

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 June 2008, and the related consolidated and company statements of income for the three-month and six-month periods ended 30 June 2008 and 2007, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 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, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial 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 August 2008

Major Cineplex Group Public Company Limited

Balance Sheets

As at 30 June 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2008	2007	2008	2007
Assets					
Current assets					
	Cash on hand and at banks	210,172	215,815	77,762	78,567
	Short-term investments	16 98,744	302,905	98,744	302,905
	Trade accounts and notes receivable, net	6 974,544	1,094,321	233,916	200,571
	Accounts receivable - sponsors	83,475	71,250	77,879	63,064
	Amounts due from related parties	17 8,243	5,930	837,505	794,351
	Inventories, net	132,274	133,652	23,784	25,199
	Value added tax receivable	163,788	173,996	52,778	36,636
	Dividends receivable	17 -	-	36,630	125,840
	Other current assets	137,001	158,013	55,138	52,817
	Total current assets	1,808,241	2,155,882	1,494,136	1,679,950
Non-current assets					
	Restricted cash	6,076	6,981	-	-
	Investments in subsidiaries and associates and joint venture	15 1,530,941	1,168,550	3,302,569	3,039,388
	Loans to related parties	17 9,767	25,385	1,625,212	1,857,913
	Loans to employees	12,273	10,868	9,776	8,709
	Property, plant and equipment, net	7 4,701,141	4,759,164	1,844,467	1,775,068
	Leasehold rights, net	7 649,521	665,889	187,085	191,255
	Film rights, net	8 164,480	310,071	-	-
	Goodwill, net	8 73,247	81,775	-	-
	Deposits	82,376	87,292	40,801	41,711
	Other non-current assets, net	22,850	22,083	3,099	2,919
	Total non-current assets	7,252,672	7,138,058	7,013,009	6,916,963
	Total assets	9,060,913	9,293,940	8,507,145	8,596,913

Director _____

Director _____

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 June 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
Notes		2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
	Bank overdrafts and borrowings from financial institutions	795,762	913,692	610,000	471,482
	Trade accounts and notes payable	647,498	510,715	407,699	334,731
17	Amounts due to related parties	10,093	5,821	350,220	287,985
9	Current portion of borrowings from financial institutions	325,584	327,873	277,655	279,953
	Other accounts payable	158,903	182,304	71,671	84,331
	Accrued income tax	153,209	115,678	101,461	76,628
	Current portion of deferred rental and services income	22,435	22,470	4,511	4,023
	Accrued expenses	118,440	158,407	41,289	58,527
	Other current liabilities	183,511	249,695	56,825	64,883
	Total current liabilities	2,415,435	2,486,655	1,921,331	1,662,543
Non-current liabilities					
17	Borrowings from subsidiaries	-	-	409,705	808,705
9	Borrowings from financial institutions	539,354	678,419	536,327	673,519
	Deferred rental and services income	299,674	308,451	-	-
	Advance receipt from sponsors	18,000	13,333	18,000	13,333
	Deposits	183,523	180,475	20,691	21,541
	Provision for liabilities on losses in subsidiaries	-	-	75,706	60,738
	Other non-current liabilities	1,464	4,408	918	939
	Total non-current liabilities	1,042,015	1,185,086	1,061,347	1,578,775
	Total liabilities	3,457,450	3,671,741	2,982,678	3,241,318

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 June 2008 and 31 December 2007

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	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		881,897	879,933	881,897	879,933
Share premium	10	3,839,674	3,816,018	3,839,674	3,816,018
Fair value reserve on available-for-sale investment	16	566	-	566	-
Retained earnings					
Appropriated - legal reserve		90,600	90,600	90,600	90,600
Unappropriated		<u>809,696</u>	<u>833,267</u>	<u>711,730</u>	<u>569,044</u>
Total parent's shareholders' equity		5,622,433	5,619,818	5,524,467	5,355,595
Minority interests		<u>(18,970)</u>	<u>2,381</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>5,603,463</u>	<u>5,622,199</u>	<u>5,524,467</u>	<u>5,355,595</u>
Total liabilities and shareholders' equity		<u>9,060,913</u>	<u>9,293,940</u>	<u>8,507,145</u>	<u>8,596,913</u>

The notes on pages 11 to 30 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 30 June 2008 and 2007

