

LIFESTYLE entertainment

annual report of 2008

Going International

PVR blu-O joint venture is set up with a focus to enhance the out-of-home lifestyle entertainment experience for the Indian patrons while providing MAJOR with an opportunity to unlock potential growth the Indian market has to offer.

Reinforcing the Foundation

The commitment to the continuous business development & expansion is expected to be a solid platform for MAJOR as well as the Industry to prosper in the future.



MAJOR
CINEPLEX



Lifestyle cinema
Lifestyle bowling
Lifestyle karaoke
Lifestyle ice-skating
Lifestyle mall
Lifestyle fitness



Lifestyle Entertainment Company

Major Cineplex Group Plc.

1839 Phaholyothin Road, Jatuchak, Ladyao, Bangkok 10900, Thailand

Tel: +66 2511 5427-36 ■ Fax: +66 2511 5752

<http://corporate.majorcineplex.com> ■ <http://www.majorcineplex.com>

Financial Highlights

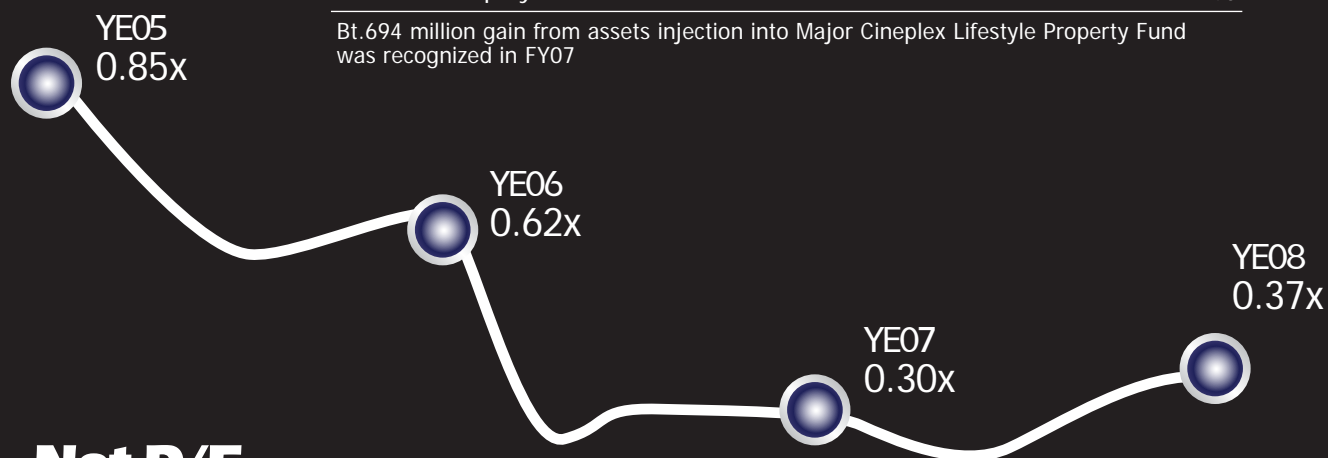
Strong balance sheets

Attractive dividends

Local consumption play

As of December 31	2005	2006	2007	2008
Revenue Bt.million	4,788	5,247	6,594	5,552
EBITDA Bt.million	1,376	1,741	2,215	1,663
Net profit Bt.million	535	695	1,227	626
EBITDA margin	29%	33%	34%	30%
Net margin	11%	13%	19%	11%
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Total assets Bt.million	7,380	8,782	9,294	9,669
Total liabilities Bt.million	4,455	4,585	3,672	4,247
Total equity Bt.million	2,924	4,197	5,622	5,422
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Number of shares million	709.3	787.2	879.9	881.9
Book value Bt.	4.12	5.33	6.39	6.15
Earnings per share Bt.	0.75	0.92	1.42	0.71
Dividend per share Bt.	0.64	0.78	1.05	0.64
Dividend payout	85%	85%	74%	90%
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Net interest-bearing D/E	0.85	0.62	0.30	0.37
Return on assets	8%	9%	14%	7%
Return on equity	19%	20%	25%	11%

Bt.694 million gain from assets injection into Major Cineplex Lifestyle Property Fund was recognized in FY07



Net D/E

Ratio of net interest-bearing debts to equity at 4 consecutive year ends

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Milestone

January 6, 2008

MAJOR closed Central World Plaza branch (capacity of 6 screens, 28 lanes and 18 karaoke rooms.)

January 25, 2008

MAJOR opened a new Cineplex at Salaya serving 5 screens.

February 4, 2008

MAJOR swapped 79.99% share in M Pictures Co., Ltd. (799,993 shares at Bt.320 per share totaling Bt.256 million) with 146,920,114 shares or 40.81% in Traffic Corner Holdings Plc. (TRAF) at Bt1.84 per share, totaling Bt.270.3 million. TRAF was subsequently renamed as M Pictures Entertainment Plc. (MPIC).

February 11, 2008

MAJOR announced a joint venture with PVR Ltd. (PVR), incorporated and listed in the Stock Exchange of India, to set up PVR blu-O Entertainment Ltd. to operate bowling business in India. The initial capital is INR 90 million where PVR invests 51% while MAJOR invests 49%.

February 27, 2008

MAJOR opened a new Cineplex at Ayudhya serving 4 screens, 10 lanes and 10 karaoke rooms.

