



Milestone

- January 27, 2006** Opened a new branch at Siam Paragon serving 16 screens 38 bowling lanes and 12 karaoke rooms
- February 18, 2006** Opened a new branch at Hua Hin serving 4 screens 8 bowling lanes and 10 karaoke rooms
- April 24, 2006** Adjusted shareholding stake in Siam Future Development Plc. from 25% to 21.2%
- May 3, 2006** Opened a new branch at Samui serving 3 screens 8 bowling lanes and 7 karaoke rooms
- August 28, 2006** Opened a new bowling alley at Changwattana serving 14 lanes and 9 karaoke rooms
- September 14, 2006** Opened a new branch at Pitsanulok serving 4 screens
- November 14, 2006** Acquired additional 10% of Udon Fivestar Co.,Ltd shares for Bt 7,000,000 ; bringing MAJOR's stake up to 90%
- December 13, 2006** Opened a new branch at Esplanade Ratchada serving 12 screens 22 bowling lanes and 18 karaoke rooms

Major Cineplex Group PLC. continues to demonstrate its leadership in Thailand's entertainment industry. The leadership is more prominent given that the Company manages to deliver respectable growth amid the political turbulences which have lingered on throughout the year and apparently have taken some tolls on the macroeconomic developments. Year 2006 was one of the most challenging years, not only for the Company, but also for many companies in the entire business community to operate and prosper. Extra efforts have been installed to grow; not only in the Company's core businesses including cinema, bowling, karaoke, advertising media, and retails space rental business; but also in the company's strategic investments in lifestyle neighborhood malls and "exertainment" centers; all of which have apparently emerged as new alternative lifestyles entertainment. The determination and deliberate Group's efforts have resulted in continual prosperity and ultimately in further enhancement of shareholders' value even amid the wavering external factors.

Besides investments and expansions across all business units, we have also thrived forward on organizational development, new services innovation, as well as practicing good corporate governance. Various internal enhancements such as reorganization of the management structure and key working processes have been implemented in order to keep up with external changes and align ourselves with the international management best practices.

Experienced professionals have been added to further strengthen the strong management team. Emphasis on staff development and work process modernization, which is the key to success for service business, has also been upheld. Furthermore, new services and marketing innovation have been offered to create new enjoyable experiences as well as providing our customers with utmost comfort and convenience. Such combination of professionalism and the extremely skillful, in-depth experienced management with distinct ability to innovate has undoubtedly placed the Company in the forefront of Thailand's entertainment industry.

All achievements to date are consequences of all supports and cooperation from each and every staff member and our business partners. I greatly appreciate your confidence in the Company and look forward to more successes in the years ahead.

Best Regards,



Somchainuk Engtrakul



The year 2006 was another banner year for Major Cineplex Group PLC in that we have advanced a big step in leading the Thai entertainment industry. Not only that we continued to expand by opening 6 new branches in the midst of unfavorable political and economic conditions, but two of these new branches - Paragon Cineplex and Esplanade Cineplex - are the Group's newest flagships fully loaded with luxurious amenities for the ultimate comfort of our dear customers. The most rewarding part of it is that these supreme-quality alternatives have also been commercially well responded and fantastically well regarded, not only in Thailand, but also internationally as the World's best cinema and genuine lifestyles entertainment venues for the new generation.

Despite the economic and political turbulences, the Company as the market leader is still determined to expand and develop, not only for the sake of the Company, but also for the entire entertainment arena. This is to secure a strong foundation for the industry to persist in creating high-quality entertainment for the customers. The Company's policy to diversify by investing in complementing businesses in the past few years has proven to be very fruitful. As seen in the performance of 2006, the Group has demonstrated the strength to, not only endure, but also to bring about the synergistic value even in the unfavorable external conditions.

For the cinema industry, this year, 2007, is expected to be the best year in the past decade. The line-up of both domestic & international blockbusters is strongest ever! Most of these movies are the continuation of the previous parts which had done extremely well. Thus, the Company still moves ahead in expanding the network of lifestyles entertainment venues into new strategic locations to enlarge customer base throughout the country. Some existing locations will also be refreshed with a new look to ensure maximum ability to attract traffic, the key to value addition for all other business units within the Group.

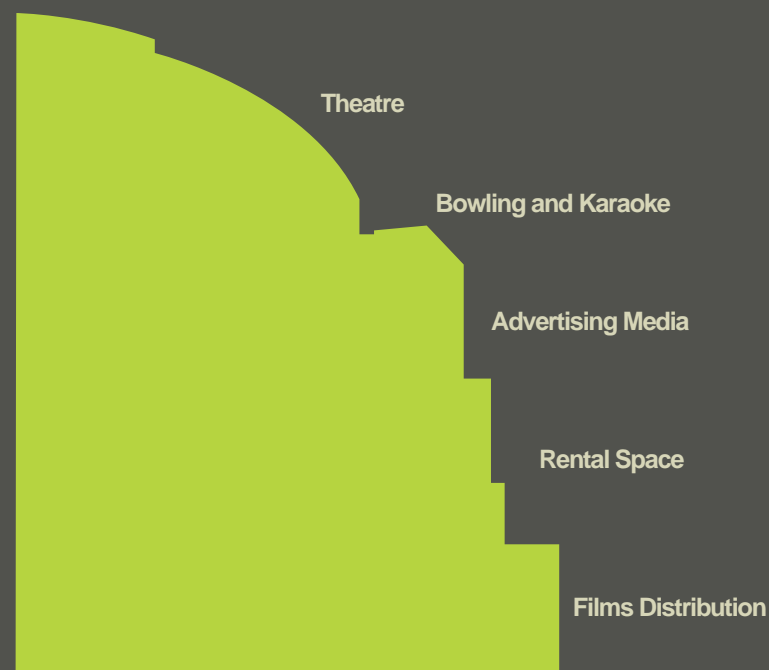
Year 2007 is expected to be another year of robust growth. The prudent expansion will serve as solid foundation for the Company to progress as well as enhancing shareholders' value and developing for the Thai entertainment industry and the Thai society as a whole.

Best Regards,



Vicha Poolvaraluck





The World's Best Cinema and Lifestyle Entertainment Provider

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Management Team

Directors and Management Team
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Group Structure

General Information of Company, Subsidiaries and Associated Companies



Directors and Management Team



Somchainuk Engtrakul age 62

Chairman of the Board

Ph.D (Honorary Degree) in Public Administration, Sripatum University
 Bachelor Degree of Law, Sripatum University

Bachelor Degree of Art (Economics), UPSALA COLEGE NEW JERSEY, USA

Experience (Last 3 positions)

Oct 2004 - Present, Chairman Major Cineplex Group PLC.
 2000 - 2004, Permanent Secretary Ministry of Finance
 1997 - 2000, Director - General The Customs Department, Ministry of Finance
 1996 - 1997, Director - General The Excise Department, Ministry of Finance

Other positions

Chairman Thai Military Bank PLC.
 Chairman Dhipaya Insurance PLC.
 Chairman National Credit Bureau Company Limited



Vicha Poolvaraluck age 43

Director and Chairman

Shareholding 39.4%

Master Degree of Business Administration, United States International University of San Diego, USA

Bachelor Degree of Business Administration, Chulalongkorn University

Experience (Last 3 positions)

1995 - Present, Chairman, Major Cineplex Group PLC.
 2003 - Present, Director, Siam Future Development PLC.
 2003 - Present, Director, California WOW Xperience PLC.

Other positions

Director, Member Activities Chulalongkorn University Alumni Association
 MAI Advisory Committee, Market of Alternative Investment

Thanakorn Puriwekin age 51

Chief Films Programming & Business Relations

Shareholding 0.12%

Master Degree of Business Administration, United State International University, USA

Bachelor Degree of Business Administration, Bangkok University

Experience (Last 3 positions)

1995 - Present, Director / Chief Films Programming & Business Relations, Major Cineplex Group PLC.



Dr.Vachara Phannachet age 46

Director

Doctorate Degree of Business Administration, Pacific Western University, USA

Master Degree of Business Administration, Miami University, USA

Bachelor Degree of Mechanical Engineering, Chulalongkorn University

Experience (Last 3 positions)

2004 - Present, Director, Major Cineplex Group PLC.

Mar - Oct 2003, Vice Minister, Office of the Prime Minister

2002 - 2003, Strategic Investment Consultant, Ministry of Industry

2001 - 2003, Director, Office of the Board of Investment

Other positions

Member The National Legislative Assembly, Thailand

Chairman of the Board, German Auto Co.,Ltd.

Chief Executive Officer, Wanmani Group Co.,Ltd.

Chairman of the Board, Sittipol Sales Group Co.,Ltd.



Wichai Poolworasuk age 45

Director

Shareholding 0.53%

Relationship with Management : Cousin of Chairman

Bachelor Degree of Economics, Thammasat University

Marketing Management Program, Chulalongkorn University

Mini Master of Business Administration Programme, Chulalongkorn University

Experience (Last 3 positions)

2005 - Present, Director, Major Cineplex Group PLC.

2003 - 2004, Chief Executive Officer, EGV Entertainment PLC.

2002 - 2004, Chairman, EGV Entertainment PLC.

Other positions

President, Thai Investors Associate

Director, Woraluk Property Co., Ltd.

Director, Woraluk International Co., Ltd.