		Unit: Baht'000			
		Consolidated		Company	
Notes		2008	2007	2008	2007
Revenues					
	Admissions	684,451	747,118	458,625	416,592
	Concessions sales	142,645	142,701	90,547	77,728
	Advertising services and sponsorship income	211,755	233,839	44,972	37,700
	Bowling and Karaoke services income	142,235	111,987	3,046	22,087
	Rentals and services income	83,233	110,836	29,507	28,311
	Sales of VCD, DVD and film rights	119,946	86,573	-	-
	Fitness services income	-	2,128	-	-
	Gain on disposals of property, plant and equipment	-	725,641	-	-
	Dividend income	-	-	334,339	903,910
	Other operating income	20,994	28,771	76,195	87,285
	Total revenues	1,405,259	2,189,594	1,037,231	1,573,613
Expenses					
	Cost of film exhibition and theatre	599,053	634,426	399,301	369,814
	Cost of sales of concessions	56,194	58,401	34,993	32,735
	Cost of providing advertising services	13,296	13,956	-	-
	Cost of providing bowling and Karaoke services	93,391	82,972	2,465	14,908
	Cost of rentals and services	46,801	60,994	2,916	3,405
	Cost of sales of VCD, DVD and film rights	105,765	120,299	-	-
	Cost of providing fitness services	-	2,392	-	-
	Selling and administrative expenses	308,735	412,874	163,353	146,565
	Total expenses	1,223,235	1,386,314	603,028	567,427
	Operating profit	182,024	803,280	434,203	1,006,186
	Gain on disposal of investment	5,273	-	5,273	-
	Share of profit of investments - equity	51,285	21,034	-	-
	Profit before interest and tax	238,582	824,314	439,476	1,006,186
	Interest expense	(21,309)	(28,420)	(29,979)	(26,064)
	Income tax	(58,889)	(78,820)	(31,803)	(32,805)
	Net profit for the period	158,384	717,074	377,694	947,317
Attributable to:					
	Shareholders of the parent	159,532	737,762	377,694	947,317
	Minority interests	(1,148)	(20,688)	-	-
	Net profit for the period	158,384	717,074	377,694	947,317
		Baht	Baht	Baht	Baht
Earnings per share for profit attributable to the shareholders of the parent					
	Basic earnings per share	0.18	0.84	0.43	1.08
	Diluted earnings per share	0.18	0.84	0.43	1.08

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Income (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2008	2007	2008	2007
Revenues					
Admissions		1,226,065	1,513,847	819,121	853,408
Concessions sales		254,913	297,505	161,222	163,186
Advertising services and sponsorship income		440,970	517,918	89,132	100,621
Bowling and Karaoke services income		268,962	223,585	6,087	44,349
Rentals and services income		161,630	223,386	57,179	52,140
Sales of VCD, DVD and film rights		247,396	221,045	-	-
Fitness services income		-	7,360	-	-
Gain on disposals of property, plant and equipment		-	725,641	-	-
Dividend income	17	-	-	377,994	1,371,756
Other operating income	7	148,688	39,825	250,284	169,342
Total revenues		2,748,624	3,770,112	1,761,019	2,754,802
Expenses					
Cost of film exhibition and theatre		1,100,078	1,276,060	729,420	753,079
Cost of sales of concessions		101,433	118,552	63,370	65,961
Cost of providing advertising services		21,159	24,407	-	-
Cost of providing bowling and Karaoke services		182,430	156,278	5,088	26,443
Cost of rentals and services		89,510	120,202	5,509	5,048
Cost of sales of VCD, DVD and film rights		220,279	229,657	-	-
Cost of providing fitness services		-	4,348	-	-
Selling and administrative expenses		617,868	697,389	340,919	283,108
Total expenses		2,332,757	2,626,893	1,144,306	1,133,639
Operating profit		415,867	1,143,219	616,713	1,621,163
Gain on disposals of investment	15	113,249	-	181,272	-
Share of profit of investments - equity	15	142,413	7,795	-	-
Profit before interest and tax		671,529	1,151,014	797,985	1,621,163
Interest expense		(44,553)	(64,365)	(63,059)	(55,828)
Income tax		(167,280)	(174,881)	(107,703)	(65,018)
Net profit for the period		459,696	911,768	627,223	1,500,317
Attributable to:					
Shareholders of the parent		460,966	934,645	627,223	1,500,317
Minority interests		(1,270)	(22,877)	-	-
Net profit for the period		459,696	911,768	627,223	1,500,317
		Baht	Baht	Baht	Baht
Earnings per share for profit attributable to the shareholders of the parent					
	5				
Basic earnings per share		0.52	1.09	0.71	1.76
Diluted earnings per share		0.52	1.09	0.71	1.75

