

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 as at 30 September 2007 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited ("the Company") and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2007 and 2006, and the related statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2007 and 2006. 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 2006 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 statements in my report dated 23 February 2007. As discussed in Note 2 to the interim financial statements, from 1 January 2007, the Company has changed its accounting policy for investments in subsidiaries and associates in the company financial statements from equity method to cost method in order to comply with the Federation of Accounting Professions' announcement. The Company has applied retrospective adjustments to this change. Accordingly, the company balance sheet as at 31 December 2006, as part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and the interim company financial statements for the three-month and nine-month periods ended 30 September 2006, presented for comparative purposes, are restated.

Kajornkiet Aroonpirodkul

Certified Public Accountant (Thailand) No. 3445

PricewaterhouseCoopers ABAS Limited

Bangkok

14 November 2007

Major Cineplex Group Public Company Limited

Balance Sheets

As at 30 September 2007 and 31 December 2006

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		As restated			
		30 September	31 December	30 September	31 December
Notes		2007	2006	2007	2006
ASSETS					
Current Assets					
	Cash on hand and at banks	234,593	436,545	139,597	242,781
6	Short-term investments	202,904	-	202,904	-
7	Trade accounts and notes receivable, net	1,040,152	851,256	123,482	164,193
	Accounts receivable - sponsorship	135,110	156,775	25,602	82,177
16	Amounts due from related parties	22,516	4,456	484,226	329,409
	Inventories, net	140,921	147,146	19,143	19,218
	Value added tax receivable	157,720	140,520	33,400	14,616
16	Dividends receivable	-	-	176,840	-
	Other current assets	179,355	152,435	35,039	85,656
	Total Current Assets	2,113,271	1,889,133	1,240,233	938,050
Non-Current Assets					
	Restricted cash	6,925	5,640	-	-
8	Investments in subsidiaries and associates, net	1,047,886	587,739	2,954,388	2,114,588
16	Loans to related parties	33,057	2,950	1,969,726	1,741,790
	Loans to employees	11,620	10,193	8,995	8,353
9	Property, plant and equipment, net	4,690,733	4,956,303	1,860,721	1,543,932
9	Leasehold rights, net	673,958	693,835	193,340	191,610
10	Film rights, net	340,673	294,133	-	-
10	Goodwill, net	121,853	140,705	-	-
	Deposits	87,374	161,944	42,811	116,499
	Other non-current assets, net	30,468	39,457	1,141	3,475
	Total Non-Current Assets	7,044,547	6,892,899	7,031,122	5,720,247
	Total Assets	9,157,818	8,782,032	8,271,355	6,658,297

Director _____

Director _____

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2007 and 31 December 2006

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
				As restated	
		30 September	31 December	30 September	31 December
Notes		2007	2006	2007	2006
LIABILITIES AND SHAREHOLDERS'					
EQUITY					
Current Liabilities					
Bank overdrafts and borrowings from					
	financial institutions	901,981	1,341,547	410,000	915,743
	Trade accounts and notes payable	477,923	529,429	393,325	270,977
	Amounts due to related parties	16	21,006	7,261	198,233
	Current portion of borrowings				
	from financial institutions	11	306,110	590,750	272,201
	Other accounts payable	182,206	239,255	62,895	106,055
	Accrued income tax	105,781	102,544	17,351	25,506
	Current portion of deferred rental				
	and services income	18,709	17,762	-	-
	Accrued expenses	105,568	103,003	39,825	38,753
	Other current liabilities	274,332	169,651	91,812	34,332
	Total Current Liabilities	2,393,616	3,101,202	1,485,642	1,923,193
Non-Current Liabilities					
	Borrowings from subsidiaries	16	-	-	822,705
	Borrowings from financial institutions	11	743,325	1,104,792	714,566
	Deferred rental and services income	4	312,896	292,412	-
	Advance receipt from sponsors	15,555	5,250	15,555	5,250
	Deposits	4	182,075	78,739	22,402
	Provision for liabilities on loss in subsidiaries	-	-	59,495	45,537
	Other non-current liabilities	5,106	3,007	977	927
	Total Non-Current Liabilities	1,258,957	1,484,200	1,635,700	1,364,618
	Total Liabilities	3,652,573	4,585,402	3,121,342	3,287,811

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2007 and 31 December 2006

		Unit: Baht'000			
		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		As restated			
		30 September	31 December	30 September	31 December
Note		2007	2006	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)					
Shareholders' Equity					
	Share capital				
	12				
	Authorised share capital	906,000	906,777	906,000	906,777
	Issued and fully paid-up share capital	876,491	787,185	876,491	787,185
	Share premium	3,769,705	2,735,697	3,769,705	2,735,697
	12				
	Share subscription	49,756	136,041	49,756	136,041
	Retained earnings				
	Appropriated - legal reserve	90,600	63,522	90,600	63,522
	Unappropriated	709,696	447,932	363,461	(351,959)
	Total parent's shareholders' equity	5,496,248	4,170,377	5,150,013	3,370,486
	Minority interests	8,997	26,253	-	-
	Total Shareholders' Equity	5,505,245	4,196,630	5,150,013	3,370,486
	Total Liabilities and Shareholders' Equity	9,157,818	8,782,032	8,271,355	6,658,297

The notes on pages 11 to 29 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 September 2007 and 2006

