less: Allowance for doubtful accounts</u>	<u>(19,114)</u>	<u>(19,114)</u>	<u>-</u>	<u>-</u>
Trade accounts and notes receivable, net	899,192	1,094,321	206,465	200,571

7 Capital expenditure and commitments

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment	Leasehold rights	Property, plant and equipment	Leasehold rights
For the three-month period ended				
31 March 2008				
Opening net book amount	4,759,164	665,889	1,775,068	191,255
Additions	152,297	-	118,866	-
Disposals of investment in a subsidiary	(6,734)	-	-	-
Disposals, net	(42,243)	-	(50,175)	-
Depreciation/amortisation	(149,011)	(8,308)	(54,986)	(2,085)
Closing net book amount	4,713,473	657,581	1,788,773	189,170

On 6 January 2008, the Company has agreed to return the leased areas of theatres and bowling at Central World. The lessor has agreed to pay the compensation to the Company amounting to Baht 139 million. The related property and equipment with the net book value of Baht 40.6 million have been written off accordingly and the gain from disposal amounting to Baht 98.4 million has been recognised.

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8 Intangible assets

	Consolidated (Baht'000)	
	Film rights	Goodwill
For the three-month period ended 31 March 2008		
Opening net book amount	310,071	81,775
Additions	34,439	-
Disposals of investment in a subsidiary	(155,149)	-
Amortisation	(24,488)	(4,265)
Closing net book amount	<u>164,873</u>	<u>77,510</u>

9 Long-term borrowings from financial institutions

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Current portion				
- Finance lease liabilities	12,658	13,435	11,174	11,953
- Bank borrowings	314,438	314,438	268,000	268,000
Total current portion of long-term borrowings	<u>327,096</u>	<u>327,873</u>	<u>279,174</u>	<u>279,953</u>
Non-current				
- Finance lease liabilities	4,720	6,419	3,222	4,519
- Bank borrowings	579,250	672,000	577,000	669,000
Total non-current portion of long-term borrowings	<u>583,970</u>	<u>678,419</u>	<u>580,222</u>	<u>673,519</u>
Total long-term borrowings from financial institutions	<u>911,066</u>	<u>1,006,292</u>	<u>859,396</u>	<u>953,472</u>

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

	Unit: Baht'000	
	Consolidated	Company
For the three-month period ended 31 March 2008		
Opening amount	986,438	937,000
Repayments of borrowings	(92,750)	(92,000)
Closing amount	<u>893,688</u>	<u>845,000</u>

Long-term bank borrowings bear interest at the rate ranging from 5.50% to 6.75% per annum and are secured by the pledge of property, building and leasehold rights.

10 Share capital and premium on share capital

	Authorised number of shares Shares'000	Issued and fully paid up shares		
		Number of shares Shares'000	Ordinary shares Baht'000	Share premium Baht'000
For the three-month period ended 31 March 2008				
Opening balance	906,000	879,933	879,933	3,816,018
Issuance of shares	-	409	409	6,451
Closing balance	906,000	880,342	880,342	3,822,469

As at 31 March 2008, the total authorised number of ordinary shares is 906 million shares (31 December 2007: 906 million shares) with a par value of Baht 1 per share (31 December 2007: Baht 1 per share).

The new shares issued during the period are in connection with the exercise of warrants as mentioned in Note 11.

11 Warrants

Warrants issued and offered to directors and employees (ESOP)

The Company issued and offered warrants to directors and employees of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 4 years and 5 years from the issued date.

The exercise ratio and price are detailed below:

	Issued date	Issued units Million	Exercise price Baht/unit	Exercise period	
				Start	End
ESOP-W1	27 May 2003	19.5	11.878	27 May 2003	15 June 2008
ESOP-W2	6 July 2004	3.5	14.732	6 July 2004	15 June 2008
ESOP-W3	30 November 2007	13.0	16.770	30 November 2007	15 November 2012

The exercise prices and ratios that will be effective from 2 April 2007 onwards are as follows:

	Exercise ratio (unit/share)	Exercise price (Baht/unit)
ESOP-W1	1.108	11.878
ESOP-W2	1.037	14.732
ESOP-W3	1.000	16.770

As of 31 March 2008, ESOP-W1 and ESOP-W3 warrants are exercised by 571,703 units and 409,000 units, respectively. The Company has received share subscription amounting to Baht 7.52 million during the period and registered the increased share capital with the Ministry of Commerce on 8 April 2008.