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

		Consolidated						Unit : Baht'000	
	Notes	Issued and paid-up share capital	Share premium	Share subscription	Fair value reserve on available-for-sale investment	Legal reserve	Unappropriated retained earnings	Minority 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	1,964	23,656	-	-	-	-	-	25,620
Fair value reserve		-	-	-	566	-	-	-	566
Net profit (loss) for the period		-	-	-	-	-	460,966	(1,270)	459,696
Disposals of investment in subsidiary		-	-	-	-	-	-	(19,681)	(19,681)
Dividends	12	-	-	-	-	-	(484,537)	(400)	(484,937)
Closing balance 30 June 2008		<u>881,897</u>	<u>3,839,674</u>	<u>-</u>	<u>566</u>	<u>90,600</u>	<u>809,696</u>	<u>(18,970)</u>	<u>5,603,463</u>
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		89,306	1,034,008	(136,041)	-	-	-	-	987,273
Legal reserve appropriation		-	-	-	-	27,078	(27,078)	-	-
Net profit (loss) for the period		-	-	-	-	-	934,645	(22,877)	911,768
Dividends	12	-	-	-	-	-	(376,307)	(500)	(376,807)
Closing balance 30 June 2007		<u>876,491</u>	<u>3,769,705</u>	<u>-</u>	<u>-</u>	<u>90,600</u>	<u>979,192</u>	<u>2,876</u>	<u>5,718,864</u>

The notes on pages 11 to 30 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 six-month periods ended 30 June 2008 and 2007

		Company					Unit : Baht'000	
		Issued and paid-up share capital	Share premium	Share available-for-sale subscription	Fair value reserve on investment	Legal reserve	Unappropriated retained earnings	Total
Notes								
	Opening balance 1 January 2008	879,933	3,816,018	-	-	90,600	569,044	5,355,595
	Issuance of ordinary shares	1,964	23,656	-	-	-	-	25,620
	Fair value reserve	-	-	-	566	-	-	566
	Net profit for the period	-	-	-	-	-	627,223	627,223
	Dividends	-	-	-	-	-	(484,537)	(484,537)
	Closing balance 30 June 2008	881,897	3,839,674	-	566	90,600	711,730	5,524,467
	Opening balance 1 January 2007	787,185	2,735,697	136,041	-	63,522	(351,959)	3,370,486
	Issuance of ordinary shares	89,306	1,034,008	(136,041)	-	-	-	987,273
	Legal reserve appropriation	-	-	-	-	27,078	(27,078)	-
	Net profit for the period	-	-	-	-	-	1,500,317	1,500,317
	Dividends	-	-	-	-	-	(376,307)	(376,307)
	Closing balance 30 June 2007	876,491	3,769,705	-	-	90,600	744,973	5,481,769

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2008	2007	2008	2007
Cash flows from operating activities	14	414,720	673,166	166,155	525,682
Cash flows from investing activities					
Payments for short-term investments	16	(230,000)	(750,000)	(230,000)	(750,000)
Proceeds from sales of short-term investment	16	440,000	-	440,000	-
Loans made to related parties	17	-	(37,083)	(54,500)	(355,918)
Proceeds from settlements of loans to related parties	17	15,618	-	287,201	107,872
Payments for investments in associates	15	(69,641)	(840,200)	(69,641)	(840,200)
Payments for investments in joint venture	15	(17,541)	-	(17,541)	-
Proceeds from disposal of investment in associates		-	1,000	-	1,000
Purchases of property, plant and equipment		(289,582)	(465,462)	(228,690)	(346,118)
Proceeds from disposals and rental of property, plant and equipment		143,652	1,805,344	140,468	18,362
Loans to employees		(1,405)	64	(1,067)	533
Payment for deposits for lease and service contracts		-	(2,479)	-	(1,977)
Payments for leasehold rights		-	(41,000)	-	(6,461)
Dividends received from subsidiaries and associates	15	64,394	42,256	427,204	1,112,416
Payments for film rights		(9,781)	(163,783)	-	-
Net cash from (used in) investing activities		45,714	(451,343)	693,434	(1,060,491)
Cash flows from financing activities					
Increase (decrease) in restricted cash		905	(285)	-	-
Proceeds from short-term loans		200,000	-	150,000	-
Repayments of short-term loans		(50,000)	(333,300)	-	(333,300)
Repayments of finance lease liabilities		(7,598)	(6,574)	(7,234)	(5,411)
Proceeds from loans from subsidiaries	17	-	-	38,000	822,433
Proceeds from long-term borrowings		-	420,000	-	420,000
Repayments of loans from subsidiaries	17	-	-	(437,000)	(58,374)
Repayments of long-term borrowings	9	(135,500)	(967,500)	(134,000)	(921,000)
Receipt from issuance of ordinary shares	10	25,620	987,273	25,620	987,273
Dividends paid to shareholders	12	(484,299)	(376,066)	(484,299)	(376,066)
Dividends paid to minority interests		(400)	(500)	-	-
Net cash (used in) from financing activities		(451,272)	(276,952)	(848,913)	535,555
Net increase (decrease) in cash and cash equivalents		9,162	(55,129)	10,676	746
Opening balance of cash and cash equivalents		169,648	404,698	67,086	241,038
Closing balance of cash and cash equivalents		178,810	349,569	77,762	241,784