	Unit: Baht'000				
	Notes	Consolidated		Company	
		2007	2006	2007	As restated 2006
Revenues					
Admissions		692,198	618,211	434,194	340,871
Concessions sales		125,950	106,554	76,882	49,310
Advertising services and sponsorship income		246,100	169,995	66,643	97,003
Bowling and Karaoke services income		143,313	150,086	22,301	23,219
Rentals and services income		78,463	110,398	30,899	11,149
Sales of VCD/DVD and film rights		182,950	153,721	-	-
Fitness services income		-	5,498	-	-
Dividend income	16	-	-	-	3,669
Other operating income		24,294	46,948	83,443	76,930
Total revenues		1,493,268	1,361,411	714,362	602,151
Expenses					
Cost of film exhibition and theatre		608,328	552,353	378,019	294,187
Cost of sales of concessions		48,330	35,724	29,764	16,461
Cost of providing advertising services		10,821	5,728	-	-
Cost of providing bowling and Karaoke services		94,630	81,637	12,524	17,264
Cost of rentals and services		41,541	62,001	3,902	1,727
Cost of sales of VCD/DVD and film rights		139,489	118,609	-	-
Cost of providing fitness services		-	6,196	-	-
Selling and administrative expenses		309,035	278,153	178,322	118,498
Total expenses		1,252,174	1,140,401	602,531	448,137
Operating profit		241,094	221,010	111,831	154,014
Share of profit of investments - equity method		12,475	56,377	-	-
Profit before interest and tax		253,569	277,387	111,831	154,014
Interest expense		(25,199)	(41,730)	(33,217)	(33,408)
Income tax		(53,500)	(46,693)	(21,878)	(15,932)
Profit before minorities		174,870	188,964	56,736	104,674
Profit attributable to minorities, net		(6,122)	(145)	-	-
Net profit for the period		168,748	188,819	56,736	104,674
		Baht	Baht	Baht	Baht
Earnings per share					
	5				
Basic earnings per share		0.19	0.25	0.06	0.14
Diluted earnings per share		0.19	0.24	0.06	0.13

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Statements of Income (Unaudited)

For the nine-month periods ended 30 September 2007 and 2006

		Unit: Baht'000			
		Consolidated		Company	
		As restated			
Notes	2007	2006	2007	2006	
Revenues					
	2,206,044	1,817,451	1,287,602	1,005,341	
Admissions					
	423,456	316,074	240,068	148,568	
Concessions sales					
	764,018	571,134	167,263	235,468	
Advertising services and sponsorship income					
	366,898	408,299	66,650	69,642	
Bowling and Karaoke services income					
	301,849	316,149	83,039	32,394	
Rentals and services income					
	403,995	410,195	-	-	
Sales of VCD/DVD and film rights					
	7,360	19,830	-	-	
Fitness services income					
Profit on disposals of property, plant and equipment	4	726,271	-	-	
Dividend income	16	-	-	-	
			1,371,756	21,685	
Other operating income		55,272	85,681	209,909	
Total revenues		5,255,163	3,944,813	3,469,163	
			1,723,007		
Expenses					
	1,884,387	1,631,624	1,131,099	918,832	
Cost of film exhibition and theatre					
	166,882	114,535	95,725	53,395	
Cost of sales of concessions					
	35,228	13,251	-	-	
Cost of providing advertising services					
	250,908	229,666	38,967	49,384	
Cost of providing bowling and Karaoke services					
	161,744	179,559	8,950	5,116	
Cost of rentals and services					
	352,112	219,828	-	-	
Cost of sales of VCD/DVD and film rights					
	4,348	18,148	-	-	
Cost of providing fitness services					
Selling and administrative expenses		1,021,738	818,697	340,735	
Total expenses		3,877,347	3,225,308	1,736,171	
			1,367,462		
Operating profit		1,377,816	719,505	1,732,992	
Profit on disposals of investment	8	-	107,441	114,003	
Share of profit of investments - equity method	8	26,769	87,045	-	
Profit before interest and tax		1,404,585	913,991	1,732,992	
Interest expense		(89,565)	(123,719)	(89,046)	
Income tax		(228,382)	(213,332)	(86,896)	
Profit before minorities		1,086,638	576,940	1,557,050	
Loss attributable to minorities, net		16,756	1,293	-	
Net profit for the period		1,103,394	578,233	1,557,050	
		Baht	Baht	Baht	
Earnings per share	5				
Basic earnings per share		1.28	0.78	1.81	
Diluted earnings per share		1.28	0.76	1.81	

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Statements of Changes in Shareholders' Equity (Unaudited)

For the nine-month periods ended 30 September 2007 and 2006

Consolidated (Baht'000)								
	Notes	Issued and paid-up share capital	Share premium	Share subscription	Legal reserve	Unappropriated retained earnings	Minority interests	Total
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	12	89,306	1,034,008	(86,285)	-	-	-	1,037,029
Legal reserve appropriation		-	-	-	27,078	(27,078)	-	-
Net profit (loss) for the period		-	-	-	-	1,103,394	(16,756)	1,086,638
Dividends	14	-	-	-	-	(814,552)	(500)	(815,052)
Closing balance 30 September 2007		<u>876,491</u>	<u>3,769,705</u>	<u>49,756</u>	<u>90,600</u>	<u>709,696</u>	<u>8,997</u>	<u>5,505,245</u>
Opening balance 1 January 2006		709,323	1,840,200	16	14,405	348,063	12,492	2,924,499
Issuance of ordinary shares		60,833	700,808	(16)	-	-	-	761,625
Share subscription		-	-	211,718	-	-	-	211,718
Share subscription in subsidiary received from minorities		-	-	-	-	-	20,000	20,000
Legal reserve appropriation		-	-	-	33,828	(33,828)	-	-
Net profit (loss) for the period		-	-	-	-	578,233	(1,293)	576,940
Dividends	14	-	-	-	-	(546,190)	(917)	(547,107)
Closing balance 30 September 2006		<u>770,156</u>	<u>2,541,008</u>	<u>211,718</u>	<u>48,233</u>	<u>346,278</u>	<u>30,282</u>	<u>3,947,675</u>

The notes on pages 11 to 29 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 nine-month periods ended 30 September 2007 and 2006