April 25, 2008

MAJOR opened a new Cineplex at Petchaboon serving 4 screens.

August 1, 2008

MAJOR opened a new Cineplex at Big-C Navanakorn serving 4 screens.

August 8, 2008

MAJOR opened a new Cineplex at Thanyaburi serving 4 screens.

September 11, 2008

MAJOR opened a new Cineplex at Lotus Navanakorn serving 4 screens.

September 25, 2008

MAJOR opened a new Cineplex at Banpong serving 5 screens.

November 14, 2008

MAJOR invested additional Bt.100 million in Pacific Marketing and Entertainment Group Co.,Ltd. (PM) in order to have PM establish its new association for movie production to support MAJOR & the industry. As a result, MAJOR invests Bt.197 million or 98.5%, increased from Bt.97 million or 97%.

November 28, 2008

MAJOR opened a new branch at Srinakarin serving 5 screens.

MESSAGES

Chairman of the Board of Directors
Somchainuk Engtrakul

Going



Maneuvering through year 2008 was unarguably a very challenging journey. Post the general election in late 2007, the Thais had witnessed three new prime ministers in a course of one year. Series of political protests & confrontations on the streets lingered on before the climax of the international airport closure in December. Inflation was sky-rocketing in 3Q08, driven by the record high gasoline price at above Bt.40/liter. The global recession induced by subprime problems in the US also sent a shock wave across industries to virtually all businessmen. Although, it is far from Thailand, but the impacts to some sector seem inevitable.

In spite of all these unfavorable surroundings, MAJOR remains relatively resilient, thanks to the strength of the business model. The decline in revenues during the year is due mainly to the less attractive contents as the releases of two mega blockbusters were postponed to 2009. However, the core business displays its strength and resiliency in 4Q08 registering respectable growth in the core operating results. Thus, the business expansion and fundamental enhancement continue, not only in Thailand, but also internationally.

One of the most important milestones in 2008 is MAJOR's foray into India. A 51:49 joint venture company, PVR blu-O Entertainment Ltd. (PVR blu-O), is set up by PVR Limited (PVR) & MAJOR to operate lifestyle entertainment bowling business in India. Incorporated and listed in the Stock Exchange of India; PVR is a leading, premium multiplex cinema exhibition company, fully integrated throughout the film industry. With an objective to evolve PVR from

“ Series of political protests & confrontations on the streets lingered on before the climax of the international airport closure in December. ”

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a filmed entertainment company to a retail entertainment player, PVR blu-O joint venture is set up with a focus to enhance the out-of-home lifestyle entertainment experience for the Indian patrons while providing MAJOR with an opportunity to unlock potential growth the Indian market has to offer.

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PVR blu-O joint venture is set up with a focus to enhance the out-of-home lifestyle entertainment experience for the Indian patrons while providing MAJOR with an opportunity to unlock potential growth the Indian market has to offer.

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On behalf of the management team, I would like to express my full gratitude towards all customers, employees, shareholders, business partners and related organizations for your endeavors,

supports and trust. I greatly appreciate your confidence in the Company and look forward to more successes in the years ahead.

Best regards,

Somchainuk Engtrakul
Chairman of the Board

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Core business displays its strength and resiliency in 4Q08 registering respectable growth in the core operating results.

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MESSAGES

Chairman of the Executive Committee & CEO
Vicha Poolvaraluck



Reinforce

In 2008, MAJOR continued on its quest to grow the industry despite all the political & economic turbulences that had significantly plagued the Thai economy as a whole. New capacities build-out & Group Companies restructuring were fundamental progress, completed during the year. The commitment to the continuous business development & expansion might not yield the highest returns in 2008, but it is expected to be a solid platform for MAJOR as well as the Industry to prosper in the future.

The most important factor responsible for the less-than-expected returns in 2008 was more from the less attractive film line-up than the economic downturn. The delayed releases of two mega blockbusters, the Legend of King Naresuan Episode 3 and Harry Potter & the Half-blood Prince placed 2008



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“The strength of the Thai film industry is supported by the continued expansion of Cineplex network throughout the country.”

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in an inferior position, especially when compared to the so-called Golden Year of the cinema industry in 2007. Nonetheless, the Thai film production industry continued to generate high-quality films maintaining share of the admissions sales at around 40%.

The strength of the Thai film industry is supported by the continued expansion of Cineplex network throughout the country. MAJOR adds 35 new cinema screens and 10 new bowling lanes in 2008 bringing the totals to 344 screens and 492 lanes. Virtually all of these

new capacities are installed either in the Greater Bangkok or the provincial areas. Besides, the merger between M Pictures (MAJOR's upstream theatrical distribution company) and Traffic Corner (TRAF), completed in 1Q08, poises to be another important stepping stone for the industry growth.

Many businesses, especially in the export sector, may have dubbed the situation in 2009 as a perfect storm and have taken actions to minimize the impacts by scaling back investments

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“ The commitment to the continuous business development & expansion is expected to be a solid platform for MAJOR as well as the Industry to prosper in the future. ”



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& cutting back on workforce. MAJOR, on the contrary, is still optimistic about Thailand's economic fundamental. The local banking sector, which is the heart of businesses, is still in good shape. In 2009, Lifestyle entertainment business, being a pure local consumption play,

should be able to grow, especially with contents line-up that seems to be stronger than 2008. Without being complacent, MAJOR will continue to maintain its strong balance sheets in order to weather this perfect storm while always being on the lookout for ways to enhance shareholders' value.