The notes on pages 11 to 30 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2008 and 2007

	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Cash and cash equivalents comprise:				
Cash on hand and at banks	210,172	399,425	77,762	231,592
Bank overdrafts	(31,362)	(49,856)	-	(15,508)
Total cash and cash equivalents	<u>178,810</u>	<u>349,569</u>	<u>77,762</u>	<u>216,084</u>

Non-cash transactions

Significant non-cash transactions for the six-month periods ended 30 June 2008 and 2007:

	Note	Unit: Baht'000			
		Consolidated		Company	
		2008	2007	2008	2007
Investment in property, plant and equipment, not yet paid		40,162	68,027	32,930	45,456
Purchases of film rights, not yet paid		61,088	21,607	-	-
Purchases of property, plant and equipment under finance leases		10,982	16,879	10,982	15,748
Investment in an associate by share exchange	15	255,998	-	255,998	-

The notes on pages 11 to 30 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 August 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 30 June 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 30 June 2008							
Revenues	1,039	148	110	117	-	(10)	1,404
Segment result	189	7	55	(12)	(2)	-	237
Unallocated costs							(57)
Operating profit							180
For the three-month period ended 30 June 2007							
Revenues	1,131	118	155	95	2	(37)	1,464
Segment result	158	(10)	85	(82)	(3)	-	148
Gain on disposals of property, plant and equipment							726
Unallocated costs							(71)
Operating profit							803

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3 Segment information (Cont'd)

	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 six-month period ended 30 June 2008							
Revenues	1,920	281	215	252	-	(20)	2,648
Segment result	331	3	110	(10)	(4)	-	430
Gain on cancellation of lease agreement							98
Unallocated costs							(114)
Operating profit							414
For the six-month period ended 30 June 2007							
Revenues	2,333	237	315	228	8	(76)	3,045
Segment result	439	(7)	178	(75)	(3)	-	532
Gain on disposals of property, plant and equipment							726
Unallocated costs							(115)
Operating profit							1,143

Discontinuing operations

Since the second quarter of 2007, a subsidiary has discontinued its operations in providing fitness centre services. As a result, there was no revenue derived from fitness centre in 2008.

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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 six-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Gain on disposals of assets to Property Fund	-	725,641	-	-
Gain on cancellation of lease agreement (Note 7)	98,441	-	98,441	-
Gain on disposal of investment in subsidiary (Note 15)	108,542	-	175,998	-
Loss from written-off of property, plant and equipment	-	57,902	-	-
Doubtful debt	-	28,560	-	-

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.

	Unit: Shares'000			
	Consolidated and Company			
	For the three-month periods ended		For the six-month periods ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Number of weighted average share:				
- for basic earnings per share	880,715	876,209	880,382	854,697
- for diluted earnings per share	881,463	876,963	881,131	855,452

6 Trade accounts and notes receivable, net

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Unbilled revenue - advertising	8,462	19,601	-	-
Notes receivable	7,101	10,816	412	56
Trade accounts receivable				
- advertising	761,186	669,196	210,678	166,423
- sales of VCD, DVD and film rights	164,863	366,472	-	-
- others	51,812	47,350	22,826	34,092
Total	993,424	1,113,435	233,916	200,571
Less: Allowance for doubtful accounts	(18,880)	(19,114)	-	-
Trade accounts and notes receivable, net	974,544	1,094,321	233,916	200,571

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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	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Unbilled revenue - advertising	8,462	19,601	-	-
Trade accounts and notes receivable				
- Current	447,759	648,477	32,249	117,965
- Overdue not more than 3 months	288,657	242,391	44,294	60,718
- 3 - 6 months	152,179	58,203	112,488	16,597
- over 6 months	96,367	144,763	44,885	5,291
Total	993,424	1,113,435	233,916	200,571
<u>Less:</u> Allowance for doubtful accounts	(18,880)	(19,114)	-	-
Trade accounts and notes receivable, net	974,544	1,094,321	233,916	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 six-month period ended				
30 June 2008				
Opening net book amount	4,759,164	665,889	1,775,068	191,255
Additions	294,715	-	237,264	-
Disposals of investment in a subsidiary	(6,734)	-	-	-
Disposals, net	(44,043)	-	(54,227)	-
Depreciation/amortisation	(301,961)	(16,368)	(113,638)	(4,170)
Closing net book amount	4,701,141	649,521	1,844,467	187,085

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.

