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- **February 6, 2004**
Issued 146,927,500 warrants (MAJOR-W1) to existing shareholders at 4 existing shares for 1 warrant at exercise price of 13 baht and exercise ratio of 1:1
- **February 24, 2004**
Issued 3,500,000 warrants (ESOP-W2) to directors and employees under Employee Stock Option Program #2 at exercise price of 15.28 baht and exercise ratio of 1:1
- **May 27, 2004**
Joined with Samart Info Media Co.,Ltd establish a 50:50 joint venture I-Major Co.,Ltd with a registered capital of 20 million baht, of which paid-up capital is 25%
- **June 10, 2004**
Merged with EGV Entertainment PLC (EGV) by issuing new shares to swap with 100% of EGV at 2.27426 EGV shares to 1 MAJOR share and 11.44905 EGV warrants to 1 MAJOR share
- **June 23, 2004**
Signed a memorandum of understanding for an 80% investment in Nontanund Entertainment Co.,Ltd for 80 million baht (later, change to MAJOR CINEPICTURES)
- **July 1, 2004**
Opened a new branch at Chachoengsao serving 5 screens 12 bowling lanes and 7 karaoke rooms
- **September 2, 2004**
Invested 80% of registered capital in Pacific Marketing and Entertainment Group Inc for 80 million baht
- **September 26, 2004**
Opened a bowling alley under a new concept Major Bowl Hit at J-Avenue Thonglor 15 serving 8 bowling lanes and 11 karaoke rooms
- **October 16, 2004**
Opened a new bowling alley at Udonthani branch serving 16 bowling lanes and 9 karaoke rooms
- **November 12, 2004**
Opened a new bowling alley at Bangkapi branch serving 16 bowling lanes and 5 karaoke rooms
- **December 25, 2004**
Opened a new bowling alley at Bangna branch serving 18 bowling lanes and 13 karaoke rooms
- **December 31, 2004**
Opened a new bowling alley at Pinklao branch serving 20 bowling lanes and 14 karaoke rooms

Message from Chairman



Major Cineplex Group PLC has continually expanded and developed since establishing its first branch in 1995 with only 8 screens. Presently, the Company is a market leader with a market share of over 70% with 27 branches projecting 234 screens. To be a world class total entertainment center providing all entertainment needs of customers, the Company also operates synergistic business such as bowling, karaoke, rental space for leading retail shops and restaurants.

The Company is still growing continuously with vision and expertise of management. In 2003, the Company has invested in California WOW Xperience PLC to complete its lifestyle entertainment complex. As well, the Company has invested in Siam Future Development PLC to facilitate the Company's rapid expansion, desire to be closer to customers as well as ease the Company's capital expenditure. More important, in 2004, the Company has merged with EGV Entertainment PLC and expanded into films distribution business - a significant milestone for the Thai films industry.

All development of the Company will ultimately become shareholder's return. At all times, the Company grows with confidence. Every steps principally focus on business strength and shareholders wealth which the Company will certainly do in the future.

Best Regards,

Somchainuk Engtrakul
Chairman

Message from Chief Executive Officer

Year 2004 is another milestone for Major Cineplex and me that have transformed the Thailand's film industry for years to come. Major Cineplex Group PLC has merged with Thailand's second largest cinema operator, EGV Entertainment PLC. This move underscores the market leader status of the Company with growth in our market share from 50% to over 70%. This merger is the outcome of management's vision with anticipation of great benefits for the film industry and consumers alike, which also, strengthens the Company in every dimension.

Moreover, the Company has expanded into film distribution business particularly in cinema and home entertainment by investing in Pacific Marketing and Entertainment Group Inc. Whilst complementing the Company's core business, this expansion adds value to all films and broadens the local cinema. The Company has capitalized on its dominant position in the market to enrich all related parties.

Since 2002 when the Company listed in the Stock Exchange of Thailand till present, the Company has been growing continually in all related and synergized businesses. As a result, the Company has built a new business model as a total lifestyle entertainment complex for all Thais. Henceforth, the Company will steadily develop and be a leader in creating a well-known complete entertainment.

Best Regards,

Vicha Poolvaraluck
Chief Executive Officer



Directors and Management team



Directors and Management team



Directors and Management team

Director Biography

Mr.Somchainuk Engtrakul
Chairman



Age 60
Shareholding (%) -
Relationship with Management -

Education
Bachelor Degree of Law , Sripatham University
Bachelor Degree of Art (Economics) , UPSALA COLLEGE NEW JERSEY, USA

Experience (Last 3 positions)		
Period	Title	Company Name
1. Oct 2004 - Present	Chairman	Major Cineplex Group PLC.
2. 2000 - 2004	Permanent Secretary	Ministry of Finance
3. 1997 - 2000	Director - General	The Customs Department, Ministry of Finance
4. 1996 - 1997	Director - General	The Excise Department, Ministry of Finance

Other positions	
Title	Company Name
1. Vice Minister	Office of the Prime Minister
2. Chairman	Thai Military Bank PLC.
3. Chairman	Dhipaya Insurance PLC.

Mr.Vicha Poolvaraluck
Director and Chief Executive Officer



Age 41
Shareholding (%) 46%
Relationship with Management -

Education
Master Degree of Business Administration , United States International University of Sandiego,USA
Bachelor Degree of Business Administration , Chulalongkorn University

Experience (Last 3 positions)		
Period	Title	Company Name
1. 1995 - Present	CEO	Major Cineplex Group PLC.
2. 2003 - Present	Director	Siam Future Development PLC.
3. 2003 - Present	Director	California WOW Xperience PLC.

Other positions	
Title	Company Name
1. Director	Listed Companies Association
2. Director - Member Activities	Chulalongkorn University Alumni Association

Mr.Verawat Ongvasith
Director and Deputy Chief Executive Officer
- Administration



Age 34
Shareholding (%) 4%*
Relationship with Management Younger brother of the CEO's spouse

Education
Master Degree of Business Administration , Boston University USA
Bachelor Degree of Business Administration , Chulalongkorn University

Experience (Last 3 positions)		
Period	Title	Company Name
1. 2002 - Present	Deputy Chief Executive Officer	Major Cineplex Group PLC.
2. 2003 - Present	Director	Siam Future Development PLC.
3. 2003 - Present	Director	California WOW Xperience PLC.

Other Positions
-

*Includes holding by spouse and children

Dr.Vachara Phannachet
Director



Age 43
Shareholding (%) -
Relationship with Management -

Education
Doctorate Degree of Business Administration, Pacific Western University, USA
Master Degree of Business Administration, Miami University, USA
Bachelor Degree of Engineering, Chulalongkorn University

Experience (Last 3 positions)		
Period	Title	Company Name
1. 2004 - Present	Director	Major Cineplex Group PLC.
2. Mar-Oct 2003	Vice Minister	Office of the Prime Minister
3. 2002 - 2003	Strategic Investment Consultant	Ministry of Industry
4. 2001 - 2003	Director	Office of the Board of Investment

Other positions	
Title	Company Name
1. Vice Minister	Ministry of Industry
2. Director	Thailand Privilege Card Co.,Ltd.
3. President	APEC CEO SUMMIT 2003

Mrs. Paradee Poolvaraluck
Director



Age 42
Shareholding (%) 4.13%
Relationship with Management Chief Executive Officer 's spouse

Education
Master Degree of Business Administration, United States International University of Sandiego, USA
Bachelor Degree of Business Administration, Chulalongkorn University

Experience (Last 3 positions)		
Period	Title	Company Name
1. 1998 - Current	Director	Major Cineplex Group PLC.

Other positions
-

Directors and Management team

Mr. Thanakorn Puliwekin
Director and Deputy Chief Executive
Officer-Film Programming



Age 47
Shareholding (%) 0.06%
Relationship with Management -

Education
Master Degree of Business Administration , United State International University USA
Bachelor Degree of Business Administration, Bangkok University

Experience (Last 3 positions)

Period	Title	Company Name
1. 1995 - current	Director	Major Cineplex Group PLC

Other positions
-

Mr. Brian Hall
Director and Chief Operating Officer



Age 42
Shareholding (%) -
Relationship with Management -

Education
Bachelor Degree of Communication, Queen's University Kingston ,Ontario, Canada

Experience (Last 3 positions)

Period	Title	Company
1 2004 - Current	Director /COO	Major Cineplex Group PLC
2 2000 - 2003	Senior Vice President	Theatre Operations Imax Corporation Ltd., USA
3 1997 - 2000	Managing Director/ CEO	Cinema Plus Ltd., Sydney, Australia

Other positions
-

Mr.Chai Jroongtanapibarn
Independent Director and
Chairman of Audit Committee



Age 50
Shareholding (%) -
Relationship with Management -

Education
Master Degree of Science Accounting , Thammasart University
Bachelor Degree of Accounting , Chulalongkorn University

Experience (Last 3 positions)

Period	Title	Company Name
1. 2002 - Present	Independent Director & Chairman of Audit committee	Major Cineplex Group PLC.
2. 1982 - 1997	Executive Director & Chief Finance Officer	Royal Garden Resort PLC. Minor Corporation PLC. Minor Food Group PLC.

Other positions

Title	Company Name
1. Independent Director & Chairman of Audit Committee	Team Precision PLC.
2. Independent Director & Chairman of Audit Committee	Thai Metal Trade PLC.
3. Director	Siam Future Development PLC.

Mr.Wallop Tangtrongchitr
Independent Director and Audit Committee



Age 53
Shareholding (%) -
Relationship with Management -

Education
Master Degree of Business Administration , Chapman University USA

Experience (Last 3 positions)

Period	Title	Company Name
1. 2002 - Present	Independent Director	Major Cineplex Group PLC.
2. 1995 - 1997	Co-Ordinator	Regency Co.,Ltd.
3. 1983 - 1995	Manager	Wellcom Co.,Ltd.
4. 1977 - 1983	Project Co-Ordinator	Vivat Construction Ltd.

Other positions

Title	Company Name
1. Audit Committee	Major Cineplex Group PLC.
2. Managing Director	Pothi Sura Co.,Ltd

Mr. Hester Chew
Independent Director and Audit Committee



Age 43
Shareholding (%) -
Relationship with Management -

Education
Executive Program, Michigan Business School, University of Michigan, Ann Arbor

Experience (Last 3 positions)

Period	Title	Company Name
1. 1998 - Present	Independent Director	Major Cineplex Group PLC.
2. 2003 - Present	Managing Partner	HC & A Consultancy Pte Ltd.
3. 2002 - 2003	CEO	Delifrance Asia
4. 1987 - 2002	MD	KFC & PH - Thailand/ Singapore/ Indochina

Other positions

Title	Company Name
1 Chairman	Exco Oishi PLC.

Mr. Teerachai Triwongwaranat
Chief Cinema Officer



Age 49
Shareholding (%) -
Relationship with Management -

Education
Master Degree of Business Administration University of Dallas, Texas USA
Bachelor Degree of Business Administration, Chulalongkorn University

Experience (Last 3 positions)

Period	Title	Company Name
1. 2000-2004	Chief Distributor Officer	Golden Village Co.,Ltd.(Hong Kong)
2. 1999-2000	Chief Programming Officer	Golden Village Co.,Ltd.(Singapore)
3. 1996-1999	Chief Operating Officer	EGV Entertainment PLC.

Other positions

Title	Company Name
1. General Manager	U.I.P Co.,Ltd. (Hong Kong)
2. Director	Golden Village Co.,Ltd (Singapore)
3. Director	Golden Screen Co.,Ltd.(Malaysia)

Directors and Management team

Organization Chart

Mr. Naiyason Chantrasri
Chief Bowling Officer



Age 42
Shareholding (%) -
Relationship with Management -

Education
Training of business administration, Sophia University, Tokyo, Japan
Bachelor Degree of ARCH (Industrial Design)/ King Mongkut Institute of Technology, Ladkrabang Campus

Experience (Last 3 positions)

Period	Title	Company Name
1. 2000-2003	Aftersales Planning and administration Manager	Toyota Motor Thailand Co., Ltd.
2. 1998-2000	Group Strategic Marketing Director	B-Quick Service Co., Ltd.
3. 1997-1998	Chrysler Brand Manager	Thai Chrysler Automotive Co., Ltd.

Other positions

Title	Company Name
1. Part-time Instructor	Faculty of Communication, Assumption University

Mr. Anavach Ongvasith
Chief Marketing Officer



Age 37
Shareholding (%) 0.01%
Relationship with Management Cousin of the Chief Executive Officer's spouse

Education
Master Degree of International business, Boston University USA
Bachelor Degree of Business Administration, Assumption University

Experience (Last 3 positions)

Period	Title	Company Name
1. 1997 - 2002	Marketing Director	Major Cineplex Group PLC.
2. 1992 - 1996	Marketing Manager	Siam Retail Development Ltd.

Other positions
-

Mr. Chattaphum Khantiviriya
Chief Finance Officer



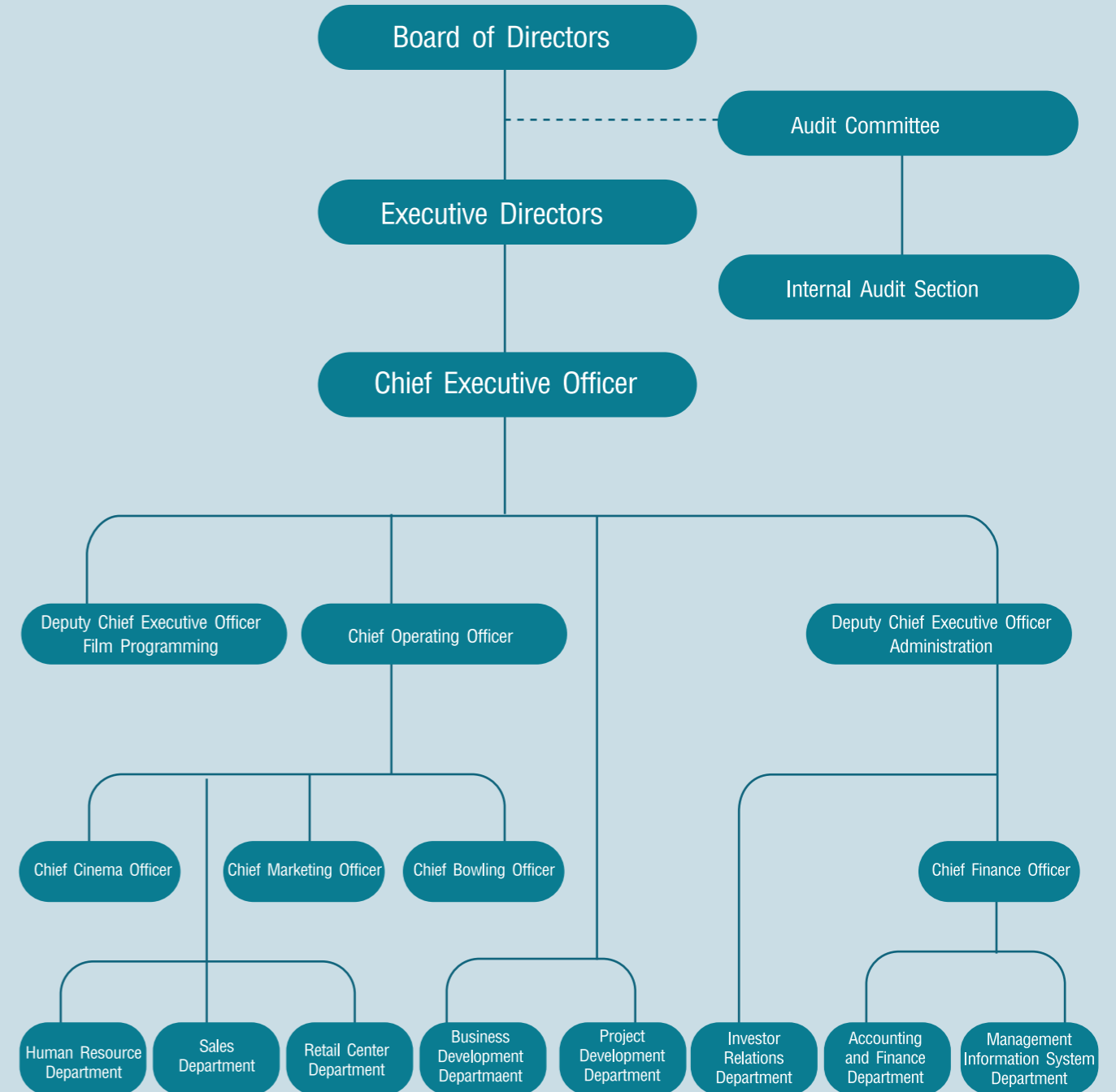
Age 43
Shareholding (%) 0.05%
Relationship with Management -

Education
Master Degree of Business Administration, Kasetsart University
Bachelor Degree of Accounting, Chulalongkorn University

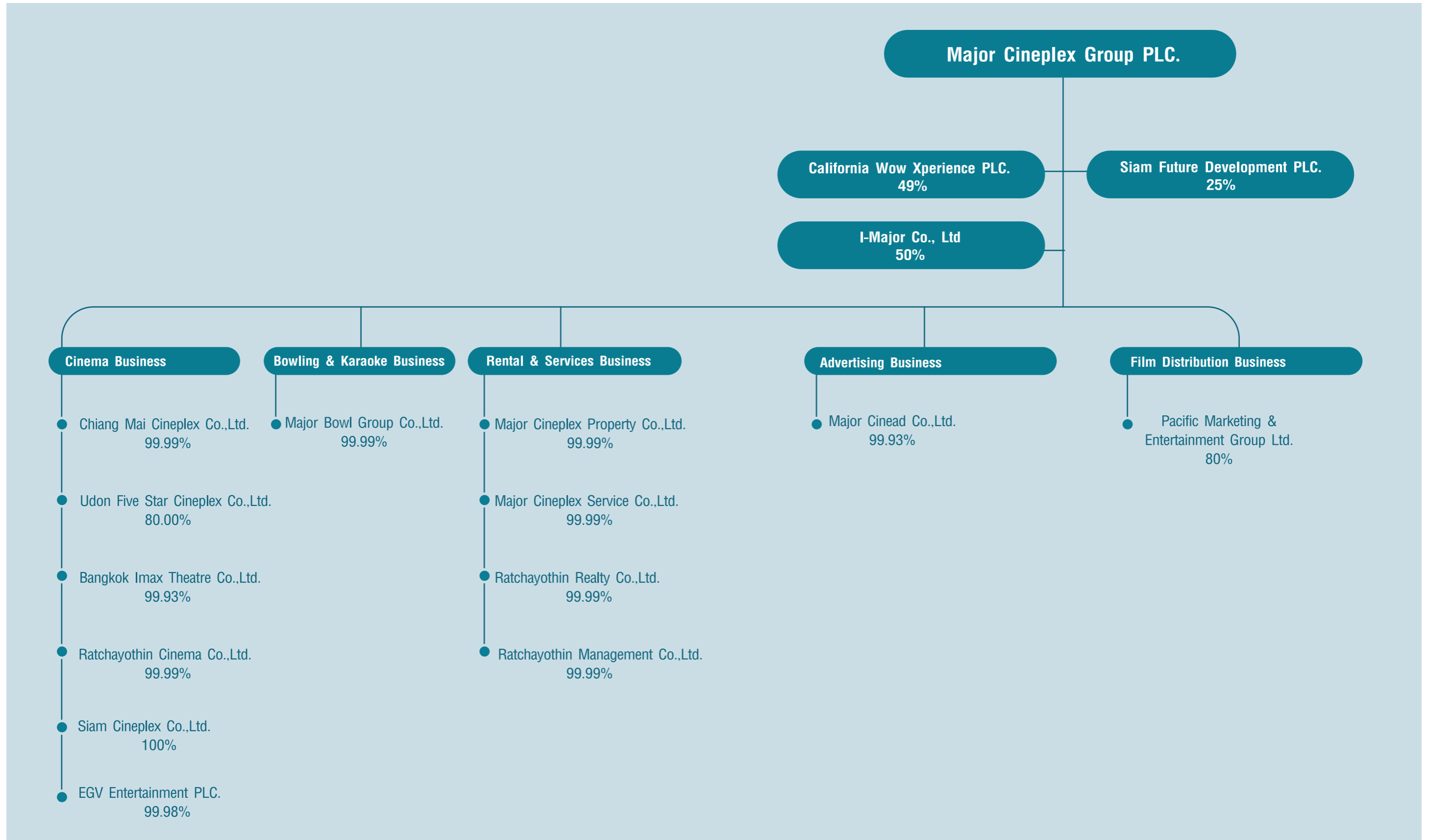
Experience (Last 3 positions)

Period	Title	Company Name
1. 1998 - current	Chief Finance Officer	Major Cineplex Group PLC

Other positions
-



Group Structure



General Informations of the company, subsidiaries and associated companies



1. Major Cineplex Group PLC.

● Major Cineplex Group PLC.

Registration no.	4085400677
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema & Entertainment Complex operator, concession vendor
Registered capital	897,000,000
Paid up capital	709,322,633

2. Cinema Business

● 2.1 Chiang Mai Cineplex Co.,Ltd.

Registration no.	(2)1502/2543
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema operator, rental and services business, concession vendor
Registered capital	20,000,000
Paid up capital	20,000,000
% of investment	99.99%

● 2.2 Udon Five Star Cineplex Co.,Ltd.

Registration no.	10554601114
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema operator
Registered capital	39,000,000
Paid up capital	39,000,000
% of investment	80.00%

● 2.3 Bangkok Imax Theatre Co.,Ltd.

Registration no.	(2) 51/2544
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema operator, concession vendor
Registered capital	1,000,000
Paid up capital	1,000,000
% of investment	99.93%

● 2.4 Ratchayothin Cinema Co.,Ltd.

Registration no.	(4) 589/2541
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema operator, concession vendor
Registered capital	10,000,000
Paid up capital	10,000,000
% of investment	99.99%

● 2.5 Siam Cineplex Co.,Ltd.

Registration no.	0108254 704840
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Cinema operator, concession vendor
Registered capital	150,000,000
Paid up capital	150,000,000
% of investment	100.00%

● 2.6 EGV Entertainment PLC.

Registration no.	40854500695
Head office	989 Rama I Rd., Patumwan, Bangkok 10330
Nature of business	Cinema & Entertainment Complex operator, concession vendor
Registered capital	440,000,000
Paid up capital	260,000,000
% of investment	99.98%

3. Bowling and Karaoke Business

● 3.1 Major Bowl Group Co.,Ltd.

Registration no.	(4) 590/2541
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Bowling alley operator, concession vendor
Registered capital	36,000,000
Paid up capital	36,000,000
% of investment	99.99%

4. Rental and Services Business

● 4.1 Major Cineplex Property Co.,Ltd.

Registration no.	(2) 2930/2537
Head office	1221/39 Sukkhumvit Rd., North Klongton, Wattana ,Bangkok
Nature of business	Rental and services business
Registered capital	78,000,000
Paid up capital	78,000,000
% of investment	99.99%

● 4.2 Major Cineplex Service Co.,Ltd.

Registration no.	(4) 307/2540
Head office	1221/39 Sukkhumvit Rd., North Klongton, Wattana ,Bangkok
Nature of business	Rental and services business
Registered capital	23,000,000
Paid up capital	23,000,000
% of investment	99.99%

● 4.3 Ratchayothin Realty Co.,Ltd.

Registration no.	(1) 2123/2539
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Rental and services business
Registered capital	100,000,000
Paid up capital	100,000,000
% of investment	99.99%

● 4.4 Ratchayothin Management Co.,Ltd.

Registration no.	(4) 306/2540
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Rental and services business
Registered capital	5,000,000
Paid up capital	5,000,000
% of investment	99.99%

5. Advertising Business

● 5.1 Advertising Business

Registration no.	Kor Tor 05-0289-44
Head office	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Nature of business	Advertising agency
Registered capital	1,000,000
Paid up capital	1,000,000
% of investment	99.93%

General Informations of the company, subsidiaries and associated companies

6. Film Business

6.1 Pacific Marketing & Entertainment Group Inc.

Registration no.	10854500976
Head office	5th floor 598 Q.House Building, Ploenchit, Lumpini, Patumwan Bangkok
Nature of business	Films Licensee for distributions
Registered capital	15,000,000
Paid up capital	15,000,000
% of investment	80.00%
	Delta Mac Group Inc. 20.00%

7. Strategic Investment

7.1 California Wow Xperience PLC.

Registration no.	01075 74700895
Head office	287 Liberty Square Building, Silom, Bangrak, Bangkok
Nature of business	Fitness club operator
Registered capital	200,000,000
Paid up capital	150,000,000
% of investment	49.00%
	Levine group 51.00%

7.2 Siam Future Development PLC.

Registration no.	40854500691
Head office	7/5 Ramkumhang Rd., Sapansoong, Bangkok
Nature of business	Neighborhood shopping mall developer, rental and services business
Registered capital	500,000,000
Paid up capital	422,048,165
% of investment	25.00%
Other shareholders	Witoonchart 13.26% Suthapong 12.57% Chantaraprapa 10.63%

7.3 I - Major Co.,Ltd

Registration no.	127354 706569
Head office	24th Floor 99/12 Software Park Building, Changwatana Rd., Nontaburi
Nature of business	Information and ticket services through mobile phone
Registered capital	20,000,000
Paid up capital	20,000,000
% of investment	50.00%
Other shareholders	Samart Info Media Co.,Ltd 50.00%

Nature of Business





World'S Best Cinema ● ● ● ● ● ● ● ● And Total Lifestyle Entertainment Complex

On a back of rapid growth, Major Cineplex Group PLC is currently the leader in Thailand's cinema business. Following the merger with EGV Entertainment PLC and various strategic investments such as Siam Future Development PLC, California WOW Experience PLC, Pacific Marketing and Entertainment Group Inc, the Company is on route to becoming a complete lifestyle and entertainment complex. As a result, the Company's business activities are categorized as follows:

1. Cinema business
2. Bowling and Karaoke business
3. Advertising business
4. Rental and Services business
5. Film Distribution business



The operations of the Company in the cinema business include an investment in cinema structure, interior design, filming technology and sound system. The Company continues to share ticket revenues with film distributors in a proportion of 49% to 50%. In addition to ticket revenues, the Company has revenues from food and beverage, discount card "Major Card", advertising as well as events sponsorship from film distributors or products owners.

The Company owns and operates multiplex theatres which serve 5-15 screens per complex. The Company's cinema is furnished in a modern luxurious interior concept, which differs by complex. Also, the Company offers various seating styles with different pricing. The seat arrangement is in a stepping or stadium styles; therefore; no view blocking between front and back rows for audience's comfort. In addition, the Company installs megascreen which has a width

full of cinema's width, providing the audience from any location an unobstructed view. The modern sound technology system and security of audiences are also the main principle of services of the Company. The Company has hygienic cleaning system and sanitary spray in cinema. Also, the Company offers VIP rooms and coffee corners for customers in various complexes.