Company (Baht'000)						
Notes	Issued and	Share	Share	Legal	Unappropriated	Total
	paid-up share capital					
Opening balance 1 January 2007 - as previously reported	787,185	2,735,697	136,041	63,522	447,932	4,170,377
Retrospective adjustments	-	-	-	-	(799,891)	(799,891)
Opening balance - as restated	787,185	2,735,697	136,041	63,522	(351,959)	3,370,486
Issuance of ordinary shares	89,306	1,034,008	(86,285)	-	-	1,037,029
Legal reserve appropriation	-	-	-	27,078	(27,078)	-
Net profit for the period	-	-	-	-	1,557,050	1,557,050
Dividends	-	-	-	-	(814,552)	(814,552)
Closing balance 30 September 2007	876,491	3,769,705	49,756	90,600	363,461	5,150,013
Opening balance 1 January 2006 - as previously reported	709,323	1,840,200	16	14,405	348,063	2,912,007
Retrospective adjustments	-	-	-	-	(449,822)	(449,822)
Opening balance - as restated	709,323	1,840,200	16	14,405	(101,759)	2,462,185
Issuance of ordinary shares	60,833	700,808	(16)	-	-	761,625
Share subscription	-	-	211,718	-	-	211,718
Legal reserve appropriation	-	-	-	33,828	(33,828)	-
Net profit for the period - as restated	-	-	-	-	300,896	300,896
Dividends	-	-	-	-	(546,190)	(546,190)
Closing balance 30 September 2006	770,156	2,541,008	211,718	48,233	(380,881)	3,190,234

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Statements of Cash Flows (Unaudited)

For the nine-month periods ended 30 September 2007 and 2006

	Notes	Unit: Baht'000			
		Consolidated		Company	
		2007	2006	2007	As restated 2006
Cash flows from operating activities	15	889,319	782,578	680,753	112,139
Cash flows from investing activities					
Receipts (payments) for short-term investments	6	(202,904)	836	(202,904)	-
Loans made to related parties	16	(45,403)	(600)	(395,138)	(524,868)
Proceeds from repayment of loans to related parties	16	15,296	-	167,202	266,363
Payment for investment in associates	8	(840,200)	(90,110)	(840,200)	(90,110)
Proceeds from disposals of investment in associates	8	1,000	149,255	1,000	149,255
Purchases of property, plant and equipment		(743,213)	(821,765)	(470,073)	(235,136)
Proceeds from disposals of property, plant and equipment	4	1,813,649	2,804	49,299	32,817
Dividends received from subsidiaries and associates		42,256	18,015	1,194,916	21,685
Loans to employees		(1,427)	(1,655)	(642)	(2,162)
Payment for deposits for leases and service contracts		(4,899)	(181,457)	(4,380)	(111,572)
Payments for leasehold rights	9	(43,840)	(16,600)	(7,985)	-
Payments for film rights		(197,442)	(319,183)	-	-
Net cash payments for investing activities		(207,127)	(1,260,460)	(508,905)	(493,728)
Cash flows from financing activities					
(Increase) decrease in restricted cash		(1,285)	1,037	-	-
Proceeds (repayments) from short-term loans		(457,175)	215,300	(504,000)	4,000
Repayments of financial lease liabilities		(8,787)	(36,803)	(7,392)	(35,929)
Proceeds from loans from subsidiaries	16	-	-	859,433	241,945
Proceeds from long-term borrowings	11	420,000	100,000	420,000	100,000
Repayments of loans from subsidiaries	16	-	-	(257,074)	(112,500)
Repayments of long-term borrowings	11	(1,076,750)	(319,823)	(1,007,000)	(247,500)
Proceeds from issuance of shares	13	987,273	761,625	987,273	761,625
Cash received for share subscription	13	49,755	211,718	49,755	211,718
Dividends paid	14	(814,284)	(449,287)	(814,284)	(449,287)
Dividends paid to minorities interests	14	(500)	(917)	-	-
Share subscription in subsidiary received from minorities		-	20,000	-	-
Net cash receipts (payments for) financing activities		(901,753)	502,850	(273,289)	474,072
Net increase (decrease) in cash and cash equivalents		(219,561)	24,968	(101,441)	92,483
Opening balance of cash and cash equivalents		404,698	282,555	241,038	145,647
Closing balance of cash and cash equivalents		185,137	307,523	139,597	238,130

The notes on pages 11 to 29 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Statements of Cash Flows (Unaudited) (Cont'd)

For the nine-month periods ended 30 September 2007 and 2006

	Unit: Baht'000			
	Consolidated		Company	
	2007	2006	2007	2006
Cash and cash equivalents as at 30 September comprise:				
Cash on hand and deposits held at call with banks	234,593	375,945	139,597	265,886
Bank overdrafts	(49,456)	(68,422)	-	(27,756)
Total cash and cash equivalents	<u>185,137</u>	<u>307,523</u>	<u>139,597</u>	<u>238,130</u>
Supplementary information for cash flows:				
Interest paid	89,565	128,255	74,093	91,348
Income tax paid	225,145	227,903	95,051	126,080

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2007 and 2006 are as follows:

	Unit: Baht'000			
	Consolidated		Company	
	2007	2006	2007	2006
Investment in property, plant and equipment not yet paid	53,609	65,175	29,786	25,501
Purchases of film rights not yet paid	28,144	78,256	-	-
Purchases of property, plant and equipment under finance leases	17,320	7,717	13,767	6,912

The notes on pages 11 to 29 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 2006 except for accounting policy for investment. The Company has adopted the guideline per the notification of Federation of Accounting Professions No. 26/2549 dated 11 October 2006 and No. 32/2549 dated 3 November 2006 in changing an accounting treatment from the equity method of accounting to the cost method of accounting for the investment in the subsidiaries and the associates presented in the separated financial statements by applying the retrospective method to record the adjustments from this accounting change (Note 2).

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 2006 annual financial statements.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 14 November 2007.

1.2 Amendment to accounting standards

Amendments to standards effective in 2007

The following standards are revised and are mandatory for accounting periods beginning on or after 1 January 2007 and are relevant to the Group.

TAS 44: Consolidated and Separate Financial Statements

TAS 45: Investments in Associates

Major Cineplex Group Public Company Limited

Unaudited Condensed Notes to the Consolidated and Company Financial Statements

For the interim period ended 30 September 2007

TAS 46: Financial Reporting of Interests in Joint Ventures

These standards have no impact to the consolidated financial statements. The significant impacts to the separate financial statements relating to the revised standards have been discussed in Note 2 to the financial statements.