Verawat Ongvasith age 36

Director and Executive Director

Shareholding* 2.4 %

Relationship with Management : Younger brother of the Chairman's spouse

Master Degree of Business Administration, Boston University USA

Bachelor Degree of Business Administration, Chulalongkorn University

Experience (Last 3 positions)

2002 - Present, Director / Executive Director, Major Cineplex Group PLC.

2003 - Present, Director, Siam Future Development PLC.

2003 - Present, Director, California WOW Xperience PLC.

*Includes holding by spouse and children



Paradee Poolvaraluck age 43

Director and Executive Director

Shareholding 3.49%

Relationship with Management : Chairman's spouse

Master Degree of Business Administration, United States International University of San Diego, USA

Bachelor Degree of Business Administration, Chulalongkorn University

Experience (Last 3 positions)

1998 - Present, Director / Executive Director, Major Cineplex Group PLC.



Wallop Tangtrongchitr age 55

Independent Director and Chairman of Audit Committee

Master Degree of Business Administration, Chapman University, USA

Bachelor Degree of Business Administration, San Diego University, USA

Experience (Last 3 positions)

2002 - Present, Independent Director / Chairman of Audit Committee, Major Cineplex Group PLC.

1995 - 1997, Co-Ordinator, Regency Co.,Ltd.

1983 - 1995, Manager, Wellcom Co.,Ltd.

2520 - 2526, Project Co-Ordinator, Viwat Construction Ltd.

Other positions

Managing Director, Potara Co.,Ltd





Naruenart Ratanakanok age 51
Independent Director and Member of Audit Committee
 Bachelor of Art in Economics, University of Detroit, USA
Experience (Last 3 positions)
 1995 - 1997, Managing Director, GF Capital Securities
 1984 - 1987, Business Development Manager, Citycorp Capital Security
Other positions
 Executive Director, Livesmart Company Limited
 Audit Committee, Major Cineplex Group PLC.



Chai Jroongtanapibarn age 52
Independent Director & Member of Audit Committee
 Master Degree of Science in Accounting, Thammasart University
 Bachelor Degree of Accounting, Chulalongkorn University
Experience (Last 3 positions)
 2002 - Present, Independent Director & Member of Audit Committee, Major Cineplex Group PLC.
 1980 - 1997, Executive Director & Chief Finance Officer, The Minor Group
Other positions
 Chairman of Audit Committee, Team Precision PLC.
 Chairman of Audit Committee, Thai Metal Trade PLC.
 Director, Siam Future Development PLC.
 Audit Committee, 124 Communications PLC.



Panithan Sethabuttra age 49
President of Major Cineads Co.,Ltd. (Advertising Media business)
 Master Degree Business Administration - Marketing, Golden Gate University, USA,
 Bachelor Degree Business Administration - Management, Golden Gate University, USA,
 Bachelor Degree Business Administration - Advertising, Ramkhamhaeng University
Experience (Last 3 positions)
 Dec 2001- Apr 2006, Managing Director, Yum Restaurants International (Thailand) Co., Ltd.
 1996 - 2001, Chief Operating Officer, Tricon Restaurants International (Thailand) Co.,Ltd
 1990 - 1996, Deputy General Manager, KFC International (Thailand) Co., Ltd.



Brian Hall age 44
Chief Cinema Business Officer - Paragon Cineplex
 Bachelor Degree of Communication, Queen's University Kingston, Canada
Experience (Last 3 positions)
 2004 - Present, Chief Cinema Business Officer - Paragon Cineplex, Major Cineplex Group PLC.
 2000 - 2003, Sr. Vice President Theatre Operations, Imax Corporation Ltd., USA
 1997 - 2000, Managing Director/ CEO, Cinema Plus Ltd., Sydney, Australia



Artorn Techatantiwong age 37
Chief Bowling Business
 Master Degree of Business Administration, Assumption University
 Bachelor Degree of Business Administration, Assumption University
Experience (Last 3 positions)
 2006 - Present, Chief Bowling Business, Major Cineplex Group PLC.
 1996 - 2005, Marketing Manager, Advanced Info Service PCL. (AIS)
 1992 - 1995, Sales Manager, Chevalier OA (Thailand) Ltd.



Anavach Ongvasith age 39
Chief Cinema Business Officer - Major & EGV
 Shareholding 0.13%
 Relationship with Management : Cousin of the Chairman's spouse
 Master Degree of International Business, Boston University, USA
 Bachelor Degree of Business Administration, Assumption University
Experience (Last 3 positions)
 2006 - Present, Chief Cinema Business Officer - Major & EGV, Major Cineplex Group PLC
 1997 - 2005, Chief Marketing Officer, Major Cineplex Group PLC.
 1992 - 1996, Marketing Manager, Siam Retail Development Ltd.



Jinda Wantanahatai age 44
Chief Retails Sales Officer
 Bachelor Degree of Arts, Chandrakasem Rajabhat University
Experience (Last 3 positions)
 1993 - 1995, Marketing Manager, The Mall Group Co.Ltd
 1990 - 1992, Marketing Manager, AG Wilkinson Property
 1982 - 1989, Marketing Manager, Dynasty Agency



Jiradej Nusthit age 38
Chief Corporate Strategy & Investor Relations Officer
 Master Degree of Business Administration, National University, San Diego, USA
 Bachelor Degree of Computer Science, University of California - San Diego, La Jolla, USA
Experience (Last 3 positions)
 2006 - Present, Chief Corporate Strategy & Investor Relations, Major Cineplex Group PLC.
 2003 - 2005, Manager - Strategic Planning Advanced Info Service PLC.
 2002 - 2002, Specialist - Corporate Planning Advanced Info Service PLC.



Aorravan Kowathana age 41
Chief Service Operations Officer
 Bachelor Degree of Business Administration, Assumption University
Experience (Last 3 positions)
 2006 - Present, Chief Service Operations, Major Cineplex Group PLC.
 2004 - 2005, Senior Human Resource Manager, McThai Co.,Ltd
 2001 - 2004, Quality Assurance and Menu Development Manager, McThai Co.,Ltd



Sermsak Khwanpuang age 47
Chief Portfolio Management Officer
 Master Degree of Economics, National Institute of Development Administration (NIDA)
 Bachelor Degree of Economics, Chiangmai University
Experience (Last 3 positions)
 May 2006 - Feb 2007, Chief Financial Officer, Major Cineplex Group PLC.
 2002 - 2005, Director and Chief Financial Officer, EGV Entertainment Public Co.,Ltd.
 1997 - 2002, Director and General Manager, Surapon Foods Public Co.,Ltd.
Other positions
 Director, EGV Entertainment Public Co.,Ltd.
 Director, M Pictures Co.,Ltd.
 Director, Pacific Marketing and Entertainment Group Co.,Ltd.



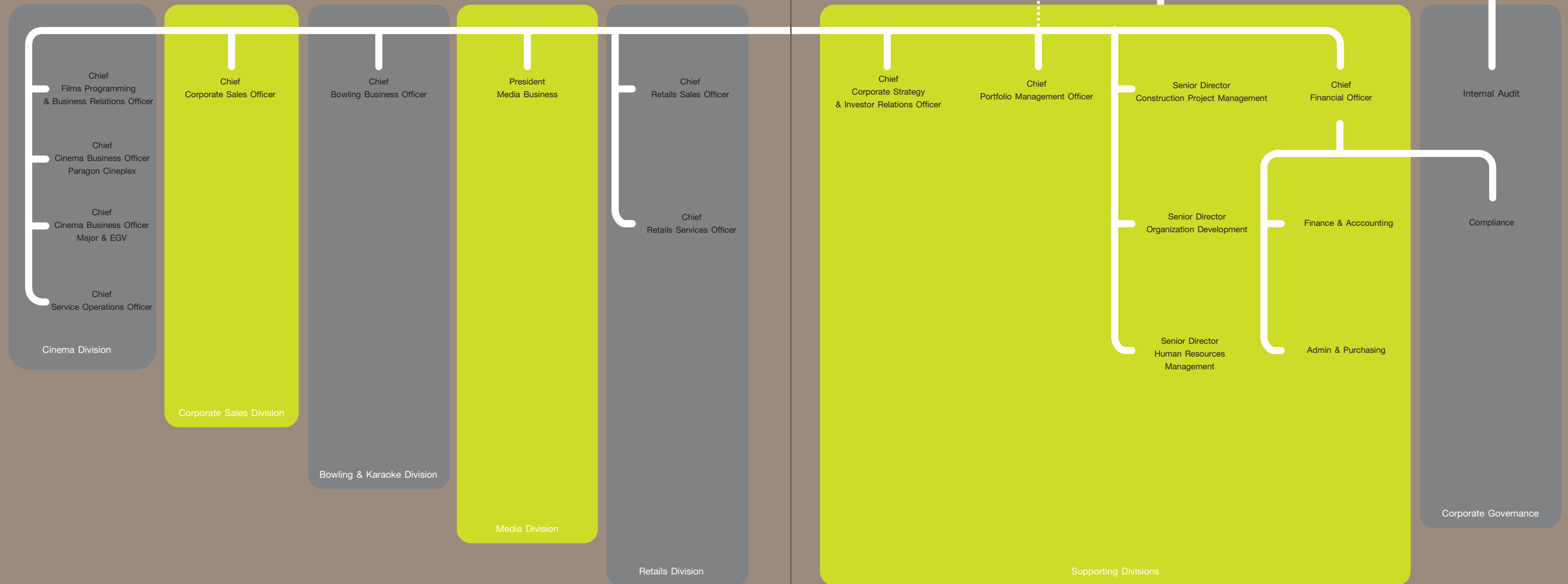
Damrongchai Pongpanich age 55
Chief Retails Service Officer
 Bachelor Degree of Business Administration, Assumption University
Experience (Last 3 positions)
 1988- 2005, Senior Manager Shopping Center, The Mall Group
 1986-1988, Sale Manager, Yontrakit Co.,Ltd
 1985-1986, Sale Manager, Chemical Industrial Co.,Ltd



Chattaphum Khantiviriya age 45
Chief Financial Officer
 Master Degree of Business Administration, Kasetsart University
 Bachelor Degree of Accounting, Chulalongkorn University
Experience (Last 3 positions)
 March 2007- Present, Chief Financial Officer, Major Cineplex Group PLC.
 March - Dec 2006, Deputy Managing Director, RS PLC.
 1998 - March 2006, Chief Finance Officer, Major Cineplex Group PLC.