The Company, on average, runs 4 to 7 shows per screen per day. Each films has screening period of, on average, 1-2 weeks or may be longer depends on its popularity. Presently, the Company has a total of 27 branches, of which 16 branches serving 135 screens and 34,200 seats are Major Cineplex including 600 seats of an IMAX theatre at Ratchayothin branch. Another 11 branches serving 99 screens and 21,864 seats are under EGV brand. Cinema's details are as followed:



Branch under Major Cineplex	Number of Screens	Number of Seats
1. Sukumvit	8	2,150
2. Ratchayothin	15	4,450
3. Rangsit	16	3,450
4. Ramkamhang	7	2,050
5. Central World Plaza	6	1,300
6. Chiangmai	7	2,000
7. Pinklao	8	3,050
8. Rama III	9	2,700
9. Bangna	10	2,000
10. Bangkapi	10	2,150
11. Seri Center	6	1,000
12. Rama II	9	1,600
13. Nakornsawan	5	1,100
14. Udornthani	7	2,000
15. Nontaburi	7	1,500
16. Chachoengsao	5	1,700
Total	135	34,200

Branch under EGV	Number of Screens	Number of Seats
1. Bangkae	10	2,044
2. Seacon Square	14	2,767
3. Rangsit	14	2,852
4. Lardprao	7	1,631
5. Fashion Island	7	1,515
6. Pinklao	14	2,499
7. Sriracha	4	1,305
8. Siam Discovery	7	1,514
9. Korat	6	2,178
10. Samrong	6	1,385
11. Ratchdamri	10	2,174
Total	99	21,864

Industry and Competition

With the goal of becoming a world class cinema operator, Major Cineplex continuously ensures it remains professionally competitive. In September 2004, the Company consummated an important business deal by merging with EGV Entertainment PLC which enhancing the Company's market share to over 70%, a truly leader of the theatre industry.

Films distributors estimate the value Thai film industry in 2004 at approximately 3,899 million baht, flat from a year ago due to unpopular Thai Films as expected. Moreover, many Hollywood films were screened at the same period which squeezed their opportunity to earn more revenues. In 2004, 360 films were screened in Thailand, of which 60 films were Thai and independent films such as Korean and Chinese. In addition, Hollywood films, of which 20-25 films were blockbusters. About 80% of the total industry value comes from Bangkok and its vicinity. The remaining 20% comes from the provinces which used a sole agent system.

Opportunity for further business expansion can be inferred by population per screen. The Company estimated population per screen in Bangkok and its neighboring vicinity is about 40,000-50,000 which is relatively high compared to that numbers in USA which is at only 6,000. In addition, average ticket price in Thailand is 2.7 USD compared to 10 USD in USA. Admission per capita per year in Bangkok and its vicinity is at 1.3 while that in USA and Australia is at 6 and 5. Thailand's cinema industry is in a situation that numbers of films are more than numbers of screen, resulting in short screening period on average of 1-2 weeks per film. Whilst in USA, the screening period is on average 4-6 weeks. Furthermore, few multiplex cinema are located upcountry and most are generally old, poor sound and in need of repair. Therefore, the Company believes that expansion opportunity in upcountry especially neighboring cities is high as consumers have excessive purchasing power but lack modern entertainment venues.

2. Bowling and Karaoke business



The Company's bowling and karaoke business is a family entertainment which concept is different from primary bowling which is merely sport activity. The Company adopts fluorescent bowling equipment including bowls, pins and lanes in a boutique bowl atmosphere. To add more entertainment range for customers, the Company provides karaoke, Platinum room where bowling and karaoke are perfectly joined, food and beverages, and tournaments. As a result of merging with EGV Entertainment PLC, the Company has a total of 15 bowling and karaoke branches as followed. The Company has policy to open Major Bowl Hit along with an expansion of Major Cineplex's cinema.



Bowling Branches	Numbers of bowling lanes	Numbers of karaoke rooms
1. Sukumvit	20	10
2. Ratchayothin	38	35
3. Central World Plaza	28	20
4. Rangsit	26	18
5. Seri Center	12	9
6. Rama II	30	13
7. Rama III	34	11
8. Nakornsawan	12	9
9. Udonthani	16	9
10. Thonglor	8	11
11. Chachoengsao	12	7
12. Bangkapi	16	20
13. Bangna	18	14
14. Pinklao	20	14
15. De Bowl (EGV)	20	-
Total	310	200



Industry and Competition

Bowling and karaoke business is an entertainment that has grown continually. Presently, there are more than 15 bowling operators in Bangkok and its vicinity serve roughly 35 alleys with over 1,000 lanes. The Company is a leader with the highest number of alleys and lanes. The competition in the industry mainly focuses on service and fee. Several constraints in the bowling business such as large space required plus capital intensive limit new entrants into the industry.

Future growth comes from not only expansion alongside Major Cineplex's Cinema but also expansion into appropriate standalone locations.



3. Advertising business



The advertising business is operated by "Major Cinead Co.,Ltd", a subsidiary of the Company. Advertising business covers all advertising media in Major Cineplex complex; for instance, movie screen, VDO screen and TV screen at concession counters, restrooms and parking, tri-fold billboard, website www.majorcineplex.com, "Tick a seat" magazine and outdoor media. In addition, advertising business includes films promotions and marketing services or activities jointly organized with films distributors or product owners in the Company's cinema or bowling alley.

Advertising business has 2 main groups of customers: agency and direct. Direct customers are mostly product owners whose merchandises have same target customers as the Company's.



Industry and Competition

Following the merger with EGV Entertainment PLC, the Company increased its advertising channels to a total of 27 branches covered more area both in Bangkok and upcountry. As a result, the company's advertising media is more attractive to advertising agency and products owners. Screen advertising is an efficient channel due to its penetration to direct targets more than other media such as TV, radio or billboard which target mass targets. In 2004, advertising through theatre accounts for only 1.5% of total industry value but has a growth rate of 50% from last year to a worth of 1,200 million baht whilst total industry expanded only 20% to a value of 85,000 million baht. The Company has the greatest share in the cinema advertising business of roughly 70% owing to a number of admissions in 2004 of over 18 million both in Major Cineplex and EGV. Consequently, the attractiveness of the Company's cinema advertising is prominent among advertising agency and product owners.

The competitive trends in cinema advertising are among screen expansion as well as cinema improvement to attract attendance. However, the Company is a total lifestyle entertainment complex, offering various products and services for entertainments and rental spaces for marketing events. Therefore, the Company has gained recognition above competitors, increasing its competitive advantage.

4. Rental and Services business

The Company operates rental and services business within Major Cineplex's complex to fulfill and offer various services for customers. The Company selects trendy shops that offer distinctive products and services which match with customers' lifestyle. Rental spaces has 2 types of contracts - a long term which is more than 3 years and short term which is less than 3 years accounted for 26% and 74%, respectively. Presently, the Company has a total of 166 shops occupying 100% of the 18,800 sq.m available for rent.

Services accompanied space rental are electricity, cooler, fire system, cleaning and security system as well as common area services such as elevator, escalator and parking.



Major Cineplex branch	Rental space (sq.m)	Number of shops	Occupancy rate (%)
1. Sukumvit	3,900	45	100
2. Ratchayothin	8,100	53	100
3. Ramkamhang	490	5	100
4. Central World Plaza	1,000	10	100
5. Chiangmai	100	2	100
6. Rangsit	3,800	33	100
7. Bangkapi	460	7	100
8. Rama II	400	7	100
9. Nakornsawan	200	3	100
10. Udonthani	350	1	100
Total	18,800	166	100

Industry and Competition

Prime rental retail spaces in shopping centers continue to be scarce particularly in community areas. With experiences from its 16 branches both nearby and in the shopping centers, the Company attracts various tenants to expand along with its new branches' expansion, resulting full occupancy rate in every location.

The Company has invested in Siam Future Development PLC, a neighborhood shopping mall development and management company. With its experiences and expertise along with its anchor tenants, Siam Future Development PLC will be an expansion vehicle for the Company.

5. Film Distribution business



Film distribution business can be provided into 2 sections: film distribution to cinema and film distribution to home entertainment such as VCD and DVD. The Company operates under Pacific Marketing and Entertainment Group Inc focusing on independent films.

Industry and Competition

There are 4-5 major distributors in Thailand. Most are subsidiaries of foreign film producers; for instance, Columbia Tristar Buena Vista (Thailand) Co.,Ltd, United International Pictures (FE) Co.,Ltd, Warner Brothers (FE), Inc and other independent distributors. Other independent distributors are not subsidiaries of any film producers but are foreign film importers or local film acquirers. These independent distributors purchase film license from producers in foreign film market such as Cannes Films Festival or small local films producers. In addition, Thai film producers also become distributors for example R.S Promotion, Grammy, BEC, Five Stars, and Sahamongkol. High growths in Thai film industry drive many film producers into distribution business in order to maximize its resources. Furthermore, film distribution business is not capital intensive; resulting in a high degree of competition in the industry.

Additionally, limited number of screens and only 52 weeks in a year force film distributors to compete for prime period and large number of screens to show their films. Film distributors also compete to get a license of blockbuster films.



Risk Factors





The Company has a policy to manage potential risks that might happen in the business. These can be classified as followed:

1. Risk from business operations

1.1 Risk from film release

Theatre operators and exhibitor rely on a steady flow of film releases as a main source of revenue. Approximately, 66% of the Company's total revenue comes from revenue sharing determined by movie ticket sales which depend on number of films release and films popularity. At present, theatre is the first and most important distribution window which film producer and distributor rely on in order to boost further sales in home entertainment market such as VCD and DVD. Accordingly, trade among exhibitor, producer and distributor are highly interdependent with the aim of growing together which lessen risk from films reliance of exhibitor.

Following the merger with EGV Entertainment Group PLC (EGV), the Company underscores its leadership position in the market with a firm market share of over 70%. The Company has increased bargaining power with film producers and distributors. Moreover, the Company's vertical integration into film distribution businesses diminishes exhibitor's risk in film reliance from distributors.

1.2 Risk from competition

The main competitors in business are VCD and DVD both legal and illegal. We do not view these as matured threats to our revenues and growth of the cinema business as Major Cineplex serves various lifestyle entertainments in the complex more than just an entertainment from movie. The Thai government has taken a serious stand to eliminate illegal media with strict measures which prove remarkable progress in illegal media reduction.

Regarding competition in cinema business, Major Cineplex is a leader in the industry both in facilities and modern equipment. The Company has expanded new branches as well as regularly renovates existing branches. The Company also realizes competition from an expansion by competitors. Therefore, the Company emphasizes on building and maintaining customer base by introducing consistently marketing strategy and offering entirely lifestyle entertainments including cinema, bowling and karaoke, retail shops as well as constantly expand new branches to cover more areas. Consequently, Major Cineplex has outstanding competition advantage over others.

1.3 Risk from new expansion

Any new expansion faces uncertainty on its return on investment. However, with previous successful experiences, the Company has on average payback period of 3-4 years and an internal rate of return of 15% which is in accordance with a feasibility study. With business expertise and expansion policy which discreetly consider residential areas and downtown areas where educational institutes and offices are nearby, the Company is confident of its new branch expansion and growth prospects. The Company expects to have at least 35 branches in total within 2006. The capital expenditures are approximately 10-12 million baht per a screen and 2 million baht per a bowling lane. The Company spots plenty of opportunities for expansion both in and out of Bangkok especially big cities outside Bangkok where no pleasurable entertainment centers and recreational areas are.

1.4 Risk from contagious disease

With the outbreak of Severe Acute Respiratory Syndrome (SARs) among densely populated areas in Asia such as China, Hong Kong and Singapore, the Company has taken preemptive closely followed the announcements made by the Ministry of Public Health and has measures by installing air purifiers, distributing masks for customers and spraying antibacterial disinfections in every screens.

1.5 Risk from management reliance

Major Cineplex has been established and successfully operated by Mr. Vicha Poolvaraluck's management team. The Company is heavily relied on experience and reputation of Mr. Vicha Poolvaraluck; therefore, the Company may have risk from the reduction in shareholding and resignation from management of Mr. Vicha Poolvaraluck. However, Mr. Vicha Poolvaraluck is a founder and has relationship with Major Cineplex for over a decade. He has strong intention to grow Major Cineplex as a management and majority shareholder.

1.6 Risk from fire accident

Every construction has a risk from fire accident. However, the Company has an insurance agreement including a fire case pursuant to the nature and general conditions of cinema business which terms and amounts covers all losses and damages that might be arisen.

2. Risk from major shareholder owns over 50% of total shares

As of November 26, 2004 Poolvaraluck group holds over 55% of total shares of the Company. Therefore, Poolvaraluck group led by Mr. Vicha Poolvaraluck is able to control almost all resolutions of shareholder meeting including director appointments or other concerns which required majority vote except issues required 3/4 vote. Consequently, other shareholders may not be able to gather votes to monitor and balance issues proposed by major shareholder.

Considering the Company's management structure which includes the Board of directors, Board of executive directors and Audit committee, the Company has organized management with expertise and established clear and transparent responsibilities. Additionally, management who is related or has conflict of interests has no rights to vote on that related or conflict of interest transactions.

Corporate Governance



1. Corporate Governance



The practice of good corporate governance is encouraged at every staff level from Chairman, directors, management to operation level. The Company believes that good corporate governance is a key to achieving all sustainable goals including wealth of all stakeholders.



Corporate Governance Policy

The Company sets policy, monitors, controls and conduct internal audits to manage and control risk, improve operations and ensure information is communicated effectively and efficiently to management. The Management sets the corporate standards for good corporate governance practices. Board of directors, down to line staff are responsible to the Company and shareholders, and are encouraged to operate transparently and disclose information for the maximum benefits of all stakeholders.

Shareholder: Rights and Equality

The Company has regular shareholder meetings in accordance with rules and regulations. In 2004, the Company held an annual ordinary shareholder meeting and 2 extraordinary shareholder meetings. The Company notifies all shareholders, at least, 14 days in advance of all meetings to let shareholders consider ahead of voting. Also, the Company allows shareholders an option to transfer their rights to an independent director to attend the meeting on behalf of shareholders. The Company records comprehensive minutes, transparent information including financial, general and important information that concern the Company's share price. The Company discloses all investor information to the Stock Exchange of Thailand and the Company's website www.majorcineplex.com. The Company also has an investor relations department as an information center which can be contacted at phone number +662-511-5427-36 extension 873 and 829 or at email address ir@majorcineplex.com

Rights of all related parties and Conflicts of interests

The Company gives importance to rights of all related parties including setting policy and procedures regulating all related transactions so as to prevent conflicts of interests

- **Shareholder and investor:** Equally of returns including voting rights in the meetings and access to timely and complete information of the Company including financial and other activities. The Company has consistently meets with investors both local and foreign, presenting regularly at seminars and exhibitions to disseminate the Company's information.
- **Supplier:** The Company treats all partners as per agreed business terms
- **Creditor:** The Company adheres to all agreed business terms
- **Customer:** The Company pays attention to all customers by placing opinion boxes for customers' comments that the Company will use to improve operations and services for better satisfaction.
- **Competitor:** The Company has anti-monopoly policy by not exploiting its market leader position to take advantage of competitors. The Company believes in competition since it fosters innovation for superior operations and services.
- **Staff:** The Company implements a well-defined human resources development plan, encouraging all staff levels to improve their knowledge and skills for better services. Also, the Company is an equal opportunity employer adhering to local market and labor laws.
- **Related Partner:** Related partner transactions are done at an arms length basis at commercial terms so as to ensure maximum benefits and transparent operations both for community and all related partners under good corporate governance.
- **Conflicted Partner:** The Company has clearly set a policy and procedure to prevent all business conflicts
- **Community:** The Company has many public activities to develop community such as provide parking spaces for Bangkok Metropolitan to promote public transportation usage and movie for charities.

Leadership, Vision and Business Ethics

Our Board of directors are respectable people with knowledge, ethics, expertise, and experiences in various businesses. They have set policy and strategy for the Company as well as supervised the operation of management team for better efficiency and maximum wealth for the Company and shareholders. The Board of directors also regularly review and update its corporate governance policy. Moreover, the audit committee has assigned internal control department to arrange operation system and human resources management for all staff level to keep on as guidelines for ethical operations.

Balance of non-executive directors and sub-committee

The Company's Board of directors consists of 10 persons, of whom 5 persons are executives and 3 are independent directors who are also on the audit committee. The Company also has 5 sub-committees to supervise the operations. Management structure of the Company comprises of the Board of directors, the Audit committee, Executive board, the Remuneration committee and the Management team.

Conflicts of interests

All related transactions between the Company including all subsidiaries and related parties must be approved by the audit committee. Using market price and conditions as other suppliers, the Audit committee will consider whether it is a general business transaction. In case of significant related transactions, the Audit committee, the internal control department and the Company's auditor will consider the transaction as set by the guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand and disclose in the notes to financial statements, newsletters to SEC and SET. In addition, the Board of directors requires the disclosure of stockholding of the Company's directors and management regularly.

Remuneration of directors and management

The Board of directors has resolved to appoint the Remuneration committee which consists of 3 persons who will be in their post for 1 year at a time. The Remuneration committee considers total remuneration for directors and management in terms of organization management, performance and invaluable personnel maintenance.

The Board of directors' meeting

The Company meets, at least, once every 3 months. In 2004, the Company held 10 Board of directors' meeting. Details of director's meeting attendance are as followed:

Director	Title	Attendance/Meetings (times)
1. Mr. Somchainuk Engtrakul	Chairman	1/10*
2. Mr. Vicha Poolvaraluck	Director	10/10
3. Mr. Verawat Ongvasith	Director	10/10
4. Mrs. Paradee Poolvaraluck	Director	9/10
5. Mr. Thanakorn Puliwekin	Director	6/10**
6. Mr. Brian Hall	Director	7/10**
7. Dr. Vachara Phannachet	Director	6/10
8. Mr. Chai Jroongtanapibarn	Independent director	10/10
9. Mr. Wallop Tangtrongjittr	Independent director	10/10
10. Mr. Hester Chew	Independent director	7/10

* Chairman joined the Company on October 1, 2004.

** Appointed as a director since April 22, 2004.

2. Internal Information Control



The Company has policy and methodology for management in using internal information of the Company for personal benefit according to good corporate governance principle as followed

1. The Company has acknowledged at all levels of management regarding their duty in reporting their holdings in the Company shares including their spouse and children as well as the changing in their holdings to the Securities and Exchange Commission according to section 59 and penalty section 275 of Securities and Exchange Commission Act B.E 2535 and regulations of the Stock Exchange of Thailand.

2. The Company has set regulations for all staff regarding revealing or using the Company's confidential information as well as restricting the use of the Company's information and misusing title or information which received during working in the Company for personal benefits or lessen the Company's benefits. The Company will use the highest penalty if management use internal information or incline to damage the Company.

3. The Company has policy for directors and management not to use internal confidential information of the Company for personal benefits including trading on the Company's shares. Directors, management and staff in related department should avoid or pause trading the Company's shares within a month before announcing financial statement.



3. Management Structure



Management structure of the Company consists of 5 teams: the Board of directors, Audit committee, Executive Board, Remuneration committee and Management team. To comply with good corporate governance, the Company has 10 experienced and knowledgeable directors, of whom 5 are non-executive directors and 3 out of 5 are independent directors. Roles and responsibilities of 5 committees are as followed:

1. Board of directors

At the end of 2004, the Company has 10 directors on board who are

Mr. Somchainuk Engtrakul *	Chairman
Mr. Vicha Poolvaraluck	Director
Mr. Verawat Ongvasith	Director
Mrs. Paradee Poolvaraluck	Director
Mr. Vachara Phannachet	Director
Mr. Thanakorn Puliwekin **	Director
Mr. Brian Hall **	Director
Mr. Chai Jroongtanapibarn	Independent Director
Mr. Wallop Tangtrongchitr	Independent Director
Mr. Hester Chew	Independent Director

* In accordance with the Board of directors' resolution no. 7/2004, Mr. Somchainuk Engtrakul is a chairman since October 1, 2004

** In accordance with the Board of directors' resolution no. 3/2004, Mr. Thanakorn Puliwekin and Mr. Brian Hall are directors since April 22, 2004.

Roles and Responsibilities of Board of directors

1. The Board of directors must perform with knowledge, expertise and experience for the benefits of the Company in accordance with laws, objectives and regulations of the Company and shareholders' resolutions. The Board of directors must perform with honesty, ethics and care for the benefits of the Company and appoint directors to be executive directors to manage all matters of the Company except the following which must be approved by the shareholder's meeting.

- Matters needed by laws to have shareholders' resolutions
- Matters related to directors which needed by laws or rules of the Stock Exchange of Thailand to have shareholders' resolutions
Directors who are related to or have conflicts of interests must not vote for that related or conflicts of interest transactions.
- Sell or transfer major parts or all business of the Company
- Buy or transfer other company's business to the Company
- Enter, amend or cancel agreements to lease some or all business of the Company to others. Appoint others to manage the Company's business or unite business with others with an objective to share returns.
- Amend the Company's memorandum of association or the Company's regulations
- Increase or decrease capital, issue bond, merge or cancel the Company

2. The Board of directors are responsible for setting policy and strategy of the Company and monitoring and ensuring that management effectively and efficiently obtain the highest economic value and wealth to the Company and shareholders

3. The Board of directors are responsible for monitoring the management to follow the policy effectively and notify all important matters to business of the Company, related transactions to the Board of directors in accordance with rules and regulations of Securities and Exchange Commission

4. The Board of directors are responsible for arranging all internal control and audit systems by appointing compliance to monitor and audits and coordinate with audit committee

5. The Board of directors must be honest and ethical in managing business, truly interest in business of the Company and willingly to continually manage the Company

6. The Board of directors must be responsible to shareholders persistently, manage by considering shareholder's benefits and disclose information to shareholders concisely and transparently



2. Audit Committee

At the end of 2004, the Company's audit committee includes 3 respectable persons who are:

Mr. Chai Jroongtanapibarn	Chairman of Audit Committee
Mr. Wallop Tangtrongchitr	Audit Committee
Mr. Hester Chew	Audit Committee

Roles and Responsibilities of Audit Committee

1. Ensure the Company has concise and sufficient financial reports
2. Ensure the Company has appropriate and efficient internal control and audit system
3. Ensure the Company follows rules and regulations of the Stock Exchange of Thailand and related laws
4. Consider and propose the Company's auditor and their remuneration
5. Concisely and completely disclose all related and/or conflicts of interest transactions of the Company
6. Prepare audit committee report signed by the Chairman of the audit committee and disclose in annual report
7. Perform other assignments from the Board of directors with consent from audit committee

3. Executive Committee

At the end of 2004, the Company's executive committee consists of 3 persons who are

Mr. Vicha Poolvaraluck	Chairman of Executive Committee
Mr. Verawat Ongvasith	Executive Director
Mrs. Paradee Poolvaraluck	Executive Director

Roles and Responsibilities of Executive Committee

1. Operate and manage the Company's business in accordance with laws, objectives and regulations of the Company as assigned by the Board of directors
2. Operate and manage the Company's business in accordance with policy and strategy set by the Board of directors
3. Follow shareholders' resolutions with honesty, ethics and care for the Company's benefits
4. Approve borrowings or lending from/to financial institutions including guarantee or make payment in ordinary business of the Company such as capital expenditures with in 60 million baht per each transaction
5. Appoint or cancel staff of the Company whose title are lower than chief executive officer
6. Prepare, propose and set business policy and strategy to the Board of directors
7. Organize the Company's structure and management including interviewing, employing, training and unemploying staff
8. Set business plan, authority and budget as well as manage business according to policy and strategy proposed to the Board of directors

All related or conflict of interest transactions with executive directors in accordance with rules and regulations of Securities and Exchange Commission must not be voted by those executive directors who are related or have conflict of interests.



4. Remuneration Committee

Board of directors meeting no. 1/2004 on February 2, 2004 has resolute to appoint remuneration committee which consists with 3 respectable persons as followed

Mr. Chai Jroongtanapibarn	Director
Mr. Wallop Tangtrongchitr	Director
Mr. Hester Chew	Director

Roles and Responsibilities of Remuneration Committee

Consider and propose to the Board of directors all appropriate remuneration for Board of directors and management of the Company in a money form and other benefits by taking into account all necessity and other benefits which the Company will get from managing, returns and valuable staff maintaining.

5. Management Team

At the end of 2004, the Company's management team consists of 8 people as followed

Mr. Vicha Poolvaraluck	Chief Executive Officer
Mr. Verawat Ongvasith	Deputy Chief Executive Officer - Administration
Mr. Thanakorn Puliwekin	Deputy Chief Executive Officer - Films Programming
Mr. Brian Hall	Chief Operating Officer
Mr. Anavach Ongvasith	Chief Marketing Officer
Mr. Chataphum Khantiviriya	Chief Finance Officer
Mr. Teerachai Triwongwaranat	Chief Cinema Officer
Mr. Naiyason Chantrasri	Chief Bowling Officer

Roles and Responsibilities of Chief Executive Officer

Perform as assigned by the Board of directors or the Executive Committee which are in accordance with rules and regulations of the Company. However, Chief Executive Officer's authority must not be able to approve any transactions which related or have conflicts of interest with Chief Executive Officer.

Roles and Responsibilities of Management Team

Set operating goals in accordance with objectives, policy and plan from the Executive Directors. Also, plan, operate and solve problems that may arise from operating.

4. Management Remuneration and Human Resources

Management Remuneration

1. Monetary remuneration for 2004

	2004		Details of remuneration
	Number of person	Amount (Million Baht)	
Board of directors	10	1.61	Director fee, meeting fee
Executive Director	3	0	-
Management	7	15.25	Salary, bonus, traveling expense, phone bill etc.

Note: Remuneration for management was excluded Mr. Vicha Poolvaraluck's remuneration, which was paid to Well Ad Co.,Ltd.

Remuneration for directors are classified as followed:

Director	Director fee and Meeting fee (Baht)
Mr. Somchainuk Engtrakul*	40,000
Mr. Vicha Poolvaraluck	160,000
Mrs.Paradee Poolvaraluck	160,000
Mrs.Tosaporn Ungsuwarangsri**	120,000
Mr. Verawat Ongvasith	160,000
Mr. Wallop Tangtrongjitr	160,000
Mr. Chai Jroongthanapibarn	190,000
Mr. Hester Chew	160,000
Mr. Brian Hall***	160,000
Mr. Thanakorn Puliwekin***	160,000
Dr. Vachara Phannachet	160,000

* In accordance with the Board of directors' resolution no. 7/2004, Mr. Somchainuk Engtrakul is a chairman since October 1, 2004.

** In accordance with the Board of directors' resolution no. 7/2004, Mrs.Tosaporn Ungsuwarangsri resigned from Board of directors since September 30, 2004.