1 Summary of significant of accounting policies (Cont'd)

1.2 Amendment to accounting standards effective in 2007 and 2008 (Cont'd)

Amendments to standards effective in 2008

The following standards are revised and are mandatory for accounting periods beginning on or after 1 January 2008 and are relevant to the Group.

TAS 25: Cash Flow Statements

TAS 33: Borrowing Costs

TAS 35: Presentation of Financial Statements (revised 2007)

TAS 39: Accounting Policies, Changes in Accounting Estimates and Errors (revised 2007)

TAS 41: Interim Financial Reporting (revised 2007)

TAS 49: Construction Contracts

The Group will apply these amendments to the standards from 1 January 2008. The application is not expected to have significant impact to the financial position or results of the operations of the Group.

2 Change in accounting policy with respect to the investments

The amendment of TAS no. 44 "Consolidated and Separate Financial Statements", TAS no. 45 "Investments in Associates" and TAS no. 46 "Interests in Joint Ventures" require the change from equity method to cost method for investments in subsidiaries, associates and jointly controlled entities presented in the separate financial statements. Under the cost method, income from investment will be recorded when dividends are declared. Those revised standards are mandatory from 1 January 2007. The Company has applied such method for investments in subsidiaries, associates and jointly controlled entities presented in the separate financial statements. The change in the accounting policy has an impact to the separate financial statements only and does not have an impact to the consolidated financial statements.

The Company has adopted the cost method in the separate financial statements since 1 January 2007 by applying retrospective adjustments. The effects of the change to the company balance sheet as at 31 December 2006 and the company statements of income for the three-month and nine-month periods ended 30 September 2006 are as follows:

	Baht'000
Balance sheet as at 31 December 2006	
- Decrease in investments in subsidiaries and associates	754,354
- Increase in provision for liabilities on loss in subsidiaries	45,537
Shareholders' equity	
- Decrease in retained earnings as at 31 December 2006	799,891
- Decrease in retained earnings as at 1 January 2006	449,822

Major Cineplex Group Public Company Limited

Unaudited Condensed Notes to the Consolidated and Company Financial Statements

For the interim period ended 30 September 2007

Statement of income for the three-month period ended 30 September 2006

- Decrease in share of profit from investment using equity method	82,685
- Increase in loss from provision for loss on investments in subsidiaries	5,129
- Increase in dividend income	3,669
- Decrease in net profit for the period	84,145
- Decrease in basic earnings per share and diluted earnings per share (Baht)	0.11

Statement of income for the nine-month period ended 30 September 2006

- Decrease in share of profit from investment using equity method	287,232
- Increase in loss from provision for loss on investments in subsidiaries	18,352
- Increase in dividend income	21,685
- Increase in profit on disposal of investment in associate	6,562
- Decrease in net profit for the period	277,337
- Decrease in basic earnings per share and diluted earnings per share (Baht)	0.37

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3 Segment information

Financial information by business segments:-

	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 September 2007							
Revenues	1,054	157	107	184	-	(9)	1,493
Segment result	219	16	56	30	(3)	-	318
Unallocated costs							(77)
Operating profit							241
For the three-month period ended							
30 September 2006							
Revenues	843	154	148	246	6	(35)	1,362
Segment result	129	34	78	85	2		328
Unallocated costs							(107)
Operating profit							221

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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 nine-month period ended							
30 September 2007							
Revenues	3,388	394	422	403	8	(85)	4,530
Segment result	659	9	234	(77)	(6)	-	819
Profit on disposals of property, plant and equipment							726
Unallocated costs							(167)
Operating profit							1,378
For the nine-month period ended							
30 September 2006							
Revenues	2,764	429	428	410	20	(106)	3,945
Segment result	555	78	225	66	(3)		921
Unallocated costs							(201)
Operating profit							720

3 Segment information (Cont'd)

Discontinuing operation

On 26 June 2007, certain subsidiaries have sold utilities equipment and leased certain property and buildings to Major Cineplex Lifestyle Property Fund. As a result, revenue for the rental and services segment will decrease by Baht 93 million in the second half of 2007. However, there will be property management income of Baht 12 million according to an agreement agreed with the Property Fund. Rental and service expense will increase by Baht 48 million in the second half of the year.

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 nine-month periods ended	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
Gain on disposals of assets to Property Fund	725,698	-	-	-
Loss from written-off of property, plant and equipment	59,172	-	-	-
Doubtful debt	23,262	5,630	-	379

During the period, certain subsidiaries have sold utilities equipment and leased certain property and buildings (Note 9) to Major Cineplex Lifestyle Property Fund (Note 8) for the lease periods of 20 years 8 months and 30 years, with the lease of one particular building can be extended for another 30 years. The lease of land is determined to be operating lease whereas the lease of buildings is determined to be finance lease according to the substance of the related lease agreements. The Group has received Baht 1,802.67 million as consideration for the transaction, of which Baht 34.91 million and Baht 120.94 million respectively, representing advance for land rental and a deposit for extension of the building lease term, and are included in the Deferred rental and Deposits on the balance sheet accordingly. As a result, gain from disposals amounting to Baht 725.70 million (after elimination of inter-company profit of Baht 363.13 million, Note 8) has been recognised during the period.

During the period, the Group has transformed certain theatres into retail areas for rent and has written off the net book value of the related theatre improvements amounting to Baht 59.2 million.

5 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders 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 assuming conversion of all dilutive potential ordinary share being warrants as per details in Note 13.

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	Unit: Shares'000			
	Consolidated and Company			
	For the three-month periods ended		For the nine-month periods ended	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
Number of weighted average share:				
- For basic earnings per share	876,491	770,156	862,042	742,529
- For diluted earnings per share	876,978	791,966	862,529	765,307

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6 Short-term investments

Short-term investments represent investment units of a mutual fund amounting to Baht 202.9 million.