12 Commitments and contingencies

i) Bank guarantees

There are bank guarantees given on behalf of the Group to third parties amounting to Baht 145.7 million outstanding as at 31 March 2008 (31 December 2007: Baht 151.0 million).

ii) Guarantee

As at 31 March 2008, the Company has guaranteed for bank loans granted to subsidiaries and related company being Pacific Marketing and Entertainment Group Company Limited, Exertainment Company Limited and M Pictures Company Limited for a total of Baht 928.2 million (31 December 2007: Baht 808.2 million).

iii) Operating lease commitments - where a group company is the lessee

As at 31 March 2008, 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	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Not later than 1 year	522	547	216	243
Later than 1 year but not later than 5 years	2,209	2,316	899	1,011
Later than 5 years	6,233	6,330	1,928	1,945
	<u>8,964</u>	<u>9,193</u>	<u>3,043</u>	<u>3,199</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.

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13 Cash flows from operating activities

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

For the three-month periods ended		Unit: Baht'000			
		Consolidated		Company	
	Notes	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Net profit before tax		409,702	290,781	325,428	585,211
Adjustments for:					
Depreciation and amortisation charges	7,8	186,072	215,507	57,071	62,918
Interest expense		23,245	35,945	33,080	29,764
Realised deferred revenue		(19,875)	(9,367)	(15,241)	(5,000)
Allowance for doubtful accounts		-	3,499	-	-
Reversal of provision for goods returns		(1,582)	(11,025)	-	-
Loss (gain) from disposals of property and equipment		19	1,751	(265)	-
Gain on cancellation of lease agreement	7	(98,441)	-	(98,441)	-
(Gain) loss from disposals of investment	14	(108,541)	433	(175,998)	(600)
Realised gain on disposals of assets to the Property Fund	14	(3,474)	-	-	-
Shares of (profit) loss of investments in associates	14	(91,128)	13,239	-	-
Provision for liabilities in subsidiaries		-	-	14,454	3,803
Dividends income		-	-	(43,655)	(467,846)
Changes in operating assets and liabilities:					
- trade accounts and notes receivable		(23,076)	(59,864)	(5,894)	35,729
- account receivable - sponsors		(482)	(8,632)	(4,808)	11,123
- amounts due from related parties		(779)	3,529	(7,929)	(23,925)
- inventories		5,112	3,649	3,993	6,602
- value added tax receivable		(2,860)	6,526	(9,682)	(1,907)
- other current assets		(19,626)	(56,417)	(30,103)	(21,188)
- other assets		10,756	3,399	443	1,449
- trade accounts and notes payable		32,263	167,450	24,571	141,687
- amounts due to related parties		(39,953)	(930)	26,553	14,912
- accrued expenses		(27,197)	16,917	(17,332)	5,425
- other accounts payable		(13,260)	(1,516)	(3,209)	12,211
- other current liabilities		(9,266)	22,741	(5,141)	11,771
- advance received from sponsors		(2,832)	10,500	10,918	10,500
- other liabilities		18,923	12,390	(773)	6,851
Cash generated from operations		223,720	660,505	78,040	419,490
- Interest paid		(23,245)	(36,929)	(18,832)	(34,664)
- Income tax paid		(12,159)	(13,015)	(3,039)	(5,148)
Cash flows from operating activities		188,316	610,561	56,169	379,678

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14 Investments in subsidiaries and associates

	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Investments in subsidiaries	-	-	1,672,680	1,752,679
<u>Less: Allowance for impairment</u>	-	-	(18,100)	(18,100)
Investments in subsidiaries, net	-	-	1,654,580	1,734,579
Investments in associates	1,477,679	1,168,550	1,630,448	1,304,809
Investments in subsidiaries and associates, net	<u>1,477,679</u>	<u>1,168,550</u>	<u>3,285,028</u>	<u>3,039,388</u>

a) Movements of investments in subsidiaries and associates are as follows:

	Company Baht'000
Investments in subsidiaries	
Opening net book amount	1,734,579
Disposal	(79,999)
Closing net book amount	<u>1,654,580</u>

	Unit: Baht'000	
	Consolidated	Company
Investments in associates		
As at 31 December 2007		
Investment amount	1,524,734	1,304,809
<u>Less: Unrealised gain on disposals of assets to the Property Fund</u>	(356,184)	-
Net book amount	<u>1,168,550</u>	<u>1,304,809</u>
For the three-month period ended 31 March 2008		
Opening net book amount	1,168,550	1,304,809
Acquisition of investment in associates		
- Traffic Corner Holdings Public Company Limited	270,334	270,334
- California WoW Experience Public Company Limited	55,305	55,305
Realised gain on disposals of assets to the Property Fund	3,474	-
Dividends received	(43,655)	-
Share of results	91,128	-
	<u>1,545,136</u>	<u>1,630,448</u>
<u>Less: Elimination of gain on disposals of investments to an associate</u>	(67,457)	-
Closing net book amount	<u>1,477,679</u>	<u>1,630,448</u>
As at 31 March 2008		
Investment amount	1,830,389	1,630,448
<u>Less: Unrealised gain on disposals of assets to the Property Fund</u>	(352,710)	-
Net book amount	<u>1,477,679</u>	<u>1,630,448</u>

14 Investments in subsidiaries and associates (Cont'd)

a) Movements of investments in subsidiaries and associates are as follows: (Cont'd)

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.