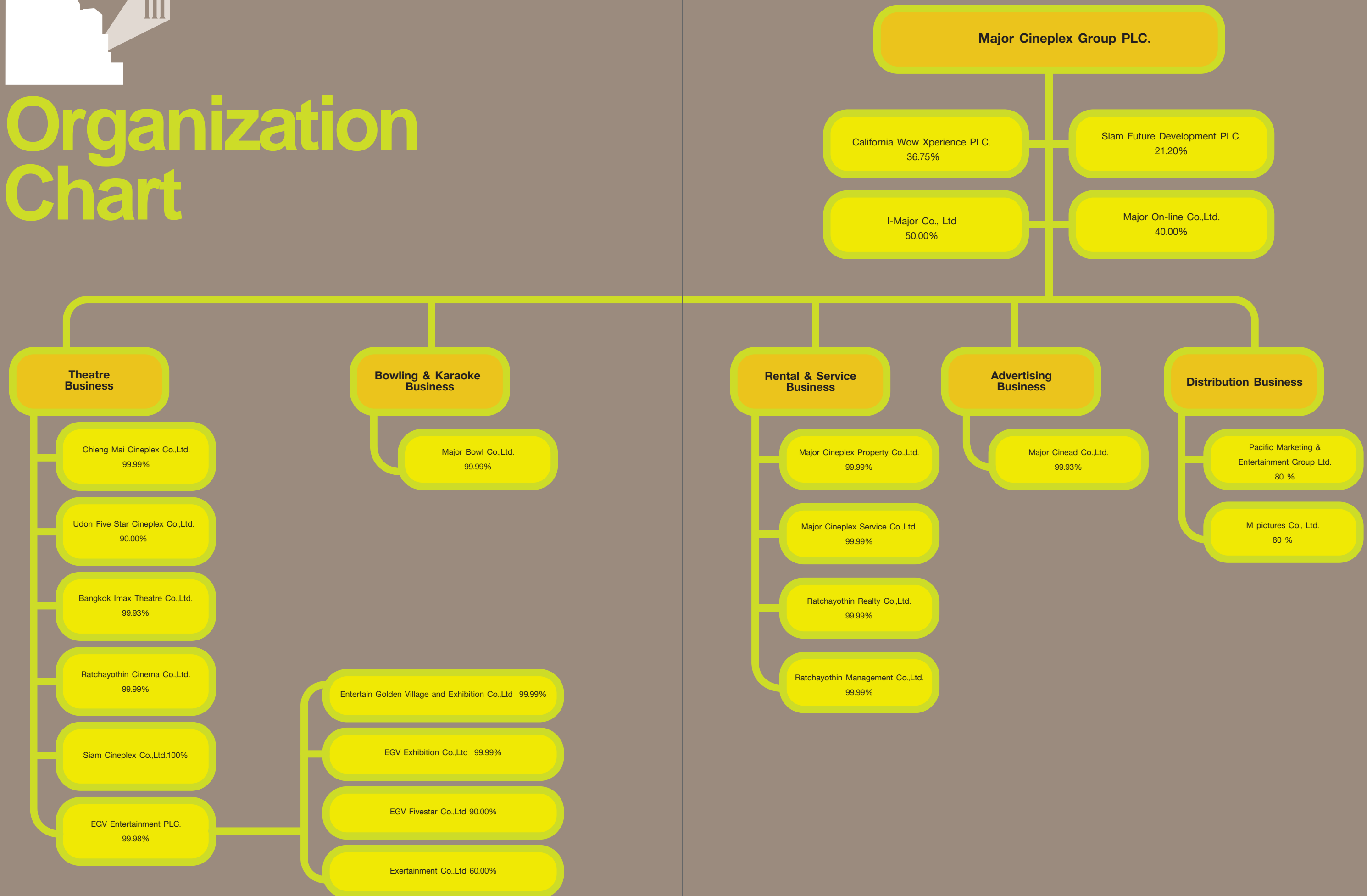


Group Structure





Organization Chart



Theatre Business

Major Cineplex Group PLC.

Head office	Registration no. 4085400677
Nature of business	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Registered capital	Cinema & Entertainment Complex operator, concession vendor
Paid up capital	906,776,533
% of investment	797,991,443
	100.00%

Chiang Mai Cineplex Co.,Ltd.

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

Udon Five Star Cineplex Co.,Ltd.

Head office	Registration no. 10554601114
Nature of business	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Registered capital	Cinema operator
Paid up capital	39,000,000
% of investment	39,000,000
	90.00%

Bangkok Imax Theatre Co.,Ltd.

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

Ratchayothin Cinema Co.,Ltd.

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

Siam Cineplex Co.,Ltd.

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

EGV Entertainment PLC.

Head office	Registration no. 40854500695
Nature of business	989 Rama I Rd., Patumwan, Bangkok 10330
Registered capital	Cinema & Entertainment Complex operator, concession vendor
Paid up capital	440,000,000
% of investment	260,000,000
	100.00%

Bowling Business

Major Bowl Group Co.,Ltd.

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

Rental and Services Business

Major Cineplex Property Co.,Ltd.

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

Major Cineplex Service Co.,Ltd.

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

Ratchayothin Realty Co.,Ltd.

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

Ratchayothin Management Co.,Ltd.

Head office	Registration no. (4) 306/2540
Nature of business	1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
Registered capital	Rental and services business
Paid up capital	5,000,000
% of investment	5,000,000
	66.67%

Advertising Business

Major Cinead Co.,Ltd.

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

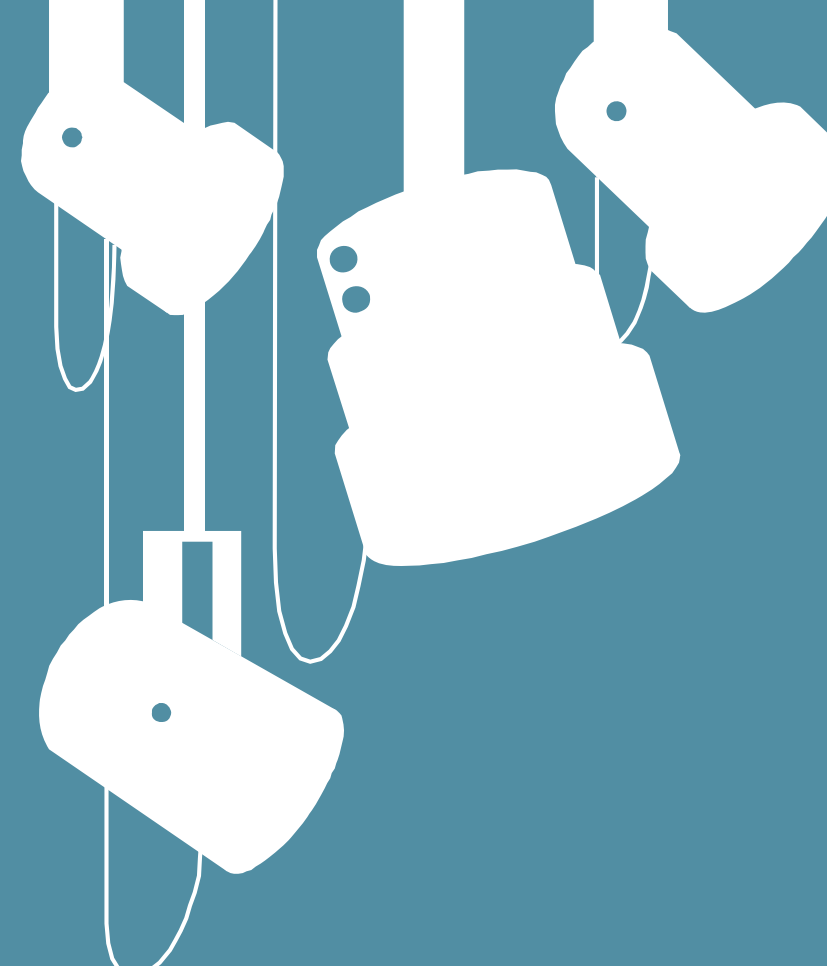
Distribution Business

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%

M Pictures Co.,Ltd	Registration no. 105548154744
Head office	18 SCB Park Plaza, Ratchadapisek Rd., Jatuchak, Jatuchak Bangkok
Nature of business	Films Licensee for distributions
Registered capital	100,000,000
Paid up capital	100,000,000
% of investment	80.00%