7 Trade accounts and notes receivable, net

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Unbilled revenue - advertising	19,601	51,420	-	-
Notes receivable	6,184	58,663	328	3,227
Trade accounts receivable				
- advertising	609,129	353,552	82,256	101,107
- sales of VCD, DVD and film rights	333,626	280,396	-	-
- others	123,298	163,741	41,981	60,942
Total	1,091,838	907,772	124,565	165,276
Less: Allowance for doubtful accounts	(51,686)	(56,516)	(1,083)	(1,083)
	<u>1,040,152</u>	<u>851,256</u>	<u>123,482</u>	<u>164,193</u>

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Unbilled revenue - advertising	19,601	51,420	-	-
Trade accounts and notes receivable				
Current	504,607	466,168	41,927	42,301
Overdue below 3 months	260,850	255,888	31,108	69,372
Overdue 3 - 6 months	117,397	43,107	22,443	38,481
Overdue over 6 months	189,383	91,189	29,087	15,122
Total	1,091,838	907,772	124,565	165,276
Less: Allowance for doubtful accounts	(51,686)	(56,516)	(1,083)	(1,083)
	<u>1,040,152</u>	<u>851,256</u>	<u>123,482</u>	<u>164,193</u>

8 Investments in subsidiaries and associates

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
			As restated	
Investment in subsidiaries	-	-	1,667,680	1,667,680
Less: Allowance for impairment	-	-	(18,100)	(18,100)

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Investment in subsidiaries, net	-	-	1,649,580	1,649,580
Investment in associates	1,047,886	587,739	1,304,808	465,008
Investment in subsidiaries and associates, net	1,047,886	587,739	2,954,388	2,114,588

8 Investments in subsidiaries and associates (Cont'd)

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

	Company	
	Baht'000	
	<hr/>	
Investment in subsidiaries		
Opening net book amount - as previously reported		2,279,789
Retrospective adjustments (Note 2)		(630,209)
		<hr/>
Opening net book amount - as restated		1,649,580
Acquisitions		-
		<hr/>
Closing net book amount		1,649,580
		<hr/>
		Unit: Baht'000
	Consolidated	Company
	<hr/>	<hr/>
Investment in associates		
Opening book amount - as previously reported		589,153
Retrospective adjustments (Note 2)		(124,145)
		<hr/>
Opening book amount - as restated	587,739	465,008
Acquisitions	842,386	842,386
Disposal	(3,619)	(2,586)
Dividends received	(42,256)	-
Share of results	26,769	-
	<hr/>	<hr/>
	1,411,019	1,304,808
<u>Less: Elimination of gain on sales of property to the Property Fund</u>		
(Note 4)	(363,133)	-
	<hr/>	<hr/>
Closing book amount	1,047,886	1,304,808
	<hr/> <hr/>	<hr/> <hr/>

Major Online Company Limited and Ratchayothin Avenue Company Limited

On 21 February 2007, the Company has received 5,993 ordinary shares with par value of Baht 100 per share, representing 60% of interest in Major Online Company Limited from other shareholders of that company at no cost. As a result, the Company holds all 10,000 shares in Major Online Company Limited. The Company has gain from obtaining such shares amounting to Baht 2.19 million.

On 26 February 2007, the Company has invested in the ordinary shares of Ratchayothin Avenue Company Limited ("RAC") at par value amounting to Baht 50 million, representing 50% of interest. The Company treats this investment as associate because there is an agreement with the other shareholder, Siam Future Development Public Company Limited ("Siam Future"), another

Major Cineplex Group Public Company Limited

Unaudited Condensed Notes to the Consolidated and Company Financial Statements

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associate of the Company, that Siam Future will control the management of the operations in RAC and will consolidate the financial statements of RAC in the financial statements of Siam Future.

Subsequently on 12 March 2007, the Company has sold all 10,000 ordinary shares of Major Online Company Limited to RAC for a consideration of Baht 1 million. As a result, the Company has gain on sales of investment amounting to Baht 2.62 million and Baht 1.59 million in the consolidated and company financial statements, respectively.

Thaiticketmajor Company Limited

On 8 June 2007, the Company acquired 40% of the share capital in ThaiTicketMaster.Com Company Limited for a consideration of Baht 31.20 million. ThaiTicketMaster.Com Company Limited engages in business as an agent for selling of tickets for shows and concerts. The fair value of net identifiable assets at the date of acquisition was Baht 6.87 million. The resulting goodwill of Baht 24.33 million will be amortised on a straight-line basis over 10 years. Subsequently on 20 June 2007, ThaiTicketMaster.Com Company Limited has changed its name to Thaiticketmajor Company Limited.

8 Investments in subsidiaries and associates

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

Major Cineplex Lifestyle Property Fund

On 13 June 2007, the Group has issued and offered 230 million investment units at the par value of Baht 10 of Major Cineplex Lifestyle Property Fund (the "Fund") to the public, totalling Baht 2,300 million.

On 27 June 2007, the Company has invested in 33% of the total issued investment units of the Fund, totalling Baht 759 million. The Fund will use the proceeds from the offering to invest in purchasing, leasing and/or subleasing property and equipment. The properties in which the Fund will invest are part of leasehold land and buildings which are properties of Ratchayothin Realty Company Limited, Ratchayothin Management Company Limited, Ratchayothin Cinema Company Limited, Major Cineplex Property Company Limited and Major Cineplex Services Company Limited which are subsidiaries of the Company.