Best regards,

Vicha Poolvaraluck

Vicha Poolvaraluck
Chairman and CEO

“ Lifestyle entertainment business, being a pure local consumption play, should be able to grow, especially with contents line-up that seems to be stronger than 2008. ”

M PASSION

MAJOR Iconic Leadership

Professionalism

Adaptability

Speed

Service Excellence

Innovation

Optimism

Networking



Directors & Management Team



Somchainuk Engtrakul Age 64
Chairman of the Board

Education

- Ph.D (Honorary Degree) in Public Administration, Sripatham University
- Bachelor Degree of Law, Sripatham University
- Bachelor Degree of Art (Economics), UPSALA COLLEGE NEW JERSEY, USA

Experience

- Oct 2004 - Present
Chairman of the Board
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
Dhipaya Insurance Plc.
- Chairman
National Credit Bureau
Company Limited

Director Training Program

- RCP - Role of the Chairman Program, Thai Institute of Director (IOD)



Vicha Poolvaraluck Age 45
Director and Chairman of the Executive Committee
Shareholding: 37.5%

Education

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

Experience

- 1995 - Present
Chairman of the EXCOM
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

Director Training Program

- DCP - Director Certification Program, Thai Institute of Director (IOD)



Verawat Ongvasith Age 38
Director and Executive Director
Shareholding: 0.9%

Relationship with Management

Younger brother of the Chairman's spouse

Education

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

Experience

- 2002 - Present
Director /
Executive Director
Major Cineplex Group Plc.
- 2003 - Present
Director
Siam Future
Development Plc.
- 2003 - Present
Director
California WOW
Xperience Plc.

Director Training Program

- DAP - Directors Accreditation Program, Thai Institute of Director (IOD)



Paradee Poolvaraluck Age 45
Director and Executive Director
Shareholding: 3.46%

Relationship with Management

Chairman's spouse

Education

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

Experience

- 1998 - Current
Director /
Executive Director
Major Cineplex Group Plc.



Chai Jroongtanapibarn Age 54
Independent Director & Chairman of Audit Committee

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

Experience

- 2002 - Present
- Independent Director & 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, Siam Food Plc.
- Audit Committee, Oishi Plc.
- Audit Committee, Siam Food Plc.

Director Training Program

- ACP - Audit Committee Program
- DCP - Director Certification Program Thai Institute of Director (IOD)

Attasith Damrongrat Age 44
Director

Education

- Master of Arts in Political Science, Ramkhamhang University
- Bachelor of Engineering, Chulalongkorn University

Experience

- Nov 07- Present
- Director Major Cineplex Group Plc.

Other positions

- Advisor Thai Press Association
- Director MMP Chulalongkorn University
- Director Thai - Hong Kong Business Council
- Director Thai Contractors Association

Naruenart Ratanakanok Age 53
Independent Director and Audit Committee

- Education**
- Bachelor of Business Administration (Economics), University of Detroit, USA

Experience

- 1995 - 1997
- Managing Director GF Capital Security
- 1984 - 1987
- Business Development Manager Citicorp Capital Security

Other positions

- Executive Director Livesmart Company Limited
- Audit Committee Major Cineplex Group Plc.

Director Training Program

- ACP - Audit Committee Program
- DAP - Directors Accreditation Program
- DCP - Director Certification Program
- FSD - Financial Statement for Director Thai Institute of Director (IOD)

Wichai Poolworulak Age 46
Director

Shareholding: 0.47%

Relationship with Management

Cousin of Chairman

Education

- Bachelor Degree of Economics, Thammasat University
- Modern Manager Program (MMP) Faculty of Commercial & Accountancy, Chulalongkorn University
- The Boss, Management & Psychology Institute
- CEO Development Institute
- Capital Market Academy

Experience

- 2007 - Present
- Chairman of the Board International Research Corporation Public Company Limited (IRCP)
- 2006 - Present
- President, Worulak Property Co.,Ltd.
- 2005 - Present
- Executive Director Major Cineplex Group Plc.
- 1993 - 2004
- Director & President, EGV Entertainment Plc. (EGV)

Other positions

- President, Member of the Board of Governors of the Stock Exchange of Thailand (SET) Committee Member
- Subcommittee for the Development of Business Venture & Budget The Institute for the Promotion of Teaching Science & Technology
- Vice Chairman, Federation of Thai Capital Market Organization (FeTCO) President, Thai Investors Association (TIA)

Director Training Program

- DCP - Director Certification Program Thai Institute of Director (IOD)

Wallop Tangtrongchitr Age 57
Independent Director and Audit Committee

Shareholding: 0.08%

Education

- Master Degree of Business Administration, Chapman University, USA
- Bachelor Degree of Business Administration, San Diego University, USA

Experience

- 2002 - Present
- Independent Director / Audit Committee Major Cineplex Group Plc.
- 1995 - 1997
- Co-Ordinator, Regency Co.,Ltd.
- 1983 - 1995
- Manager, Wellcom Co.,Ltd.
- 2520 - 2526
- Project Co-Ordinator Vivat Construction Ltd.