As at 31 March 2008, investment in associates included net book value of goodwill in the consolidated financial statements amounting to Baht 382.12 million (31 December 2007: Baht 120.13 million).

Acquisition and disposals of investments

On 4 February 2008, the Company has agreed to sell all 799,993 ordinary shares in M Pictures Company Limited ("MP") to Traffic Corner Holdings Public Company Limited ("TRAF") with offering price of Baht 320 per share for a consideration of Baht 256 million resulting in a gain of Baht 176 million. The Company has also acquired 146,920,114 ordinary shares of TRAF at the price of Baht 1.84 per share, for consideration of Baht 270.3 million, by exchange of ordinary shares of MP at the fair value of Baht 256 million and payment by cash of Baht 14 million. The percentage of shareholding in TRAF is 40.81% after completion of these transactions. Goodwill arisen from the acquisition of investment in TRAF is amounting to Baht 269.57 million. Gain from disposal of investment in MP will be recognised in the current period to the extent of third parties' holding in TRAF.

The following amounts represent net assets acquired and goodwill arisen from the acquisition.

	Unit: Baht'000
Proceed used in the acquisitions	
- Cash payment	14,335
- Fair value of ordinary shares in M Pictures Company Limited	255,998
	<hr/>
Total proceed used in the acquisitions	270,333
<u>Less:</u> Fair value of net assets acquired	<u>(768)</u>
	<hr/>
Goodwill	<u>269,565</u>

California WoW Experience Public Company Limited

On 16 January 2008, the Company has invested in 36.75 million newly issued ordinary shares at Baht 1.50 per share, in an associate company, California WoW Experience Public Company Limited, to retain the percentage of shareholding at 36.75% for consideration of Baht 55.125 million. Furthermore, the Company has acquired an additional 120,679 ordinary shares at Baht 1.50 per share, totalling Baht 181,019. After the acquisitions, the percentage of shareholding has increased from 36.75% to 36.79%.

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14 Investments in subsidiaries and associates (Cont'd)

b) The details of investments in subsidiaries and associates 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.	Entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.94
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	90.00
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
EGV Entertainment Public Co., Ltd. ("EGV")	Cinema services	Shareholder	99.97
Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG")	Distribution of VCD/DVD and film rights	Shareholder	96.99
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 of sales food beverage	Indirect shareholding	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	89.97
Exertainment Co., Ltd.	Healthcare center and fitness center	Indirect shareholding	59.98
Subsidiaries under PMEG			
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect shareholding	96.41
Associates			
California WoW Experience Public Company Limited	Fitness center services and other related services	Shareholder	36.79
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	21.13
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder Indirect shareholding via SF	50.00 10.57
Major Cineplex Lifestyle Property Fund	Rental of building and utilities services	Shareholder	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00
Traffic Corner Holdings Public Company Limited	Publishing and Advertising	Shareholder	40.81
Associate under PMEG			
Media Logistic Co., Ltd.	Providing of logistic services	Indirect shareholding	47.51

All subsidiaries and associates are incorporated in Thailand. All holdings are investments in ordinary shares and investment unit in the Property Fund.

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15 Short-term investments

The movements of short-term investments are as follows:

	Unit: Baht'000
	Consolidated and Company
Opening book value	302,905
Addition	140,000
Change in market value of available-for-sale investments	4,570
Closing book value	<u>447,475</u>

16 Related party transactions

During the period, the Group and the Company have entered into significant transactions with its subsidiaries, associates and related companies. The terms and basis of such transactions are negotiated between the parties.