*** In accordance with the Board of directors' resolution no. 3/2004, Mr. Thanakorn Puliwekin and Mr. Brian Hall are directors since April 22, 2004.

2. Other remuneration

Employee stock option (ESOP-W1) was distributed among directors and management as followed:

Name	Title	Number of options (Million)	Percentage
Mr. Vicha Poolvaraluck	Chief Executive Officer	4.5	23.08%
Mr. Thanakorn Puliwekin	Executive Vice President	2.1	10.77%
Mr. Chai Jroongthanapibarn	Chairman of audit committee	0.95	4.35%
Mr. Verawat Ongvasith	Executive director	0.75	3.85%
Mrs. Paradee Poolvaraluck	Executive director	0.5	2.56%
Mrs. Tosaporn Ungsuwarangsri	Executive director	0.5	2.56%
Mr. Wallop Tangtrongjitr	Independent director	0.5	2.56%
Mr. Hester Chew	Independent director	0.5	2.56%
Mr. Anavach Ongvasith	Chief Marketing Officer	1.5	7.69%
Mr. Chatpoom Kantiviriya	Chief Finance Officer	1.15	5.90%

Employee stock option (ESOP-W2) was distributed among directors and management as followed:

Name	Title	Number of options (Million)	Percentage
Dr. Vachara Phannachet	Director	0.5	14.29%
Mr. Brian Hall	Director	3.0	85.71%

Human Resources

Total employees of the company and subsidiaries as of December 31, 2004 separated by business units as the following:

Main Business	Number of employees
Head Quarter	359
Cinema	1,643
Bowling	593
Rental Space	154
Advertising	19
Distribution	43
Total employees	2,811

As of 2004 the remuneration of total employees are 353.96 MB including salary, over time, welfare, bonus and provident fund. The company has no major legal conflicts.

5. Employee Stock Option Program



Employee Stock Option Program #1 (ESOP-W1)

Type	indicate holder and non-transferable
Term	5 years from the issuing date
Amount	19,500,000 units
Offering method	allot to 39 directors and employees without offering price (-0- baht a unit)
Exercise ratio	1 warrant for 1.068 common shares*
Exercise price	12.32 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is March 31, 2008.

Employee Stock Option Program #2 (ESOP-W2)

Type	indicate holder and non-transferable
Term	4 years from the issuing date
Amount	3,500,000 units
Offering method	allot to 2 directors and employees without offering price (-0- baht a unit)
Exercise ratio	1 warrant for 1 common share*
Exercise price	15.28 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is March 31, 2008.

Warrant offerings to existing shareholders #1 (MAJOR-W1)

Type	indicate holder and transferable
Term	3 years from the issuing date
Amount	146,927,500 units
Offering method	allot to existing shareholders at 4 existing shares for 1 unit of warrant without offering price (-0- baht a unit)
Exercise ratio	1 warrant for 1.016 common shares*
Exercise price	12.796 baht per share*
Exercise period	last working day of March, June, September and November till expiry on which the last date is March 31, 2007.



*Note: Exercise ratio and exercise price have been adjusted according to an adjustment condition that dividend payment is over 50% of net profit after tax

6. Related Transactions



The Company has related transactions disclosed in a consolidated financial statements for a period of January 1 to December 31, 2004 which included related transactions between the Company and/or subsidiaries and/or associated companies and related transactions between the Company, subsidiaries and companies under Ratchayothin group. All related transactions are normal business transactions and are disclosed in notes to financial statements ended December 31, 2004 which is audited by auditor.

Related transactions in 2004

a) Ratchayothin group is comprised of 5 companies which are Ratchayothin cinema Co.,Ltd, Ratchayothin Realty Co.,Ltd, Ratchayothin Management Co.,Ltd, Major Bowl Group Co.,Ltd and Bangkok Imax Theater Co.,Ltd

Person/Juristic person who may have conflict of interests	Type of transactions	Major details/conditions	Amount (thousand baht)
Ratchayothin cinema Co.,Ltd	1. Loan	975,000 bath per month at 5.75%-6.25% p.a. interest rate which equal to MLR of financial institution	39,850
	2. Management fee revenue	To serve customers with same standard as Major Cineplex, Ratchayothin group employs the Company to operate its business.	29,963
	3. interest income	At the fair rate of MLR of financial institution	2,250
	4. Amortized leasehold rights	The Company and Ratchayothin group has mutually invested in digital projector.	1,047
	5. Promotion revenue	No minimum value of related transactions as promotion is depended on each film and other factors such as period of show time, popularity.	393
	6. Cost of gift cards	calculated at cost	5,620
	7. Telephone cost	calculated at cost	323

Person/Juristic person who may have conflict of interests	Type of transactions	Major details/conditions	Amount (thousand baht)
Major Bowl Group Co.,Ltd	1. Loan	400,000 baht per month at an interest rate of 5.75%-6.25% p.a. which equal to MLR of financial institution	39,500
	2. Management fee revenue	To serve customers with same standard as Major Cineplex, Ratchayothin group employs the Company to operate its business.	6,000
	3. Other revenue	calculated at cost	901
	4. Promotion revenue	To create better awareness, bowling image has been changed to Major Bowl Hit	300
	5. Interest expense	At the fair rate of MLR of financial institution	214
	6. Cost of gift cards	calculated at cost	1,864
	7. Promotion cost	No minimum value of related transactions as promotion is depended on each occasion.	1,097

Ratchayothin Management Co.,Ltd	1. Loan	1 million baht a month at an interest rate of 5.75%-6.25% p.a. which equal to MLR of financial institution	71,000
	2. Management fee revenue	To serve customers with same standard as Major Cineplex, Ratchayothin group employs the Company to operate its business.	4,830
	3. interest income	At the fair rate of MLR of financial institution	2,219

Person/Juristic person who may have conflict of interests	Type of transactions	Major details/conditions	Amount (thousand baht)
Ratchayothin Realty Co.,Ltd	1. Loan	1 million baht a month at an interest rate of 5.75%-6.25% p.a. which equal to MLR of financial institution	16,000
	2. Management fee revenue	To serve customers with same standard as Major Cineplex, Ratchayothin group employs the Company to operate its business.	4,548
	3. interest income	At the fair rate of MLR of financial institution	718
Bangkok Imax Theater Co.,Ltd	1. Loan	975,000 baht a month at an interest rate of 5.75%-6.25% p.a. which equal to MLR of financial institution	2,400

• b) Associated companies/other related companies

Person/Juristic person who may have conflict of interests	Relationship	Type of transactions	Major details/conditions	Amount (thousand baht)
Wellad Co.,Ltd	Holding by Mr.Vicha and Mrs. Paradee Poolvaraluck	Management fee which some part is recorded as cost	1.95 million bath a month for 5 years started from January 1, 2002 to December 31, 2006	23,400
Well Cineplex Co.,Ltd	Holding by Mr.Vicha Poolvaraluck's father	Management revenue	400,000 baht a month	4,800
Petchpinklao Co.,Ltd	Holding by Mr.Vicha Poolvaraluck's mother	Prepaid leasehold rights	15 installments at 4.50 million baht each started in January 2004	54,000

7. Major Shareholders



Top ten major shareholders as of November 26, 2004 are as followed:

Shareholder	Number of shares (Million)	Percentage
1. Mr. Vicha Poolvaraluck	322.85	45.5
2. OCBC Securities private Limited	35.07	4.9
3. Focus Global Limited	32.31	4.6
4. Mrs. Paradee Poolvaraluck	29.35	4.1
5. 5. Mr. Verawat Ongvasith	28.20	4.0
6. Government Pension Fund	24.69	3.5
7. Thai NVDR Limited	21.90	3.1
8. Government of Singapore Investment Corporation	16.09	2.3
9. American International Assurance Company Ltd.	12.35	1.7
10. Mr. Charoen Poolvaraluck	9.23	1.3



8. Social Activities



- April 4, 2004** Major Bowl Hit, the Police department and Major Bowl Hit Bowler club held bowling charity raising fund for the police magazine at Major Bowl Hit Ratchayothin
- June 27, 2004** Major Bowl Hit and the Stock Exchange of Thailand held a bowling charity "Super SET Bowl" for fastening good relationship among high executive level of all listed companies in the SET at Major Bowl Hit Ratchayothin
- August 24, 2004** The Company and WPM held a movie premier "Doraemon the Robot Kingdom" for orphans from Pakkret and Fordec organizations at Major Cineplex Ratchayothin
- September 8, 2004** Panasonic IMAX theatre and Marine Dive held a joint press conference for its diving and cleaning litter campaign no. 8 as well as watch IMAX movie "Into the Deep"
- September 18, 2004** Major Bowl Hit and Supanimitr organization of Thailand held a bowling charity raising fund for children affected from AIDS in Lamphoon at Major Bowl Hit Rangsit
- September 21, 2004** The Company, Faculty of Communications Rangsit University and Box Office Co.,Ltd held a movie premier "Elvis", raising fund for education tools and lunch project for Bann Nong Parn school at Major Cineplex Rangsit
- September 25, 2004** Panasonic IMAX, Double A and Bangkok Metropolitan held a press release of an activity "Double A Alliance encouraging Thais love to read" offering books to Bangkok's mobile library and watch IMAX movie "Into the Deep"
- October 13, 2004** The Company, Twenty Century Fox and Unicef held a movie premier "Garfield" raising funds for loving children organization to help underprivileged children and children affected from AIDS at Major Cineplex Central Airport Plaza Chiangmai
- October 30, 2004** Panasonic IMAX and Ruam Duay Chuay Kun community radio station held a "IMAX Taxi Day" for Taxi drivers and family screening IMAX DMR movie "Apollo 13"
- November 21, 2004** Panasonic IMAX and Samsen School gave an opportunity to underprivileged student to acquire more knowledge and education experience in local student exchange program by watching 3Ds movie "First City in Space"
- November 27, 2004** Major Bowl Hit and Pra Surasawadee organization for kids and education held a bowling charity at Major Bowl Hit Rama III
- December 30, 2004** Major Cineplex donated part of its ticket sales from December 30, 2004 to January 3, 2005 and was a center of donation for people affected from Tsunami in 6 Southern provinces of Thailand



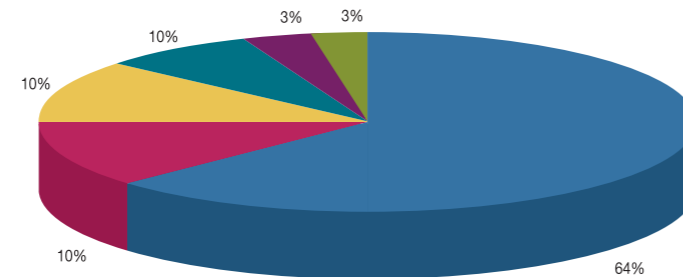
The Company Overview

The Company has 5 core businesses which are cinema, bowling and karaoke, rental and services, advertising and film distribution. Following a merger with EGV Entertainment PLC (EGV), the Company has expanded its capacity to 234 screens serving 55,000 seats, 310 bowling lanes, 200 karaoke rooms and 25,000 sq.m. rental spaces. Film distribution business is another related and synergized business with cinema business. To be a total lifestyle entertainment company, the Company has also invested in Siam Future Development PLC, a neighborhood shopping mall developer and California WOW Xperience PLC, an entertainment fitness club.

2004 Performance

In 2004, the Company has total revenue of 2,958 million baht which can be classified as followed:

- Revenue form cinema business
- Revenue form bowling and karaoke business
- Revenue form rental and services business
- Revenue form advertising business
- Revenue form film distribution business
- Other revenue



Total revenue increase 20% from an earlier year due to a merger with EGV and Pacific Marketing and Entertainment Inc (PMEG) in the 4th quarter along with a higher contribution from associated companies.

Total expense in 2004 is 2,470 million baht, up 36% from a year ago mainly from higher expenses from EGV and PMEG including other expenses related to the merger. As a result, operating profit decrease 20% from an earlier year to 488 million baht.

The Company has interest expense 44 million baht, up over 4 times from last year, owing to the merger with EGV and PMEG and the Company's expansion during a year which in turn grow the Company's liabilities. Moreover, the Company has written-off 817 million baht goodwill from a merger with EGV during a year.

Accordingly, the Company has a net loss in 2004 of 479 million baht or a loss per share of 0.77 baht.

Financial position as of 2004 year-end

Asset

The Company has total asset as of 2004 year-end 6,647 million baht, up 82% from an earlier year mainly because of a merger with EGV and PMEG. The Company has current asset of 1,001 million baht, increased 218% from a year ago, largely on a back of a growth in account receivables from advertising and film distribution businesses along with a rise in inventories from film distribution business.

The Company has cash and its equivalent of 307 million baht, grew 164% from last year. This is an outcome of operating activities 617 million baht, financing activities 635 million baht and investing activities 1,061 million baht which can be primarily classified into purchasing asset 507 million baht, investing in subsidiaries 297 million baht and investing in associated company 82 million baht.

Non-current asset of the company rise 69% from 2003 to 5,647 million baht, of which plant and equipment grew 74% to 4,245 million baht.

Source of funds

The Company has total liabilities of 4,035 million baht, up 167% from an earlier year, of which current liabilities grow 62% to 2,483 million baht and non-current liabilities grow 38% to 1,552 million baht. This is principally on a back of a merger with EGV and PMEG.

For the merger, the Company has issued common shares to swap with common shares and warrants of EGV. As a result, an issued and paid up share capital increase from 587 million baht in 2003 to 709 million baht and a premium on share capital increase to 1,840 million baht. On December 16, 2004, the Company's extraordinary shareholder meeting no.2/2547 has resolved the transfer of 37 million baht legal reserve and 280 million baht premium on share capital to offset with 317 million baht retained loss from a goodwill write-off. Consequently, at 2004 year-end, the Company has no legal reserve and inappropriate retained earnings are 40 million baht.

Audit committee comprises of 3 persons who are independent from management of the Company and neither is in the board of executive directors nor management team. Audit committee performs duties assigned by the Board of director as well as substantially commits to business ethics, transparency, balance of power and assessment.

In 2004, audit committee has duties and responsibilities as followed:

Review quarterly as well as annual financial statement of the Company and consolidated before presenting to the Board of directors. As a result of the review along with auditor and management notes, audit committee believes that the company and consolidated financial statement have been prepared according to accounting standard and have sufficient disclosure of information.

Assess the adequacy, appropriateness, efficiency of internal control system of the Company. Audit committee believes that the Company has adequate, appropriate and efficient internal control system.

Review disclosure of information of the Company especially related transaction and conflicted transaction. Audit committee believes that the Company has sufficient disclosure of information.

Ensure the Company follows rules and regulations of related organizations for the Company's businesses.

Consider and select auditor as well as set remunerations. In 2004, audit committee suggests the Board of directors to propose to shareholder meeting Mr. Somchai Kurujitkosol the authorized auditor no. 3277 of S.K. Accountant Services as the Company's auditor for another consecutive service year as well as his remuneration.

Mr. Chai Jroongtanapibarn
Chairman of the audit committee

Responsibility Statement from Board of Directors to Financial Statement



The Board of directors is responsible for the Company and consolidated financial statements as well as financial information as publicized in annual report. The financial statements are prepared according to generally accepted accounting standard in Thailand which applied appropriate policy, consistent practice with careful consideration and best estimation as well as enough disclosure of information in the notes to financial statement. Moreover, the Board of directors has provided and maintained efficient internal control system to ensure that accounting records are accurate, complete and adequate to preserve assets and prevent fraud or materially irregular operations.

Also, the Board of directors has appointed audit committees who are independent directors and not be a part of management team to take responsibility of financial statements, internal control system and to ensure and opine over related and conflict of interests transactions that are accurate and complete. The audit committee's opinion has been shown in the audit committee report in this annual report.

The Board of directors believes that the Company's internal control system is sufficient and be able to ensure that the Company and consolidated financial statements as of December 31, 2004 are reasonably trusted.

Mr. Somchainuk Engtrakul
Chairman



Mr. Vicha Poolvaraluck
Director and Chief Executive Officer

Financial Statements



INDEPENDENT AUDITOR'S REPORT



To The Shareholders and Board of Directors of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED.

I have audited the accompanying consolidated and the Company balance sheets as of December 31, 2004 and 2003, and the related consolidated and the Company statements of income, the related consolidated and the Company statement to changes in shareholder's equity and the related consolidated and the Company cash flow statements for the years then ended of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED and its subsidiaries, and of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED, respectively. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of California Wow Xperience Public Co., Ltd. and Siam Future Development Public Co., Ltd. which are associated Companies. The consolidated and the Company financial statements combined investment in such associated companies in accordance with equity method as of December 31, 2004 by Baht 174.75 millions and Baht 271.86 millions respectively and as of December 31, 2003 by Baht 157.72 millions and Baht 137.63 millions respectively. Moreover, participating profit (loss) of associated companies for the year ended on December 31, 2004 by Baht (5.70) millions and Baht 46.06 millions respectively and for the years ended on December 31, 2003 by Baht 0.63 millions and Baht 4.62 millions respectively. Such associated companies financial statements were audited by other auditors. I have been furnished by the report of the other auditors and my opinion on behalf of the related amount of various transactions of such associated companies is complied with the report of those auditors.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and the company financial statements referred to above present fairly, in all material respects, the consolidated and the company's financial position as of December 31, 2004 and 2003, the results consolidated and the company operations and cash flows for the years then ended of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED and its subsidiary and the Company of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED respectively, in accordance with generally accepted accounting principles.

Regardless of qualified opinion expression for the year 2004, I have audited the consolidated and the company financial statements of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED and its subsidiary and the Company of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED respectively in accordance with the generally accepted auditing standard and presented the qualified report as per report dated on February 23, 2004 in the subject that I could not audit to be satisfied with the value of investment in the Siam Future Development Public Co., Ltd. and California Wow Xperience Public Co., Ltd. which are an associated companies since the Company calculated the amount of investment from the financial statements which were audited by other auditors. However, presently, I can apply other audit procedure to be satisfied in the investment value in such associated companies. As a result, my present opinion upon the consolidated financial statements and the company financial statements for the year ended on December 31, 2003 is unqualified which is different from the former report.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Somchai Kurujitkosol)
Authorized Auditor No.3277

Bangkok,
February 24, 2005

BALANCE SHEETS



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES BALANCE SHEETS As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
ASSETS				
CURRENT ASSETS				
Cash and Its Equivalent (Note 9)	306,867,339.76	116,236,850.13	95,085,869.33	54,835,849.42
Temporary Investments (Note 10)	1,235,980.15	101,878.57	172,430.94	65,367.19
Accounts and Notes Receivable-Net (Note 6.2,11)	151,025,973.18	25,418,339.22	21,208,060.10	13,646,032.90
Accounts Receivable-Advertisement-Net (Note 12)	225,618,728.40	74,240,071.75	5,243,000.00	13,803,000.00
Inventories	70,828,973.33	9,953,708.12	9,908,934.12	7,685,966.47
Other Current Assets				
Other Accounts Receivable-Subsidiary and Related Companies (Note 6.2)	-	4,750,160.00	149,612,538.21	66,535,958.69
Accrued Interest Receivable-Subsidiary and Related Companies (Note 6.2)	30,016.85	-	1,428,439.40	30,544,077.06
Accrued Dividend from Subsidiary Companies (Note 6.2)	-	-	-	44,499,367.50
Accounts Receivable-Revenue Department	35,202,303.90	12,164,373.83	4,591,352.88	4,591,352.88
Prepaid Deposit of Share-Subscription (Note 13)	65,000,000.00	-	65,000,000.00	-
Suspended Input Tax	43,248,572.86	22,226,315.68	15,947,957.95	17,351,350.45
Other Accounts Receivable-Sale Promotion	18,952,813.70	22,253,183.71	18,952,813.70	22,253,183.71
Cash Guarantee (Note 14)	11,760,750.00	-	-	-
Others (Note 15)	70,994,372.41	28,223,725.78	21,500,763.97	5,189,601.14
TOTAL CURRENT ASSETS	1,000,765,824.54	315,568,606.79	408,652,160.60	281,001,107.41
NON-CURRENT ASSETS				
Investments in Subsidiary Companies (Note 16)	-	-	1,821,925,804.81	482,469,037.11
Investments in Associated Companies (Note 17)	455,629,052.25	295,352,581.30	454,301,816.77	295,352,581.30
Long-Term Investment (Note 18)	-	273,350,000.00	-	273,350,000.00
Loans to Subsidiary and Related Companies (Note 6.2)	2,950,000.00	-	261,935,641.56	64,423,554.92
Loans to Employees	8,247,581.70	3,991,526.15	4,456,080.68	3,551,612.76
Property Plant and Equipment - Net (Note 19)	4,245,332,558.28	2,447,147,298.21	1,366,117,361.65	1,378,789,897.13
Other Non-Current Assets				
Leased and Services Accounts Receivable	5,000,000.00	-	-	-
Lease and Services Contract Bond (Note 20)	65,443,720.82	41,260,138.32	37,660,138.32	40,260,138.32
Prepaid Leasehold Right Fee Repayable Instead of Subsidiary (Note 21)	200,000,000.00	150,000,000.00	200,000,000.00	150,000,000.00
Prepaid for Leasehold Rights (Note 22)	54,000,000.00	-	54,000,000.00	-
Deferred Land Leasehold Rights (Note 23)	62,537,345.55	45,155,864.08	-	-
Deferred Building Area Leasehold Rights (Note 24)	173,558,525.98	-	9,796,610.15	-
Deferred Film Copy Rights (Note 25)	133,458,658.22	-	-	-
Asset Not Used for Operations-Net (Note 26)	1.00	1.00	1.00	1.00
Goodwill - Net (Note 27)	193,281,097.74	68,847,775.80	-	-
Negative Goodwill - Net (Note 28)	(3,960,959.41)	(4,301,720.21)	-	-
Others	51,220,361.26	22,575,247.99	5,189,213.24	7,078,405.95
TOTAL NON-CURRENT ASSETS	5,646,697,943.39	3,343,378,712.64	4,215,382,668.18	2,695,275,228.49
TOTAL ASSETS	6,647,463,767.93	3,658,947,319.43	4,624,034,828.78	2,976,276,335.90

Notes to financial statements are an integral part of these statements

BALANCE SHEETS



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES BALANCE SHEETS As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdraft	2,206,929.78	187,409.11	-	187,409.11
Short - Term Loans from Finance Institute (Note 30)	1,173,067,447.73	300,000,000.00	400,000,000.00	200,000,000.00
Notes Payable	14,486,791.53	23,558,278.44	13,882,828.34	17,722,358.68
Accounts Payable	364,914,642.18	221,887,798.41	132,817,874.21	155,174,143.14
Short-Term Loans from Other Company (Note 32)	29,009,850.00	-	-	-
Other Current Liabilities				
Current Portion of Long-Term Loans (Note 33)	356,000,000.00	-	251,000,000.00	-
Current Portion of Liabilities under Financial Lease Agreement (Note 34)	41,337,382.59	101,458,823.12	40,317,952.53	94,261,904.47
Accrued Expenses	97,525,615.83	34,292,136.98	43,039,853.46	24,084,867.95
Accrued Film Copy Rights	16,050,000.00	-	-	-
Accrued Dividends	208,316.40	22,276,732.50	208,316.40	26,100.00
Other Accounts Payable	85,777,001.45	28,047,535.42	13,452,016.51	18,199,530.62
Accrued Corporate Income Tax	46,304,021.36	67,947,674.02	14,838,225.97	42,247,052.83
Accounts Payable for Assets Purchased-Subsidiary Company (Note 6.2.31)	-	-	-	28,771,463.17
Accounts Payable for Assets Purchased and Construction Works	171,984,239.18	57,376,333.92	9,443,371.23	31,509,847.68
Others	84,046,305.79	33,364,610.98	34,214,742.51	26,317,133.49
TOTAL CURRENT LIABILITIES	2,482,918,543.82	890,397,332.90	953,215,181.16	638,501,811.14
NON-CURRENT LIABILITIES				
Loans from Subsidiary Companies (Note 6.2)	-	-	122,678,800.00	27,719,451.00
Long-Term Loans (Note 33)	1,097,438,141.59	125,000,000.00	875,000,000.00	125,000,000.00
Other Non-Current Liabilities				
Rental Bond	50,730,267.85	45,171,300.00	11,595,156.00	13,339,820.00
Deferred Leasehold Revenue (Note 35)	195,853,445.28	205,909,638.12	-	-
Deferred Service Revenue (Note 36)	131,716,419.55	138,433,416.41	-	-
Liabilities under Financial Lease Agreement-Net (Note 34)	43,148,883.65	94,917,259.93	41,762,110.16	94,415,987.11
Advance Received from Sales Promotion (Note 37)	19,999,999.97	-	19,999,999.97	-
Others	13,406,595.82	12,654,102.47	9,985,882.53	6,582,173.70
TOTAL NON-CURRENT LIABILITIES	1,552,293,753.71	622,085,716.93	1,081,021,948.66	267,057,431.81
TOTAL LIABILITIES	4,035,212,297.53	1,512,483,049.83	2,034,237,129.82	905,559,242.95

Notes to financial statements are an integral part of these statements

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES BALANCE SHEETS As of December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital (Note 38)				
897,000,000 Ordinary Shares @ Baht 1.00	897,000,000.00	-	897,000,000.00	-
757,000,000 Ordinary Shares @ Baht 1.00	-	757,000,000.00	-	757,000,000.00
Issued and Paid-up Share Capital				
709,322,633 Ordinary Shares @ Baht 1.00	709,322,633.00	-	709,322,633.00	-
587,710,000 Ordinary Shares @ Baht 1.00	-	587,710,000.00	-	587,710,000.00
Premiums on Share Capital (Note 40)	1,840,199,567.10	661,860,915.99	1,840,199,567.10	661,860,915.99
Unrealized Gain on Temporary Investments in available for sale of Associated Companies	598.88	4,124.45	-	4,124.45
Unrealized Gain on Long - Term Investments of Company (Note 18)	-	225,839,018.75	-	225,839,018.75
Retained Earnings				
Appropriated				
Legal Reserve (Note 41)	-	37,451,064.26	-	37,451,064.26
Unappropriated	40,275,498.86	557,851,969.50	40,275,498.86	557,851,969.50
Minority Shareholders' Interest	22,453,172.56	75,747,176.65	-	-
TOTAL SHAREHOLDERS' EQUITY	2,612,251,470.40	2,146,464,269.60	2,589,797,698.96	2,070,717,092.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,647,463,767.93	3,658,947,319.43	4,624,034,828.78	2,976,276,335.90