Siam Future Development Public Company Limited

As on 25 April 2006, the Company sold 16.55 million shares in Siam Future Development Public Company Limited, an associated company for a consideration of Baht 149.26 million. The Company has profit from sales of investment amounting to Baht 107.44 million. The ownership interests in Siam Future Development Pubic Company have been reduced from 25.15% to 21.25% as a result of sales.

b) The details of investments in subsidiaries and associates 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.	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	80.00
M Pictures Co., Ltd.	Distribution of film rights	Shareholder	79.99

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8 Investments in subsidiaries and associates (Cont'd)

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

	Nature of business	Nature of relationship	% Ownership interest
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	79.98
Associates			
California Wow Experience Public Company Limited	Fitness center services and other related services	Shareholder	36.75
Siam Future Development Public Company Limited	Rental of building space and utilities services	Shareholder	21.25
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00
		Indirect shareholding via Siam Future	10.63
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
Associates under PMEG			
Media Logistic Co., Ltd.	Providing of logistic services.	Indirect shareholding	39.99

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

9 Capital expenditure and commitments

	Unit: Baht'000			
	Consolidated		Company	
	Property, plant and equipment	Leasehold rights	Property, plant and equipment	Leasehold rights
For the nine-month period ended				
30 September 2007				
Opening net book amount	4,956,303	693,835	1,543,932	191,610
Additions	824,185	43,840	552,837	7,985
Disposals, net	(565,554)	(38,637)	(49,299)	-
Write-off, net	(59,172)	-	-	-
Depreciation/amortisation charge	(465,029)	(25,080)	(186,749)	(6,255)
Closing net book amount	<u>4,690,733</u>	<u>673,958</u>	<u>1,860,721</u>	<u>193,340</u>

On 26 June 2007, the Group has sold utilities equipment and leased certain property and buildings to Major Cineplex Lifestyle Property Fund. The net book value of the disposed assets are amounting to Baht 523 million.

In addition, the Group has forfeited the leasehold rights relating to the aforementioned leased buildings, in order for the Property Fund to be able to acquire the rights. The Group has received a compensation for the forfeit of rights amounting to Baht 38.69 million. The related net book value amounting to Baht 38.64 million has been written off accordingly.

10 Intangible assets

	Consolidated (Baht'000)	
	Film rights	Goodwill
For the nine-month period ended 30 September 2007		
Opening net book amount	294,133	140,705
Additions	182,107	-
Amortisation	(135,567)	(18,852)
Closing net book amount	<u>340,673</u>	<u>121,853</u>

11 Long-term borrowings from financial institutions

	Unit: Baht'000	
	Consolidated	Company

Major Cineplex Group Public Company Limited**Unaudited Condensed Notes to the Consolidated and Company Financial Statements**

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	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
Current portion				
- Financial lease liabilities	11,683	2,823	10,201	2,823
- Bank borrowings	294,427	587,927	262,000	488,000
Total current portion of long-term borrowings	306,110	590,750	272,201	490,823
Non-current				
- Financial lease liabilities	5,637	3,854	3,566	3,216
- Bank borrowings	737,688	1,100,938	711,000	1,072,000
Total non-current borrowings	743,325	1,104,792	714,566	1,075,216
Total long-term borrowings	1,049,435	1,695,542	986,767	1,566,039

Major Cineplex Group Public Company Limited**Unaudited Condensed Notes to the Consolidated and Company Financial Statements**

For the interim period ended 30 September 2007

11 Long-term borrowings from financial institutions (Cont'd)

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

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2007		
Opening amount	1,688,865	1,560,000
Borrowings during the period	420,000	420,000
Repayments during the period	(1,076,750)	(1,007,000)
Closing amount	<u>1,032,115</u>	<u>973,000</u>

Long-term bank borrowings bear interest at the rate ranging from 3.50% to 7.00% per annum and are secured by certain property, building and leasehold rights.

12 Share capital and share premium

	Authorised number of share Shares'000	Issued and fully paid up shares		
		Number of shares Shares'000	Ordinary shares Baht'000	Share premium Baht'000
For the nine-month period ended 30 September 2007				
Opening balance	906,777	787,185	787,185	2,735,697
Decrease of authorised shares	(20,777)	-	-	-
Increase of authorised shares	20,000	-	-	-
Issuance of shares	-	89,306	89,306	1,034,008
Closing balance	<u>906,000</u>	<u>876,491</u>	<u>876,491</u>	<u>3,769,705</u>

As at 30 September 2007, the total authorised number of ordinary shares is 906 million shares (31 December 2006: 906.8 million shares) with par value of Baht 1 per share (31 December 2006: Baht 1 per share).

At the Annual General Meeting of the shareholders held on 2 April 2007, the shareholders passed a resolution to approve the decrease of authorised share capital from 907 million shares with a par value of Baht 1 per share to 886 million shares with a par value of Baht 1 per share and increase of authorised share capital from 886 million shares to 906 million shares with a par value of Baht 1 per share. The Company registered the decrease and increase in share capital with the Ministry of Commerce on 11 April 2007.

The new shares issued during the period are in connection with the exercises of warrants as mentioned in Note 13.

13 Warrants

a) Warrants issued and offered to directors and employees (ESOP)

The Company issued and offered two grants of 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 bellows:

	Issued date	Issued units	Exercise price	Exercise period	
		Million	Baht/unit	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

13 Warrants (Cont'd)

b) Warrants issued and offered to the public (MAJOR-W1)

In 2004, the Company issued and offered 146,926,992 units of warrants with no offered price to purchases ordinary shares of the Company. The warrants are registered and are transferable with a maturity period of 3 years from the issued date.

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

	Exercise Ratio (unit/share)		Exercise price (Baht/unit)	
	Old	New	Old	New
ESOP-W1	1.086	1.108	12.120	11.878
ESOP-W2	1.000	1.037	15.280	14.732
MAJOR-W1	1.016	1.033	12.796	12.589

During the nine-month period ended 30 September 2007, warrants are exercised by 1.52 million units, 3 million units and 74.71 million units of ESOP-W1, ESOP-W2 and MAJOR-W1, respectively. Proceed from exercises of warrants during the period is amounting to Baht 987 million.

As of 30 September 2007, ESOP-W1 and ESOP-W2 warrants are exercised for 298,181 units and 3 million units, respectively. The Company has received advance for share subscription amounting to Baht 49.76 million during the period and registered the increased share capital with the Ministry of Commerce on 5 October 2007.

14 Dividends

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. The dividends were distributed to the shareholders on 20 April 2007.