Strategic Investment

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	216,000,000
Paid up capital	200,000,000
% of investment	36.75%
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	533,947,769
Paid up capital	508,947,769
% of investment	21.25%
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 thru mobile phone
Registered capital	20,000,000
Paid up capital	20,000,000
% of investment	50.00%
Major On-line Co.,Ltd	Registration no. 108454822762
Head office	1839 Paholyothin Rd., Lardyao, Jatujak, Bangkok
Nature of business	Computer system and software counselling
Registered capital	1,000,000
Paid up capital	1,000,000
% of investment	40.00%



Business Characteristic

Theatre
Bowling and Karaoke
Advertising Media
Rental Space and Services
Films Distribution

With vision and experience in cinema business, Major Cineplex Group PLC (MAJOR) has solidly grown to be the leader in Thailand's cinema business. MAJOR still emphasizes and refines to be "the World's best cinema and lifestyles entertainment provider". MAJOR's core businesses are categorized as follows:

- Cinema business**
- Bowling and Karaoke business**
- Advertising media business**
- Rental and Services business**
- Films Distribution business**

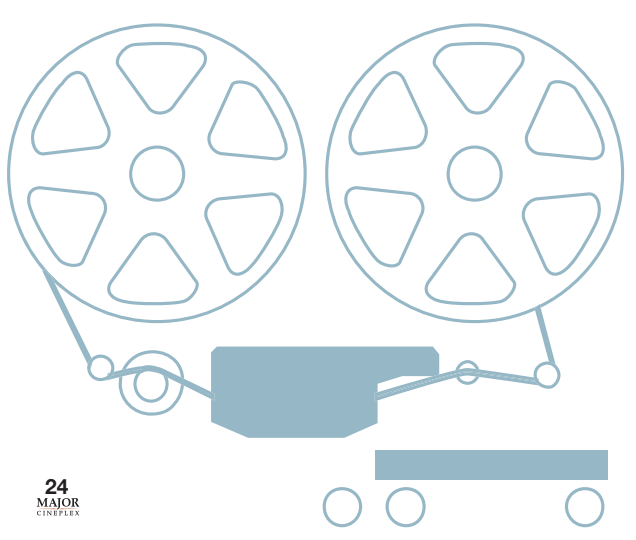
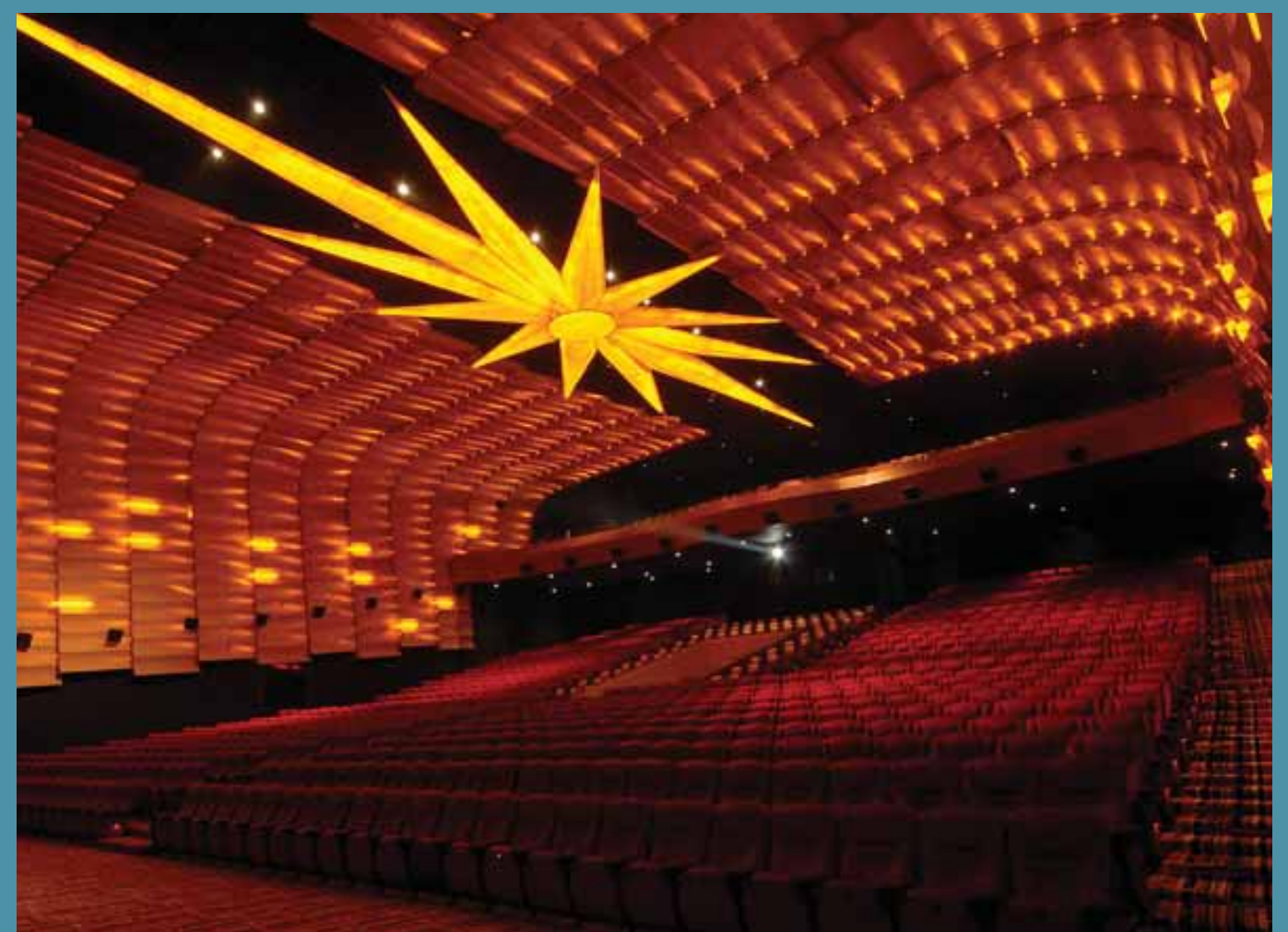
Cinema Business

MAJOR owns and operates multiplex cinemas that are able to offer variety of films to satisfy different customers' needs. Each MAJOR multiplex cinema, uniquely furnished with a modern luxurious interior concept with different characters, serves at least 3 screens per complex in order to show multiple films released at the same time. Also, MAJOR multiplex cinema offers variety of seating selections for customers to choose from.

01 Theatre

MAJOR's megascreen in each theater presents each movie in an astonishing view from every angle. In addition, modern sound technology, Digital Sound Systems: SDDS, DTS, SRD, Dolby Digital Surround EX, and JBL 3 ways, are the main principle of services of MAJOR.

Presently, MAJOR has a total of 35 branches with 288 screens, of which 22 branches are under "Major Cineplex" brand serving 173 screens with 43,000 seats. Another 11 branches are under "EGV Cinemas" brand serving 87 screens with 19,000 seats. "Paragon Cineplex" and "Esplanade Cineplex" are the new flagship cinema brands, also operated by MAJOR. The Paragon Cineplex serves 16 screens with 4,500 seats comprising of fourteen 35mm screens, one 3-D IMAX screen and one Exclusive Cinema Club - "Enigma, the Shadow screen". The Esplanade Cineplex serves 12 screens with 2,700 seats. Theater's details are as followed:



Major Cineplex	Number of Screens	Number of Seats
1. Sukhumvit	8	1,800
2. Ratchayothin	15	4,000
3. Rangsit	16	3,500
4. Ramkamhang	7	2,100
5. Central World Plaza	6	1,300
6. Chiang Mai	7	2,000
7. Pinklao	13	4,200
8. Rama III	9	2,600
9. Bangna	10	2,000
10. Bangkapi	10	2,300
11. Seri Center	6	1,000
12. Rama II	9	1,800
13. Nakornsawan	5	1,100
14. Udonthani	7	2,000
15. Nonthaburi	7	1,300
16. Chachengsao	5	1,700
17. Fashion Island	11	2,400
18. Ubonratchathani	5	800
19. Petchkasem	6	1,800
20. Hua Hin	4	1,400
21. Samui	3	900
22. Pitsanulok	4	1,000
Total	173	43,000

EGV Cinemas	Number of Screens	Number of Seats
1. Bangkae	10	1,900
2. Seacon Square	14	3,100
3. Rangsit	10	1,700
4. Ladprao	7	1,500
5. Pinklao	12	1,900
6. Sriracha	4	1,400
7. Siam Discovery	7	1,600
8. Korat	6	2,100
9. Samrong	5	900
10. Ratchdamri	7	1,700
11. Aom-Yai	5	1,200
Total	871	9,000

Paragon Cineplex	Number of Screens	Number of Seats
1. Siam Paragon	16	4,500

Esplanade Cineplex	Number of Screens	Number of Seats
1. Esplanade Ratchada	12	2,700



MAJOR nurtures good partnerships with all film theatrical distributors and shares on average about 48-50% of admissions revenues with the distributors depending upon the film popularity. In 2006, 195 films were shown at MAJOR's multiplexes from a total of 250 films screened in Thailand. On average, MAJOR exhibits about 4-5 new films each week. With plenty of films to exhibit in somewhat limited number of screens, MAJOR can only exhibit quality films in its cinemas. The Programming team has to stay flexible and re-program whenever a film is "underperforming". This is to provide all theatrical distributors a fair chance to release their new films.