Notes to financial statements are an integral part of these statements

STATEMENT OF INCOME



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENT OF INCOME
For the Year ended on December 31, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
REVENUES FROM OPERATION				
Revenue from Cinema Business	1,826,831,839.94	1,593,518,750.33	1,180,127,877.09	1,194,525,368.89
Revenue from Bowling and Karaoke Business	297,696,368.79	284,345,858.49	225,113,712.65	221,376,058.56
Revenue from Rentals and Services Business	290,468,217.44	254,491,563.48	47,469,444.81	38,632,406.23
Revenue from Advertisement Business	296,102,614.76	178,375,109.43	58,966,297.20	65,700,000.00
Revenue from Sales VCD, DVD and Movie Copy Right Business	93,189,723.28	-	-	-
Revenue from Fitness Center Business	3,223,989.37	-	-	-
Other Incomes				
Sale Promotion Revenue	64,063,643.30	53,485,908.88	53,194,686.56	43,485,908.88
Administrative Revenue	4,800,000.00	4,800,000.00	191,492,165.69	134,713,539.01
Amortized Negative Goodwill (Note 28)	340,760.80	10,751,238.10	-	-
Others	42,585,758.91	49,944,790.64	25,912,125.94	22,781,401.25
Participating Profit in Subsidiary Companies	-	-	107,829,035.45	132,258,737.77
Participating Profit in Associated Companies (Note 17)	38,229,929.33	5,249,806.96	38,055,445.38	5,249,806.96
TOTAL REVENUES	2,957,532,845.92	2,434,963,026.31	1,928,160,790.77	1,858,723,227.55
EXPENSES FROM OPERATION				
Cost of Cinema Business	1,355,498,284.95	1,083,086,734.46	911,465,303.10	873,504,166.56
Cost of Bowling and Karaoke Business	173,884,363.83	133,968,468.23	158,353,782.10	131,032,859.45
Cost of Rentals and Services Business	200,732,461.18	185,555,342.18	8,726,735.53	6,367,075.52
Cost of Advertisement Business	18,076,594.66	3,001,866.07	-	-
Cost of Sales VCD, DVD and Film Copy Right Business	74,767,440.80	-	-	-
Cost of Fitness Center Business	5,766,644.09	-	-	-
Amortized Good will (Note 27)	21,409,120.69	9,638,744.64	-	-
Selling and Administrative Expenses	618,051,531.79	408,587,795.69	429,243,088.15	330,536,033.77
Director's Remuneration (Note 43)	1,610,000.00	1,120,000.00	1,610,000.00	1,120,000.00
TOTAL EXPENSES	2,469,796,441.99	1,824,958,951.27	1,509,398,908.88	1,342,560,135.30
PROFIT BEFORE AMORTIZATION OF THE EXCESS OF COST OF ACQUISITION OVER FAIR VALUE OF SUBSIDIARIES, INTEREST EXPENSES AND CORPORATE INCOME TAX	487,736,403.93	610,004,075.04	418,761,881.89	516,163,092.25
AMORTIZATION OF THE EXCESS OF COST OF ACQUISITION OVER FAIR VALUE OF SUBSIDIARIES (Note 3,16.4)	(816,939,353.70)	-	(816,939,353.70)	-
PROFIT(LOSS) FROM OPERATION BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	(329,202,949.77)	610,004,075.04	(398,177,471.81)	516,163,092.25
INTEREST EXPENSES	(44,475,082.68)	(8,145,711.16)	(33,465,240.88)	(7,255,458.99)
CORPORATE INCOME TAX (Note 44)	(106,298,360.30)	(150,450,135.83)	(47,769,870.39)	(86,271,650.60)
NET PROFIT(LOSS) BEFORE NET (PROFIT) LOSS OF MINORITY SHAREHOLDERS' INTEREST	(479,976,392.75)	451,408,228.05	(479,412,583.08)	422,635,982.66
NET (PROFIT) LOSS OF MINORITY SHAREHOLDERS' INTEREST	563,809.67	(28,772,245.39)	-	-
NET PROFIT(LOSS)	(479,412,583.08)	422,635,982.66	(479,412,583.08)	422,635,982.66
BASIC EARNING(LOSS) PER SHARE (Unit : Baht) (Note 45)	(0.77)	0.72	(0.77)	0.72
DILUTED EARNING(LOSS) PER SHARE (Unit : Baht) (Note 45)	(0.75)	0.68	(0.75)	0.68
WEIGHTED AVERAGE OF ORDINARY SHARES (Unit : Share) (Note 45)	619,061,401	587,175,068	619,061,401	587,175,068

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY For the Year ended on December 31, 2004 and 2003

CONSOLIDATED

	CONSOLIDATED							
	Issued and Paid-up Share Capital	Premiums on Share Capital	Advance from Share Subscription	Unrealized Gain in Securities Available	RETAINED EARNINGS		Minority Shareholders' Interest	Total
					Appropriated Legal Reserve	Unappropriated		
BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	
Balance as of December 31, 2002	587,000,000.00	653,227,315.99	-	-	16,319,265.13	402,494,814.59	105,855,353.76	1,764,896,749.47
Accumulated Fundamental Errors (Note 7)	-	-	-	-	-	(11,347,028.62)	-	(11,347,028.62)
Balance after Adjustment	587,000,000.00	653,227,315.99	-	-	16,319,265.13	391,147,785.97	105,855,353.76	1,753,549,720.85
Increase Share Capital from ESOP Exercise (Note 39)	710,000.00	8,633,600.00	-	-	-	-	-	9,343,600.00
Unrealized Gain in Securities Available for Sale (Note 18)	-	-	-	225,843,143.20	-	-	-	225,843,143.20
Minority Shareholders' Interest Legal Reserve	-	-	-	-	-	-	7,800,500.00	7,800,500.00
Appropriated Legal Reserve	-	-	-	-	21,131,799.13	(21,131,799.13)	-	-
Payment for Dividends (Note 42)	-	-	-	-	-	(234,800,000.00)	(66,680,922.50)	(301,480,922.50)
Net Profit	-	-	-	-	-	422,635,982.66	28,772,245.39	451,408,228.05
Balance as of December 31, 2003	587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	557,851,969.50	75,747,176.65	2,146,464,269.60
Accumulated from change of accounting policy of associated company (Note 8)	-	-	-	-	-	(2,753,348.71)	-	(2,753,348.71)
Balance after Adjustment	587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	555,098,620.79	75,747,176.65	2,143,710,920.89
Increase Share Capital from Merger (Note 3.38)	119,776,533.00	1,437,318,396.00	-	-	-	-	-	1,557,094,929.00
Increase share Capital from ESOP Exercise (Note 39)	1,836,100.00	20,784,652.00	-	-	-	-	-	22,620,752.00
Unrealized Gain in Securities Available for Sale (Note 18)	-	-	-	(225,842,544.32)	-	-	-	(225,842,544.32)
Minority Shareholders' Interest Legal Reserve	-	-	-	-	-	-	(52,730,194.42)	(52,730,194.42)
Payment for Dividends (Note 42)	-	-	-	-	-	(352,626,000.00)	-	(352,626,000.00)
Net Profit	-	-	-	-	-	(479,412,583.08)	(563,809.67)	(479,976,392.75)
Transfer Premiums on Share Capital (Note 40)	-	(279,764,396.89)	-	-	-	279,764,396.89	-	-
Transfer Appropriated Legal Reserve (Note 41)	-	-	-	-	(37,451,064.26)	37,451,064.26	-	-
Balance as of December 31, 2004	709,322,633.00	1,840,199,567.10	-	598.88	-	40,275,498.86	22,453,172.56	2,612,251,470.40

Notes to financial statements are an integral part of these statements



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY For the Year ended on December 31, 2004 and 2003

CONSOLIDATED

	CONSOLIDATED							
	Issued and Paid-up Share Capital	Premiums on Share Capital	Advance from Share Subscription	Unrealized Gain in Securities Available	RETAINED EARNINGS		Minority Shareholders' Interest	Total
					Appropriated Legal Reserve	Unappropriated		
BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	
Balance as of December 31, 2002	587,000,000.00	653,227,315.99	-	-	16,319,265.13	402,494,814.59	-	1,659,041,395.71
Accumulated Fundamental Errors (Note 7)	-	-	-	-	-	(11,347,028.62)	-	(11,347,028.62)
Balance after Adjustment	587,000,000.00	653,227,315.99	-	-	16,319,265.13	391,147,785.97	-	1,647,694,367.09
Increase Share Capital from ESOP Exercise (Note 39)	710,000.00	8,633,600.00	-	-	-	-	-	9,343,600.00
Unrealized Gain in Securities Available for Sale (Note 18)	-	-	-	225,843,143.20	-	-	-	225,843,143.20
Appropriated Legal Reserve	-	-	-	-	21,131,799.13	(21,131,799.13)	-	-
Payment for Dividends (Note 42)	-	-	-	-	-	(234,800,000.00)	-	(234,800,000.00)
Net Profit	-	-	-	-	-	422,635,982.66	-	422,635,982.66
Balance as of December 31, 2003	587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	557,851,969.50	-	2,070,717,092.95
Accumulated from change of accounting policy of associated company (Note 8)	-	-	-	-	-	(2,753,348.71)	-	(2,753,348.71)
Balance after Adjustment	587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	555,098,620.79	-	2,067,963,744.24
Increase Share Capital from Merger (Note 3.38)	119,776,533.00	1,437,318,396.00	-	-	-	-	-	1,557,094,929.00
Increase share Capital from ESOP Exercise (Note 39)	1,836,100.00	20,784,652.00	-	-	-	-	-	22,620,752.00
Unrealized Gain in Securities Available for Sale (Note 18)	-	-	-	(225,843,143.20)	-	-	-	(225,843,143.20)
Payment for Dividends (Note 42)	-	-	-	-	-	(352,626,000.00)	-	(352,626,000.00)
Net Profit	-	-	-	-	-	(479,412,583.08)	-	(479,412,583.08)
Transfer Premiums on Share Capital (Note 40)	-	(279,764,396.89)	-	-	-	279,764,396.89	-	-
Transfer Appropriated Legal Reserve (Note 41)	-	-	-	-	(37,451,064.26)	37,451,064.26	-	-
Balance as of December 31, 2004	709,322,633.00	1,840,199,567.10	-	-	-	40,275,498.86	-	2,589,797,698.96

Notes to financial statements are an integral part of these statements

CASH FLOW STATEMENTS



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES CASH FLOW STATEMENTS For the Year ended on December 30, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit(Loss)	(479,412,583.08)	422,635,982.66	(479,412,583.08)	422,635,982.66
Adjustments to Net Profit (Loss) for Cash provided (used) from Operations				
Depreciation	382,191,484.02	279,314,812.15	191,294,842.45	159,282,109.15
Loss (Profit) from Sales of Fixed Assets	-	464,784.26	-	10,809.61
Participating Loss (Profit) in Subsidiary Companies	-	-	(107,829,035.45)	(132,258,737.77)
Participating Loss (Profit) in Associated Companies	(38,229,929.33)	(5,249,806.96)	(38,055,445.38)	(5,249,806.96)
Amortized Expenses	-	2,149,936.82	-	-
Amortized Film Copy Right	25,548,030.67	-	-	-
Revenue from Reversal of Other Accounts Payable	-	(1,983,013.70)	-	-
Revenue of Leasehold which Leased Contract Cancelled	-	(1,112,552.05)	-	-
Amortized Revenue Leasehold and Services	(16,773,189.70)	(17,394,012.39)	(1,046,743.88)	(1,054,883.94)
Amortized Revenue Sales Promotion	(10,000,000.03)	-	(10,000,000.03)	-
Amortized Expense Leasehold and Services	5,076,369.29	1,868,518.56	203,389.85	-
Amortized Interest Expenses of Financial Lease	-	2,189,312.30	-	1,898,928.01
Doubtful Debt	2,625,854.00	162,906.59	818,527.80	-
Loss (Gain) of Minority Shareholders' Interest	(563,809.67)	28,772,245.39	-	-
Amortization of the Excess of Cost of Acquisition Over Fair Value of Subsidiaries	816,939,353.70	-	816,939,353.70	-
Unrealized Loss (Gain) in Temporary Investment - Securities Available for Trade	(68,344.97)	(77,886.38)	(1,237.79)	16,935.88
Loss(Gain) sales of Temporary Investment - Securities Available for Trade	(627,765.67)	(472,387.47)	(369,891.79)	(442,053.26)
Loss(Gain) from Reduction in Asset Liability	-	(7,204,620.75)	-	-
Loss from Cancelled for Business Operation-Bowling	10,890,722.05	-	10,890,722.05	-
Loss from Liquidation of Subsidiary Companies	-	-	2,877,216.19	-
Unrealized Loss (Gain) on Exchange Rate	-	(2,840.29)	-	(4,346.58)
Allowance for Withholding Income Tax Exceeding 3 Years	2,009,380.48	2,392,045.32	-	-
Loss from Amortization Goodwill from Liquidation of Subsidiary Companies	9,207,986.87	-	-	-
Amortized Goodwill	21,409,120.69	9,638,744.64	-	-
Amortized Negative Goodwill	(340,760.80)	(10,751,238.10)	-	-
Profit (Loss) from Operating Activities before Change in Operating Assets and Liabilities	729,881,918.52	705,340,930.60	386,309,114.64	444,834,936.80
Purchase of Temporary Investment-Securities Available for Trade	(150,000,000.00)	(225,000,000.00)	(150,000,000.00)	(200,000,000.00)
Sales of Temporary Investment - Securities Available for Trade	170,521,939.71	270,533,999.51	150,264,065.83	245,445,354.42
(Increase) Decrease in Accounts and Notes Receivable	(40,867,163.88)	(6,294,201.96)	(8,053,135.00)	(9,250,049.91)
(Increase) Decrease in Accounts Receivable - Advertisement	(29,060,353.50)	(13,914,618.80)	8,560,000.00	(9,441,936.90)
(Increase) Decrease in Inventories	(13,059,289.71)	(1,519,276.02)	(2,222,967.65)	(1,689,568.04)
(Increase) Decrease in Other Accounts Receivable - Subsidiary and Related Companies	3,287,768.84	(4,750,160.00)	(27,925,907.22)	(24,524,301.52)
(Increase) Decrease in Accrued Interest Receivable	(30,016.85)	-	945,822.40	(9,267,201.42)
(Increase) Decrease in Accounts Receivable - Revenue Department	2,200,314.37	14,014,700.07	-	11,731,950.62
(Increase) Decrease in Prepaid in Share Subscription	(65,000,000.00)	-	(65,000,000.00)	-
(Increase) Decrease in Suspended Input Tax	221,990.55	4,150,478.92	1,403,392.50	5,192,369.55
(Increase) Decrease in Other Accounts Receivable - Sale Promotion	3,300,370.01	(9,640,872.94)	3,300,370.01	(9,640,872.94)
(Increase) Decrease in Cash Guarantee	(11,760,750.00)	-	-	-
(Increase) Decrease in Other Current Assets	(25,970,711.54)	3,844,073.96	(16,311,162.83)	1,207,169.04
(Increase) Decrease in Accounts Receivable - Leasehold and Services	(5,000,000.00)	12,338,522.77	-	-
Increase (Decrease) in Notes Payable	(9,133,606.91)	(28,365,186.42)	(3,901,650.34)	(29,637,187.65)
Increase (Decrease) in Accounts Payable	52,383,906.45	31,447,056.86	(22,356,268.93)	30,076,574.41
Increase (Decrease) in Accrued Expenses	32,819,588.70	(22,832,229.71)	100,048,328.41	65,095,595.53
Increase (Decrease) in Accrued Dividends	(22,068,416.10)	-	182,216.40	-
Increase (Decrease) in Other Accounts Payable	3,745,659.57	(3,387,515.03)	(4,747,514.11)	(3,475,340.32)
Increase (Decrease) in Account Payable - Revenue Department	2,532,136.01	4,013,003.78	894,848.77	4,645,388.89

Notes to financial statements are an integral part of these statements

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES CASH FLOW STATEMENTS For the Year ended on December 30, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
CASH FLOW FROM OPERATING ACTIVITIES (CONT.)				
Increase (Decrease) in Accrued Corporate Income Tax	(45,319,595.86)	10,766,856.98	(27,408,826.86)	5,923,875.73
Increase (Decrease) in Other Current Liabilities	3,511,779.97	6,763,202.78	3,694,955.22	6,728,787.62
Increase (Decrease) in Advance Received from Sales Promotion	30,000,000.00	-	30,000,000.00	-
Increase (Decrease) in Deferred Service Recognized as Income	-	2,287,680.00	-	-
Increase (Decrease) in Deferred Leasehold Recognized as Income	-	3,431,520.00	-	-
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	617,137,468.35	753,227,965.35	357,675,681.24	523,955,543.91
CASH FLOW FROM INVESTING ACTIVITIES				
Cash Purchase of Investment in Subsidiary Companies	(297,245,133.52)	-	(550,008,691.37)	(31,199,500.00)
Cash Receive from refundable Share Capital from Liquidation of Subsidiary Companies	-	-	27,740,000.00	-
Cash Purchase of Investment in Associated Companies	(82,140,282.00)	(290,098,649.89)	(82,140,282.00)	(290,098,649.89)
Cash Purchase of Long-Term Investment	-	(47,510,981.25)	-	(47,510,981.25)
Dividend Received	6,000,000.00	-	50,499,367.50	88,869,710.00
(Increase) Decrease in Loans to Subsidiary and Related Companies	-	-	(250,735,797.16)	36,444,411.92
(Increase) Decrease in Loans to Employees	(2,541,055.55)	(2,169,792.45)	(904,467.92)	(1,892,343.36)
Purchase of Fixed Assets	(506,924,804.06)	(532,336,002.45)	(276,209,395.05)	(395,652,613.28)
Increase (Decrease) in Accounts Payable for Assets Purchased-Subsidiary Company	-	-	(852,144.94)	(715,590.86)
Increase (Decrease) in Accounts Payable for Assets Purchased and Construction Works	(54,466,157.01)	(69,041,631.59)	(31,258,637.18)	(79,414,172.21)
Sales of Fixed Assets	97,312,564.56	203,138,209.42	45,769,880.17	202,374,286.92
(Increase) Decrease in Lease and Service Contract Bond	1,873,400.00	(17,200,000.00)	2,600,000.00	(17,200,000.00)
Cash paid for Prepaid Leasehold Rights fee Repayable instead of Subsidiary Companies	(50,000,000.00)	-	(50,000,000.00)	-
(Increase) Decrease in Prepaid for Leasehold Rights	(54,000,000.00)	(100,000,000.00)	(54,000,000.00)	(100,000,000.00)
(Increase) Decrease in Land Leasehold Rights	(20,000,000.00)	-	-	-
(Increase) Decrease in Building Area Leasehold Rights	(10,000,000.00)	-	(10,000,000.00)	-
(Increase) Decrease in Deferred Film Copy Right	(91,718,510.98)	-	-	-
(Increase) Decrease in Prepaid Deposit	(1,754,350.00)	8,890,000.00	-	-
(Increase) Decrease in Pledged Bank Deposits	(2,993.11)	4,642,599.88	-	-
(Increase) Decrease in Other Non - Current Assets	4,272,103.44	(6,962,240.12)	1,561,772.71	(36,011.13)
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	(1,061,335,218.23)	(848,648,488.45)	(1,177,938,395.24)	(636,031,453.14)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Bank Overdraft	2,019,520.67	187,409.11	(187,409.11)	187,409.11
Increase (Decrease) in Short - Term Loan due to Finance Institute	123,067,447.73	300,000,000.00	200,000,000.00	200,000,000.00
Increase (Decrease) in Current Portion of Long - Term Loans	254,000,000.00	(30,000,000.00)	251,000,000.00	-
Increase (Decrease) in Current Portion of Notes Payable for Leasehold of Land	-	(18,000,000.00)	-	-
Increase (Decrease) in Current Portion of Liabilities under Financial Lease Agreement	(61,316,886.96)	(226,646.17)	(54,535,458.37)	96,677.30
Increase (Decrease) in Liabilities under Financial Lease Agreement	(53,986,808.57)	(8,811,016.74)	(53,424,288.32)	(2,000,201.98)
Increase (Decrease) in Loans from Directors	-	(5,600,000.00)	-	-
Increase (Decrease) in Loans from Subsidiary and Related Companies	-	-	94,959,349.00	(1,900,000.00)
Increase (Decrease) in Loans from Others Companies	(37,758,099.87)	(359,000.00)	-	-
Increase (Decrease) in Long - Term Loans	739,100,000.00	125,000,000.00	750,000,000.00	125,000,000.00
Increase (Decrease) in Rental Bond	(883,084.18)	3,488,738.34	(1,744,664.00)	1,645,764.00

Notes to financial statements are an integral part of these statements

CASH FLOW STATEMENTS



MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CASH FLOW STATEMENTS
For the Year ended on December 30, 2004 and 2003

	CONSOLIDATED		THE COMPANY ONLY	
	2004 BAHT	2003 BAHT	2004 BAHT	2003 BAHT
CASH FLOW FROM FINANCING ACTIVITIES (CONT.)				
Increase (Decrease) in Other Non - Current Liabilities	590,698.69	(192,380.42)	4,450,452.71	5,014,542.68
(Increase) Decrease in Prepaid in Share Subscription	-	7,800,500.00	-	-
Cash Received from Share Subscription	22,621,452.00	710,000.00	22,620,752.00	710,000.00
Dividend Payment	(352,626,000.00)	(279,230,290.00)	(352,626,000.00)	(234,800,000.00)
Increase(Decrease) in Premiums on Share Capital	-	8,633,600.00	-	8,633,600.00
NET CASH PROVIDED (USED)FROM FINANCING ACTIVITIES	634,828,239.51	103,400,914.12	860,512,733.91	102,587,791.11
Cash on Hand and Cash Equivalent Increase(Decrease)-Net	190,630,489.63	7,980,391.02	40,250,019.91	(9,488,118.12)
Cash on Hand and Cash Equivalent at Beginning of the Period	116,236,850.13	108,256,459.11	54,835,849.42	64,323,967.54
Cash on Hand and Cash Equivalent at Ending of the Period	306,867,339.76	116,236,850.13	95,085,869.33	54,835,849.42
Additional Disclosure :				
Cash Payment During The Year				
1 Interest Paid	86,265,106.04	6,596,605.58	43,370,403.02	5,314,300.06
2 Corporate Income Tax	147,343,978.70	139,683,278.85	75,254,309.11	80,347,774.87
3 Cash Payment to Purchase Investment in Subsidiary Companies				
Calculated as Follows:				
Fair Value of Subsidiaries at acquisition (in accordance to Shareholding)	993,621,699.57	-	1,143,620,999.57	-
Goodwill	146,543,267.10	-	146,543,267.10	-
Cost of Business Acquisition Over Fair Value of Subsidiaries	816,939,353.70	-	816,939,353.70	-
Cost of Business Acquisition	1,957,104,320.37	-	2,107,103,620.37	-
Less Purchased Transactions by share swap	(1,557,094,929.00)	-	(1,557,094,929.00)	-
Cash payable to purchase investment	400,009,391.37	-	550,008,691.37	-
Less Cash and Cash Equivalent of subsidiary companies	(102,764,257.85)	-	-	-
Net cash purchase of acquisition	297,245,133.52	-	550,008,691.37	-
4. Investments Activities made not affecting Cash Flow Statement				
Purchase of Fixed Assets in Aggregate Cost	542,803,533.53	715,502,206.40	286,825,593.58	578,641,060.53
Unpaid Liabilities Payable from Investment in Building and Equipment During this period				
Account Payable for Assets Purchased and Construction Works	34,454,691.67	7,410,529.43	9,192,160.73	7,232,772.73
Liabilities under Financial Lease Agreement	1,424,037.80	175,755,674.52	1,424,037.80	175,755,674.52
5. Transaction of Debt Receipt which not affect Cash Flow from debt offsetting	-	-	81,393,525.78	85,341,685.08
6. Cash on Hand and Cash Equivalent				
Cash on hand	26,857,488.52	17,016,780.92	15,063,213.00	11,208,143.15
Bank Deposit - Current Accounts	26,102,839.37	14,594,841.19	8,012,933.62	9,213,224.84
Bank Deposit - Saving Accounts	253,890,592.80	84,421,365.66	72,009,722.71	34,414,481.43
Bank Deposit - Fixed Accounts	16,419.07	203,862.36	-	-
Total	306,867,339.76	116,236,850.13	95,085,869.33	54,835,849.42
7. For the year ended on December 31, 2004, the company has Dividends from subsidiary company amount of Baht 27.92 million which take to offset debt with Accounts Payable				

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

1. Basis of Financial Statement Preparation

- 1.1 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which is the accounting standard determined by the Institute of Certified Accountants and Auditors of Thailand and which the Board of Supervision of Auditing Practices, appointed by the Minister of Commerce under the Accounting Act. B.E. 2505, resolved and announced to be implemented and in accordance with the determination of the office of the Securities and Exchange committee on the subject of preparation and presentation of the financial reports.
- 1.2 In order to prepare the financial statement to comply with generally accepted accounting standards, the company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenue, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ the estimated amount.

2. General Information

- 2.1 Additional information concerning the parent company and subsidiary companies as shown in the consolidated financial statements and the financial statements of the company only is as follows :

Company Name	Registered Date	Registered Number	Type of Business
Major Cineplex Group Public Company Limited	22 Feb 2002	40854500677	Cinema services, immovable property for rent and entertainment services, sales food and beverage.
Major Cineplex Property Co., Ltd.	7 Jul 1994	(2)2930/2537	Building for rent.
Major Cineplex Service Co., Ltd.	13 Feb 1997	(4)307/2540	Utilities services.
Chiang Mai Cineplex Co., Ltd.	16 Nov 2000	(2)1502/2543	Cinema services, sales food beverage and immovable property for rent.
Major Bowl Co., Ltd.	28 Jan 1997 (Presently, its business is liquidated)	(4)183/2540	Entertainment services, sales food and beverage.
Ratchayothin Realty Co., Ltd.	3 Sep 1996	(1)2123/2539	Building for rent.
Ratchayothin Cinema Co., Ltd.	4 Jun 1998	(4)589/2541	Cinema services, sales food and beverage.
Major Bowl Group Co., Ltd.	4 Jun 1998	(4)590/2541	Entertainment services, sales food and beverage.
Major Cinema Co., Ltd.	3 Jun 1999 (Presently, its business is liquidated)	(4)572/2542	Cinema services, sales food beverage and immovable property for rent.
Ratchayothin Management Co., Ltd.	13 Feb 1997	(4)306/2540	Utilities services.
Major Cinead Co., Ltd.	24 Oct 2001	Kor Tor 05-0289-44	Advertising services and business advisory services.
Bangkok Imax Theater Co., Ltd.	11 Jan 2001	(2)51/2544	Cinema services, sales food and beverage.
Udon Five Star Cineplex Co.,Ltd.	1 Oct 2003	10554601114	Cinema services, sales food and beverage.