Other positions

- Managing Director Potara Co.,Ltd

Director Training Program

- FSD - Financial Statement for Director
- DAP - Directors Accreditation Program
- DCP - Director Certification Program
- FND - Finance for Non - Finance Directors Thai Institute of Director (IOD)

Panithan Sethabutra Age 51
Director and Chief Operations Officer

Education

- 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

- 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.

Director Training Program

- DAP - Directors Accreditation Program Thai Institute of Director (IOD)



Thanakorn
Puriwekin

Yupin
Garnjanawigai

Anavach
Ongvasith

Chatthaphum
Khantiviriya

Jinda
Wantanahatai

Jiradej
Nusthit

Thanakorn Puriwekin Age 52
Director and Chief Films Officer

Shareholding: 0.14%

Education

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

Experience

- 1995 - Present
- Director / Chief Films Officer Major Cineplex Group Plc.

Director Training Program

- DAP - Directors Accreditation Program Thai Institute of Director (IOD)

Chatthaphum Khantiviriya Age 47
Chief Financial Officer

Shareholding: 0.02%

Education

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

Experience

- Mar 07 - present
- Chief Financial Officer Major Cineplex Group Plc.
- Mar - Dec 06
- Deputy Managing Director, RS Plc. 1998 - Mar 06
- Chief Financial Officer Major Cineplex Group Plc.

Yupin Garnjanawigai Age 45
Assistant to CEO

Education

- Master Degree in Accounting, Thammasart University
- Bachelor Degree in Accounting, Thammasart University

Experience

- 2003-2004
- Vice President - Finance and Operations U Star (Thailand) Co., Ltd.
- 1996-2002
- Finance Director Yum Restaurants International (Thailand) Co.,Ltd.
- 1986-1996
- Manager SGV-Na Thalang Co., Ltd.

Other Positions

- Executive Director Thanasiri Baanlaesuan Co., Ltd.

Jinda Wantanahatai Age 46
Chief Retails Officer

Shareholding: 0.030%

Education

- Bachelor Degree of Arts, Chandrakasem Rajabhat University

Experience

- 1993-1995
- Marketing Manager The Mall Group Co.,Ltd.
- 1990 - 1992
- Marketing Manager AG Wilkinson Property
- 1982 - 1989
- Marketing Manager Dynasty Agency

Anavach Ongvasith Age 41
Chief Cinema Officer

Shareholding: 0.03%

Relationship with Management

Cousin of the Chairman's spouse

Education

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

Experience

- 2006 - Present
- Chief Cinema Business Major Cineplex Group Plc. 1997 - 2005
- Chief Marketing Officer Major Cineplex Group Plc. 1992 - 1996
- Marketing Manager Siam Retail Development Ltd.

Jiradej Nusthit Age 40
Chief Corporate Strategy & Investor Relations

Education

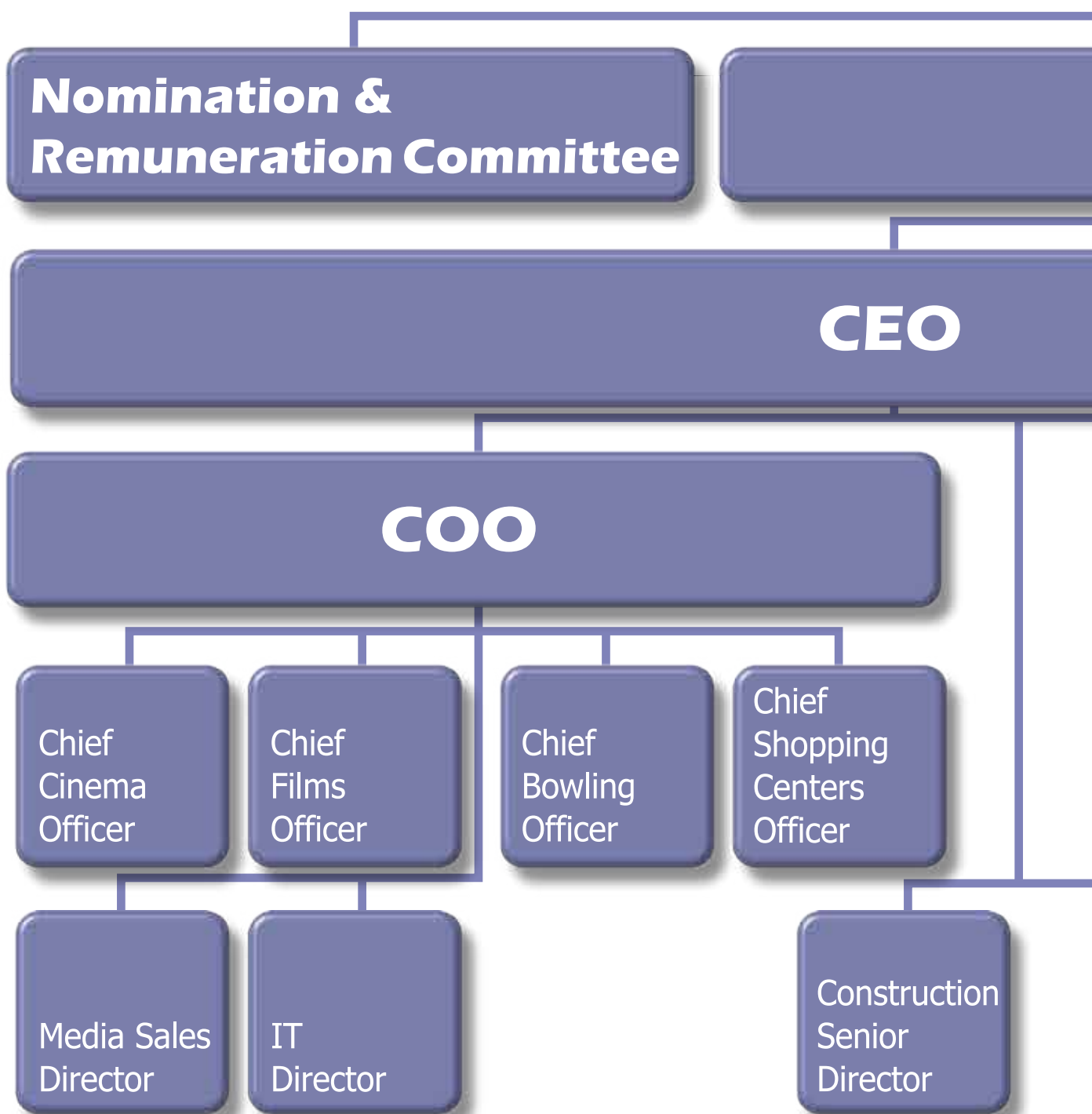
- Master Degree of Business Administration, National University, San Diego, USA
- Bachelor Degree, Computer Science, University of California - San Diego, La Jolla, USA