To maintain its status of being the leader in the cinema industry with variety of lifestyles entertainment services, MAJOR continuously refines its marketing strategies to promote sales as well as develop new innovative services to satisfy and provide convenience to its customers in all segments.

As a result, MAJOR remains the most popular brands among many different age groups e.g. teenagers, first jobbers, young professionals, ordinary working adults, retirees and family. MAJOR has also developed various means of booking and purchasing admission tickets for the convenience of its customers including call center, online ticketing via www.majorcineplex.com and ticketing kiosks at all MAJOR branches.

The film industry in Thailand has continuously grown, thanks to investments and contributions by many parties - the film making studios, the theatrical distributors, the cinema operators, the home entertainment distributors, and the sales-retail outlets. The value of the film industry in 2006 totaled at around 3,800-3,900 million baht with approximate 28-29 million viewers.

The competition in the cinema industry still remains in the ability to meet customers' changing lifestyles. This can be done by offering new innovative cinema experiences, periodically refreshing existing multiplex ambience with new designs and facelifts, deploying new technology for high level of convenience, and perfecting service quality beyond customers' expectations. MAJOR always emphasizes in providing variety of innovative services that outpace the customers' needs as well as continuing to improve convenience for the customers. Not only convenience in booking & buying movie tickets, MAJOR also believes in enhancing customers' convenience in accessing a cinema in the least amount of time. Thus, continuation in expanding multiplexes into new strategic areas and providing convenience to customers should also translate into larger customer base. There is still a vast opportunity for MAJOR to expand, especially in the upcountry areas, as consumers have good purchasing power but lack of modern entertainment venues.

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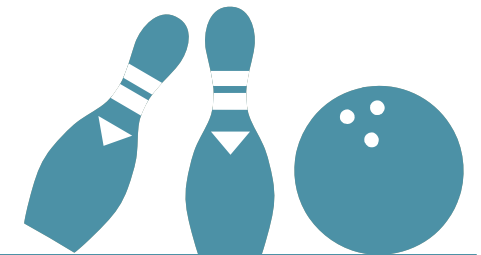
Bowling and Karaoke



Bowling and Karaoke business

With marketing strategy to offer various services under the concept of "Total Lifestyles Entertainment Provider", "Major Bowl Hit" transforms bowling from sport activity to sport entertainment by combining bowling equipment with a boutique bowl atmosphere. To extend entertainment range beyond bowling, MAJOR provides karaoke service under the brand "Major Karaoke" which perfectly fits the fun lifestyles and preference of its bowling customers that tend to come in groups.

In 2006 MAJOR has introduced a new brand for bowling entertainment services, "Blu-o Rhythm and Bowl", an exclusive and luxurious bowling with "hip and cool" karaoke designed to serve customers with trendy lifestyles. They also serve VIP bowling lanes and the Platinum room, which aims for customers who prefer to entertain with their friends, family, or colleagues in a more private settings. MAJOR also serves food, beverages and provide catering services for exclusive bowling tournaments and private parties. Currently, MAJOR has a total of 21 "Major Bowl Hit" venues and 2 of "Blu-O Rhythm and Bowl" branches as followed:



Bowling Branches	Numbers of bowling lanes	Numbers of karaoke rooms
1. Sukumvit	20	10
2. Ratchayothin	38	21
3. Central World Plaza	28	18
4. Rangsit	26	18
5. Seri Center	12	9
6. Rama II	30	13
7. Rama III	26	10
8. Nakornsawan	12	9
9. Udonthani	16	9
10. Thonglor	8	11
11. Chachoengsao	12	7
12. Bangkapi	16	5
13. Bangna	18	14
14. Pinklao	20	14
15. Piyarom	30	9
16. Fashion Island	16	13
17. Petchkasem	12	9
18. Aom-Yai	12	12
19. Hua Hin	8	10
20. Samui	8	7
21. Changwattana	14	9
22. Siam Paragon (Blu-O Rhythm and Bowl)	38	12
23. Esplanade Ratchada(Blu-O Rhythm and Bowl)	22	18
Total	442	267

Bowling and karaoke business are growing healthily and constantly. Presently, there are 2 major players in the industry. Competition still revolves around service quality and promotional campaigns. MAJOR intends to build new bowling alleys along side the new cinemas as these two businesses are proven to be complementing one another. Several constraints in the bowling business such as large space requirement and capital intensive nature limit new entrants into the industry. Presently, MAJOR is the leader in bowling business with the highest number of branches and lanes.

03

Advertising Media

Advertising media business

Increasingly, cinema media ("Cinemia") has become more and more popular in the advertising industry because it has proven to be one of the best and most effective below-the-line media for direct marketing activities. "Major Cinead Co.,Ltd", a subsidiary of MAJOR, provides advertising services on a vast variety of media in all Major Cineplex branches; for instance, movie screens; VDO walls; and Plasma screens at box offices, concession counters and restrooms; tri-visions; website www.major cineplex.com; as well as outdoor media (Billboard/Cut-out).

In 2006, the total advertising expenditure in the entire media industry has grown by about 5% to 89,839 million baht. The cinema advertising media shares approximately 2.7% of total industry value before discounts. MAJOR, as the leading cinema operator with the largest cinema market share of around 70%-80% and largest number of bowling lanes, have been able to attract more than 25 million people into the complexes in 2006.

This has apparently placed MAJOR in a strong position to compete among other below-the-line media alternatives as well as being a lucrative business with high growth potential and margin improvement.

The competition trend in cinema advertising business depends greatly on screen expansion as well as cinema improvements to attract attendance. However, MAJOR, being the Total Lifestyle Entertainment Provider, offers various entertainment services and spaces for marketing & promotional activities.

In addition, the fact that MAJOR invests in California WOW Xperience Plc. and Siam Future Development Plc. (providers of the popular "exertainment" services and the trendy lifestyle malls) provides the Group with a great leverage to jointly develop this below-the-line media business. The combination of the persistent efforts in improvement of quality and visibility of cinema media and the continued expansion

of cinema branches has increased our competitive advantage and made MAJOR's cinemia a strong contender to other media alternatives in the industry.



04

Rental and Services business

MAJOR operates retail space rental and services business within Major Cineplex branches in order to offer customers with more variety of entertainment services beyond movie and bowling. MAJOR selects trendy shops that offer distinctive products and services which meet customers' lifestyles. Rental spaces has 2 types of contracts a long term contract which is more than 3 years and a short term contract which is less than 3 years, accounted for 27.3% and 72.7%, respectively. Presently, MAJOR has a total of 189 shops occupying 95% of the total 34,100 sq.m available for rent. Services accompanied space rental are electricity, air conditioning, fire protection system, cleaning and security system as well as common area services such as elevator, escalator and parking spaces.

Rental and Service

Major Cineplex branch Rental space (sq.m) Number of shops Occupancy rate (%)

1. Sukumvit	4,200	47	91
2. Ratchayothin	10,100	55	99
3. Ramkamhang	450	5	100
4. Central World Plaza	1,100	10	83
5. Chiangmai	120	3	100
6. Rangsit	3,900	34	100
7. Bangkok	330	90	
8. Rama II	500	4	87
9. Nakornsawan	190	2	73
10. Udonthani	350	1	100
11. Samui	440	3	89
12. Siam Paragon	100	1	100
Total	21,780	172	93

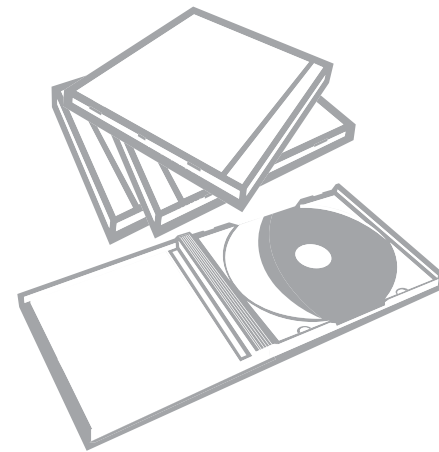
With experience in business and distinct characteristic from competitors, MAJOR attracts various tenants to follow along with its new branches expansion, resulting in high occupancy rate in every location. Since prime retail rental spaces in shopping centers continue to be scarce particularly in community areas, MAJOR has invested in Siam Future Development PLC, a lifestyles neighborhood mall developer. With experience and expertise along with loyal anchor tenants, Siam Future Development PLC will be an expansion vehicle for MAJOR.

EGV branch Rental space (sq.m) Number of shops Occupancy rate (%)

1. Metropolis	11,500	6	87
2. Rangsit	440	6	100
3. Aom-Yai	380	5	100
Total	12,320	17	96



05



Films Distribution



Films Distribution business

Films distribution business is a complementing business to enhance and protect MAJOR's core cinema business. MAJOR's film distribution business can be divided into 2 types: theatrical distribution and home entertainment distribution, such as VCD and DVD. MAJOR operates in this business through M pictures Co.,Ltd. (theatrical distributor) and Pacific Marketing and Entertainment Group Inc (home entertainment distributor) by acquiring film rights from the film producers and then conducting marketing activities to promote the highest number of admissions.