Company Name	Registered Date	Registered Number	Type of Business
Siam Cineplex Co., Ltd	26 Apr 2004	0108254704840	Entertainment Complex
EGV Entertainment Public Co., Ltd	3 Sep 2002	40854500695	Cinema services, sales food and beverage.
EGV Entertain Golden Village Exhibition Co., Ltd	28 Sep 1995	(3) 2232/2538	Cinema services, Advertising services, Area for rent of sales food beverage
EGV Exhibition Co., Ltd	27 Dec 1996	(3) 2547/2539	Cinema services, Advertising services, Area for rent of sales food beverage
EGV Five Star Co., Ltd	19 May 2000	บอจ.นพ.2070	Cinema services, Advertising services, Area for rent of sales food beverage
Exertainment Co., Ltd	21 Aug 2003	10554600922	Business Operation in respect of Health Center, exercise center and Other related service
Pacific Marketing and Entertainment Group Co., Ltd	16 Aug 2002	(2)121012540	Sales VCD, DVD and Film Copy Right
Pacific Media Sale Co., Ltd	13 Dec 2004	0107554726053	Sale/Rent Tape, CD, VDO Tape, VCD and DVD

2.2 Company's locations are as following:

Major Cineplex Group Public Company Limited

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.
- Branch 1 World Trade Center, 4/1-2 World Trade Center Building, 7th - 8th Floor, Rajadamri Road, Pratumwan, Bangkok.
- Branch 2 Sukhumvit Ekkamai , 1221/39 Sukhumvit Road, Klong Tan Neau, Wattana, Bangkok.
- Branch 3 Pinklao, 554 Prabaromradchachonnanee Road, Bangbunru, Bangplad, Bangkok.
- Branch 4 Rangsit, 439 Moo.2 Phaholyothin Road, Prachathipud, Tunyaburi, Pratumtanee.
- Branch 5 Rama 3, 79/323, 7th-8th Floor, Central Plaza Department Store Building, Rachada-Rama 3, Satu Pradit Road, Chong Nonsee, Yannawa, Bangkok.
- Branch 6 Bangna 1091 6th Floor, Central City Bangna Department Store Building, Moo.12, Bangna-Trad Road, Bangna, Bangkok.
- Branch 7 Bangkok 3109 3rd Floor, Tesco-Lotus Super Center Building, Bangkok Branch, Ladprao Road, Klongjan, Bangkok, Bangkok.
- Branch 8 Seri Center 12/90 Moo 6, The Seri Center Building, 3rd Floor, Srinakarin Road, Nongbon, Pravaj, Bangkok.
- Branch 9 Ramkamhang 1911 Ramkamhang Road, HuaMark, Bangkok, Bangkok.
- Branch 10 Rama 2 128 Moo 6, 4th Floor, Central Plaza Shopping Center Building, Rama 2, Samaedam, Bangkokteian, Bangkok.
- Branch 11 Nakornsawan at the 3rd Floor of Vitheethep plaza (BIGC Supercenter Nakornsawan) Sawanvithee Road, Parknampo, Nakornsawan.
- Branch 12 Nonthaburi at the 6th Floor of River Plaza Shopping Center, Pibulsongkram Road, Suan Yai, Muang, Nonthaburi.
- Branch 13 Chachrengzow at 9/2 S.F. Majou Cineplex Chachrengzow Center, 1st-2rd Floor, Chachrengzow-Bangpakong Road, Namuang, Muang Chachrengzow, Chachrengzow.
- Branch 14 Udonthani at 277/3 Jareunsri Arcade 5th Floor of Prajaksilpakom Road, Markkang, Muang Udonthani, Udonthani.

Major Cineplex Property Co., Ltd.

- Head office 1221/39 Sukumvit Road , Klong Tan Neau ,Wattana, Bangkok.
- Branch 1 439 Moo.2 Phaholyothin Road, Prachathipud, Tunyaburi, Prathumtanee.

Major Cineplex Service Co., Ltd.

- Head office 1221/39 Sukumvit Road, Klong Tan Neau, Wattana, Bangkok.
- Branch 1 439 Moo.2 Phaholyothin Road, Prachathipud , Tunyaburi, Prathumtanee.

Major Bowl Co., Ltd.

- 1221/39 Sukumvit Road, Klong Tan Neau ,Wattana, Bangkok.

Chiangmai Cineplex Co., Ltd.

- Head Office 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.
- Branch 1 Chiangmai, 2 Central Airport Plaza Building, 4th Floor, Mahidon Road, Haiya, Muang, Chiang Mai.

Ratchayothin Realty Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.

Ratchayothin Cinema Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok..

Ratchayothin Management Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok

Major Cinead Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok

Bangkok Imax Theater Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.

Major Bowl Group Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.
- Branch 1 Thongloar at 323 S.F. Shoppingcentertongloar Building, 4th Floor, Klong Tan Nua, Wattana, Bangkok
- Branch 2 Bangkok 3109 3rd Floor, Tesco-Lotus Super Center Building, Bangkok Branch, Ladprao Road, Klongjan, Bangkok, Bangkok.
- Branch 3 Bangna at 1091 Central Plaza Department Store Building, 5th Floor, Bangna-Trad Road, Bangna, Bangna, Bangkok.
- Branch 4 Pinklao, 554 Prabaromradchachonnanee Road, Bangbumru, Bangplud, Bangkok.

Major Cinema Co., Ltd.

- 1911 Ramkamhang Road, Hua Mark, Bangkok, Bangkok.

Udorn Five Star Cineplex Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.
- Branch 1 Udornthani 277/3 Jareunsri Arcade 5th Floor of Prajaksilpakom Road, Markkang, Muang Udornthani, Udornthani.

EGV Entertainment Public Co.,Ltd.

- Head office 989 Rama 1 Road, Phathomwan, Phathomwan, Bangkok.
- Branch 2 Future park Rangsit at 161 Future park Rangsit Floor 3, Moo 2, Phonyotin Road, Prachatipat, Thanyaburi, Phatumtanee.
- Branch 3 Fahsion Island at 5/5 Fahsion Island Floor 3, Moo 7, Ramintra Road, Kannayao, Bangkok.
- Branch 4 Imperial Ladprad at 2539 Imperial Floor 6, Ladprad Road, Wangtonglang, Bangkok.
- Branch 5 Future park Bangkhae at 110 Future park Bangkhae Floor 4, Moo 9, Phetkasem Road, Bangwa, Phasichron, Bangkok.
- Branch 6 Siam Discovery Center at 989 Discovery Center Floor 6, Rama 1 Road, Phathomwan, Bangkok.
- Branch 7 Metropolis at 97/11 Ratchadamri Road, Lumpinee, Phathomwan, Bangkok.
- Branch 8 Pinklao at 7/222 Prabaromradchachonnanee Road, Arunamarin, Bangkokknoi, Bangkok.

Entertainment Golden Village Exhibition Co., Ltd.

- 989 Rama 1 Road, Phathomwan, Phathomwan, Bangkok.

EGV Fivestar Co., Ltd.

- 1242/2 Mitrapap Road, Naimang, Nakornratchsema.

EGV Exhibition Co., Ltd.

- Head office 989 Rama 1 Road, Phathomwan, Phathomwan, Bangkok.
- Branch 1 Pacific Park at 90-90/1 Pacific Park Floor 3, Sukumvit Road, Khomo 118, Sriracha, Chonburi.
- Branch 2 Siam Discovery Center at 989 Discovery Center Floor 6 and 7, Rama 1 Road, Phathomwan, Bangkok.
- Branch 3 Imperial World Somrong at 999 Imperial World Somrong Department Floor 5, Sukumvit Road, Somrongnue, Sumutprakan.

Exertainment Co., Ltd.

- 989 Rama 1 Road, Phathomwan, Phathomwan, Bangkok.

Pacific Marketing and Entertainment Group Co., Ltd.

- 598 5th Q.HOUSE Ploenjit Lumpinee, Pathumwan Bangkok.

Pacific Media Sales Co., Ltd.

- 598 5th Q.HOUSE Ploenjit Lumpinee, Pathumwan Bangkok.

2.3 Branch's information

The Major Cineplex Group Public Company Limited has continuously been opening new branches so the Statements of Income for the year ended on December 31, 2004 and 2003 show a combined operating result for 14 branches and 12 branches respectively. The Company has provided the following information on the opening of each branch :

	Branch	Registered	Operated
Branch 1	World Trade Center	25 Sep 2000	20 Dec 2000
Branch 2	Sukhumvit Ekkamai	3 Oct 2001	7 Dec 1998
Branch 3	Pinklao	31 Jan 2002	1 Feb 2002
Branch 4	Rangsit	23 Feb 2002	8 Mar 2002
Branch 5	Rama 3	1 May 2002	1 May 2002
Branch 6	Bangna	19 Jul 2002	27 Jul 2002
Branch 7	Bangkapi	16 Sep 2002	2 Oct 2002
Branch 8	Seri Center	20 Nov 2002	22 Nov 2002
Branch 9	Ramkamhang	1 Dec 2002	1 Dec 2002
Branch 10	Rama 2	1 Dec 2002	5 Dec 2002
Branch 11	Nakornsawan	10 June 2003	27 June 2003
Branch 12	Nonthaburi	13 Nov 2003	19 Dec 2003
Branch 13	Chachrengzow	17 June 2004	1 Jul 2004
Branch 14	Udonthani	24 Jul 2004	1 Oct 2004

As of December 31,2004, the Major Cineplex Group Public Company Limited and its subsidiary constitute the future project to open 4 additional branches detail as follows :

1. Siam Paragon Branch Project, with an approximate budget investment at Baht 800.0 million. It is planned to open around 2005.
2. Changwatana Branch Project, whereby it is anticipated to be open around the 3th quarter of year 2005.
3. The project of Sukhumvit Branch is jointly invested with Major Cineplex Property Co., Ltd. (Subsidiary which the Company is 99.99% holding) will additionally run the cinema business and establish rental space and parking area. The project is anticipated to be open around the 4th quarter of year 2005.
4. Nakornprathom Branch Project, will additionally run the cinema and bowling business the budget of investment in approximate amount of Baht 70 million. It is anticipated to open its business approximately in the 2nd quarter of year 2005.

3. Merger

As of July 14, 2004, the extra – ordinary shareholders meeting no. 1/ 2004, it is resolved that the Company to make a tender offer to acquire all shares of EGV Entertainment Public Co., Ltd. and subsidiary (“EGV”) by means of a share swap, with no cash alternative. The Company proceeded with the increment of registered share capital of the company by number of 125.0 million shares, par value of Baht 1 per share and offered such increased shares to EGV Entertainment Public Co., Ltd. shareholders in the ratio as follows 1 new share of the Company to 2.27426 EGV shares and 1 new share of the Company to 11.44905 units of EGV Entertainment Public Co., Ltd. warrant. Moreover, it is resolved the listing of the increased shares to swap for the shares of EGV on the Stock Exchange of Thailand, following completion of the share swap.

In August 2004, the Company filed notice of tender offer EGV Entertainment Public Co., Ltd. shares with the Securities and Exchange Commission. The period of the purchase is commenced from August 24, 2004 to September 27, 2004. As of the period of the purchase date ended, the Company had been able to acquire EGV Entertainment Public Co., Ltd. shares by number of 259,522,559 shares which equivalent to 99.82 % of EGV Entertainment Public Co., Ltd. shares already issued and warrants by number of 64,851,000 units. The Company issued increased ordinary shares by number of 114,112,425 shares and 5,664,108 shares, par value of Baht 1 per share in order to exchange with EGV Entertainment Public Co., Ltd. shares and EGV Entertainment Public Co., Ltd. warrants, respectively. As a result, EGV Entertainment Public Co., Ltd. becomes subsidiary of the Company. However, EGV Entertainment Public Co., Ltd. requested the delisting of its shares from the Stock Exchange of Thailand, and the Board of the Stock Exchange of Thailand approved such delisting since October 12, 2004.

4. Summary of Significant Accounting Policies

4.1 Recognition of income by the Company and subsidiaries is done as follows:

4.1.1 Revenue from Cinema Business

- Revenue from the sale ticket are recognized when the film is already on service.
- Revenue from sale foods and beverages are recognized when goods are sold to customer.

4.1.2 Revenue from Bowling and Karaoke Business

- Revenue from games, services, amusements and goods are recognized when service or goods have been provided to customer.

4.1.3 Revenue from Rentals and Services Business

- Rent and service revenue are recognized when service has been provided to customer.
- Revenue from deferred leasehold rights and deferred services are recognized as revenue by the company over the average lease and service contract period by straight line method over the estimated 23-26 years.
- Revenue from public utility is recognized when the service has been provided to customer.

4.1.4 Revenue from Advertisement Business

- Revenue from advertisement is recognized when the service has been provided to customer.

4.1.5 Revenue from business of distribution of VCD, DVD and film copyright

- Revenue from the distribution of VCD and DVD is recognized when the merchandise is already handovered to customer.
- Participating revenue of film copyright, which is shown in the cinema is recognized when the service has been provided.
- Revenue from the distribution of film copyright so as for broadcasting via cable TV and free television is recognized as revenue when the right is handovered.

4.1.6 Revenue from the Fitness Business

- Revenue from enrollment fee of new membership is recognized as revenue on the transaction dated.
- Revenue of monthly membership fee is recognized as revenue in the period in which services are provided, while the term membership fee with the pre-collection type is recognized as revenue based on membership agreement period.

- 4.1.7 Other Revenue
- Interest revenue when it is received, calculated on the accrued principal balance.
 - Revenue from management is recognized when the service has been provided to customer.
 - Revenues of sales promotion support are recognized when the sale promotion support is already granted.
- 4.2 The Company and its subsidiary recorded expenses on an accrual basis.
- 4.3 Cash and equivalent to cash transactions includes bank deposit in type of current, saving and not exceeding three – month fixed deposit with no guarantee obligation.
- 4.4 Short-Term investment is trading securities reflected by fair value. Gain (loss) derived from disposal of trading securities and unrealized gain (loss) derived from the adjustment of fair value is recognized as revenue or expense in the statement of income.
- 4.5 Allowance for doubtful debt is estimated from trade receivable and each note receivable which are unlikely to be collectable.
- 4.6 Estimate of allowance of debt reduction which incurred from the returned receipt of merchandise, VCD and DVD is computed from average estimated rate of returned merchandise multiplied with sales of merchandise which customers can return merchandise.
- 4.7 Inventories are valued at cost or net realizable value whichever is lower as following :
- Foods and Beverages are valued at cost under FIFO method.
 - VCD and DVD are valued at cost under average method.
- 4.8 Estimate of cost of merchandise returned of VCD and DVD is computed from average estimation rate of merchandise returned multiplied with sales of merchandise which customers can return merchandise deducted by gross profit margin rate from average sales of merchandise.
- 4.9 Investment in subsidiaries is recorded by equity method.
- 4.10 Film copyright is recorded in accordance with cost price by allocation of copyright cost to copyright fee of film, VCD and DVD and free television in accordance with the proportion of revenue in the history and amortised to expense which is divided into 2 types as follows:
- Film copyright which is shown in the cinema is amortized as expense when film is shown in cinema .
 - Film copyright which is not shown in the cinema is amortized as expense when there is preparation in form of VCD and DVD and distribution of copyright so as for broadcasting via free television
- 4.11 Goodwill is amortized in accordance with the straight line method for the period of 10 years commenced from the date of entity acquisition.
- 4.12 Negative goodwill is reflected as transaction deducted from assets in the balance sheet by amortized in accordance with the straight line method according with the remaining useful life for definable assets of subsidiary Companies for the period of 2 years, 2.3 years, 9.3 years and 17.3 years commenced from the date of entity acquisition.
- 4.13 Long term investment is investment in the marketable equity security which the Company is holding as available-for-sale securities reflected by fair value. The Company recognizes the change of investment value in the available-for-sale security as separate caption in the shareholders' equity and will record in the statement of income when the Company has sold the investment.

4.14 Building and equipment are recorded at cost on the transaction date and the depreciation is computed by straight line method in accordance with the useful life by estimated as follows :

Buildings	20	Years
Theatres	5,10,20	Years and the life of leased contract
Theatre Improvements, Office Building Improvements and Systems	5,10	Years
Tools and equipment	5,10,15	Years
Furniture and Fixtures	5	Years
Vehicles	5	Years
Utilities System	5	Years

4.15 Cost of loan, interest expense incurred from loan carried to use in the construction of assets is combined as cost price of assets until such assets are ready to be used in accordance with the purpose or alternatively the construction is ceased.

4.16 Deferred land leased right and deferred leasehold right of Building area are recorded as expense by averaged pursuant to the life of leased contract by STRAIGHT LINE METHOD for the period of 9 years, 20 years , 25 years and 27 years.

4.17 The financial instrument, the financial assets reflected in the balance sheet consist of cash and bank deposit, investment, trade accounts receivable, Financial liabilities reflected in the balance sheet consist of loans, trade accounts payable which the particular accounting policy for each transaction is separately disclosed in each related caption.

4.18 Items denominated in foreign currencies are recorded at the exchange rates ruling on the day that transactions occurred, while the remaining balances of assets and liabilities denominated in foreign currencies at the year end are converted into at the prevailing rates on that date, and the gain or loss arising from such conversion is included in the related income statements.

4.19 The basic earning per share is computed by divided net profit for the year by the number of weighted average of common stocks which hold by outside party issued during the year.

Diluted earning per share is computed by divided net profit for the year by aggregate amount of weighted average number of common stock issued during the year and the weighted average number of common stock which the Company may have to issue for conversion of the whole of warrants to common stocks.

4.20 Appropriation of retained earnings is complied with the public company Act, B.E. 2535 and public company Act B.E. 2544 where by the company will appropriate as legal reserve when it is approved by the shareholders meetings.

5. Basis of Consolidated Financial Statements Preparation

5.1 In preparation of the consolidated financial the company will only take its subsidiary companies which is under the main control of Major Cineplex Group Public Company Limited into account. Which , The Company holds shares in subsidiary companies with the percentage of shareholding as follow :

Company Name	Shareholding Percentage		Ending of Accounting Period	Country
	As of December 31, 2004	As of December 31, 2003		
Major Cineplex Property Co., Ltd.	99.99	99.99	December 31	Thailand
Major Cineplex Service Co., Ltd.	99.99	99.99	December 31	Thailand
Chiangmai Cineplex Co., Ltd.	99.99	99.99	December 31	Thailand
Major Bowl Co., Ltd.	99.99	99.99	December 31	Thailand
Ratchayothin Realty Co., Ltd.	99.99	66.67	December 31	Thailand
Ratchayothin Cinema Co., Ltd.	99.99	66.67	December 31	Thailand

Company Name	Shareholding Percentage		Ending of Accounting Period	Country
	As of	As of		
	December 31, 2004	December 31, 2003		
Major Bowl Group Co., Ltd.	99.99	66.67	December 31	Thailand
Major Cinema Co., Ltd.	99.40	99.40	December 31	Thailand
Ratchayothin Management Co., Ltd.	99.99	66.67	December 31	Thailand
Major Cinead Co., Ltd.	99.93	99.93	December 31	Thailand
Bangkok Imax Theater Co., Ltd.	99.94	66.63	December 31	Thailand
Udon Five Star Cineplex Co., Ltd.	80.00	80.00	December 31	Thailand
Siam Cineplex Co.,Ltd.	99.99	-	December 31	Thailand
EGV Entertainment Public Co.,Ltd.	99.82	-	June 30	Thailand
Pacific Marketing and Entertainment Group Co., Ltd.	80.00	-	December 31	Thailand

- 5.2 The consolidated financial statements combine the subsidiaries which is under the control of EGV Entertainment Public Co., Ltd. which is holding share in subsidiary in accordance with the proportion as follows:

Company Name	Shareholding Percentage		Ending of Accounting Period	Country
	As of	As of		
	December 31, 2004	December 31, 2003		
EGV Entertain Golden Village Exhibition Co., Ltd.	99.82	-	June 30	Thailand
EGV Exhibition Co., Ltd.	99.82	-	June 30	Thailand
EGV Five Star Co., Ltd.	89.84	-	June 30	Thailand
Exertainment Co., Ltd.	59.89	-	December 31,	Thailand

- 5.3 The consolidated financial statements combine the subsidiary which is under the control of Pacific Marketing and Entertainment Group Co., Ltd. which is holding share in subsidiary in accordance with the proportion as follows.

Company Name	Percentage Of Shareholding		Ending of Accounting Period	Country
	As of	As of		
	December 31, 2004	December 31, 2003		
Pacific Media Sale Co., Ltd.	79.52	-	December 31	Thailand

- 5.4 The accounting period of subsidiary is mainly ended on the same date as of the Major Cineplex Group Public Co., Ltd. except EGV Entertainment Public Co., Ltd. and subsidiary which the accounting period is ended on June 30, which has been changed the period in order to end on December 31.
- 5.5 On September 27, 2004, The Company invested in ordinary shares of EGV Entertainment Public Co., Ltd. and its subsidiary. Moreover, on September 28, 2004, the company invested in ordinary shares of Pacific Marketing and Entertainment Group Co., Ltd., which is regarded as subsidiary. As a result, the consolidated statement of income for the year ended on December 31, 2004, includes revenue and expense of EGV Entertainment Public Co., Ltd. and its subsidiary and Pacific Marketing and Entertainment Group Co., Ltd. for the period from October 1, 2004 to December 31, 2004.
- 5.6 On November 17, 2004, the Major Bowl Co., Ltd. and Major Cinema Co., Ltd., which are subsidiaries retired their business and accounting is liquidated. The Company received ordinary shares subscription from the two subsidiaries. As a result, the consolidated statement of income for the year ended on December 31, 2004 includes revenue and expense of Major Bowl Co., Ltd. and Major Cinema Co., Ltd. for the period from January 1, 2004 to November 17, 2004.

	The Company only For the Year Ended on December 31,	
	2004	2003
	'000 Baht	'000 Baht
Assets Rent Revenue		
Ratchayothin Cinema Co., Ltd.	1,047	1,055
Interests Revenue		
Major Cineplex Property Co., Ltd.	1,483	6,199
Chiangmai Cineplex Co., Ltd.	-	134
Major Cineplex Service Co., Ltd.	1,785	4,231
Ratchayothin Cinema Co., Ltd.	2,250	-
Major Cinead Co., Ltd.	-	13
Ratchayothin Management Co., Ltd.	2,219	759
Major Bowl Group Co., Ltd.	-	25
Ratchayothin Realty Co., Ltd.	718	12
California Wow Xperience Co.,Ltd.	-	202
EGV Entertainment Public Co.,Ltd	326	-
Udom Five Star Cineplex Co.,Ltd.	358	-
Sale Gift Voucher Revenue		
Major Cinead Co., Ltd.	2,852	-
EGV Entertainment Public Co.,Ltd	3,022	-
Other Income		
Major Cinead Co., Ltd.	2,000	-
Major Bowl Group Co., Ltd.	901	-
Expenses		
Rentals Expense		
Major Cineplex Property Co., Ltd.	39,601	39,600
Common Area Service Expense		
Major Cineplex Service Co., Ltd.	33,600	33,600
Electricity Expense		
Major Cineplex Service Co., Ltd.	7,634	7,510
Major Cinema Co., Ltd.	-	455
Ratchayothin Management Co., Ltd.	144	-
Premises Tax		
Major Cineplex Property Co., Ltd.	4,950	4,950
Project Management Fee Expense		
Wel Ad Co., Ltd.	23,400	11,700
Expense Recorded as Capital Expenditure		
Wel Ad Co., Ltd.	-	11,700
Interest Expense		
Chiangmai Cineplex Co., Ltd.	420	-
Major Cinema Co., Ltd.	479	537
Major Bowl Group Co., Ltd.	214	-
Siam Cineplex Co.,Ltd.	266	-
Major Bowl Co., Ltd.	833	162

	The Company only For the Year	
	Ended on December 31,	
	2004	2003
	'000 Baht	'000 Baht
Sale Promotion Expense		
Ratchayothin Cinema Co., Ltd.	393	-
Major Bowl Group Co., Ltd.	1,097	-
Cost from used Gift Voucher		
Chiangmai Cineplex Co., Ltd.	708	-
Udon Five Star Cineplex Co.,Ltd.	288	-
Ratchayothin Cinema Co., Ltd.	5,620	-
Major Bowl Group Co., Ltd.	1,864	-
Advertise Expense		
Major Cinead Co., Ltd.	1,485	-

Management Fee Revenue was received by the Company for acting as consultant and providing management services for several subsidiaries. Such services covered management, marketing, plus taking responsibility for various joint expenses and marketing overheads. The Management Fee was set at a fixed rate and/or to be a percentage of the subsidiaries revenue as monthly mutually agreement.

Revenue, cost and expense incurred from sales and inter-service comprise the price determination as follows:

- Revenue from advertisement fee incurred by subsidiaries is determined in the package rate as monthly installment and equivalent to percentage rate of revenue in accordance with the inter-memorandum.
- Space rental fee and central service fee is charged by lum sum rate per month pursuant to the mutually agreed-upon.
- Others in accordance with agreed-upon rate.