8 Intangible assets

	Consolidated (Baht'000)	
	Film rights	Goodwill
For the six-month period ended 30 June 2008		
Opening net book amount	310,071	81,775
Additions	51,484	-
Disposals of investment in a subsidiary	(155,149)	-
Amortisation	(41,926)	(8,528)
Closing net book amount	164,480	73,247

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9 Long-term borrowings from financial institutions

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Current portion				
- Finance lease liabilities	11,146	13,435	9,655	11,953
- Bank borrowings	314,438	314,438	268,000	268,000
Total current portion of long-term borrowings	325,584	327,873	277,655	279,953
Non-current				
- Finance lease liabilities	2,854	6,419	1,327	4,519
- Bank borrowings	536,500	672,000	535,000	669,000
Total non-current portion of long-term borrowings	539,354	678,419	536,327	673,519
Total long-term borrowings from financial institutions	864,938	1,006,292	813,982	953,472

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

	Unit: Baht'000	
	Consolidated	Company
For the six-month period ended 30 June 2008		
Opening amount	986,438	937,000
Repayments of borrowings	(135,500)	(134,000)
Closing amount	850,938	803,000

Long-term bank borrowings bear interest at the rates ranging from 5.375% to 7.50% 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 six-month period ended 30 June 2008				
Opening balance	906,000	879,933	879,933	3,816,018
Issuance of shares	-	1,964	1,964	23,656
Closing balance	906,000	881,897	881,897	3,839,674

As at 30 June 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:

	<u>Issued date</u>	<u>Issued units Million</u>	<u>Exercise price Baht/unit</u>	<u>Exercise period</u>	
				<u>Start</u>	<u>End</u>
ESOP-W1	27 May 2003	19.5	11.649	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	16.447	30 November 2007	15 November 2012

The exercise prices and ratios that will be effective from 2 June 2008 onwards are as follows:

	<u>Exercise ratio (unit/share)</u>	<u>Exercise price (Baht/unit)</u>
ESOP-W1	1.130	11.649
ESOP-W2	1.037	14.732
ESOP-W3	1.020	16.447

During the period, ESOP-W1 and ESOP-W3 warrants are exercised by 1,296,703 units and 501,080 units, respectively.

12 Dividends

At the Annual General Meeting of the shareholders held on 4 April 2008, the shareholders passed a resolution to approve dividends in respect of the operating results for the period from July to December 2007 at Baht 0.55 per share, totaling Baht 484.54 million. The dividends were distributed to the shareholders on 2 May 2008.

At the Annual General Meeting of the shareholders held on 2 April 2007, the shareholders passed a resolution to approve dividends in respect of the operating results for the period from July to December 2006 at Baht 0.43 per share, totaling Baht 376.31 million.

13 Commitments and contingencies

i) Bank guarantees

As at 30 June 2008, there are outstanding bank guarantees given on behalf of the Group to third parties in normal course of business amounting to Baht 145.9 million (31 December 2007: Baht 151.0 million).

ii) Guarantee

As at 30 June 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, M Pictures Company Limited and Ratchayothin Avenue Company Limited for a total of Baht 1,260.2 million (31 December 2007: Baht 1,140.2 million).

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

As at 30 June 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	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Not later than 1 year	528	547	219	243
Later than 1 year but not later than 5 years	2,198	2,316	887	1,011
Later than 5 years	6,113	6,330	1,891	1,945
	<u>8,839</u>	<u>9,193</u>	<u>2,997</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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14 Cash flows from operating activities