Experience

- 2003-2005
- Manager - Strategic Planning Advanced Info Service Plc. 2002 - 2002
- Specialist - Corporate Planning Advanced Info Service Plc. 1999 - 2002
- Specialist - Investor Relations Shin Corporation Plc.

ORGANIZATION

Organization Chart



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graph TD; Shareholders[Shareholders] --> Board[Board of Directors]; Board --> Chairman[Chairman]; Board --> Audit[Audit Committee]; Board --> Internal[Internal Audit]; Board --> Assistant[Assistant to CEO]; Chairman --> HR[HR Director]; Chairman --> Finance[Finance Director]; Chairman --> Accounting[Accounting Director]; Chairman --> Compliance[Compliance]; Assistant --> HR; Assistant --> Finance; Assistant --> Accounting; Assistant --> Compliance;
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Shareholders

Board of Directors

Chairman

**Audit
Committee**

**Internal
Audit**

**Assistant
to CEO**

Chief
Retail
Officer

CFO
& Corporate
Secretary

Chief
Corporate
Strategy
& IR

HR
Director

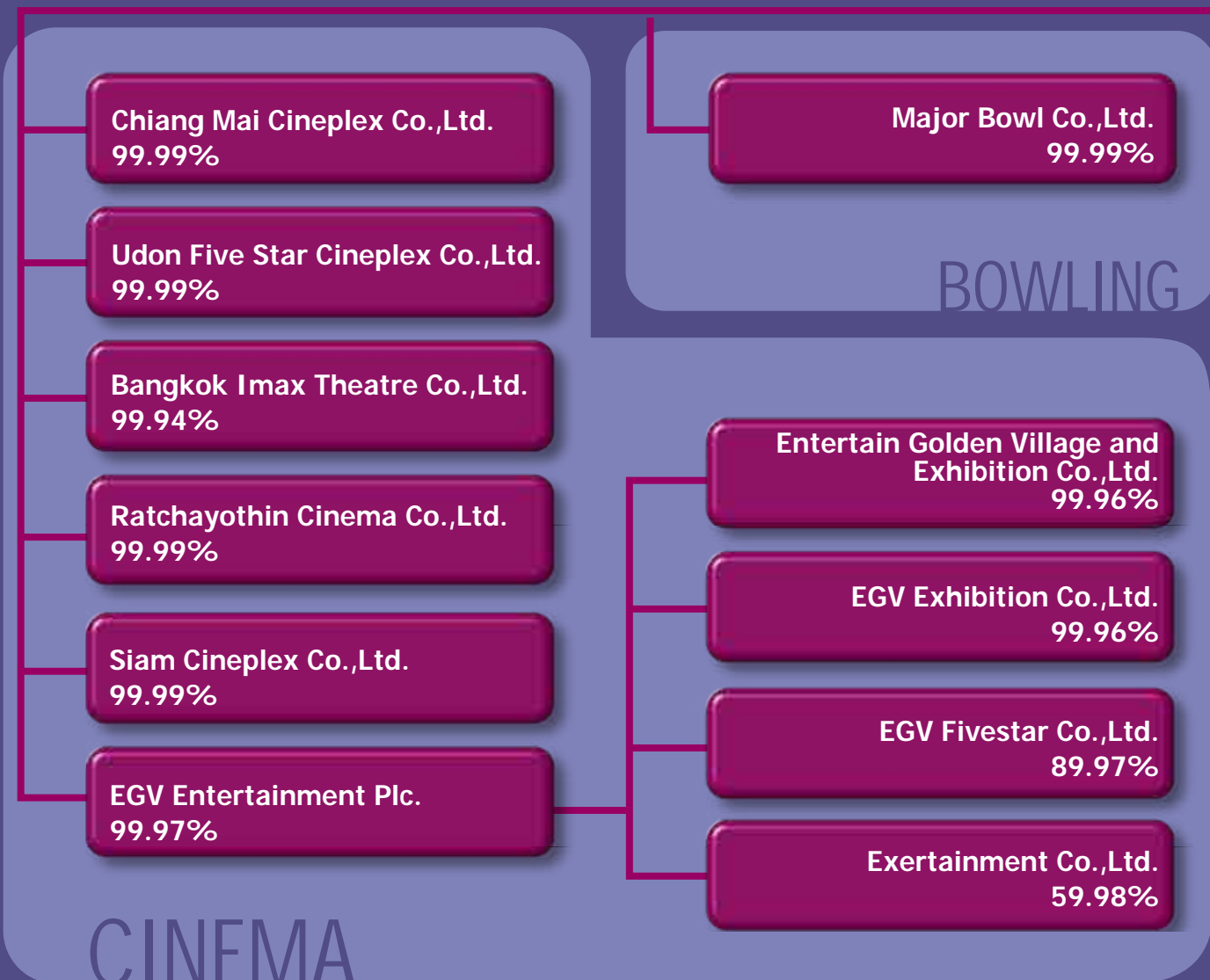
Finance
Director

Accounting
Director

Compliance

ORGANIZATION

Group Structure



Major Cineplex Group Plc.

ASSOCIATES

California Wow Xperience Plc.
36.79%

Thai Ticket Major Co.,Ltd.
40.00%

M Pictures Entertainment Plc.*
40.81%

PVR blu-O Entertainment Limited
49.00%

Major Cineplex Lifestyle
Property Fund
33.00%

Siam Future Development Plc.
24.10%

Ratchayothin Avenue Co.,Ltd.
50.00%

Ratchayothin Avenue
Management Co.,Ltd.
99.93%

Major Cineplex Property Co.,Ltd.
99.99%

Major Cineplex Service Co.,Ltd.
99.99%

Ratchayothin Realty Co.,Ltd.
99.99%

Ratchayothin Management
Co.,Ltd.
99.99%

Major Cinead Co.,Ltd.
99.93%

ADVERTISING

MVD Co., Ltd.**
96.99%

Pacific Media Sales Co.,Ltd.
96.41%

Media Logistic Co.,Ltd.
47.51%

RENTAL & SERVICES

FILM DISTRIBUTION

* M Pictures Entertainment Plc. is formerly known as Traffic Corner Holdings Plc.

**MVD Co.,Ltd. is formerly known as Pacific Marketing & Entertainment Group Limited.

ORGANIZATION

General Information of the Company Subsidiaries and Associated Companies

Theatre Business Major Cineplex Group Plc.
 Registration no. 0107545000047
 Head office 1839 Phaholyothin Rd., Ladyao, Jatuchak, Bangkok 10900
 Nature of business Cinema & Entertainment Complex operator, concession vendor
 Registered capital 906,000,000
 Paid up capital 881,897,219