6.2 Inter-Assets and Liabilities

	Consolidated		The Company Only	
	As of		As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
<u>Assets</u>				
Accounts Receivable – Advertisement				
Major Cinead Co., Ltd.	-	-	5,243	5,243
Notes Receivable				
Ratchayothin Management Co., Ltd.	-	-	1,338	-
Ratchayothin Realty Co., Ltd.	-	-	1,091	-
	<u>-</u>	<u>-</u>	<u>2,429</u>	<u>-</u>
Other Accounts Receivable				
Chiangmai Cineplex Co., Ltd.	-	-	2,970	1,009
Major Bowl Co., Ltd.	-	-	55,151	21
Ratchayothin Realty Co., Ltd.	-	-	-	620
Ratchayothin Cinema Co., Ltd.	-	-	-	7,088
Ratchayothin Management Co., Ltd.	-	-	-	2,969
Major Bowl Group Co., Ltd.	-	-	-	3,469
Major Cinead Co., Ltd.	-	-	80,771	39,723
Udon Five Star Cineplex Co., Ltd.	-	-	10,721	6,887
Wel Cineplex Co., Ltd.	-	4,750	-	4,750
	<u>-</u>	<u>4,750</u>	<u>149,613</u>	<u>66,536</u>

	Consolidated		The Company Only	
	As of		As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Accrued Interest Receivable				
Ratchayothin Cinema Co., Ltd.	-	-	198	-
Ratchayothin Management Co., Ltd.	-	-	352	-
Ratchayothin Realty Co., Ltd.	-	-	83	-
Major Cineplex Property Co., Ltd.	-	-	180	23,586
EGV Entertainment Public Co.,Ltd.	-	-	326	-
Udon Five Star Cineplex Co., Ltd.	-	-	53	-
Major Cineplex Service Co., Ltd.	-	-	193	6,958
Major Bowl Group Co., Ltd.	-	-	43	-
Media Logistic Co., Ltd.	30	-	-	-
	<u>30</u>	<u>-</u>	<u>1,428</u>	<u>30,544</u>
Prepaid for Leasehold Rights				
Petchpinklao Co., Ltd.	54,000	-	54,000	-
Accrued Dividend				
Ratchayothin Realty Co., Ltd.	-	-	-	33,832
Ratchayothin Management Co., Ltd.	-	-	-	10,667
	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,499</u>
Loans to				
EGV Entertainment Public Co.,Ltd	-	-	20,000	-
Ratchayothin Management Co., Ltd.	-	-	71,000	-
Ratchayothin Realty Co., Ltd.	-	-	16,000	-
Major Bowl Group Co., Ltd.	-	-	39,500	-
Major Cineplex Property Co., Ltd.	-	-	34,239	34,563
Ratchayothin Cinema Co., Ltd.	-	-	39,850	-
Bangkok Imax Theatre Co., Ltd.	-	-	2,400	-
Major Cineplex Service Co., Ltd.	-	-	38,947	29,860
Media Logistic Co., Ltd.	2,950	-	-	-
	<u>2,950</u>	<u>-</u>	<u>261,936</u>	<u>64,423</u>

For the year ended on December 31, 2004, there were movement transactions of the loan to the subsidiary and associated companies as follows:

				(Unit : '000 Baht)
	Balance As of December 31, 2003	In the period Increase	Decrease	Balance As of December 31, 2004
<u>Consolidated</u>				
Media Logistic Co., Ltd.	2,950	-	-	2,950
<u>The Company Only</u>				
Ratchayothin Cinema Co., Ltd.	-	247,654	(207,804)	39,850
Ratchayothin Management Co., Ltd.	-	153,680	(82,680)	71,000
Ratchayothin Realty Co., Ltd.	-	36,000	(20,000)	16,000
Major Bowl Group Co., Ltd.	-	40,500	(1,000)	39,500
Major Cineplex Property Co., Ltd.	34,563	116,730	(117,054)	34,239
Major Cineplex Service Co., Ltd.	29,860	94,213	(85,126)	38,947
EGV Entertainment Public Co., Ltd.	-	30,000	(10,000)	20,000
Udon Five Star Cineplex Co., Ltd.	-	10,751	(10,751)	-
Bangkok Imax Theatre Co., Ltd.	-	4,400	(2,000)	2,400

For the year ended on December 31, 2003 there were movement transactions of the loan to the subsidiary and related companies as follows :

	Balance As of December 31, 2003	In the period Increase	Decrease	(Unit : '000 Baht) Balance As of December 31, 2004
<u>Consolidated</u>				
California Wow Xperience Co., Ltd.	-	48,000	(48,000)	-
<u>The Company Only</u>				
Chiangmai Cineplex Co., Ltd.	1,652	3,500	(5,152)	-
Ratchayothin Management Co., Ltd.	12,600	26,400	(39,000)	-
Ratchayothin Realty Co., Ltd.	300	300	(600)	-
Major Bowl Group Co., Ltd.	666	600	(1,266)	-
Major Cineplex Property Co., Ltd.	103,322	22,500	(91,259)	34,563
Major Cinead Co., Ltd.	2,000	-	(2,000)	-
Major Cineplex Service Co., Ltd.	65,669	18,009	(53,818)	29,860
California Wow Xperience Co., Ltd.	-	48,000	(48,000)	-
	Consolidated As of		The Company Only As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Liabilities				
Account Payable				
Chiangmai Cineplex Co., Ltd.	-	-	46	-
Ratchayothin Cinema Co., Ltd.	-	-	1,572	-
	<u>-</u>	<u>-</u>	<u>1,618</u>	<u>-</u>
Accrued Interest Expense				
Major Cinema Co., Ltd.	-	-	-	924
Major Bowl Co., Ltd.	-	-	-	218
Chiangmai Cineplex Co., Ltd.	-	-	31	-
Siam Cineplex Co.,Ltd.	-	-	266	-
	<u>-</u>	<u>-</u>	<u>297</u>	<u>1,142</u>
Accrued Expense				
Major Cineplex Service Co., Ltd.	-	-	94	-
Ratchayothin Cinema Co., Ltd.	-	-	111	-
Major Cinead Co., Ltd.	-	-	629	-
Major Bowl Co., Ltd.	-	-	1,105	577
	<u>-</u>	<u>-</u>	<u>1,939</u>	<u>577</u>
Assets Payable				
Major Cinema Co., Ltd.	-	-	-	28,771
Suspended Output Tax				
Chiangmai Cineplex Co., Ltd.	-	-	194	66
Major Cinead Co., Ltd.	-	-	5,628	2,942
Ratchayothin Cinema Co., Ltd.	-	-	-	463
Ratchayothin Management Co., Ltd.	-	-	28	194
Major Bowl Group Co., Ltd.	-	-	1,023	227
Wel Cineplex Co., Ltd.	-	308	-	308
	<u>-</u>	<u>308</u>	<u>6,873</u>	<u>4,200</u>
Rental Revenue Received in Advance				
Ratchayothin Cinema Co., Ltd.	-	-	606	1,653

	Consolidated		The Company Only	
	As of		As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Loans from				
Major Bowl Co., Ltd.	-	-	-	15,969
Major Cinema Co., Ltd.	-	-	-	8,750
Chiangmai Cineplex Co., Ltd.	-	-	6,000	3,000
Siam Cineplex Co.,Ltd.	-	-	116,679	-
	<u>-</u>	<u>-</u>	<u>122,679</u>	<u>27,719</u>

For the year ended on December 31, 2004, there were movement transactions of the loan from the subsidiary companies and director as follows:

	Balance As of December 31, 2003	In the period		(Unit : '000 Baht)
		Increase	Decrease	Balance As of December 31, 2004
<u>Consolidated</u>				
Mr. Pronchai Ungthanaphisan	-	2,500	(2,500)	-
<u>The Company Only</u>				
Major Bowl Co., Ltd.	15,969	-	(15,969)	-
Chiangmai Cineplex Co., Ltd.	3,000	12,000	(9,000)	6,000
Major Cinema Co., Ltd.	8,750	-	(8,750)	-
Siam Cineplex Co.,Ltd.	-	149,679	(33,000)	116,679

For the year ended on December 31, 2003, there were movement transactions of the loan from the subsidiary companies, the related companies and director as follows :

	Balance As of December 31, 2003	In the period		(Unit : '000 Baht)
		Increase	Decrease	Balance As of December 31, 2004
<u>Consolidated</u>				
Miss Sasithorn Ongvasith	5,600	-	(5,600)	-
<u>The Company Only</u>				
Major Bowl Co., Ltd.	16,469	-	(500)	15,969
Chiangmai Cineplex Co., Ltd.	-	3,000	-	3,000
Major Cinema Co., Ltd.	13,150	4,900	(9,300)	8,750

Consolidated/ The Company Only

As of December 31, 2004 and 2003, the whole amount of loan to subsidiary companies to make loan contract together with interest rate at 5.75%- 6.25 % and 8% per annum respectively.

As of December 31, 2004 and 2003, the whole amount of loan from director were loans in the form director to make loan contract together carried interest in 2004 rate at 1.00 % per annum and in 2003 with non interest.

As of December 31, 2004 and December 31, 2003, loan due to subsidiary and related companies to make loan contract together carried interest in 2004 by the rate of 5.75%-6.25 % per annum and in 2003 carried interest rate of 1% and 8% per annum

6.3 Relationship to other Companies and Individuals

Consist of :

<u>Name of company / person</u>	<u>Relationship</u>
Major Cineplex Property Co., Ltd.	Subsidiary by shareholding
Major Cineplex Service Co., Ltd.	Subsidiary by shareholding
Chiangmai Cineplex Co., Ltd.	Subsidiary by shareholding
Major Bowl Co., Ltd.	Subsidiary by shareholding
Major Cinema Co., Ltd.	Subsidiary by shareholding
Ratchayothin Management Co., Ltd.	Subsidiary by shareholding
Ratchayothin Cinema Co., Ltd.	Subsidiary by shareholding
Ratchayothin Realty Co., Ltd.	Subsidiary by shareholding
Major Bowl Group Co., Ltd. (former name Ratchayothin Bowl Co., Ltd.)	Subsidiary by shareholding
Major Cinead Co., Ltd.	Subsidiary by shareholding
Bangkok Imax Theater Co., Ltd.	Subsidiary by shareholding
Udon Five Star Cineplex Co.,Ltd.	Subsidiary by shareholding
EGV Entertainment Public Co.,Ltd.	Subsidiary by shareholding
Entertain Golden Village Exhibition Co., Ltd.	Associated by indirect shareholding
EGV Exhibition Co., Ltd.	Subsidiary by indirect shareholding
EGV Five Star Co., Ltd.	Subsidiary by indirect shareholding
Exertainment Co., Ltd.	Subsidiary by indirect shareholding
Pacific Marketing and Entertainment Group Co., Ltd.	Subsidiary by shareholding
Pacific Media Sale Co., Ltd.	Subsidiary by indirect shareholding
California Wow Xperience Co., Ltd. (former California Fitness Centers Co., Ltd.)	Associated by direct shareholding
Siam Future Development Public Co.,Ltd.	Associated by direct shareholding
I-Major Co., Ltd.	Associated by direct shareholding
Media Logistic Co., Ltd.	Associated by indirect shareholding
Wel Ad Co., Ltd.	A related company with joint director
Wel Cineplex Co., Ltd.	A related company with related director
Petchpinklao Co., Ltd.	A related company with related director
Mr.Pornchai Ungthanaphisan	Director of subsidiary companies
Miss Sasithorn Ongvasith	Director of subsidiary companies

7. Amendments for Fundamental Errors

In 2002 the Company amended its calculation rate for corporation tax from 25% to 30% of net book profit before recognition of profit or loss from investments in subsidiary companies after adding back adjusted items in accordance with the Revenue Code. Because the Company had just received advice method from the Revenue Department on the method to calculate corporation tax stated in Decree no.387. Therefore the result of this change is that the company must pay the amount of Baht 69.43 million as corporate tax for the year 2002 instead of the previously recorded amount of Baht 58.08 million and so the accumulation effect on the retained earnings for the year 2002 is a total of Baht 11.35 million.

8. Adjusted transaction from the change of accounting policy of associated company

In quarter 4 of 2004, California Wow Xperience Co.,Ltd. which is an associated company constitutes the change of accounting policy in respect of the recognition of revenue and expense so as to comply with the general practice guidance for the companies in the same business group. The result of such change of accounting policy results in the investment value in California Wow Experience Public Co., Ltd. as of December 31, 2003 which is reflected by over-stated value of Baht 2.75 millions. The Company adjusted the rectification of such affect in 2004

whereas the company adjusted the reduction of beginning retained earnings of 2004 by Baht 2.75 millions and adjusted the reduction of investment value in such associated company by the same amount.

9. Temporary Investment

Consist of :

	Consolidated			
	As of December 31, 2004		As of December 31, 2003	
	Cost	Fair value	Cost	Fair value
	Baht	Baht	Baht	Baht
Temporary investment in open fund	1,236,407.84	1,235,980.15	102,157.66	101,878.57
Total	<u>1,236,407.84</u>	<u>1,235,980.15</u>	<u>102,157.66</u>	<u>101,878.57</u>

	The Company Only			
	As of December 31, 2004		As of December 31, 2003	
	Cost	Fair value	Cost	Fair value
	Baht	Baht	Baht	Baht
Temporary investment in open fund	171,030.39	172,430.94	65,295.66	65,367.19
Total	<u>171,030.39</u>	<u>172,430.94</u>	<u>65,295.66</u>	<u>65,367.19</u>

10. Accounts and Notes Receivable-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31,	December 31,	December 31,	December 31,
	2004	2003	2004	2003
	Baht	Baht	Baht	Baht
Notes Receivable	19,241,188.94	3,271,571.55	3,123,062.72	403,970.17
Account Receivable - Cinema Business	64,124,505.22	10,232,522.16	15,455,650.45	9,693,760.36
Account Receivable - Bowling and Karaoke Business	1,538,239.31	645,014.66	1,006,332.76	503,086.06
Account Receivable - Rentals and Services Business	16,124,624.52	11,269,230.85	2,114,121.97	3,045,216.31
Account Receivable - Sales DVD and VCD Business	130,298,239.82	-	-	-
Total	<u>231,326,797.81</u>	<u>25,418,339.22</u>	<u>21,699,167.90</u>	<u>13,646,032.90</u>
<u>Less</u> Allowance for Doubtful Debt Estimation of	(12,520,729.58)	-	(491,107.80)	-
Account Receivable-Returned of DVD and VCD	(67,780,095.05)	-	-	-
Net	<u>151,025,973.18</u>	<u>25,418,339.22</u>	<u>21,208,060.10</u>	<u>13,646,032.90</u>

Accounts Receivable can be separated pursuant to Accounts Receivable Aging as follows :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	Baht	Baht	Baht	Baht
Notes Receivable	19,241,188.94	3,271,571.55	3,123,062.72	403,970.17
Accounts Receivable				
Within credit term	112,876,036.27	16,730,412.90	16,297,090.95	10,406,421.06
Over Due				
1-30 Days	58,988,301.30	2,737,103.40	1,006,744.15	1,739,506.05
31-60 Days	17,497,151.94	935,342.40	563,272.33	446,318.77
61-90 Days	3,653,909.97	521,369.67	20,613.00	153,487.15
91-120 Days	2,228,547.12	106,328.78	15,820.00	13,625.33
Over 120 Days	16,841,662.27	1,116,210.52	672,564.79	482,704.37
Total	231,326,797.81	25,418,339.22	21,699,167.90	13,646,032.90
<u>Less</u> Allowance for Doubtful Debt Estimation	(12,520,729.58)	-	(491,107.80)	-
of				
Account Receivable-Returned of DVD	(67,780,095.05)	-	-	-
and VCD				
Net	151,025,973.18	25,418,339.22	21,208,060.10	13,646,032.90

11. Accounts Receivable-Advertisement

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	Baht	Baht	Baht	Baht
Accounts Receivable				
Within credit term	97,925,922.39	25,114,358.58	5,243,000.00	13,803,000.00
Over Due				
1-30 Days	27,470,135.52	21,207,094.01	-	-
31-60 Days	75,365,169.39	22,127,603.69	-	-
61-90 Days	2,702,659.50	5,548,150.18	-	-
91-120 Days	1,144,365.00	121,897.29	-	-
Over 120 Days	21,131,444.80	120,968.00	-	-
Total	225,739,696.60	74,240,071.75	5,243,000.00	13,803,000.00
<u>Less</u> Allowance for Doubtful Debt	(120,968.00)	-	-	-
Net	225,618,728.40	74,240,071.75	5,243,000.00	13,803,000.00

12. Inventories

Consist of :

	Consolidated As of		The Company Only As of	
	December 31, 2004 Baht	December 31, 2003 Baht	December 31, 2004 Baht	December 31, 2003 Baht
Inventories - Food and Beverage - Cinema Business	11,442,344.08	8,009,842.05	8,971,468.11	5,981,307.57
Inventories - Food and Beverage - Bowling and Karaoke Business	2,154,600.96	1,943,866.07	937,466.01	1,704,658.90
Inventories - Sales DVD and VCD Business	53,010,448.94	-	-	-
Supplies	4,221,579.35	1,850,149.75	3,566,410.19	1,425,784.21
Total	70,828,973.33	9,953,708.12	9,908,934.12	7,685,966.47

13. The Prepaid Deposit of Share-Subscription

In accordance with the consolidated and the Company financial statements as of December, 31, 2004, the whole amount of prepaid deposit of share-subscription was deposit for the investment in the Major Cinepictures Co., Ltd. (former name Nontanund Entertainment Co., Ltd.) which the Company plans to invest in the proportion of 80% of registered share capital by using investment not greater than Baht 80 millions. Such repayment is for confidence in the investment in Nontanund Entertainment Co., Ltd. Which complies with the resolution of the Board of Directors Meeting no. 6/2547 held on June 22, 2004.

14. Cash Guarantee

In accordance with consolidated as of December 31, 2004, the whole amount is guarantee amount against the short term loan from the finance institute, while the company will receive when such loan is fully repayable.

15. Other Current Assets

Consist of :

	Consolidated As of		The Company Only As of	
	December 31, 2004 Baht	December 31, 2003 Baht	December 31, 2004 Baht	December 31, 2003 Baht
Accrued Income	18,329,059.74	4,555,282.02	95,731.59	101,691.57
Prepaid Expenses	10,707,870.39	6,242,923.61	2,572,147.88	1,374,431.39
Prepaid Interest	7,821,129.90	-	7,821,129.90	-
Cash Advance	6,193,409.81	363,806.80	5,874,749.32	261,642.02
Prepaid Deposit	-	6,539,616.00	-	139,616.00
Other Accounts Receivable	19,453,721.88	9,924,446.71	2,187,792.19	2,854,128.70
Others	8,489,180.69	597,650.64	2,949,213.09	458,091.46
Total	70,994,372.41	28,223,725.78	21,500,763.97	5,189,601.14

16. Investments in Subsidiary Companies

As of December 31, 2004 and 2003, Major Cineplex Group Public Company Limited had investment in its subsidiary companies as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Baht	Baht	%	%	Baht	Baht	Baht	Baht	Baht	Baht
Major Cineplex Property Co., Ltd.	78,000,000.00	78,000,000.00	99.99	99.99	77,999,300.00	77,999,300.00	208,727,213.15	170,223,324.16	-	-
Major Cineplex Service Co., Ltd.	23,000,000.00	23,000,000.00	99.99	99.99	22,999,300.00	22,999,300.00	42,302,132.78	25,681,617.63	-	-
Chiangmai Cineplex Co., Ltd.	20,000,000.00	20,000,000.00	99.99	99.99	19,999,900.00	19,999,900.00	37,582,719.52	37,267,634.98	-	-
Major Bowl Co., Ltd.	18,000,000.00	18,000,000.00	-	99.99	17,999,400.00	17,999,400.00	-	19,272,450.58	-	-
Major Cinead Co., Ltd.	1,000,000.00	1,000,000.00	99.93	99.93	1,000,000.00	1,000,000.00	36,105,040.10	22,324,409.79	-	-
Major Cinema Co., Ltd.	10,000,000.00	10,000,000.00	-	99.40	13,299,137.00	13,299,137.00	-	39,313,605.59	27,919,318.23	-
Major Bowl Group Co., Ltd.	36,000,000.00	36,000,000.00	99.99	66.67	62,609,887.00	27,119,887.00	65,632,494.13	31,698,963.73	-	11,999,950.00
Ratchayothin Realty Co., Ltd.	100,000,000.00	100,000,000.00	99.99	66.67	195,178,100.00	75,998,100.00	228,864,188.46	80,533,657.92	-	43,832,237.50
Ratchayothin Cinema Co., Ltd.	10,000,000.00	10,000,000.00	99.99	66.67	120,854,600.00	25,334,600.00	118,191,817.27	12,850,043.29	-	66,870,010.00
Ratchayothin Management Co., Ltd.	5,000,000.00	5,000,000.00	99.99	66.67	70,950,146.00	7,300,146.00	77,978,494.12	9,581,243.54	-	10,666,880.00
Bangkok Imax Theater Co., Ltd.	1,000,000.00	1,000,000.00	99.94	66.63	6,826,300.00	666,300.00	11,255,391.86	2,749,843.88	-	-
Udom Five Star Cineplex Co.,Ltd.	39,000,000.00	39,000,000.00	80.00	80.00	31,199,500.00	31,199,500.00	34,156,062.02	30,972,242.02	-	-
Siam Cineplex Co., Ltd	150,000,000.00	-	99.99	-	149,999,300.00	-	149,931,811.53	-	-	-
EGV Entertainment Public Co.,Ltd	260,000,000.00	-	99.82	-	1,557,104,653.70	-	727,058,186.46	-	-	-
Pacific marketing and Entertainment Group Co.,Ltd.	15,000,000.00	-	80.00	-	79,999,666.67	-	84,140,253.41	-	-	-
					<u>2,428,019,190.37</u>	<u>320,915,570.00</u>	<u>1,821,925,804.81</u>	<u>482,469,037.11</u>	<u>27,919,318.23</u>	<u>133,369,077.50</u>

16.1 As of December 31, 2004, the Company have Subsidiary Companies via the indirect shareholding by EGV Entertainment Public Co., Ltd.

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	'000	'000	%	%	'000 Baht	'000	'000	'000	'000	'000
	Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
EGV Entertain Golden Village Exhibition Co., Ltd.	1,000	-	99.82	-	1,000	-	26,667	-	-	-
EGV Exhibition Co., Ltd.	100,000	-	99.82	-	100,000	-	144,999	-	-	-
EGV Five Star Co., Ltd.	40,000	-	89.84	-	36,000	-	27,641	-	-	-
Exertainment Co., Ltd.	30,000	-	59.89	-	18,000	-	(8,623)	-	-	-
					<u>155,000</u>	<u>-</u>	<u>190,684</u>	<u>-</u>	<u>-</u>	<u>-</u>

As of December 31, 2004, EGV Entertainment Public Co., Ltd. recognized participating loss from investment in Exertainment Co., Ltd., which is greater than investment value since EGV Entertainment Public Co., Ltd. constitutes the guarantee obligation in such subsidiary.

16.2 As of December 31, 2004, the Company have Subsidiary Company via the indirect shareholding by Pacific Marketing and Entertainment Group Co.,Ltd.

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	'000	'000	%	%	'000	'000	'000	'000	'000	'000
	Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
Pacific Media Sale Co., Ltd	100	-	79.52	-	99	-	(1,095)	-	-	-
					<u>99</u>	<u>-</u>	<u>(1,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>

As of December 31, 2004, Pacific Marketing and Entertainment Group Co., Ltd. recognized participating loss from investment in Pacific Media Sale Co., Ltd, which is greater than investment value since Pacific Marketing and Entertainment Group Co., Ltd. constitutes the guarantee obligation in such subsidiaries.

16.3 During year 2004, the Company holds additionally investment in subsidiary by the shares acquisition in the Ratchayothin Group in number of 5 Companies comprising Major Bowl Co., Ltd., Ratchayothin Realty Co., Ltd., Ratchayothin Cinema Co., Ltd., Ratchayothin Management Co., Ltd. and Bangkok Imax Theater Co., Ltd. from the minority shareholders who are foreigners in accordance with the Contract of Purchase-Sale of Investment dated March 22, 2004. The amount of investment purchase-sale is aggregated to Baht 320 millions, which is price compared from that of the independent financial advisor computed pursuant to Discounted Cash Flow Approach with the term of repayment divided into 4 installments. The first installment is repayable within April 1, 2004 in amount of Baht 35.50 millions. The 2nd installment is repayable within April 20, 2004 in amount of Baht 64.57 millions. The 3rd installment is repayable within May 31, 2004 in amount of Baht 100.07 millions. Moreover, the final installment is repayable within August 15, 2004 in Baht 119.86 millions. The Contract is specified that the minority shareholders contribute benefit in the participating profit (loss) of such subsidiary for the quarter ended on March 31, 2004 to the Company ; as a result, the Company has to record participating profit (loss) of subsidiaries for such period as it the Company had purchased investment since January 1, 2004. At present, the company has repaid such shares subscription.

16.4 As of September 27, 2004, the Company invested in EGV Entertainment Public Co., Ltd. and its subsidiary by number of 259,522,559 shares which equivalent to 99.82% of equity which already issue and paid-up of EGV Entertainment Public Co., Ltd. and its subsidiary. Therefore, EGV Entertainment Public Co., Ltd. and its subsidiary become the Company's subsidiary.

Net Asset Value of EGV Entertainment Public Co., Ltd. and its subsidiary as of investment date are composed of the following transaction.

	<u>'000 Baht</u>
Assets	
Cash and Equivalent	93,826
Temporary Investment	20,959
Accounts and Notes Receivable	62,009
Inventories	5,136
Other Current Assets	126,836
Improvement Building and Equipment-Net	1,462,935
Other Assets	233,646
Total Assets	<u>2,005,347</u>
Liabilities	
Short Term Loan	750,000
Accounts Payable	73,293
Other Current Liabilities	262,883
Long Term Loan	335,338
Other Liabilities	6,604
Total Liabilities	<u>1,428,118</u>
Net Book Values of Assets	577,229
<u>Plus</u> The Excess of Fair Value of Definable Assets Over Book Value	138,341
Total Net Assets	<u>715,570</u>
Proportion of the Company Investment (percentage)	99.82%
Net Asset in proportion of Company Investment	714,282
<u>Plus</u> The Excess of Fair Value in accordance with Income Approach (Income Approach) over Fair Value of Definable Assets and Liabilities	25,884
Fair Value in accordance with Income Approach	740,166
Purchasing Price	1,557,105
The Excess of Cost of Acquisition over Fair Value of Definable Assets and Liabilities (Goodwill)	816,939
Purchasing Price	1,557,105
<u>Less</u> Purchased Transactions by the repayment of increased shares	(1,557,095)
Cash payable to acquisition ordinary shares of EGV Entertainment Public Co., Ltd. and its subsidiary	10
<u>Less</u> Cash and Cash Equivalent of EGV Entertainment Public Co., Ltd. and its subsidiary	(93,826)
Net Cash receipt from the acquisition ordinary shares of EGV Entertainment Public Co., Ltd. and its subsidiary	<u>93,816</u>

The Company has written off the excess of cost of acquisition over fair value which the independent appraiser computed in accordance with the Income Approach only fait of the Company's behalf, as of the purchase date of EGV Entertainment Public Co., Ltd. and its subsidiary amount of Baht 816.94 millions as the whole expense during the present period. Moreover, the Company recognized the excess of fair value in accordance with the Income Approach over fair value of definable assets and liabilities amount of Baht 25.88 millions as Goodwills. In addition, after the merger, The Board of the Stock Exchange of Thailand has approved the EGV Entertainment Public Co., Ltd. delisting since October 12, 2004.

16.5 As of September 28, 2004, the Company invested in Pacific Marketing and Entertainment Group Co., Ltd. In number of 1,199,955 shares equivalent to 80% of Capital issued and already paid-up of Pacific Marketing and Entertainment Group Co., Ltd. become the Company subsidiary.

Net Asset Value of Pacific Marketing and Entertainment Group Co., Ltd. as of investment date are composed of the following transaction.