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

For the six-month periods ended	Notes	Unit: Baht'000			
		Consolidated		Company	
		30 June 2008	30 June 2007	30 June 2008	30 June 2007
Net profit before tax		626,976	1,086,649	734,926	1,565,335
Adjustments for:					
Depreciation and amortisation charges	7,8	368,783	415,318	117,808	126,997
Interest expense		44,553	64,365	63,059	55,828
Realised deferred revenue		(34,746)	(14,522)	(25,446)	(5,750)
Allowance for doubtful accounts		-	28,560	-	-
Reversal of provision for goods returns		(1,751)	(7,513)	-	-
Gain on disposals of property, plant and equipment		(2,335)	(725,072)	(636)	-
Gain on cancellation of lease agreement	7	(98,441)	-	(98,441)	-
(Gain) loss on disposal of investment in subsidiary and associate	15	(110,241)	434	(175,998)	(600)
Gain on disposal of short-term investment		(5,273)	-	(5,273)	-
Loss on write-off of property, plant and equipment		-	57,902	-	-
Realised gain on disposals of assets to the Property Fund	15	(6,949)	-	-	-
Shares of profit of investments in associates	15	(142,413)	(7,795)	-	-
Provision for liabilities in subsidiaries		-	-	14,968	12,116
Dividends income		-	-	(337,994)	(1,371,756)
Changes in operating assets and liabilities:					
- trade accounts and notes receivable		(98,194)	(151,217)	(33,345)	55,044
- accounts receivable - sponsors		30,929	43,094	28,339	49,299
- amounts due from related parties		(1,837)	(6,643)	(30,939)	(101,502)
- inventories		1,378	7,520	1,415	704
- value added tax receivable		(3,312)	(6,635)	(16,028)	(14,843)
- other current assets		7,825	(62,927)	(1,700)	13,435
- other assets		1,059	12,502	730	5,265
- trade accounts and notes payable		116,769	21,991	72,968	140,969
- amounts due to related parties		(40,646)	31,097	35,194	22,270
- accrued expenses		(30,979)	16,223	(17,238)	(479)
- other accounts payable		(26,904)	(16)	(19,604)	(699)
- other current liabilities		(1,221)	66,334	4,980	34,574
- advances received from sponsors		(25,831)	32,083	(25,831)	32,083
- other liabilities		21,823	(14,930)	(871)	6,736
Cash generated from operations		589,022	886,802	285,043	625,026
- Interest paid		(44,553)	(65,349)	(36,018)	(53,856)
- Income tax paid		(129,749)	(148,287)	(82,870)	(45,488)
Cash flows from operating activities		414,720	673,166	166,155	525,682

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15 Investments in subsidiaries, associates and joint venture

	Unit: Baht'000			
	Consolidated		Company	
	30 June 2008	31 December 2007	30 June 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	1,513,400	1,168,550	1,630,448	1,304,809
Investments in joint venture	17,541	-	17,541	-
Investments in subsidiaries, associates and joint venture, net	<u>1,530,941</u>	<u>1,168,550</u>	<u>3,302,569</u>	<u>3,039,388</u>

a) Movements of investments in subsidiaries

	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>

b) Movements of investments in associates

	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 six-month period ended 30 June 2008		
Opening net book amount	1,168,550	1,304,809
Acquisition		
- Traffic Corner Holdings Public Company Limited	270,333	270,333
- California WoW Experience Public Company Limited	55,306	55,306
Realised gain on disposals of assets to the Property Fund	6,949	-
Dividends received	(64,394)	-
Share of results	142,413	-
	<u>1,579,157</u>	<u>1,630,448</u>
<u>Less: Elimination of gain on disposals of investments to an associate</u>	(65,757)	-
Closing net book amount	<u>1,513,400</u>	<u>1,630,448</u>

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

b) Movements of investments in associates (Cont'd)

	Unit: Baht'000	
	<u>Consolidated</u>	<u>Company</u>
As at 30 June 2008		
Investment amount	1,862,635	1,630,448
<u>Less:</u> Unrealised gain on disposals of assets to the Property Fund	<u>(349,235)</u>	<u>-</u>
Net book amount	<u>1,513,400</u>	<u>1,630,448</u>

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund.

As at 30 June 2008, investment in associates in the consolidated financial statements includes net book value of goodwill amounting to Baht 380.06 million (31 December 2007: Baht 120.13 million).

Traffic Corner Holdings Public Company Limited

On 4 February 2008, the Company has sold all 799,993 ordinary shares in M Pictures Company Limited ("MP") to Traffic Corner Holdings Public Company Limited ("TRAF") at the price of Baht 320 per share for a total 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	<u>255,998</u>
Total proceed used in the acquisitions	270,333
<u>Less:</u> Fair value of net assets acquired	<u>(768)</u>
Goodwill	<u>269,565</u>

On 29 April 2008, TRAF has registered to change its name to M Pictures Entertainment Public Company Limited.