At the Board of Director Meeting held on 14 August 2007, the Board passed a resolution to approve interim dividends in respect of the operating results for the period from January to June 2007 at Baht 0.50 per share, totaling Baht 438.25 million. The dividends were distributed to the shareholders on 7 September 2007.

At the Annual General Meeting of the shareholders held on 4 April 2006, the shareholders passed a resolution to approve dividends in respect of the operating results for the period from July to December 2005 at Baht 0.39 per share, totalling Baht 276.64 million. The dividends were distributed to the shareholders on 2 May 2006.

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At the Board of Director Meeting held on 11 August 2006, the Board passed a resolution to approve interim dividends in respect of the operating results for the period from January to June 2006 at Baht 0.35 per share, totaling Baht 269.55 million. The dividends were distributed to the shareholders on 8 September 2006.

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15 Cash flows from operating activities

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	30 September 2006	30 September 2007	As restated 30 September 2006
Net profit for the period	1,103,394	578,233	1,557,050	300,896
Adjustments for:				
Depreciation and amortisation (Notes 9 and 10)	644,528	641,383	193,004	169,128
Realised deferred revenue	(21,728)	(79,816)	(8,250)	(66,482)
Allowance for doubtful accounts	23,262	5,630	-	379
Provision for goods returns (reversal)	(7,513)	(21,525)	-	-
(Profit) loss on disposals of property, plant and equipment and leasehold rights	(725,698)	592	-	-
Loss on write-off of property, plant and equipment	59,172	-	-	-
Shares of profit of investments in associates (Note 8)	(26,769)	(87,045)	-	-
Dividends income	-	-	(1,371,756)	(21,685)
Loss (profit) on disposal of investment in associates	434	(107,441)	(600)	(114,003)
Provision for liabilities in subsidiaries	16,071	-	13,958	-
Share of net loss of subsidiaries to minorities	(16,756)	(1,293)	-	-
Changes in operating assets and liabilities:				
- trade accounts and notes receivable	(212,158)	(296,122)	40,711	(104,650)
- accounts receivable - sponsorship	28,798	-	63,708	-
- amounts due from related parties	(18,060)	(38)	(154,817)	(74,633)
- inventories	6,225	(66,911)	75	(4,748)
- value added tax receivable	(17,200)	(67,601)	(18,784)	(2,048)
- other current assets	(26,920)	(30,821)	50,617	(39,918)
- other assets	13,459	(18,327)	5,402	(73,057)
- trade accounts and notes payable	(36,171)	178,036	122,348	83,170
- amounts due to related parties	13,745	-	157,229	7,003

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- accrued expenses	2,565	25,457	1,072	7,700
- other accounts payable	(43,591)	102,850	(35,804)	38,658
- accrued income tax	3,237	(14,571)	(8,155)	(53,117)
- other current liabilities	95,389	(11,114)	56,746	13,518
- advanced received from				
sponsorship	11,888	45,667	11,888	45,667
- other liabilities	19,716	7,355	5,111	361
Cash flows from operating activities	<u>889,319</u>	<u>782,578</u>	<u>680,753</u>	<u>112,139</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	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
Management income				
Subsidiaries	-	-	32,100	40,158
Associates	8,012	-	8,012	-
Related companies	1,200	1,200	1,200	1,200
	<u>9,212</u>	<u>1,200</u>	<u>41,312</u>	<u>41,358</u>
Advertising income				
Subsidiaries	-	-	52,020	30,840
Interest income				
Subsidiaries	-	-	35,681	26,256
Associates	791	-	791	-
	<u>791</u>	<u>-</u>	<u>36,472</u>	<u>26,256</u>
Equipment rental income				
Subsidiaries	-	-	12,300	13,500
Rental and services income				
Associates	9,100	13,950	51	-
Related companies	3,207	-	430	-
	<u>12,307</u>	<u>13,950</u>	<u>481</u>	<u>-</u>
Dividends income				
Subsidiaries	-	-	-	3,669

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16 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
For the nine-month periods ended				
Management income				
Subsidiaries	-	-	112,416	120,474
Associates	13,611	-	13,611	-
Related companies	3,600	3,600	3,600	3,600
	<u>17,211</u>	<u>3,600</u>	<u>129,627</u>	<u>124,074</u>
Advertising income				
Subsidiaries	-	-	114,000	92,552
Interest income				
Subsidiaries	-	-	107,552	70,591
Associates	1,342	-	1,342	-
	<u>1,342</u>	<u>-</u>	<u>108,894</u>	<u>70,591</u>
Equipment rental income				
Subsidiaries	-	-	39,300	40,500
Rental and services income				
Associates	36,018	33,022	51	-
Related companies	7,621	-	430	-
	<u>43,639</u>	<u>33,022</u>	<u>481</u>	<u>-</u>
Dividends income				
Subsidiaries	-	-	1,329,500	3,669
Associates	-	-	42,256	18,016
	<u>-</u>	<u>-</u>	<u>1,371,756</u>	<u>21,685</u>
Sales of equipment and leases of property and buildings				
Property Fund	1,802,674	-	-	-

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For the interim period ended 30 September 2007

16 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
For the three-month periods ended				
Rental and service expenses				
Subsidiaries	-	-	6,180	13,921
Associates	32,238	2,151	21,613	1,125
Related companies	15,005	14,996	12,863	12,857
	<u>47,243</u>	<u>17,147</u>	<u>40,656</u>	<u>27,903</u>
Equipment rental expense				
Subsidiaries	-	-	9,000	9,000
Associates	953	1,009	-	-
Related companies	5,400	5,400	5,400	5,400
	<u>6,353</u>	<u>6,409</u>	<u>14,400</u>	<u>14,400</u>
Interest expense				
Subsidiaries	-	-	16,809	4,230
Consulting fee				
Related company	5,850	5,850	5,850	5,850
IT services fee				
Associates	-	4,979	-	3,926
Purchase of fixed assets				
Subsidiaries	-	-	7,253	-
Promotion expense				
Subsidiaries	-	-	40,000	-

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Unaudited Condensed Notes to the Consolidated and Company Financial Statements