	<u>' 000 Baht</u>
Assets	
Cash and Equivalent	8,938
Accounts and Notes Receivable-Net	78,370
Inventory	42,680
Other Current Assets	3,894
Loan to	4,665
Investment in Associated Companies Building and Equipment-Net	1,153
Improvement Building and Equipment-Net	6,374
Deferred Film Copy Right	51,261
Other Current Assets	500
Total Assets	197,835
Liabilities	
Accounts Payable	33,400
Other Current Liabilities	24,448
Short Term Loan	66,768
Other Liabilities	2,052
Total Liabilities	126,668
Net Book Value of Assets	71,167
Proportion of the Company Investment (percentage)	20,034
<u>Plus</u> The Excess of Fair Value of Deferred Film Copy Right Over Book Value	91,201
Total Net Assets	80%
Net Asset in proportion of Company Investment	72,961
Purchasing Price	80,000
The excess of acquisition cost over Net Assets Value (Goodwill)	7,039
Cash payable to purchase Pacific Marketing and Entertainment Group Co., Ltd.	80,000
<u>Less</u> Cash and Cash Equivalent of Pacific Marketing and Entertainment Group Co., Ltd.	(8,938)
Net Cash payable from the acquisition ordinary shares of Pacific Marketing and Entertainment Group Co., Ltd.	71,062

Such both subsidiary as stated in Note 16.4 and 16.5 do not prepare any financial statements as of the date the Company acquired the business. As a result, the Company management will apply the financial statements of such subsidiary as of September 30,2004 which were reviewed by auditors as the financial statements as of the date of investment acquisition whereby the discrepancy of such number of days does not materially affect upon the financial statements.

16.6 In accordance with the resolution of the company board of directors no.10/2547 which held on November 11, 2004, it is resolved that two subsidiaries are liquidated, i.e. Major Bowl Co., Ltd. and Major Cinema Co., Ltd. which two companies have registered the entities liquidation and winding up their business. Two companies repaid ordinary shares subscription to the company by amount of Baht 27.79 millions; as a result, the company incurred loss from the liquidation of subsidiaries by Baht 2.88 millions.

16.7 In accordance with the minute of the Company Board of Directors Meeting No. 3 which held on March 19, 2004, it is unanimously resolved that the investment is proceeded in Siam Cineplex Co., Ltd., which is the newly Company established in the ratio of shares holding of 99.99% by number of 1,500,000 shares in the share price of Baht 100 per share. Therefore, as of December 31, 2004, the company constitutes investment in such company by the cost price of Baht 150 millions

16.8 On December 20, 2004, Pacific Marketing Entertainment Group Co., Ltd. which is subsidiary, it is unanimously resolved that the investment is proceeded in Pacific Media Sales Co., Ltd. Which is newly established in the ratio of shareholding of 99.40% by number of 994 shares in the share price of Baht 100.00 per share; therefore, as of December 31, 2004, Pacific Marketing and Entertainment Group Co., Ltd' constitutes investment in such company by cost price of Baht 0.10 millions.

17. Investments in Associated Company

As of December 31, 2004 and 2003, Major Cineplex Group Public Company Limited had investment in its associated company as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Baht	Baht	%	%	Baht	Baht	Baht	Baht	Baht	Baht
California Wow Xperience Co., Ltd.	98,000,000.00	980,000,000.00	49.00	49.00	182,571,149.89	157,091,149.89	174,750,476.39	157,722,053.00	-	-
Siam Future Development Public Company limited	402,225,034.00	237,499,935.00	26.43	25.26	227,178,793.25	133,007,500.00	271,859,429.13	137,630,528.30	6,000,000.00	-
I-Major Co., Ltd.	20,000,000.00	-	49.99	-	10,000,000.00	-	7,691,911.25	-	-	-
					<u>419,749,943.14</u>	<u>290,098,649.89</u>	<u>454,301,816.77</u>	<u>295,352,581.30</u>	<u>6,000,000.00</u>	<u>-</u>

As of December 31, 2004, the Company constitutes the associated company whose shares are indirectly held by Pacific Marketing and Entertainment Group Co., Ltd. in the proportion as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	('000 Baht)									
Media Logistic Co., Ltd.	1,000	-	39.18%	-	500	-	1,153	-	-	-

17.1 Investment in California Fitness Wow Xperience Co., Ltd which the company invested by acquisition comprising the purchase from original shareholders as at September 11, 2003 in amount of Baht 139.0 millions with (net from direct related expenses of purchase investment) the shareholding proportion of 49 %. In addition, the purchase of increased share capital as of September 24, 2003 was in amount of Baht 17.64 millions in order to maintain the shareholding proportion of 49% which the price can be brought close together for comparison from the prices of independent financial advisor computed in accordance with Discounted Cash Flow Approach.

17.2 Investment in Siam Future Development Public Co., Ltd. which the Company invested consisted of the purchase of additional ordinary shares as of September 29, 2003 in number of 24 millions shares in the price of Baht 3.99 per share aggregating to Baht 95.76 millions (net from direct related expenses of purchase investment) with the proportion of shares holding of 25.26% which is the price approximated from the price of independent consultant computed by Income Approach and Market Approach and the purchase of additional shares capital as of November 13, 2003 in order to maintain proportion of shareholding of 25.26% in Baht 36 millions.

As of Quarter 2/2004 the Company exercised rights in accordance with the warrants to purchase ordinary shares in the Siam Future Development Public Co., Ltd. in number of 17.75 millions unit as stated in Note 18 by the proportion of right exercise of 1 unit to 2.62875 ordinary shares in the exercised price of Baht 1 per share. The Siam Future Development Public Co., Ltd. has registered the increased share capital issued and called for paid-up from such right exercise on July 7, 2004. As December 31, 2004, the Company holds the proportion investment of The Siam Future Development Public Co., Ltd. amount of 26.43%.

However, investment in Siam Future Development Public Co., Ltd. is marketable security. As of December 31, 2004 and 2003. such security comprises fair value per share equivalent Baht 6.20 and Baht 6.90 respectively equivalent to the total amount of Baht 661.29 millions and Baht 414.0 millions respectively.

17.3 In the Consolidated and the Company financial statements as of December 31, 2004 and 2003, investment in the California Wow Xperience Co., Ltd. and Siam Future Development Co., Ltd. and Media Logistic Co., Ltd. The Company computes the investment amount from financial statements which were audited by other auditors. Moreover, regarding the investment in I-Major Co., Ltd. The Company computed investment value from the financial statements which were not yet audited by other auditors by recognizing the participating profit (loss) in the associated company as follows.

	('000 Baht)	
	For the Years Ended on December 31	
	2004	2003
California Wow Xperience Public Company Limited	(5,698)	631
Siam Future Development Public Company limited	46,062	4,619
I-Major Co., Ltd.	(2,308)	-
Media Logistic Co., Ltd.	174	-

17.4 In quarter 4 of 2004, California Wow Xperience Public Co., Ltd. constitutes the change of accounting policy in respect of the recognition of revenue and expense in accordance with the Note no. 8. The result of such change of accounting policy results in the participating profit in California Wow Xperience Public Co., Ltd. For the period of 9 months ended on September 30, 2004 which ever recognized by Baht 22.12 millions declined. California Wow Xperience Public Co., Ltd. is being the process of adjustment the affect on the financial statements for the period of 9 months. However, the company recognized participating profit in California Wow Xperience Public Co., Ltd. for the year ended on December 31, 2004 by Baht (5.70) millions.

18. Long – Term Investments

	Consolidated / The Company Only			
	As of December 31, 2004		As of December 31, 2003	
	Cost	Fair Value	Cost	Fair Value
	Baht	Baht	Baht	Baht
<u>Investment in Securities Available for Sale :</u>				
Warrants				
Siam Future Development Public Company Limited	-	-	47,510,981.25	273,350,000.00
Total	-	-	47,510,981.25	273,350,000.00

The Company constituted the purchase of warrants to acquire ordinary shares of the Siam Future Development Public Co., Ltd. from the former warrants holders which is in compliance with the term of covenant in the preliminary memorandum in respect of joint venture partner so as for inter-business support in the long term in number of 17.75 millions units (from the total number of 71 millions units) in the price of Baht 2.67 per unit, exercised life of approximate 3 years. The period of right exercise commences from March 30, 2003 to December 12, 2005. The right to purchase ordinary shares can be exercised every 30th date of March, June, September and December. One unit of warrant can be exercised to purchase 2.62875 ordinary shares at par value of Baht 1 per share in the exercised price of Baht 1 per share. As of December 31, 2004, the Company fully exercised the convertible rights of warrants to ordinary shares as stated in Note 17.2

19. Property and Equipment-Net

Consist of:

	Balance	Increase	Consolidated	Sale /	Balance
	As of	from purchasing	Increase/	Transfer out	As of
	December 31, 2003	investment in	Transfer in		December 31, 2004
		Subsidiary			
		Companies			
	Baht	Baht	Baht	Baht	Baht
Cost :					
Land	34,909,552.84	-	-	-	34,909,552.84
Building	779,010,545.25	-	120,301,946.29	-	899,312,491.54
Theatres	1,006,111,833.17	1,107,079,825.23	99,709,606.81	(5,277,957.11)	2,207,623,308.10
Tools	818,485,256.49	138,351,878.94	311,387,141.12	(46,070,113.90)	1,222,154,162.65
Vehicles	5,916,134.92	13,323,769.65	4,448,000.00	-	23,687,904.57
Furniture and Fixtures	127,014,095.60	915,594,778.14	28,644,499.79	(1,787,708.34)	1,069,465,665.19
Theatre Improvements ,Office					
Building					
Improvements and Systems	99,020,205.59	92,146,417.55	22,117,328.52	(84,000.00)	213,199,951.66
Utilities System	325,853,608.00	257,630,465.70	2,281,920.30	(606,933.12)	585,159,060.88
Construction in Progress	40,262,031.28	6,854.58	382,761,984.13	(353,225,257.84)	69,805,612.15
Total	<u>3,236,583,263.14</u>	<u>2,524,133,989.79</u>	<u>971,652,426.96</u>	<u>(407,051,970.31)</u>	<u>6,325,317,709.58</u>
Accumulated Depreciation :					
Building	(174,110,342.18)	-	(42,125,538.64)	-	(216,235,880.82)
Theatres	(212,797,611.75)	(240,332,812.20)	(101,408,209.49)	251,445.63	(554,287,187.81)
Tools	(225,323,927.09)	(67,564,244.71)	(144,673,449.62)	8,005,656.79	(429,555,964.63)
Vehicles	(1,719,029.82)	(2,925,812.89)	(2,377,237.10)	-	(7,022,079.81)
Furniture and Fixtures	(63,836,965.55)	(200,976,824.04)	(27,496,441.69)	204,458.93	(292,105,772.35)
Theatre Improvements , Office					
Building					
Improvements and Systems	(13,559,519.06)	(242,290,268.29)	(33,592,925.75)	-	(289,442,713.10)
Utilities System	(98,088,569.48)	(162,729,301.57)	(30,517,681.73)	-	(291,335,552.78)
Total	<u>(789,435,964.93)</u>	<u>(916,819,263.70)</u>	<u>(382,191,484.02)</u>	<u>8,461,561.35</u>	<u>(2,079,985,151.30)</u>
Net	<u>2,447,147,298.21</u>				<u>4,245,332,558.28</u>

Depreciation in the Statements of Income

For the year

Ended on December 31, 2004

382,191,484.02

Ended on December 31, 2003

279,314,812.15

In accordance with the consolidated financial statements, as of December 31, 2004 and 2003, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 438.15 million and Baht 37.02 million respectively. The net book value of which was now Baht 5,051 and Baht 259 respectively.

In accordance with the consolidated financial statements, as of December 31, 2004, cost of theatre and bowling equipment for the amount of Baht 216.17 millions and cost of vehicle partly for the amount of Baht 5.72 millions and as of December 31, 2003, cost of theatre and bowling equipment for the amount of Baht 216.17 millions and cost of vehicle partly for the amount of Baht 1.76 millions was assets under financial lease agreement.

In accordance with the consolidated financial statements as of December 31, 2004 and 2003, buildings, theater, public utility system and other fixed assets of the parent company and subsidiary companies are located at the

leased building area and leased land which can be summarized the details and the estimated cost of fixed assets as follows:

	Cost		Type of Leased Contract	Maturity of Leased Contract	Terminated Date of Leased Contract	Covenant of Leased Contract
	Dec. 31, 04	Dec. 31, 03				
	Million Baht	Million Baht				
Major Cineplex Group Public Company Limited						
Sukhumvit – Ekkamai Branch						
- Cinema						
Bowling and Karaoke	508.80	498.28	Land Lease	28 years	years 2024	(1)
Ratchayothin Branch						
- Cinema						
Bowling and Karaoke	817.30	763.01	Land Lease	28 years	years 2024	(2)
Rangsit Branch						
- Cinema						
Bowling and Karaoke	468.19	474.57	Land Lease	27 years	years 2028	(1)
Ramkhamhaeng Branch						
- Cinema	49.68	48.87	Building Area Lease	17 years 9 Month	years 2017	(1)
World Trade Center Branch						
- Cinema						
Bowling and Karaoke	151.06	143.19	Building Area Lease	15 years	years 2015	(1)
Pinkrao Branch						
- Cinema	13.23	11.90	Building Area Lease	15 years	years 2017	(1)
- Bowling and Karaoke	12.49	-	-	-	-	(7)
Rama 3 Branch						
- Cinema						
Bowling and Karaoke	135.82	130.66	Building Area Lease	10 years	years 2012	(1)
Chiangmai Branch						
- Cinema	58.73	58.72	Building Area Lease	10 years	years 2011	(1)
Bangna Branch						
- Cinema	32.37	-	Building Area Lease	10 years	years 2012	(3)
- Bowling and Karaoke	84.86	84.28	Building Area Lease	10 years	Years 2014	(3)
Bangkapi Branch						
- Cinema	100.74	100.35	Building Area Lease	24 years	years 2025	(1)
- Bowling and Karaoke	22.18	-	Building Area Lease	21 years 11 Months	years 2026	(2)
Rama 2 Branch						
- Cinema	130.68	129.58	Building Area Lease	10 years	years 2012	(3)
Seri Center Branch						
- Cinema						
Bowling and Karaoke	89.65	88.34	Building Area Lease	3-21 years	years 2005-2003	(2),(4)
Nakornsawan Branch						
- Cinema						
Bowling and Karaoke	73.00	69.44	Building Area Lease	10 years	years 2013	(5)
Nontaburi Branch						
- Cinema	51.38	70.64	Building Area Lease	15 years	years 2018	(1)

	Cost		Type of Leased Contract	Maturity of Leased Contract	Terminated Date of Leased Contract	Covenant of Leased Contract
	Dec. 31, 04	Dec. 31, 03				
	Million Baht	Million Baht				
Udomthani Branch						
- Cinema	58.51	44.97	Building Area Lease	15 years	years 2018	(6)
Chachengohao Branch						
- Cinema						
Bowling and Karaoke	64.98	-	Building Area Lease	24 years 10 Months	years 2029	(2)
Thonglor Branch						
- Bowling and Karaoke	29.56	-	Building Area Lease	20 years	years 2024	(2)
<u>EGV Entertainment Public Group Co., Ltd.</u>						
Bangkae Branch	94.53	-	Building Area Lease	27 Years	Years 2021	(1)
Seacon Branch	118.51	-	Building Area Lease	30 Years	Years 2024	(2)
Rangsit Branch	165.87	-	Building Area Lease	25 Years	Years 2021	(1)
Fashion Island Branch	73.64	-	Building Area Lease	3 Years	Years 2005	(5)
Ladprao Branch	65.88	-	Building Area Lease	1 Years	Years 2003	(2),(3)
Ratdamri Branch	475.78	-	Building Area Lease	9 Years	Years 2012	(1)
Pinklao Branch	151.59	-	Building Area Lease	12,7 Years	Years 2015, 2005	(1)
Siam Discovery Branch	239.11	-	Building Area Lease	7,20 Years	Years 2009, 2018	(2)
Sriracha Branch	31.63	-	Building Area Lease	17 Years 5 Months	Years 2019	(1)
Samrong Branch	15.21	-	Building Area Lease	3 Years	Years 2005	(1)
Korat Branch	61.46	-	Building Area Lease	30 Years	Years 2025	(1)

Term and Covenant of Leased Contract

- (1) When the lease period is terminated, the entire ownership of property in the fixture with the leased area will belong to leaser.
- (2) When the lease period is terminated, the entire property including equipment in the fixture with the leased office, the lessee has to immediately remove so that the leased office remains in the same condition.
- (3) Memorandum of understanding, the company is on negotiating with one Department Store to lease some areas and also on making the draft of a lease contract with them.
- (4) The Company conducted the contract of area rental with one finance institute. The primary period of rental is 3 years. Such finance institute is proceeding with the filing to the Bank of Thailand so as to expand the period of rental to be 21 years.
- (5) In the draft memorandum of agreement it does not specify the term and covenant of lease contract after termination of lease contract.
- (6) In the detail of proposal of space rental, there is not any term and covenant defined.
- (7) No contract or agreement

	The Company Only			
	Balance	Increase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2003			December 31, 2004
	Baht	Baht	Baht	Baht
Cost :				
Theatres	788,130,494.97	60,762,650.16	-	848,893,145.13
Tools	677,519,740.20	155,549,513.00	(46,061,613.90)	787,007,639.30
Vehicles	1,352,257.55	4,448,000.00	-	5,800,257.55
Furniture and Fixtures	82,724,184.83	6,850,447.89	(1,554,300.34)	88,020,332.38
Theatre Improvements ,Office Building				
Improvements and Systems	56,869,356.66	8,951,499.85	(84,000.00)	65,736,856.51
Utilities System	28,443,881.14	173,275.00	-	28,617,156.14
Construction in Progress	41,921,196.71	302,527,675.44	(316,824,227.02)	27,624,645.13
Total	1,676,961,112.06	539,263,061.34	(364,524,141.26)	1,851,700,032.14
Accumulated Depreciation :				
Theatres	(97,699,894.89)	(60,655,583.01)	-	(158,355,477.90)
Tools	(152,496,194.04)	(102,767,296.52)	3,678,927.96	(251,584,562.60)
Vehicles	(752,413.75)	(924,401.19)	-	(1,676,814.94)
Furniture and Fixtures	(27,579,145.28)	(15,905,033.16)	204,458.93	(43,279,719.51)
Theatre Improvements , Office Building				
Improvements and Systems	(7,247,654.34)	(6,517,845.41)	-	(13,765,499.75)
Utilities System	(12,395,912.63)	(4,524,683.16)	-	(16,920,595.79)
Total	(298,171,214.93)	(191,294,842.45)	3,883,386.89	(485,582,670.49)
Net	1,378,789,897.13			1,366,117,361.65

Depreciation in the Statements of Income

For the year

Ended on December 31, 2004

191,294,842.45

Ended on December 31, 2003

159,282,109.15

In accordance with the company financial statements, as of December 31, 2004 and 2003, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 44.43 million and Baht 22.67 million, respectively. The net book value of which was now Baht 257 and Baht 148 respectively.

In accordance with the company financial statements, as of December 31, 2004, cost of theatre and bowling equipment for the amount 200.0 millions and vehicle partly amount of 4.39 millions and as of December 31, 2003, cost of theater and bowling equipment for the amount of Baht 200.0 millions and cost of vehicle partly for the amount of 0.43 millions was assets under financial lease agreement.

In accordance with the consolidated and the company financial statements, building and some equipment were pledged against credit facility received from bank and financial institute.

In accordance with the consolidated financial statements and the company financial statements for the year ended on December 31, 2004, the company included cost of loan which is specifically borrow so as to use in the project of Siam Paragon combined as cost price of such project by Baht 1.50 millions.

20. Lease and Services Contract Bond

In the consolidated and the company financial statements as of December 31, 2004 and 2003, the guaranteed deposit against the contract of rental partly in amount of Baht 18.26 millions and Baht 17.26 millions respectively is guaranteed deposit against the area rental of the cinema and others. The contract is respectively conducted and memorandum of understanding between the leaser and the Company comprises the period of rental of 10-24 years.

In addition, according to the consolidated and the company financial statements as of December 31, 2004 and 2003, partly in amount of Baht 19.4 millions and Baht 23.0 millions respectively is leasing contract bond of Cinema's equipments, and 15 years service contract of Major Cineplex (Pinklao). The deposit for leasing and servicing is total amount of Baht 24.0 million, without being charged of interest. The deposit can be reimbursed each time at Baht 0.20 million for the period of 10 years beginning February 2004.

21. Prepaid Leasehold Right Fee Repayable Instead of Subsidiary

In accordance with the consolidated financial statements and the Company financial statements as of December 31, 2004 and 2003, the prepaid leasehold right fee repayable instead of subsidiary is wholly the financial support of construction fee so as for leasehold right of the area of 7th and 8th floor of the Project of Siam Paragon Trading Center in accordance with the contract of leasehold right reservation dated March 27, 2003, while the Company agreed to repay the financial support of construction fee by the total amount of Baht 300.0 millions. Moreover, on November 16, 2004, the company performed the memorandum attached to the contract of leasehold right reservation on the subject of the transfer of leasehold right. The Company will transfer the leasehold right to 3 subsidiary companies which resulted in the leasehold right that the company prepaid before the right transfer date is regarded as prepaid leasehold right instead of subsidiaries with the detail as follows.

	Consolidated		The Company Only	
	As of December 31, 2004 Baht	As of December 31, 2003 Baht	As of December 31, 2004 Baht	As of December 31, 2003 Baht
Advance payment for leasehold right	-	150,000,000.00	-	150,000,000.00
Advance payment for leasehold right Repayable instead of subsidiary				
Siam Cineplex Co., Ltd.	135,000,000.00	-	135,000,000.00	-
Bangkok Imax Theater Co., Ltd.	20,000,000.00	-	20,000,000.00	-
Major Bowl Group Co., Ltd.	45,000,000.00	-	45,000,000.00	-
	<u>200,000,000.00</u>	<u>150,000,000.00</u>	<u>200,000,000.00</u>	<u>150,000,000.00</u>

22. Prepaid for Leasehold Right

The whole amount is prepaid amount for the leasehold right of the Project of Pinkrao Branch which is the financial support of construction fee so as for leasehold right of internal building area in the Project of Petch Pinkrao Co., Ltd. which is related company by related director whereby the leased contract constitutes the period of 25 years where as the amount of financial support of construction fee which has to be repayable in entire amount of Baht 69.25 millions.

23. Deferred Land Leasehold Rights

Consist of :

	As of December 31, 2004 Baht	As of December 31, 2003 Baht
Deferred Land Leasehold Rights-Beginning	45,155,864.08	47,024,382.64
Deferred Land Leasehold Rights-Increased during period	20,000,000.00	-
Amortized Deferred Land Leasehold Rights	(2,618,518.53)	(1,868,518.56)
Deferred Land Leasehold Rights-Ending	<u>62,537,345.55</u>	<u>45,155,864.08</u>

In the consolidated financial statements As of December 31, 2004 and 2003, the whole amount of deferred land leasehold rights was land leasehold of a subsidiary company which has contract of land leasehold for the construction of the Major Cineplex, Rangsit for 27 years. When the lease period is terminated, the entire ownership of property with the leased land will belong to lessor. The subsidiary has transferred to one merchant bank as security for the credit of the Parent company. The transfer of such leased right was consented by the lessor.

The right of land lease is increased during the period which is derived from land lease so as for the construction of business building plus car park, Sukhumvit Branch whereas the contract of land lease constitutes 20 years and the leased right value which needs to fully repay is Baht 20 millions.

24. Deferred Building Area Leasehold Rights

Consist of :

	Consolidated		The Company Only	
	As of December 31, 2004 Baht	As of December 31, 2003 Baht	As of December 31, 2004 Baht	As of December 31, 2003 Baht
Deferred Building Area Leasehold Rights- Beginning	-	-	-	-
The Building Area Leasehold Right is Increased from the Acquisition of Investment in Subsidiary.	166,016,376.74	-	-	-
Deferred Building Area Leasehold Rights- Increased during period	10,000,000.00	-	10,000,000.00	-
Amortized Deferred Building Area Leasehold Rights	(2,457,850.06)	-	(203,389.85)	-
Deferred Building Area Leasehold Rights-Ending	<u>173,558,525.98</u>	<u>-</u>	<u>9,796,610.15</u>	<u>-</u>

In accordance with the consolidated and the Company financial statements as of December 31, 2004, leasehold right - deferred are composed of 2 portions, one is leasehold right Building Area of EGV Entertainment Public Co., Ltd. and its subsidiary whereby it is mainly advance lease fee and construction fee support in accordance with the leased contract of working place cinema of Ratchadamri Project which holds the lease contract of 20 years and the whole value of leasehold right which has to be repaid is Baht 174.43 millions. Another portion is leasehold right of the Chachengsao Branch Project which is the construction for support for the leasehold right of Siam Future Chachengsao Project whereby the Lease contract holds the period of 25 years and the whole value of leasehold right which has to be repaid is Baht 10 millions.

25. Deferred Film Copy Right

Consist of:

	Consolidated		The Company Only	
	As of Dec 31, 2004 Baht	As of Dec 31, 2003 Baht	As of Dec 31, 2004 Baht	As of Dec 31, 2003 Baht
Deferred Film Copy Rights Beginning - Net	-	-	-	-
<u>Add</u> Increase Film Copy Right from Investment in Subsidiary Companies	67,288,177.41	-	-	-
Deferred Film Copy Right - Increase during period	91,718,511.48	-	-	-
<u>Less</u> Amortization of Film Copy Right	<u>(25,548,030.67)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Film Copy Right Ending - Net	<u>133,458,658.22</u>	<u>-</u>	<u>-</u>	<u>-</u>

25. Asset Not Used for Operations-Net

Consist of:

	Consolidated/The Company Only			
	Balance	Increase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31,			December 31,
	2003			2004
	Baht	Baht	Baht	Baht
Cost:				
Tools	7,840,571.47	-	-	7,840,571.47
IMAX Equipment	18,687,941.50	-	-	18,687,941.50
Equipments and Tools Bowling	-	11,610,153.99	-	11,610,153.99
Total	26,528,512.97	11,610,153.99	-	38,138,666.96
Accumulated Depreciation:				
Tools	(1,052,569.86)	-	-	(1,052,569.86)
IMAX Equipment	(18,687,940.50)	-	-	(18,687,940.50)
Equipments and Tools Bowling	-	(719,431.94)	-	(719,431.94)
Total	(19,740,510.36)	(719,431.94)	-	(20,459,942.30)
Book Value	6,788,002.61	10,890,722.05	-	17,678,724.66
<u>Less</u> Allowance from non used Asset Impairment	(6,788,001.61)	(10,890,722.05)	-	(17,67,723.66)
Asset Not used for Operation-Net	1.00	-	-	1.00

Depreciation in the Statements of Income

For the year

Ended on December 31, 2004	617,117.70
Ended on December 31, 2003	-

27. Goodwill - Net

Consist of:

	Consolidated	
	December 31, 2004	December 31, 2003
	Baht	Baht
Goodwill as of Purchase	96,387,446.45	96,387,446.45
<u>Less</u> Amortization of Goodwill	(27,539,670.65)	(17,900,926.01)
Net Goodwill - Beginning	68,847,775.80	78,486,520.44
<u>Add</u> Goodwill Increase during Period -		
Parent Company	146,543,267.10	-
Goodwill Increase during Period -		
Subsidiary Companies	8,507,162.40	-
Total	223,898,205.30	78,486,520.44
<u>Less</u> Amortization of Goodwill to be expense During Period	(21,409,120.69)	(9,638,744.64)
<u>Less</u> Amortization of Goodwill from Liquidation of Subsidiary Companies	(9,207,986.87)	-
Goodwill - Net	193,281,097.74	68,847,775.80

28. Negative Goodwill - Net

Consist of:

	Consolidated	
	December 31, 2004	December 31, 2003
	Baht	Baht
Negative Goodwill as of Purchase	27,166,011.44	27,166,011.44
<u>Less</u> Amortization of Negative Goodwill	<u>(22,864,291.23)</u>	<u>(12,113,053.13)</u>
Net Negative Goodwill - Beginning	4,301,720.21	15,052,958.31
<u>Less</u> Amortization Negative Goodwill to be Revenue		
During Period	<u>(340,760.80)</u>	<u>(10,751,238.10)</u>
Negative Goodwill - Net	<u><u>3,960,959.41</u></u>	<u><u>4,301,720.21</u></u>

29. Credit and Obligations

Bank overdrawn account, loan due to merchant bank and finance institute of the parent company and subsidiary companies are guarantees by bank deposits, building and equipment, Leasehold Rights, Land Leasehold Rights, company directors and personal land of one shareholder.