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

c) Movements of investments in joint venture

	Unit: Baht'000	
	Consolidated	Company
Investments in joint venture		
For the six-month period ended 30 June 2008		
Opening book amount	-	-
Investment in joint venture		
- PVR bluO Entertainment Limited	17,541	17,541
Closing book amount	17,541	17,541

PVR bluO Entertainment Limited

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 which is approximates to Baht 38.6 million. On 8 April 2008, the Company paid Baht 17.5 million, equivalent to 50% of the Company's portion. As at 30 June 2008, the joint venture has not operated.

d) The details of investments in subsidiaries, associates and joint venture are as follows:

	Nature of business	Nature of relationship	% Ownership interest
Subsidiaries			
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99
Major Bowl Group Co., Ltd.	Bowling, karaoke and entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.94
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

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

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

	<u>Nature of business</u>	<u>Nature of relationship</u>	<u>% Ownership interest</u>
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	21.08
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00
Major Cineplex Lifestyle Property Fund	Rental of building and utilities services	Indirect shareholding via SF	10.57
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	33.00
M Pictures Entertainment Public Company Limited (Formerly “Traffic Corner Holdings Public Company Limited”)	Publishing, advertising and distribution of film rights	Shareholder	40.00
Associate under PMEG			
Media Logistic Co., Ltd.	Providing of logistic services	Indirect shareholding	40.81
Joint venture			
PVR bluO Entertainment Limited	Bowling, karaoke and entertainment services	Shareholder	47.51
			49.00

All subsidiaries and associates are incorporated in Thailand except the joint venture which is incorporated in India. All holdings are investments in ordinary shares and investment unit in the Property Fund.

16 Short-term investments

The movements of short-term investments are as follows:

	<u>Unit: Baht'000</u> <u>Consolidated and Company</u>
Opening book amount	302,905
Addition	230,000
Disposals	(434,727)
Change in fair value of available-for-sale investments	566
Closing book amount	<u>98,744</u>

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17 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 30 June	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Management income				
Subsidiaries	-	-	30,900	40,158
Associates	8,055	3,256	8,055	3,256
Related company	1,200	1,200	1,200	1,200
	<u>9,255</u>	<u>4,456</u>	<u>40,155</u>	<u>44,614</u>
Advertising income				
Subsidiaries	-	-	38,658	31,140
Interest income				
Subsidiaries	-	-	31,069	36,812
Associates	425	468	423	464
	<u>425</u>	<u>468</u>	<u>31,492</u>	<u>37,276</u>
Equipment rental income				
Subsidiary	-	-	-	13,500
Rental and area services income				
Associates	7,686	13,220	65	-
Related companies	4,748	1,062	198	-
	<u>12,434</u>	<u>14,282</u>	<u>263</u>	<u>-</u>
Dividends income				
Subsidiaries	-	-	313,600	899,500
Associates	-	-	20,739	4,410
	<u>-</u>	<u>-</u>	<u>334,339</u>	<u>903,910</u>
Sales of equipment and leases of property and buildings				
Subsidiaries	-	-	3,368	18,384
Property Fund	-	1,802,674	-	-
	<u>-</u>	<u>1,802,674</u>	<u>3,368</u>	<u>18,384</u>

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17 Related party transactions (Cont'd)

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

For the six-month periods ended 30 June	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Management income				
Subsidiaries	-	-	61,800	80,316
Associates	15,232	3,256	15,232	3,256
Related company	2,400	2,400	2,400	2,400
	<u>17,632</u>	<u>5,656</u>	<u>79,432</u>	<u>85,972</u>
Advertising income				
Subsidiaries	-	-	77,316	61,980
Interest income				
Subsidiaries	-	-	63,724	71,872
Associates	851	558	846	551
	<u>851</u>	<u>558</u>	<u>64,570</u>	<u>72,423</u>
Equipment rental income				
Subsidiary	-	-	-	27,000
Rental and area services income				
Associates	13,775	26,847	141	-
Related companies	8,039	2,103	337	-
	<u>21,814</u>	<u>28,950</u>	<u>478</u>	<u>-</u>
Dividends income				
Subsidiaries	-	-	313,600	1,329,500
Associates	-	-	64,394	42,256
	<u>-</u>	<u>-</u>	<u>377,994</u>	<u>1,371,756</u>
Sales of equipment and leases of property and buildings				
Subsidiaries	-	-	12,215	19,637
Property Fund	-	1,802,674	-	-
	<u>-</u>	<u>1,802,674</u>	<u>12,215</u>	<u>19,637</u>

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 30 June 2008

17 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

For the three-month periods ended 30 June	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Rental and area service expenses				
Subsidiaries	-	-	6,933	14,296
Associates	37,034	5,762	25,192	3,606
Related companies	14,913	15,014	12,770	12,900
	<u>51,947</u>	<u>20,776</u>	<u>44,895</u>	<u>30,802</u>
Rental of equipments				
Subsidiary	-	-	9,000	9,000
Related company	5,400	5,400	5,400	5,400
	<u>5,400</u>	<u>5,400</u>	<u>14,400</u>	<u>14,400</u>
Interest expense				
Subsidiaries	-	-	12,792	6,872
Management expense				
Related company	5,850	5,850	5,850	5,850
Purchases of fixed assets				
Subsidiaries	-	-	491	40,238
Sponsorship expense				
Subsidiary	-	-	10,000	-
Director's remuneration				
Directors	5,140	5,201	5,140	4,901