 % of investment 100.00%

Theatre Business Chiang Mai Cineplex Co.,Ltd.
 Registration no. 0105543106571
 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%

Theatre Business Udon Five Star Cineplex Co.,Ltd.
 Registration no. 0105546119569
 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 99.99%

Theatre Business Bangkok Imax Theatre Co.,Ltd.
 Registration no. 0105544003725
 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 99.94%

Theatre Business Ratchayothin Cinema Co.,Ltd.
 Registration no. 0105541034255
 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%

Theatre Business Siam Cineplex Co.,Ltd.
 Registration no. 0105547057656
 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 99.99%

**Theatre Business
EGV Entertainment Plc.**

Registration no. 0107545000225
Head office 1839 Phaholyothin Rd.,
Ladyao, Jatuchak, Bangkok 10900
Nature of business Cinema &
Entertainment Complex operator,
concession vendor
Registered capital 440,000,000
Paid up capital 260,001,575
% of investment 99.97%

**Advertising Business
Major Cinead Co.,Ltd.**

Registration no. 0105544103711
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%

**Bowling Business
Major Bowl Group Co.,Ltd.
(Ratchayothin Bowl Co.,Ltd.)**

Registration no. 0105541034263
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%

**Distribution Business
Pacific Marketing &
Entertainment Group Inc.**

renamed to MVD Co.,Ltd since 3 February 2009
Registration no. 0105545084664
Head office 97/11 Big C Rajadamri, 5, 6th Floor,
Rachadamri Rd, Lumpini, Pathumwan, Bangkok
Nature of business Films Licensee for
distributions
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 96.99%

**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 321,952,000
Paid up capital 300,000,671
% of investment 36.79%

**Rental and Services Business
Major Cineplex Property
Co.,Ltd.**

Registration no. 0105537078910
Head office 1221/39 Sukhumvit Rd.,
North Klontong, Wattana, Bangkok
Nature of business Rental and services
business
Registered capital 78,000,000
Paid up capital 78,000,000
% of investment 99.99%

**Strategic Investment
Siam Future Development Plc.**

Registration no. 107545000187
Head office 99 Rachadapisek Rd.,
Dindaeng Bangkok
Nature of business Neighborhood
shopping mall developer, rental and
services business
Registered capital 533,947,769
Paid up capital 513,147,913
% of investment 24.10%