The following material 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	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Management income				
Subsidiaries	-	-	30,900	40,158
Associates	6,783	-	6,783	-
Related company	1,200	1,200	1,200	1,200
	<u>7,983</u>	<u>1,200</u>	<u>38,883</u>	<u>41,358</u>
Advertising income				
Subsidiaries	-	-	38,658	30,840
Interest income				
Subsidiaries	-	-	32,655	35,059
Associate	426	-	423	-
	<u>426</u>	<u>-</u>	<u>33,078</u>	<u>35,059</u>
Equipment rental income				
Subsidiary	-	-	-	13,500
Rental and service income				
Associates	6,083	15,550	470	-
Related companies	3,284	1,161	300	-
	<u>9,367</u>	<u>16,711</u>	<u>770</u>	<u>-</u>
Dividends income				
Subsidiaries	-	-	-	430,000
Associates	-	-	43,655	37,846
	<u>-</u>	<u>-</u>	<u>43,655</u>	<u>467,846</u>

Major Cineplex Group Public Company Limited
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16 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

For the three-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Rental and area service expenses				
Subsidiaries	-	-	6,381	15,241
Associates	34,991	3,663	24,381	1,536
Related companies	14,879	12,705	12,717	12,705
	<u>49,870</u>	<u>16,368</u>	<u>43,479</u>	<u>29,482</u>
Rental of equipments				
Subsidiary	806	741	9,000	9,000
Related companies	5,400	5,400	5,400	5,400
	<u>6,206</u>	<u>6,141</u>	<u>14,400</u>	<u>14,400</u>
Interest expense				
Subsidiaries	-	-	14,249	5,465
Management expense				
Related company	5,850	5,850	5,850	5,850
Computer service				
Associate	-	-	-	1,338
Sponsorship expense				
Subsidiary	-	-	10,000	-
Director's remuneration				
Directors	1,650	1,101	1,650	1,101

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16 Related party transactions (Cont'd)

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

As at	Unit: Baht'000			
	Consolidated		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Trade accounts receivable (included in "Trade accounts and notes receivable")				
Subsidiaries	-	-	186,587	176,376
Associates	12,236	9,792	119	250
Related company	538	572	-	62
	<u>12,774</u>	<u>10,364</u>	<u>186,706</u>	<u>176,688</u>
Other receivables				
Subsidiaries	-	-	804,991	788,847
Associates	7,106	5,917	6,753	5,503
Related companies	79	13	1	1
	<u>7,185</u>	<u>5,930</u>	<u>811,745</u>	<u>794,351</u>
Dividends receivables				
Subsidiaries	-	-	76,630	125,840
Associate	27,033	-	27,033	-
	<u>27,033</u>	<u>-</u>	<u>103,663</u>	<u>125,840</u>
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	117,588	105,731
Related companies	23,525	7,056	16,468	-
	<u>23,525</u>	<u>7,056</u>	<u>134,056</u>	<u>105,731</u>
Other payables				
Subsidiaries	-	-	333,782	284,670
Associates	4,435	3,167	2,754	722
Related companies	6,351	2,654	6,000	2,593
	<u>10,786</u>	<u>5,821</u>	<u>342,536</u>	<u>287,985</u>
Advance received for land rental				
Property Fund	34,125	34,386	-	-
Deposits received				
Property Fund	119,825	120,003	-	-

16 Related party transactions (Cont'd)

iv) Loans to related parties

	Unit: Baht'000	
	<u>Consolidated</u>	<u>Company</u>
For the three-month period ended 31 March 2008		
Subsidiaries and associates		
Beginning balance	25,385	1,857,913
Loans made during the period	-	53,000
Loans repayments during the period	(294)	(121,930)
Ending balance	<u>25,091</u>	<u>1,788,983</u>

Loans to subsidiaries and associates are carrying interest at the rates ranging from 7.00% to 7.50% per annum and there is no specific repayment date.

v) Loans from related parties

	Unit: Baht'000	
	<u>Company</u>	
For the three-month period ended 31 March 2008		
Subsidiaries		
Beginning balance		808,705
Loans received during the period		29,000
Loans repaid during the period		(58,000)
Ending balance		<u>779,705</u>

Loans from subsidiaries are carrying interest at the rates ranging from 7.00% to 7.50% per annum and there is no specific repayment date.

17 Post balance sheet events

i) Investment in joint venture in India

On 26 February 2008, the directors of the Company passed a resolution to invest in a joint venture with PVR Company Limited ("PVR"), which is incorporated and listed in India. The joint venture, registered as PVR bluO Entertainment Limited, will operate to provide bowling, Karaoke and Ice-skating services with total investment of Indian Rupee 90 million. PVR will hold 51% and the Company will hold 49% of the registered share capital of the joint venture. The portion of investment by the Company approximates to Baht 38.6 million. The joint venture is in the process of registration and has not operated.

ii) Dividends

On 4 April 2008, at the annual ordinary shareholders' meeting of the Company, the shareholders passed a resolution to approve a dividend in respect of the period from July to December 2007 of Baht 0.55 per share, amounting to a total of Baht 484.54 million. The dividends were distributed to the shareholders on 2 May 2008.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

31 MARCH 2008