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 30 June 2008

17 Related party transactions (Cont'd)

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

For the six-month periods ended 30 June	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Rental and area service expenses				
Subsidiaries	-	-	13,314	29,537
Associates	72,025	11,263	49,573	6,979
Related companies	29,791	29,807	25,487	25,606
	<u>101,816</u>	<u>41,070</u>	<u>88,374</u>	<u>62,122</u>
Rental of equipments				
Subsidiary	-	-	18,000	18,000
Associate	10,800	10,800	10,800	10,800
	<u>10,800</u>	<u>10,800</u>	<u>28,800</u>	<u>28,800</u>
Interest expense				
Subsidiaries	-	-	27,041	12,338
Management expense				
Related company	11,700	11,700	11,700	11,700
Computer service				
Associate	-	1,651	-	1,338
Purchases of fixed assets				
Subsidiaries	-	-	491	40,238
Sponsorship expense				
Subsidiary	-	-	20,000	-
Director's remuneration				
Directors	6,790	6,302	6,790	6,002

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Consolidated and Company Financial Statements
For the interim period ended 30 June 2008

17 Related party transactions (Cont'd)

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

As at	Unit: Baht'000			
	Consolidated		Company	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Trade accounts receivable (included in "Trade accounts and notes receivable")				
Subsidiaries	-	-	216,498	176,376
Associates	4,173	9,792	-	250
Related company	1,634	572	117	62
	<u>5,807</u>	<u>10,364</u>	<u>216,615</u>	<u>176,688</u>
Other receivables				
Subsidiaries	-	-	830,685	788,847
Associates	8,173	5,917	6,820	5,503
Related companies	70	13	-	1
	<u>8,243</u>	<u>5,930</u>	<u>837,505</u>	<u>794,351</u>
Dividends receivables				
Subsidiaries	-	-	36,630	125,840
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	125,537	105,731
Related companies	19,248	7,056	7,817	-
	<u>19,248</u>	<u>7,056</u>	<u>133,354</u>	<u>105,731</u>
Other payables				
Subsidiaries	-	-	343,708	284,670
Associates	5,392	3,167	2,312	722
Related companies	4,701	2,654	4,200	2,593
	<u>10,093</u>	<u>5,821</u>	<u>350,220</u>	<u>287,985</u>
Advance received for land rental				
Property Fund	33,863	34,386	-	-
Deposits received				
Property Fund	120,003	120,003	-	-

17 Related party transactions (Cont'd)

iv) Loans to related parties

	Unit: Baht'000	
	<u>Consolidated</u>	<u>Company</u>
For the six-month period ended 30 June 2008		
Subsidiaries and associates		
Beginning balance	25,385	1,857,913
Loans made during the period	-	54,500
Loans repayments during the period	<u>(15,618)</u>	<u>(287,201)</u>
Ending balance	<u>9,767</u>	<u>1,625,212</u>

Loans to subsidiaries and associates are carrying interest at the rates ranging from 7.125% 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 six-month period ended 30 June 2008		
Subsidiaries		
Beginning balance		808,705
Loans received during the period		38,000
Loans repaid during the period		<u>(437,000)</u>
Ending balance		<u>409,705</u>

Loans from subsidiaries are carrying interest at the rates ranging from 7.125% to 7.50% per annum and there is no specific repayment date.

18 Post balance sheet events

i) Acquisition and disposals of investments

On 27 June 2008, the directors of the Company passed a resolution to sell all ordinary shares in Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG") to M Picture Entertainment Public Company Limited ("MPIC"), an associate company. On 28 July 2008, the Company agreed to sell all 9,699,995 ordinary shares in PMEG at Baht 39.4944 per share for a total consideration of Baht 383 million. The consideration for the purchase will be settled by way of subscription of newly issued ordinary shares in MPIC. The exchange ratio is 9.68 new shares of MPIC per 1 share of PMEG. The Company will receive a total of 93,895,952 shares in MPIC. However, the Company will sell interest in PMEG only when the shareholders of MPIC approve the increase of share capital and issuance of newly ordinary shares to the Company for the settlement of the purchases.

ii) Interim dividends

At the Board of directors' meeting held on 13 August 2008, the directors passed a resolution to approve the interim dividend in respect of the period from January to June 2008 of Baht 0.39 per share (amounting to Baht 343.94 million) to be payable to all share outstanding as on 27 August 2008.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 JUNE 2008