**Strategic Investment
Ratchayothin Avenue Co.,Ltd.**

Registration no. 105550006391
Head office 99 Rachadapisek Rd.,
Dindaeng, Bangkok
Nature of business Neighborhood
shopping mall developer
Registered capital 100,000,000
Paid up capital 100,000,000
% of investment 50.00%

**Rental and Services Business
Major Cineplex Service Co.,Ltd.**

Registration no. 0105540016130
Head office 1221/39 Sukhumvit Rd.,
North Klontong, Wattana, Bangkok
Nature of business Rental and
services business
Registered capital 23,000,000
Paid up capita 23,000,000
% of investment 99.99%

**Strategic Investment
Ratchayothin Avenue
Management Co.,Ltd.**

(Formerly known as Major Online Co.,Ltd.)
Registration no. 108454822763
Head office 1839 Phaholyothin Rd.,
Ladyao, Jatuchak, Bangkok 10900
Nature of business Neighborhood
shopping mall developer
Registered capital 1,000,000
Paid up capital 1,000,000
% of investment 99.93%

**Strategic Investment
Major Cineplex Lifestyle
Property Fund**

Registration no. 179/2550
Head office ING Funds, 130-132
Sinhorn Tower 1, G Flr, Sinhorn Tower
3,Flr 15,17,18 Vithayu Rd., Lumpini,
Pathumwan, Bangkok 10330
Nature of business Property Fund
Registered capital 2,300,000,000
Paid up capital 2,300,000,000
% of investment 33.00%

**Rental and Services Business
Ratchayothin Realty Co.,Ltd.**

Registration no. 0105539097628
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%

**Strategic Investment
Thai Ticket Major Co.,Ltd.**

Registration no. 105543020073
Head office 3199 Maleenon Tower
Flr 27, Rama 4 Rd, Klontun, Bangkok
Nature of business Ticketing service
for event organizers, bus, airline and
hotel operators and Ticketing Software
Specialists
Registered capital 10,000,000
Paid up capital 10,000,000
% of investment 40.00%

**Strategic Investment
M Pictures Co.,Ltd.**

(Formerly known as Traffic Corner Holdings Plc.)
Registration no. 107544000124
Head office 97/11 Office Building at
EGV Metropolis, Rachadamri Rd.,
Lumpini, Pathumwan, Bangkok
Nature of business Films Licensee for
distributions
Registered capital 360,000,000
Paid up capital 360,000,000
% of investment 40.81%

**Rental and Services Business
Ratchayothin Management
Co.,Ltd.**

Registration no. 0105540016121
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%

**Strategic Investment
PVR blu-O Entertainment Limited**

Registration no. U74120DL2008PLC176081
Head office 61, Basant Lok, Vasant
Vihar, New Delhi-110 057 India.
Nature of business Bowling alley and
Karaoke operator
Registered capital INR 150,000,000
(150,000,000 x 0.7697=115,455,000 Baht)
Paid up capital INR 90,000,000
(90,000,000 x 0.7697=69,273,000 Baht)
% of investment 49.00%

BUSINESSES

“Lifestyle Entertainment Company”

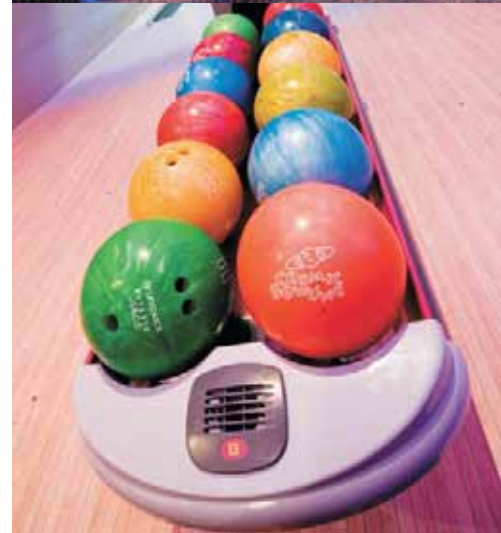


Major Cineplex Group Plc (MAJOR) is Thailand's leading Lifestyle Entertainment Company with core business in cinema, bowling, karaoke, ice skating rink, retails space, film distribution and advertising media.

To broaden its network of lifestyle entertainment portfolio as well as establishing partnerships for sustainable future growth, MAJOR also invests:

- 24.1% in Siam Future Development Plc (SF)
 - a lifestyle-neighborhood-mall developer,
- 36.79% in California WOW Xperience Plc (CAWOW)
 - an "exertainment" fitness club operator,
- 40.0% in Thai Ticket Major Co., Ltd. (TTM)
 - a ticket sales channels for concerts, sports events, transportation, etc.,
- 33.0% in Major Cineplex Lifestyle Property Fund (MJLF)
 - a real-estate investment trust (REIT) set up as a vehicle for the Group's expansion,
- 40.81% in M Pictures Entertainment Plc. (MPIC), formerly known as Traffic Corner Holdings Plc.
 - a media & theatrical film distribution company. and
- 49% in PVR blu-O Entertainment Ltd.
 - Joint Venture with PVR Ltd., a leading, premium multiplex cinema exhibition company in India, to set-up bowling alleys, karaoke centers and ice skating rinks across India.