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16 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	30 September 2006	30 September 2007	30 September 2006
For the nine-month periods ended				
Rental and area service expenses				
Subsidiaries	-	-	35,717	41,962
Associates	44,649	6,631	28,591	3,391
Related companies	44,856	43,443	38,469	37,312
	<u>89,505</u>	<u>50,074</u>	<u>102,777</u>	<u>82,665</u>
Equipment rental expense				
Subsidiaries	-	-	27,000	27,000
Associates	2,434	2,682	-	-
Related companies	16,200	16,967	16,200	16,200
	<u>18,634</u>	<u>19,649</u>	<u>43,200</u>	<u>43,200</u>
Interest expense				
Subsidiaries	-	-	29,147	9,077
Consulting fee				
Related company	17,550	17,550	17,550	17,550
IT services fee				
Associates	1,651	11,972	1,338	9,968
Purchases of fixed assets				
Subsidiaries	-	-	47,491	-
Promotion expense				
Subsidiaries	-	-	40,000	-
Rental deposits				
Associate	-	109,000	-	109,000

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For the interim period ended 30 September 2007

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

As at	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Trade accounts receivable (included in "Trade accounts and notes receivable")				
Subsidiaries	-	-	84,556	102,986
Associates	16,817	7,983	-	-
Related company	400	-	62	-
	<u>17,217</u>	<u>7,983</u>	<u>84,618</u>	<u>102,986</u>
Other receivables				
Subsidiaries	-	-	468,908	328,282
Associates	22,505	4,456	15,318	1,127
Related company	11	-	-	-
	<u>22,516</u>	<u>4,456</u>	<u>484,226</u>	<u>329,409</u>
Dividends receivables				
Subsidiaries	-	-	176,840	-
	<u>-</u>	<u>-</u>	<u>176,840</u>	<u>-</u>

Major Cineplex Group Public Company Limited

Unaudited Condensed Notes to the Consolidated and Company Financial Statements

For the interim period ended 30 September 2007

16 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
As at				
Trade accounts payable (included in "Trade accounts and notes payable")				
Subsidiaries	-	-	165,977	82,745
Associates	-	10,372	-	2,752
Related company	7,056	-	-	-
	<u>7,056</u>	<u>10,372</u>	<u>165,977</u>	<u>85,497</u>
Other payables				
Subsidiaries	-	-	185,698	40,039
Associates	20,946	6,661	12,535	365
Related company	60	600	-	600
	<u>21,006</u>	<u>7,261</u>	<u>198,233</u>	<u>41,004</u>
Advanced received for land rental				
Property Fund	<u>34,648</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deposits				
Property Fund	<u>120,003</u>	<u>-</u>	<u>-</u>	<u>-</u>

iv) Loans to related parties

	Unit: Baht'000	
	Consolidated	Company
For the nine-month period ended 30 September 2007		
Subsidiaries and associates		
Beginning balance	2,950	1,741,790
Loans made during the period	45,403	395,138
Loans repayments received during the period	(15,296)	(167,202)
Ending balance	<u>33,057</u>	<u>1,969,726</u>

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Loans to subsidiaries and associates are carrying interest at the rates ranging from 7.13% to 8.00% per annum and there is no specific repayment date.

v) **Loans from related parties**

	Company
	Baht'000
For the nine-month period ended 30 September 2007	
Subsidiaries	
Beginning balance	220,346
Loans acquired during the period	859,433
Loans repaid during the period	(257,074)
Ending balance	<u>822,705</u>

Loans from subsidiaries are carrying interest at the rates ranging from 7.13% to 8.00% per annum and there is no specific repayment date.

17 Commitments and contingencies

i) Bank guarantees

There are bank guarantees given on behalf of the Group to third parties amounting to Baht 111 million outstanding as at 30 September 2007 (31 December 2006: Baht 102 million).

ii) Guarantee

As of 30 September 2007, the Company has guaranteed for bank loans granted to subsidiaries being Pacific Marketing and Entertainment Group Company Limited, M Pictures Company Limited and Exertainment Company Limited for a total of Baht 808.2 million (31 December 2006: Baht 808.2 million).

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

As of 30 September 2007, the Company and its subsidiaries have commitment obligations in terms of long-term lease of land, buildings and service contracts. The future aggregate minimum lease and service payments under the contracts are as follows:

	Unit: Million Baht			
	Consolidated		Company	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Not later than 1 year	556	454	241	147
Later than 1 year but not later than 5 years	2,356	1,948	1,019	630
Later than 5 years	6,611	5,445	1,999	1,000
	9,523	7,847	3,259	1,777

18 Event after balance sheet date

Acquisition and disposal of investment

At the Board of directors' meeting held on 30 October 2007, the directors passed a resolution to sell all 799,993 ordinary shares in M Pictures Company Limited to Traffic Corner Holding Public Company Limited ("Traffic Corner") with offering price at Baht 320 per share for a consideration of Baht 256 million. The payment for such shares shall be made by cash in full or by newly issued ordinary shares in Traffic Corner and/or cash. However, the price offered for the aforementioned is subject to the results of investigation of information in M Picture. In addition, the Company will invest in ordinary shares of Traffic Corner with the shareholding not exceeding 50%. However, the

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Company have to obtain the Board of Directors' approval in entering into this transaction given that the Company's Board of Directors are satisfied with the due diligence results and the offering price of the newly issued shares of Traffic Corner.

Addition of investment in a subsidiary

At the extraordinary shareholder's meeting of Pacific Marketing and Entertainment Group Company Limited (PMEG) held on 4 October 2007 and 24 October 2007, the shareholders passed a resolution to approve the increase in its share capital from 1.5 million shares to 10 million shares at par value of Baht 10 per share, totalling Baht 100 million. The additional 8.5 million ordinary shares with a par value of Baht 10 per share, totalling Baht 85 million will be fully subscribed by Major Cineplex Group Public Company Limited. After the increase of authorised share capital, the investment portion of Major Cineplex Group in PMEG will be increased from 79.99% to 96.99%.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 September 2007