Growth in film distribution industry can be expected as VCD and DVD players are becoming more affordable while consumer purchasing power is relatively becoming higher. The growing number of films released each year against the limited 52 weeks to screen has apparently determined the competitive landscape for the industry. The distributors have to compete in selecting films with a high potential to become popular and thus generate high revenues as well as coming up with marketing activities to promote and induce interests in watching or collecting the films.



Risk Factor

Risk Factor

Risks that Major Cineplex Group PLC (MAJOR) incurs in conducting its businesses can be classified as followed:



Risk from business operations Risk from films release

Cinema exhibitors rely on a steady flow of film releases as a main source of revenue. Approximately, 45% - 50% of MAJOR'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 films 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.

Currently, MAJOR underscores its leadership position in the market with a firm market share of over 70%. Apparently, MAJOR's bargaining power with film producers and distributors has been increased. Moreover, MAJOR's vertical integration into film distribution businesses diminishes exhibitor's risk in films reliance from distributors.



Risk from competition

A possible competitor of the cinema business is VCDs and DVDs both legal and illegal. However, we do not perceive these as direct threats to our revenues and growth of the cinema business. We strongly believe that our customers are not just interested in movie entertainment, but they also desire to consume other lifestyles entertainments services MAJOR has to offer. On the illegal distribution of VCDs and DVDs, the Thai government and law enforcement authority have increasingly taken a more serious battle against illegal media with strong punishment. It is believed that the illegal distribution will be contained, if not completely eliminated.

With respect to competition among the Thai cinema operators, MAJOR is by far the leader in the industry both in number of screens and abilities to innovate new services and cinema experiences. MAJOR, with better access to capital, has also continuously expanded new branches to tap new markets and expand customer base as well as regularly renovates existing branches to keep up with customers' changing lifestyles. Although MAJOR is the distant leader, but it is never complacent and consistently monitor expansion and development of the competitors. In addition, MAJOR also emphasizes on building and maintaining customer base by consistently deploying marketing campaigns and leveraging on the Group's variety of lifestyle entertainments services. Consequently, MAJOR seems to be equipped with outstanding competitive edge especially when compared with other players.



Risk from new expansion

Any new expansion faces uncertainty on its return on investment. Given the Group's profound experiences in operating lifestyle entertainment complexes, however, MAJOR has on average payback period of 3-4 years and an internal rate of return of 15% which is in accordance with in-depth feasibility study. With business expertise and expansion policy which discreetly consider demography of the new potential locations, MAJOR is confident of its new branch expansion and growth prospects. MAJOR expects to add another 30-40 screens and 80-100 bowling lanes in total in 2007. The capital expenditures are approximately 8-10 million baht per screen and 2 million bath per bowling lane. MAJOR still envision plenty of opportunities for expansion, both in Bangkok and the up-country especially big cities outside Bangkok, where there is not yet a presence of high-quality cinema and lifestyle entertainment complexes. Moreover, the fact that MAJOR nowadays rarely builds new branches on a standalone, but instead go with its partners - the Shopping Malls operators, the Lifestyle Malls operator and the hypermarket operators - provide MAJOR with a good check-and-balance in demographical study as well as lessen the amount of invested capital required.



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, MAJOR has taken preemptive actions by closely following the announcements made by the Ministry of Public Health and implementing preventive measures by installing air purifiers, distributing masks for customers and spraying antibacterial disinfections in every screens.



Risk from management reliance

Major Cineplex Group has been established and successfully operated by Mr. Vicha Poolvaraluck. MAJOR is arguably relied on his profound experiences and reputation which may implies that risk of him reducing his shareholding stake in MAJOR and/or resigning seems to be inevitable. However, Mr. Vicha Poolvaraluck is not only the founder of MAJOR, but also possessing strong passions to driving MAJOR to higher prosperity for already over a decade. In addition, MAJOR is still in its adolescent stage of development with a bright future and strong growth prospects. Logically there is no reason for him to abruptly abandon this investment.

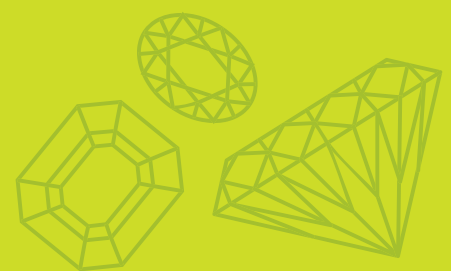


Risk from fire accident

Every construction has a risk from fire accident. However, MAJOR has entered into various insurance policies including a fire case pursuant to the nature and general conditions of theatre business which terms and amounts covers all losses and damages that might be arisen.

Corporate Governance

Corporate Governance
Internal Information Control
Management Structure
Remuneration for Directors and Management
Employee Stock Option Program
Related Transactions
Major Shareholders
Social Activities





Good Corporate Governance

The practice of good corporate governance is encouraged at every staff level from Chairman, directors, management to operation level for an open and unmistakable business to satisfy customers and assure confidence of both domestic and international investors. 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 2006, the Company held an annual ordinary shareholder meeting. 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 893 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 :

The Company ensures equal distribution 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 reviews and updates 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 11 persons, of whom 3 persons are executives, 2 are executive directors and 6 are independent directors of whom 3 persons 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 2006, the Company held 5 Board of directors' meeting. The Company notifies all Board of directors at least, 7 days in advance of all meetings. Details of director's meeting attendance are as followed:

Director	Title	Attendance/Meetings (times)
Mr. Somchainuk Engtrakul	Chairman	4/5
Mr. Vicha Poolvaraluck	Director	5/5
Mr. Verawat Ongvasith	Director	5/5
Mrs. Paradee Poolvaraluck	Director	4/5
Mr. Thanakorn Puliwekin	Director	5/5
Mr. Kittsanan Ngamphathipong	Director	5/5
Dr. Vachara Phannachet	Director	2/5
Mr. Wichai Poolvaraluck	Director	4/5
Mr. Chai Jroongtanapibarn	Independent director	5/5
Mr. Wallop Tangtrongjit	Independent director	5/5
Mr. Hester Chew*	Independent director	4/5
Mr. Naruenart Ratanakanok*	Independent director	1/5

* Mr. Hester Chew has resigned from an independent director position since November 15, 2005. In accordance with the Board of directors' resolution no. 4/2006, Mr. Naruenart Ratanakanok has been appointed as a new independent director effective from November 16, 2006.

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.

Management Structure

1. Board of directors

List of the Members of the Board of Directors

At the end of 2006, there are 11 Members of the Board of Directors as follows:

Mr. Somchainuk	Engtrakul	Chairman
Mr. Vicha	Poolvaraluck	Director
Mr. Verawat	Ongvasith	Director
Mrs. Paradee	Poolvaraluck	Director
Mr. Thanakorn	Puliwekin	Director
Mr. Kittsanan	Ngamphathipong	Director
Dr. Vachara	Phannachet	Director
Mr. Wichai	Poolvaraluck	Director
Mr. Chai	Jroongtanapibarn	Independent Director
Mr. Wallop	Tangtrongchitr	Independent Director
Mr. Naruenart	Ratanakanok	Independent Director

* Mr. Kittsanan Ngamphathipong has resigned from the post of the Company's Director and Chief Executive Officer effective from March 1, 2007. In accordance with the Board of Directors' resolution no. 1/2007, Mr. Panithan Sethabutra has been appointed as the new Director effective from March 1, 2007.

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.

a) Matters needed by laws to have shareholders' resolutions

b) 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.

c) Sell or transfer major parts or all business of the Company

d) Buy or transfer other company's business to the Company

e) 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.

f) Amend the Company's memorandum of association or the Company's regulations

g) 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 audit s 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

List of the Members of the Audit Committee:

At the end of 2006, the Audit Committee comprises Independent Directors whose qualifications meet the criteria required by the Stock Exchange of Thailand. They are highly experienced individuals in the areas of finance, accounting and management.

Mr. Wallop	Tangtrongchitr	Chairman of Audit Committee
Mr. Chai	Jroongtanapibarn	Audit Committee
Mr. Naruenart	Ratanakanok	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

List of the Members of the Executive Committee

At the end of 2006, there are 4 Members of the Executive Committee as follows:

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

List of the Members of the Remuneration Committee

At the end of 2006, there are 3 Members of the Remuneration Committee as follows:

Mr. Vicha	Poolvaraluck	Chairman
Mr. Chai	Jroongtanapibarn	Independent Director
Mr. Wallop	Tangtrongchitr	Independent 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

List of the Members of the Executive Committee

At the end of 2006, the Company's Management Team is as follows:

Mr. Vicha	Poolvaraluck	Chairman
Mr. Kittsanon	Ngamphathipong*	Chief Executive Officer
Mr. Panithan	Sethabutra	President of Media Sales
Mr. Thanakorn	liwekin	Chief Films Programming & Business Relations
Mr. Brian	Hall	Chief Cinema Business Paragon Cineplex
Mr. Anavach	Ongvasith	Chief Cinema Business MAJOR & EGV
Mr. Artorn	Techatantiwong	Chief Bowling Business & Head of Sales
Mrs. Jinda	Wantanahatai	Chief Retails Business
Mrs. Aorrawan	Kowathana	Chief Service Operations
Mr. Jiradej	Nusthit	Chief Corporate Strategy & Investor Relations
Mr. Sermsak	Khwanpuang**	Chief Finance Officer
Mr. Damrongchai	Pongpanich	Chief Retails Service

* Mr. Kittsanon Ngamphathipong has resigned from a post of the Company Director and Chief Executive Officer effective from March 1, 2007.