30. Short-Term Loans due to Finance Institute

Consist of :

	Consolidated		The Company Only	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	Baht	Baht	Baht	Baht
Bill of Exchange	1,060,000,000.00	100,000,000.00	400,000,000.00	-
Promissory Notes	113,067,447.73	200,000,000.00	-	200,000,000.00
	<u>1,173,067,447.73</u>	<u>300,000,000.00</u>	<u>400,000,000.00</u>	<u>200,000,000.00</u>

In accordance with the consolidated financial statement and the company only as of December 31, 2004 and 2003, the whole amount was loan in form of bill of exchange and promissory notes with finance institute for the period of 3-6 months carried interest rates of 1.80 – 6.0 % per annum.

31. Accounts Payable for Assets Purchased and Construction

In accordance with the Company financial statements as of December 31, 2003 the full amount was liability derived from the Company's acquisition of cinema assets and various equipment of Ramkamhang Branch from a subsidiary and subleased to such subsidiary company. The term of debt repayment is gradually offsetting against the liability of assets rental fee, loan and management fee which the Company collects. However as of December 1, 2002 the subsidiary company has ceased its operation and partly sold and transferred assets and liability to the Company at the book value so as for operation of Ramkamhang Branch instead. The discrepancy from the assets and liability transfer have been offset against the liability of assets-subsiary in accordance with the inter-memorandum of understanding. In 2004, the company holds repayment by offsetting against some part of dividend receivable and some part is repayable in cash.

32. Short Term Loan from Other Company

In accordance with the consolidated financial statements as of December 31, 2004, the whole amount of short term loan is loan in form of promissory note in type of at call on demand with one company carried interest rate of 5% per annum.

33. Long-Term Loans

Consist of:

	Consolidated		The Company Only	
	As of		As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	Baht	Baht	Baht	Baht
Loan from Commercial Bank	1,453,438,141.59	125,000,000.00	1,126,000,000.00	125,000,000.00
<u>Less</u> Current Portion of Liabilities				
Under Financial Lease	(356,000,000.00)	-	(251,000,000.00)	-
Net	<u>1,097,438,141.59</u>	<u>125,000,000.00</u>	<u>875,000,000.00</u>	<u>125,000,000.00</u>

In accordance with the consolidated and the Company financial statements as of December 31, 2004 and 2003, long term loan is loan due to several commercial banks which constitutes the detail of loan as follows:

Parent Company

- As of December 31, 2004, the availment of Baht 300.0 millions while the amount of Baht 300.0 million is used. It is loan due to one merchant bank for the period of 5 years, carried interest rate of 3.25 % per annum for the period of 2 years after which the interest rate of 3 months fixed deposit plus 2.5 % per annum is applied. The installment of 6 months is semi-annually repayable totally for 8 installments for the amount of Baht 37.50 millions per installment. The first installment is repayable on June 30, 2005.
- As of December 31, 2004, the loan availment of Baht 600.0 millions while the amount of Baht 360.0 million is used. It is the loan due to one merchant bank for the period of 4 years carried interest rate of 3 % per annum. In year and another year, interest rate of MLR% - 2% per annum is applied or interest rate of the first 12 months fixed deposit plus 2% per annum is applied whichever is quarter. The installment of 3 month is repayable totally 14 installments aggregating to Baht 60.0 million per installment. The first installment is repayment on May 31, 2005, with the collateral, i.e. title-deed of Rachayothin Cinema Co., Ltd., land leasehold right of Rachayothin Realty Co., Ltd. and property which is the building of Major Cineplex, Rachayothin Branch.
- As of December 31, 2004, the availment of Baht 280.0 millions while the amount of Baht 266.0 million is used. It is loan due to one commercial bank for the period of 5 years, carried interest rate of year 1-3 of 2% per annum and year 4-5 of 1% per annum. The three-month installment is repayable, totally 20 installment for the amount of Baht 14.0 million per installment. The first installment is repayable on November 30, 2004.
- As of December 31, 2004, loan availment of Baht 500.0 millions while the amount of Baht 200.0 millions is used. It is loan due to one merchant bank for the period of 7 years, carried interest rate of year 1 of 3 % per annum, year 2-3 of 3.50 % per annum and year 4 onwards carried interest rate of MLR % 1.375 % per annum. The leasehold right of the project of Siam Paragon Trading Center is pledged against the repayment for the period of 84 months commenced from the first installment of loan withdrawal. For the month of 1-24, interest is monthly repayable. For the month of 25-84, the principle is semi-annually repayable totally for 20 installments by the amount of Baht 50 millions per installment. Apart from this, interest is monthly repayable.
- As of December 31, 2003, the amount of Baht 125.0 million is loan in form of bill of exchange with one merchant bank without any collateral for the period of 2.5 – 4 years, carried interest rate of 2.85 – 3.5 % per annum. The first bill of exchange is due for repayment on May 5, 2004. As of December 31, 2004 the company fully repaid such loan.

Subsidiary Companies

1. As of December 31, 2004, the amount of Baht 256.50 millions is loan due to one merchant bank for the period of 6.50 years, carried interest rate of MLR% - 0.75% per annum but not below MLR% per annum of Thai Farmers Bank Public Co., Ltd. It is monthly repayable. For the installment of 1-18, amount of Baht 4.50 millions per installment is repayable. For the installment 19-77 amount of Baht 7.50 millions per installment is repayable and amount of Baht 6.50 millions for the final installment is repayable. The first installment is repayable in November, 2002. The right in accordance with the lease contract, right in accordance with the contract of service of public utility of EGV Entertainment Co., Ltd. and 3 Subsidiaries and directors are collateral.
2. As of December 31, 2004, the amount of Baht 55.94 millions is loan due to one merchant bank for the period of 5 years, carried interest rate of 5.5% per annum. It is monthly repayable for the amount of Baht 1.0 millions per installment. The first installment is repayable in September 2004, and EGV Entertainment Public Co., Ltd., Leasehold right in various branch and assets of Exertainment Co., Ltd. are collateral.
3. As of December 31, 2004 loan by Baht 15 millions is loan at one merchant bank carried interest rate of MLR% per annum. The term of repayment of principle is within 5 years. While the principle is gradually repayable by Baht 0.25 millions per month plus interest. The first installment is repayable in January 2005.

34. Liabilities Under Financial Lease Agreement - Net

Consist of:

	Consolidated As of		The Company Only As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	Baht	Baht	Baht	Baht
Liabilities Under Financial Lease Agreement	87,025,365.10	202,378,106.13	84,435,995.10	194,621,734.13
<u>Less</u> Deferred Interest Expense Under Financial Lease Agreement	(2,539,098.86)	(6,002,023.08)	(2,355,932.41)	(5,943,842.55)
<u>Less</u> Current Portion of Liabilities Under Financial Lease Agreement	(41,337,382.59)	(101,458,823.12)	(40,317,952.53)	(94,261,904.47)
Net	<u>43,148,883.65</u>	<u>94,917,259.93</u>	<u>41,762,110.16</u>	<u>94,415,987.11</u>

35. Deferred Leasehold Revenue

Consist of :

	Consolidated As of		The Company Only As of	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
	Baht	Baht	Baht	Baht
Beginning Deferred Leasehold Revenue	205,909,638.12	220,614,529.82	-	-
<u>Plus</u> Deferred Leasehold Revenue	-	3,431,520.00	-	-
<u>Less</u> Recognized as Revenue in the Accounting Period	(10,056,192.84)	(10,421,310.06)	-	-
<u>Less</u> Leasehold right of contract cancellation	-	(7,715,101.64)	-	-
Ending Deferred Leasehold Revenue	<u>195,853,445.28</u>	<u>205,909,638.12</u>	<u>-</u>	<u>-</u>

In accordance with the consolidated financial statements as of December 30, 2004 and 2003, the whole amount of deferred leasehold revenue was written off pending for recognized as revenue in accordance with the period of leased contract approximately 23-26 years.

36. Deferred Service Revenue

Consist of :

	Consolidated As of		The Company Only As of	
	Dec 31, 2004 Baht	Dec 31, 2003 Baht	Dec 31, 2004 Baht	Dec 31, 2003 Baht
Beginning Deferred Service Revenue	138,433,416.41	148,261,839.86	-	-
<u>Plus</u> Deferred Service Revenue	-	2,287,680.00	-	-
<u>Less</u> Reversal of transaction of service right from the change of contract	-	(3,528,000.00)	-	-
<u>Less</u> Recognized as Revenue in the Accounting Period	(6,716,996.86)	(6,972,702.33)	-	-
<u>Less</u> Service Revenue of contract cancellation	-	(1,615,401.12)	-	-
Ending Deferred Leasehold Revenue	<u>131,716,419.55</u>	<u>138,433,416.41</u>	<u>-</u>	<u>-</u>

In accordance with the consolidated financial statements as of December 31, 2004 and 2003, the whole amount of deferred leasehold revenue was written off pending for recognized as revenue in accordance with the period of leased contract approximately 23-26 years.

37. Advance Received from Sales Promotion

In accordance with the Company financial statements as of December 31, 2004, the whole amount of advance revenue-sales promotion fee received from one company is total amount of Baht 30.0 millions carried the contract for the period of 3 years. The Company recognized the revenue by amortization of straight-line method pursuant to the period.

38. Authorized Share Capital

Year 2004 and 2003 The Company's Increase Share Capital is as follows :

Year 2004

In accordance with the minute of General Shareholders' Meeting no. 3/2547 held on April 22, 2004 the following resolutions were approved unanimously ;

1. The increased share capital is approved of 15 millions in par value of Baht 1.0 per share aggregating to registered share capital of 772.0 millions shares equivalent to total amount of Baht 772.0 millions so as to reserve for conversion to ordinary shares warrants which are issued.
2. The appropriation of ordinary shares is approved 15 millions shares for
 - 2.1 The conversion to ordinary shares of warrants to purchase ordinary shares in order to appropriate to directors and of the Company (ESOP-W2) in number 3,500,000 shares.
 - 2.2 The right exercise in accordance with ESOP-W1 and MAJOR-W1 is additionally reserved when there is right adjustment which is resulted in dividend payment exceeding 50% of net profit after corporate income tax in number of 11,500,000 shares.
 - 2.3 In case of ordinary shares remaining due to unexercised conversion in accordance with warrants appropriated directors and staff (ESOP-W2) ,the board of directors consider and propose to shareholders meeting for further approval.
3. The issuance and offer of warrants to purchase the company ordinary shares are approved to directors and staff (ESOP-W2) in number of 3,500,000 units.

The company additionally registered such shares capital with the Ministry of commerce on April 27, 2004.

In accordance with the Extra-ordinary Shareholders Meeting no.1/2547 held on July 14, 2004, it was resolved that the increased share capital is 125.0 millions shares in par value of Baht 1 per share aggregating to new registered share capital of 897.0 millions shares equivalent to aggregated amount of Baht 897.0 million with the appropriation as follows

1. The appropriation of increased ordinary shares in number of 120,000,000 shares, par value of Baht 1 per share to shareholders and warrants-holders of EGV so as for repayment in replacement shares EGV in accordance with the merger plan.
2. The appropriation of increased ordinary shares in number of 5,000,000 shares, par value of Baht 1 per share so as for reservation of additional might exercise in accordance with the Company warrants, for instance, ESOP-W1, MAJOR-W1 and ESOP-W2 when there right adjustment which is resulted from the new increased share issuance so as for repayment of shares fee by shares and warrants of EGV in accordance with the merger plan.

The Company registered such increased share capital at the Ministry of commerce on July 29, 2004. After the merger of such business the Company constitutes the paid-up share capital of Baht 707.49 million whereby the Company has registered the change of paid-up share capital at the Ministry of Commerce on September 30, 2004.

Year 2003

At the Annual General Shareholders' Meeting No.2/2003 held on April 22, 2003 the following resolutions were approved unanimously;

1. To change the share par value, from presently 117.40 million shares at 5.00 Baht each to become 587.0 million shares at 1.00 Baht each, totaling Baht 587.0 million.
2. To increase registered capital by 19.5 million shares at par value of 1.0 Baht in order to facilitate the conversion of issued warrants into Directors and employees (ESOP-W), for a total registered capital of 606.5 million shares totaling Baht 606.5 million. This share capital increase was registered with the Ministry of Commerce on May 1, 2003.

In accordance with the extra-ordinary shareholders meeting no.1/2003 held on December 18, 2003, it was resolved to increase registered share capital of 150.5 millions shares in par value of Baht 1 per share aggregating to registered share capital of 757.0 millions shares equivalent to aggregate value of Baht 757.0 millions with the appropriation as follows :-

1. The appropriation of increased share capital in number of 146,927,500 shares in par value of Baht 1 per share so as for reservation of right exercise pursuant to the warrants to additionally purchase the ordinary shares of the Company (MAJOR-W1) in the proportion of 1 ordinary share to 1 unit of the warrant.
2. The appropriation of increased share capital in number not exceeding 3,572,500 shares in par value of Baht 1 per share so as for reservation of right exercise pursuant to the warrants to additionally purchase the ordinary shares of the Company when there is the right adjustment of warrants of ESOP-W resulting from the increased share capital.
3. In case there is remaining ordinary shares due to the non-exercised convertible right in accordance with the warrants No.1 (MAJOR-W1), the Board of Directors consider and propose to the meeting for further approval.

39. Warrants

ESOP-W2

As of July 6, 2004, the Company issued warrants to purchase the Company ordinary shares (ESOP-W2) to the directors and employees in number of 3,500,000 units the offered price per unit zero Baht. Such warrant not

exceeding 4 years from issued date. The rate of right exercise is one unit of warrant is entitled to purchase 1 ordinary share in the exercised price of Baht 15.28 per one ordinary share.

ESOP-W1

As of May 27, 2003, the Company Issued warrants to purchase the Company ordinary shares (ESOP-W1) to the directors and employees in number of 19,500,000 units the offered price per unit zero Baht. Such warrant not exceeding 5 years from issued date. The rate of right exercise is one unit of warrant is entitled to purchase 1 ordinary share in the exercised price of Baht 13.16 per one ordinary share.

As of November 25, 2003, the company amended the price of right exercise and the rate of right exercise to purchase ordinary shares new warrants to one unit of warrant (ESOP-W) which is entitled to purchase ordinary share of 1.051 shows in the exercise price of Baht 12.516 per one ordinary share.

As of February 24, 2004, the company amended the price of right exercise and the rate of right exercise to purchase ordinary shares new warrants to one unit of warrant (ESOP-W) which is entitled to purchase ordinary share of 1.068 shows in the exercise price of Baht 12.320 per one ordinary share.

As of December 31, 2003, the warrants-holders of ESOP-W exercised their rights to purchase ordinary shares in numbers of 710,000 units remaining non-exercised warrants in number of 18,790,000 units. After such right exercise, the Company constitutes the paid-up share capital in number of 587.71 millions shares in par value of Baht 1 per share aggregating to Baht 587.71 millions. The Company has already amended the paid-up share capital with the ministry of commerce since October 3, 2003.

As of September 30, 2004, warrants holders of ESOP exercise their rights to subscribe ordinary shares of 1,719,195 units, remaining unexercised warrants of 17,070,805 units. After such exercise, the Company constitutes registered shares capital of 709.32 millions shares, par value of Baht 1 per share aggregating to Baht 709.32 millions. The Company has amended the paid-up share capital at the ministry of commerce since October 8, 2004.

MAJOR-W1

As of January 30, 2004, the Company issued warrants to purchase the Company ordinary shares (MAJOR-W1) to former shareholder in number of 146,926,992 units the offered price per unit zero Baht. Such warrant last for 3 years commenced from issued date. The rate of right exercise is one unit of warrant is entitled to purchase 1 ordinary share in the exercised price of Baht 13.00 per one ordinary share.

As of February 24, 2004, the company amended the price of right exercise and the rate of right exercise to purchase ordinary shares new warrants to one unit of warrant (MAJOR-W1) which is entitled to purchase ordinary share of 1.016 shows in the exercise price of Baht 12.796 per one ordinary share.

As of December 31, 2004, non warrants holders of MAJOR-W1 exercised their right.

40. Premiums on Share Capital

As of December 16, 2004, the Company extra-ordinary shareholders meeting no. 2/2004, it is resolved that the company transferred premiums on share capital by Baht 279,764,396.89 so as to compensate the company's accumulated loss as of September 30, 2004.

41. Legal Reserve

As of December 16, 2004, the Company extra-ordinary shareholders meeting no. 2/2004, it is resolved that the company transferred the legal reserve by Baht 37,451,064.26 so as to compensate the Company's accumulated loss as of September 30, 2004.

42. Dividends

In accordance with the resolution of the Company Board of Directors no. 2/2547 held on February 24, 2004 and in accordance with the minute of General Shareholders' Meeting no. 3/2547 held on April 22, 2004, it was unanimously resolved to approve the dividend payment for the operating result of year 2003 in the rate of Baht 0.60

per share to the whole shareholders in number of 587.71 millions shares aggregating to total Baht 352.63 millions. The dividend is repayable on May 11, 2004.

In accordance with the resolution of the Company Board of Directors no. 1/2546 and no. 2/2546 held on February 18, 2003 and March 28, 2003 respectively and in accordance with the minute of General Shareholders' Meeting no. 2/2546 held on April 22, 2003, it was unanimously resolved to approve the dividend payment for the operating result of year 2002 in the rate of Baht 2.00 per share to the whole shareholders in number of 117.4 millions shares aggregating to total Baht 234.80 millions. The dividend is repayable on May 13, 2003.

43. Director's Remuneration

Director's remuneration is contributed to directors of the parent company as per section 90 of the Public company Act, (B.E. 2535) excluding salaries and related fringe benefit paid to management directors.

44. Corporate Income Tax

The parent company computed corporate income tax pursuant to the decree basis no. 387 which reduces corporate income tax from 30% to 25% for the 5 consecutively accounting periods commenced from the initial accounting period in or after the date the company constitutes securities listed in the Stock Exchange of Thailand (as of May 23, 2002), in accordance with the law of Securities and Security Market. Therefore, the company computed at the rate of 25% of accounting net profit before recognition of equity from investment in the subsidiary and associated companies, but after making adjust transaction in accordance with the Revenue Code respectively.

The subsidiary computed the corporate income tax rate of 30% and the rate for small to medium enterprises operator (SMEs) of the accounting net profit after adding back the adjusted transactions pursuant the Revenue Code.

45. Earnings per Share

The company calculated the earnings (loss) per share by dividing the Net Profit (Loss) of the period by the weighted average number of ordinary shares as follows:

45.1 For the Year ended on December 31, 2004

	Net Profit (Baht)	The weighted average Number of ordinary shares (Shares)	Earnings per share (Baht)
Basic earnings per share			
Net Profit (LOSS)	(479,412,583.08)	619,061,401	(0.77)
Effect of diluted potential common share warrants			
Warrants convertible into ordinary shares No.1 (MAJOR-W1) 146,926,992 Unit Conversion Right 1 unit of warrant will be entitled to 1.016 ordinary share. The exercise price for ordinary shares will be baht 12.796 per share.	-	18,891,542	
Warrants convertible into ordinary shares to Directors and employees (ESOP-W) 18,790,000 Unit Conversion Right 1 unit of warrant will be entitled to 1.068 ordinary share. The exercise price for ordinary shares will be Baht 12.320 per share.	-	2,899,636	
Diluted earning per share			
Profit of Common Share holders assumed as conversion to common share	(479,412,583.08)	640,852,579	(0.75)

Consolidated						
For the Year ended on December 31, 2003						
	Cinema Business	Bowling and Karaoke	Rentals and Services	Services Advertising	Written-off Items	Total
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Revenue from sales and services	1,596,949	285,116	391,587	251,534	(214,455)	2,310,731
Profit(Loss)from operation	426,070	122,714	203,632	175,278	(22,575)	905,119
Common Expense						419,347
Interest Expense						8,146
Corporate Income Tax						150,450
Net Profit(Loss)						422,636
Fixed Assets	1,280,083	331,755	838,387	4,381	(7,459)	2,447,147
Common Assets						1,211,800
Total Assets						3,658,947

The Company and its subsidiaries are engaged in 6 types of business namely cinema business which involves showing films and selling food and beverage business, bowling and karaoke Business, rentals and service business, advertising business, fitness center business and Sale VCD DVD and film copy right and profit on each type of business arises from total sales less cost of sales and administrative expenses of each business.

The fixed assets of each type of business are used for its operation whereas joint assets include other assets not classed as fixed assets.

Determination of transferred prices between sectors which is materialized as follows :

Basis in the determination of transferred prices between sectors of the Parent Company and its subsidiaries and related companies (see note to financial statements no. 6.1)

Basis in the determination of transferred prices between sectors of subsidiaries and related companies incurred between each other which is materialized as follows :

Policy of Price Determination

- | | |
|---|---|
| - Revenue/Cost from leased area and central service fee | Lumsum price monthly installment pursuant to contract |
| - Interest receivable/payable | Referred to interest rates of merchant banks plus spread or cost acquired plus price spread |
| - Revenue/Cost of advertising expense | In accordance with mutual memorandum/Lum Sum rate per month and to be a percentage of revenue |

48. Financial Instruments

The Company and its subsidiary has disclosed information concerning financial instruments in accordance with the guidelines under accounting standard No.48 concerning disclosure of information relating to financial instruments. Financial instruments, both shown and not shown in the balance sheets, are as follows :

48.1 Risk Management

The Company and its subsidiary have no policy to deal in financial instruments for speculation or trade.

48.2 Interest Rate Risk

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flow of the Company and subsidiary because its cash deposits, short term loans and long term loans from banks and financial institutions carry a floating interest rate, which is similar to the current fair market rate for loans and have similar repayment terms.

The Company had Assets and Liabilities instruments to hedge against this risk as follow :

	Consolidated As of		The Company Only As of		Interest Rate	
	Dec.31, 04	Dec.31, 03	Dec.31, 04	Dec.31, 03	Dec.31, 04	Dec.31, 03
	Million Baht	Million Baht	Million Baht	Million Baht	%	%
Loans to Subsidiary and Related Companies	2.95	-	262.54	64.42	5.75-8	8
Loans to Director and Employees	8.25	3.99	4.46	3.55	3	3
Loans from Financial Institute	1,173.07	300.00	400.00	200.00	3.45	1.8-3.375
Loans from Subsidiary Companies	-	-	122.68	27.72	5.75-8	8
Long term Loans	1,097.44	125.00	875.00	125.00	3-3.5, MLR -1,MLR-2	2.85-3.50, MLR-1

48.3 Exchange Rate Risk

The Company is not exposed to any risk from foreign exchange rate fluctuations because its main enterprise is conducted locally except for the purchase of some overseas assets. In any case the Company has not entered into any foreign exchange forward contracts because the amount is insignificant.

48.4 Credit Risk

The Company has not significant credit risk because most of its customers pay cash.

48.5 Fair Value

Because most of the cash financial assets and liabilities are of short term nature and loans have a fixed interest at market rate, thus management of the Company and subsidiary believe that the book value of such financial assets and liabilities does not differ significantly from the fair value.

49. Obligations and Contingent Liabilities

49.1 In accordance with the consolidated financial statements, the Ratchayothin Cinema Company Limited which is subsidiary company conducted the contract with Imax Corporation Co., Ltd. (Canada) so as to jointly appoint the Bangkok Imax Theatre Co., Ltd., a subsidiary company as an agent in running theater of Bangkok Imax Theater with the term and covenant as follows:

1. Ratchayothin Cinema Co., Ltd. is responsible for area appropriation of as theater including supervision of sales promotion, maintenance and quality control including standard of theater. In addition, it is responsible for expense of insurance and risk from assets.
2. Imax Corporation Co., Ltd. (Canada) is responsible for appropriation and supervision of instruments of film showing.

Under such contract, if the results of operation of Bangkok Imax Theater Co., Ltd. generated net profit or net loss, Ratchayothin Cinema Co., Ltd. and Imax Corporation Co., Ltd. (Canada) will jointly receive results of profit or loss at the rate of 50: 50. Moreover, if the results of operation incurred gross loss, Imax Corporation Co., Ltd., (Canada) will cancel the term of consideration receipt from Bangkok Imax Theater Co., Ltd. in the highest amount of US Dollars 0.10 millions. The contract maturity is terminated in December, 2010.

Presently, Ratchayothin Cinema Co., Ltd. and Imax Corporation Co., Ltd. (Canada) have not conducted any contract to appoint Bangkok Imax Theater Co., Ltd. as agent in management.

49.2 The company holds commitment obligation and contingent liability as follows:

	Consolidated	
	As of	
	December 31, 2004	December 31, 2003
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Credit	30.94	-
Letter of Guarantee	32.98	34.93
Check Payable to Guarantee	-	3.57

	The Company Only	
	As of	
	December 31, 2004	December 31, 2003
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Credit	30.94	-
Letter of Guarantee	16.48	18.53
Check Payable to Guarantee	-	3.57

As of December 31, 2003, the check payable to guarantee the whole amount was a post-dated check for the period due made payable to another company in order to pay for common lease of equipment, space and joint service fees and as a deposit for lease and service agreements.

49.3 As of December 31, 2004 that company and subsidiaries constitute obligation commitment in accordance with the contract of long term lease with outside party from the lease of land, lease of building area and contract of long term service with outside party in several contracts which the life contract of lease will be terminated within 2005-2029. The lease fee and service fee is computed as fixed rate and/or percentage over revenue of that branch. However, the leased fee and service fee for the year ended on December 31, 2004 as follows :

	Consolidated	The Company Only
	<u>Million Bath</u>	<u>Million Bath</u>
Rentals	169.81	95.50
Services	95.30	67.57

50. Approval of the Interim Financial Statements.

These interim financial statements have been approved by the company's directors.

Reference



Share Registrar

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