** Mr. Sermsak Khwanpuang has been in the position of Chief Finance Officer until February 28, 2006 and from March 1, 2007 will be in the position of Chief Portfolio Management. In accordance with the Board of Directors' resolution no. 1/2007, Mr. Chattaphum Khantiviriya is appointed as the Chief Finance Officer from March 1, 2007

On March 1, 2007 the company has restructured its organization; thus management teams are as follows:

Mr. Vicha	Poolvaraluck	Chairman and Chief Executive Officer
Mr. Panithan	ethabutra	President of Media Sales
Mr. Thanakorn	Puliwekin	Chief Films Programming & Business Relations
Mr. Brian	Hall	Chief Cinema Business Paragon Cineplex
Mr. Anavach	Ongvasith	Chief Cinema Business MAJOR & EGV
Mr. Artorn	Techatantiwong	Chief Bowling Business
Mrs. Jinda	Wantanahatai	Chief Retails Business & Head of Sales
Mrs. Aorrawan	Kowathana	Chief Service Operations
Mr. Jiradej	Nusthit	Chief Corporate Strategy & Investor Relations
Mr. Sermsak	Khwanpuang	Chief Portfolio Management
Mr. Chattaphum	Khantiviriya	Chief Finance Officer
Mr. Damrongchai	Pongpanich	Chief Retails Service

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.

Monetary remuneration for 2006

Board of directors

The total remuneration for Directors for twelve (12) of the Company's Directors as of 31 December 2006 was 4.4 Million Baht. The remuneration comprises of director fee and meeting allowance.

The remuneration for 12 of the Company's Director in 2006 is as follows:

Director	Director fee and Meeting allowance (Baht)	
Mr. Somchainuk	Engrakul	620,000
Mr. Vicha	Poolvaraluck	380,000
Mr. Verawat	Ongvasith	380,000
Mrs. Paradee	Poolvaraluck	360,000
Mr. Thanakorn	Puliwekin	380,000
Mr. Kittsanon	Ngamphathipong	380,000
Dr. Vachara	Phannachet	320,000
Mr. Wichai	Poolvaraluck	360,000
Mr. Chai	Jroongthanapibarn	410,000
Mr. Wallop	Tangtrongjitr	410,000
Mr. Hester	Chew	360,000
Mr. Naruenart	Ratanakanok ¹	44,000

Note: 1. Mr. Hester Chew has resigned from an independent director position effective from November 15, 2005. In accordance with the Board of directors' resolution no. 4/2006, Mr. Naruenart Ratanakanok has been appointed as an independent director effective from November 16, 2006.

Management Team

At the end of 2006, the Company compensated Executive Directors and Management in a form of salary, bonus, traveling expense, phone bill.

	2006		Details of remuneration
	Number of person	Amount(Million Baht)	
Executive Director	4	0	-
Management ¹	12	23.70	Salary, bonus, traveling expense, phone bill etc.

Note: 1. Remuneration for management was excluded Mr. Vicha Poolvaraluck's remuneration, which was paid to Well Ad Co.,Ltd.

2. Other remuneration

The Company established an Employee Stock Option Plan (ESOP) program as a way to retain, motivate and reward the Company's directors and employees to the Company's best benefit. The Company has submitted an annual allocation of warrants to the annual shareholders' meeting for approval. So far, two programs have been allotted and are summarized as follows:

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

Name	Title	Number of options (Million)	Percentage
Mr. Vicha Poolvaraluck	Executive Chairman	4.50	23.08%
Mr. Verawat Ongvasith	Director / Executive director	0.75	3.85%
Mrs. Paradee Poolvaraluck	Director / Executive director	0.50	2.56%
Mr. Thanakorn Puliwekin	Director / Executive director/ Chief Films Programming & Business Relations	2.10	10.77%
Mr. Chai Jroongthanapibarn	Independent director	0.95	4.36%
Mr. Wallop Tangtrongjit	Independent director	0.50	2.56%
Mr. Hester Chew	Independent director	0.50	2.56%
Mr. Anavach Ongvasith	Chief Cinema Business MAJOR & EGV	1.50	7.69%
Mr. Chattaphum 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	Chief Cinema Business Paragon Cineplex Director	3.0	85.71%

Personnel

The Company and subsidiaries' employees as of December 31, 2006 are classified by business unit as followed:

Business	Unit Number of Employees
Head Office	344
Cinema	1,465
Bowling and Karaoke	981
Rental space and Services	258
Advertising	35
Film Distribution	355
Total Employee	3,438

Total Remuneration including salary, bonus, overtime payment, welfare and provident fund for all employees in 2006 was 375.86 million baht.

The Company never has any labor disputes since establishment.

ESOP-W1**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 1.086 common shares*
Exercise price	12.12 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is March 31, 2008.

ESOP-W2**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 1.016 common share*
Exercise price	15.032 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is March 31, 2008.

MAJOR-W1**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 1.0327 common shares*
Exercise price	12.589 baht per share*
Exercise period	last working day of March, June, September and December till expiry on which the last date is February 2, 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

ESOP-W1

Exercise Result ESOP-W1

ExerciseDate	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1. 30/9/03	710,000	10,053,600	Working capital
2. 31/3/04	No exercise	-	-
3. 30/9/04	1,836,100	22,620,752	Working capital
4. 31/3/05	No exercise	-	-
5. 30/9/05	No exercise	-	-
6. 31/3/06	8,940,400	108,357,648	Branch expansion / Working capital
7. 2/10/06	5,669,243	68,711,227	Branch expansion / Working capital

ESOP-W2

Exercise Result ESOP-W1

ExerciseDate	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1. 30/9/04	No exercise	-	-
2. 31/3/05	No exercise	-	-
3. 30/9/05	No exercise	-	-
4. 31/3/06	No exercise	-	-
5. 2/10/06	No exercise	-	-

Exercise Result MAJOR-W1

Exercise Result ESOP-W1

ExerciseDate	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1. 31/3/05	No exercise	-	-
2. 30/6/05	No exercise	-	-
3. 30/9/05	No exercise	-	-
4. 30/12/05	1,270	16,250.92	Working capital
5. 31/3/06	29,843,472	375,699,469.00	Branch expansion / Working capital
6. 30/6/06	22,048,387	277,567,144.75	Branch expansion / Working capital
7. 22/10/06	11,359,700	143,007,263.30	Branch expansion / Working capital
8. 3/01/07	10,806,338	136,013,989.68	Branch expansion / Working capital
9. 2/02/07	77,147,876	971,214,610.96	Branch expansion / Working capital

Note: From the final exercise period of MAJOR-W1 on February 2, 2007, the outstanding amount of expired warrant are 507,659 units.

The Company has related transactions disclosed in a consolidated financial statement for a period of January 1 to December 31, 2006 which included related transactions between the Company and/or subsidiaries and/or associated companies. All related transactions are normal business transactions and are disclosed in notes to financial statements ended December 31, 2006 which is audited by auditor.

Related transactions in 2006

The Company and/or subsidiaries and/or associated companies are comprised of 6 companies which are Siam Future Development PLC, Udon FiveStar Cineplex Co.,Ltd, Media Logistic Co.,Ltd, Well Ad Co.,Ltd, Well Cineplex Co.,Ltd, and Petch Pinklao Co.,Ltd.

Person/Juristic person who may have conflict of interests	Type of transactions	Major details/conditions	Amount (thousand baht)
	Expense		5,371
Siam Future Development PLC	1. Rent and Service fee	To rent rental space to operate cinema and bowling businesses in Chachoengsao, Thonglor and Piyarom	
	2. Utilities fee		3,311
Udon FiveStar Cineplex Co.,Ltd	Revenue		
	1. Management fee	Management fee charged for Udonthani branch which is a normal business transaction	3,600
	2. Other revenue		3,600
	Asset and Liabilities		
	1. Other account receivables		1,652
Media Logistic Co.,Ltd	Asset and Liabilities		
	1. Loan	Pacific Marketing and Entertainment Group Co.,Ltd hold 50% in Media Logistic Co.,Ltd and financially support by lending with an interest rate of 0.50%p.a.	2,950

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	1. Management revenue 2. Equipment rental fee (Capital expense)	400,000 baht a month 1,800,000 baht a month	4,800 21,600
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	67,403

Major Shareholders:

Top ten major shareholders as of December 26, 2006 are as follows:

Shareholder	Number of shares (Million)	Percentage
1. Mr. Vicha Poolvaraluck	309.75	39.4
2. HSBC (Singapore) Nominees Pte Ltd	56.34	7.2
3. Government of Singapore Investment Corporation	41.27	5.2
4. Investors Bank and Trust Company	30.39	3.9
5. Thai NVDR Limited	29.79	3.8
6. Mrs. Paradee Poolvaraluck	27.47	3.5
7. Littledown Nominees Limited 9	22.83	2.9
8. Somers (U.K.) Limited	22.16	2.8
9. OCBC Securities Private Limited	20.00	2.5
10. Mr. Verawat Ongvasith	19.04	2.4

14-15 January:

Major Cineplex held the activities on National Children Day namely, "Kid's Movie Day". Free movies were shown on National Children Day at 30 branches under Major Cineplex and EGV brand with 12,000 seats together with free kids' popcorn. In addition, another 4,000 seats at Major Cineplex and EGV were given to kids from various foundations, for instance, Thairath Newspaper Foundation, Baan Nok Kamin Foundation, and World Vision Foundation of Thailand

9 June:

Major Cineplex had brought the contribution money from the executive and customers of Major Cineplex, EGV and Paragon Cineplex in the project namely "Amity Shared to our Northern Flood Victim" together with 1,000 kits of relief items offered to them at Tambol Bantuek, Amphur Srisatchanalai, Sukhothai Province.

7 July:

Major Cineplex in association with TV Program namely, "Phuying tueng Phuying" held "Gang Chanee" movie special show for charity project namely "Gang Chanee's Campaign to Do Good for the Emergency House" at Major Cineplex Ratchayothin. Revenue without any expenses deduction from tickets sold was donated to the emergency houses. In the special show area, there were many enjoyable activities, fashion show of movie stars from Gang Chanee movie, for instance, Por-Ompreeya, Pui-Pimolwan Suphayang, Kai-Meesuk Jangmeesuk, Kalamair-Patcharasri Benjamas and Nina-Kulnadda Pajchimsawat, etc., and charity auction of the fashion show clothes and the movie stars' souvenir, for example, the character picture of Kai-Meesuk, etc.

28-30 August:

Major Cineplex in cooperation with Thai Film under the patronage of His Royal Highness Prince Anusorn Mongkolkarn held the Digital Short Films Charity" at Major Cineplex Sukhumvit. The film, "Talk to Her", was the first digital film project in Thailand, supported by 3 Asian's leading directors. Thailand was being the third country in the world showing this program, after the film was launched in South Korea and Switzerland. The revenue from the sale of movie tickets was donated to the National Film Hall without any expenses deduction for the purpose of the restoration of the National Film Hall.

2 September:

Krungsri Imax theatre welcomed Lt.Col. Gorsin Kampanayuth, Vice Chief of Thaksin Sampan Unit, Santisuk Military Division, together with the kids from southern boundary provinces under the project, "Training Program for the Bright Future of Southern Youth". The traveling purpose of this trip was to visit the organization and high-technology institution and to broaden vision of the youth and religious leaders. Their visit was paid to the only 3-D theatre in Thailand and they also saw the everlasting classic film in form of 3-D namely, "Superman Return 3-D". The film showed the world's class enjoyable realistic 3-D image beyond the viewers' imagination, at Krungsri Imax theatre, 5th floor of Paragon Cineplex.

9-15 September:

Major Cineplex, EGV and Paragon Cineplex in association with Thai Film Directors Association held the project "Doay Kraw, the Thai Film created for his Majesty the King" in the occasion of the 60th Anniversary Celebrations of His Majesty's Accession to the Throne. "Doay Kraw" was the honorable Thai Film with the Best Creative Film Award including the Best Film Music Award in B.E.2530. The director was Bundit Rittikol, its starrings were Jaran Manopetch, Jintara Sukkapat, Santisuk Promsiri and Kris Sukramongkol. The film was shown again in the theatre under the project, "On 9th Day, in 9th Month, His Majesty the King's Rice will Perform the Miracle". The whole revenue from the show during the first week, from 9 to 15 September, of Major Cineplex, EGV and Paragon Cineplex Group was humbly presented to His Majesty the King in order to be contributed to Chaipattana Foundation. In addition, there was the production of "Duay Kraw" T-Shirts sold at the price of 199 Baht, and the revenue after the expense deduction was also presented to Chaipattana Foundation.

12 November:

Major Cineplex in cooperation with Entertainment Reporter Association had given over 600 relief kits received from the executive and customers of Major Cineplex from the project, "Amity Shared to the Flood Victims" held during 19 to 25 October, to the flood victims at Tambol Sappaya, Chainat Province.

Report from Board of Directors and Management Team

Management Discussion and Analysis
Audit Committee Report
Responsibility Statement from Board of Directors to Financial Statement



The Company overview

The Company has 5 core businesses, which are cinema, bowling and v, rental and services, advertising media and film distribution. Following the expansion of 6 branches in 2006, the Company has expanded its capacity to 288 screens serving 69,200 seats, 442 bowling lanes, 267 karaoke rooms and 34,100 sq.m. rental spaces. Film distribution business is another related and synergistic to the core 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 "exertainment" fitness club.

2006 Performance

In 2006, the Company has total revenue of 5,110 million baht, 393 million baht or 8% increased from the previous year. The core revenues can be classified as followed:

Revenue from cinema business	48%
Revenue from concessions business	8%
Revenue from advertising business	14%
Revenue from bowling and karaoke business	10%
Revenue from rental and services business	8%
Revenue from film distribution business	11%

Increases of total revenue from the previous year are due mainly to branch expansion in both cinema screens and bowling lanes, together with continued growth in concession business, rental business and advertising media business.

Total expense in 2006 is 4,352 million baht, up 377 million baht or 9% from a year ago due to additional direct costs and SG&A expenses incurred at the new branches. Two new flagship branches, Paragon Cineplex and Esplanade Cineplex, have been opened during the year. Thus, the full 12-month revenue generating ability has not yet taken effect, while the fixed costs and expenses have already been booked.

However, the Company is able to maintain its gross profitability margin as it has been able to significantly grow the high-margin segments of the business model. The resilient business model coupling with the Company's investments adjustments have contributed to the operating profit increase of 188 million baht, up 23% from the previous year.

Share of profit from investments in associate company increase by two folds from the previous year to 98 million baht, as Siam Future Development PLC and California Wow Xperience PLC continue to grow.

Accordingly, the Company has a net profit in 2006 of 695 million baht or a profit per share of 0.92 baht.

Financial position as of 2006 year-end

Asset

The Company has total assets as of 2006 year-end at 8,782 million baht, up 1,402 million baht or 19% from the previous year.

Non-current assets of the Company increase 10% or 644 million baht from 2005. This is mainly from an increase of plant and equipment at 8% to 4,956 million baht from the opening of the Paragon Cineplex and Esplanade Cineplex. Investments in subsidiaries and associate also increase 26% to 588 million baht, due mainly to adjustments in investments in Siam Future Development PLC.

The Company has current assets of 1,889 million baht. The increase of 756 million baht from a year ago is attributable to the Company's efforts in building the film distribution business to synergize with the core cinema business. As a result, there are increases in account receivables and inventories.

The Company has cash and its equivalent of 436 million baht. This is an outcome of cashflows generated by operating activities of 899 million baht. Financing activities contribute 826 million baht in net inflows, mainly from the warrant conversion during the year. Meanwhile, investing activities use 1,603 million baht net, of which 1,085 million baht was for the purchase of property and equipment. Combining with the 283 million baht balance from the previous year, the closing balance of cash and its equivalent was 405 million baht.

Source of funds

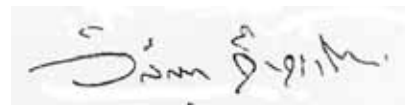
Major source of funds during 2006 comes from the equity part. The Company receives a total of 1,109 million baht from the warrant conversion. As a result, total equity increase 1,272 million baht or 43% to 4,197 million baht.

The Company has total liabilities of 4,585 million baht, up only 3% from the previous year, of which 68% or 3,101 million baht are current liabilities and 32% or 1,484 million baht are non-current liabilities. The Company has short-term loan of 1,341 million baht, account payable of 529 million baht and long-term loan of 1,105 million baht.

Audit committee of Major Cineplex Group PLC comprises of 3 persons who are independent from management of the Company. The Chief Financial Officer is the company secretary and coordinator. The audit committee is assigned by the board of directors to review all information related to financial reports, internal and external audits as well as ensure the Company follows the rules of regulating organizations relating to the Company's businesses. Moreover, the audit committee advises the management regarding internal control and risk management.

In 2006, the audit committee had 6 meetings with the authorized auditor to review quarterly financial statements of the Company including accounting system and internal control before release to public. Furthermore, the audit committee had regular meetings with internal auditor to review and identify the Company's internal control shortcomings. All meeting minutes were reported to the management to ensure that all detected deficiency is timely amended and efficiently confined. Also, the audit committee independently had meetings with the management to discuss about the Company's activities related to rules, regulations and protocol of the listed company.

The audit committee endorses the efficiency of the Company's internal control system that its assets are well protected and its accounting approach is appropriated. The audit committee has considered and proposed to the Board of directors to appoint Mr. Kajornkiet Arunpairojanakul, an authorized auditor no. 3445 of Pricewatercoopers ABAS as the Company's auditor for a financial year ended December 31, 2007. The appointment of auditor and his fee is depended on the approval of shareholders in the annual ordinary shareholder meeting on April 2, 2007.



Mr. Wallop Tangtrongchitr
Chairman of the audit committee

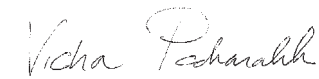
The Board of directors is responsible for the Company and consolidated financial statements as well as financial information as publicized in annual report. The financial statements are prepared according to generally accepted accounting standard in Thailand which applied appropriate policy, consistent 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, 2006 are reasonably trusted.



Mr. Somjainuk Engtrakul
Chairman of the Board

Mr. Vicha Poolvaraluck
Chairman