MAJOR was listed on the Stock Exchange of Thailand (SET) in May 2002.





“ Cinema ”

The “Cineplex” concept was first introduced to the Thais in 1995 when Mr. Vicha Poolvaraluck, the founder of MAJOR, built the first-of-its-kind Standalone “Cineplex” in Pinklao area of Bangkok. The Standalone “Cineplex” concept combines customer experiences of Cinema & Entertainment complex under the same roof. That means, moviegoers are offered; not only a wide range of films selection in the multiplex cinema format; but also a vast variety of restaurants, gift shops, bookstores and many other lifestyle shops in one stop. Thus, the Major Pinklao Standalone Cineplex has quickly become a very popular destination of lifestyle entertainment alternatives for Bangkok dwellers ever since. In the subsequent 3 years, three more Standalone Cineplexes had been added to the Cineplex network around Bangkok – Major Sukhumvit, Major Ratchayotin, & Major Rangsit.

The Standalone Cineplex is typically built on a long-term leasehold land (20-30 year). A Standalone Cineplex is about 7-10 story building. The top floors feature between 8-16 screens of cinemas and 20-38 lanes of bowling, while the bottom 2-3 floors are retails space for the lifestyle shops. With a strong “movie culture” which ensures continuous flow of moviegoers traffic every week, the retails space in the Standalone Cineplexes has been able to sustain a high occupancy rate in access of 90% and above at all time.

Besides the Standalone Cineplexes, MAJOR also deploys three other expansion models to populate Cineplexes around the country:

- Shopping mall model
- Lifestyle neighborhood mall model
- Hypermarket model

The shopping mall model was used more in the past when the shopping malls were sprouting up rapidly & practically everywhere. It was a handy growth vehicle as Cineplexes could ride on their historically high growth phase without too much capital outlay as for the Standalone Cineplex model. However, the rate of growth for shopping malls today has tapered down significantly. Nowadays, it takes 3-4 years for a shopping mall to be developed.

As an alternative vehicle for growth, the lifestyle neighborhood mall model was created in 2004 when MAJOR took a stake in a lifestyle-neighbor-mall developer, Siam Future Development Plc. (Siam Future). A lifestyle neighborhood mall is typically built on a smaller plot of land (1-2 acres) next to the residential areas. Because of its compact size, it takes only 6-12 months for a lifestyle neighborhood mall construction to complete, thus serving as an excellent vehicle to populate Cineplexes in the metropolitan areas as well as more urbanized areas around the country.

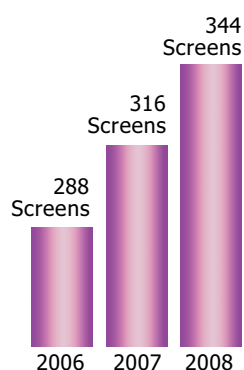
With the strong movie culture and having Cineplexes as anchor

tenant, Siam Future has grown exponentially with retails space increased by over 10 folds to over 230,000 sqm. in the past 4 years. The synergy is extremely well pronounced. MAJOR could rapidly penetrate into the residential areas providing an enhanced convenience access to the moviegoers. Siam Future, on the other hand, could fill up its retails space easily having cinema & bowling anchoring in its lifestyle neighborhood malls.

The hypermarket model is used to populate the Cineplexes in the provincial areas. MAJOR builds cinemas & bowling in the hypermarket structures as an anchor tenant. For the provincial dwellers, hypermarket or discount store supercenter serves as a perfect destination, not only for shopping but also for family entertainment, in a very similar fashion as shopping malls are to the urban people. MAJOR joins with two hypermarket operators, Tesco Lotus & Big-C.



“ Cinema ”



Currently MAJOR commands nearly 80% market share of the Thai cinema industry's admissions revenue, with the current second player trailing at about 20%. The sharp increase in market share in 2004 was due to the acquisition of EGV Entertainment Plc., the #2 player at that point with about 23% share. Subsequent to that M&A activity, there was no foreign cinema operator left in the Thai cinema industry.

At year-end 2008, MAJOR operates 4 different brands:

- Major Cineplex
- EGV Cinemas
- Paragon Cineplex
- Esplanade Cineplex

with a total of 46 branches, 344 screens and about 84,450 seats. MAJOR continues to add about 30-40 new screens a year as Thailand is still in the "underscreened" situation. MAJOR deploys the 4 expansion models discussed above as the growth vehicle depending upon the demography of each location.

MAJOR offers cinema services covering the full spectrum of the customer segments. The mass-segment cinema, "Major Cineplex" brand, is used for the geographical expansion & tapping the new markets. Various international designs are adopted for the customer experiences, unlike what

the global cinema operators offer. For example, Las Vegas style interior design is adopted for the local mass-segment customers to experience.

On the high-end, plenty of service & product innovations are created and installed for the "Future of Entertainment Civilization" customer experiences in the "six-star" ambience at the "Paragon Cineplex." For example, the "Nokia Ultra Screen 1" at the Paragon Cineplex is equipped with nothing but fully-reclined, genuine leather seats in cubicles along with pillows & blankets for the entire auditorium seatings.

Another product innovation at the Paragon Cineplex is the "ENIGMA: the Shadow Screen", a luxurious movie club exclusively for members only. Thirty-four exclusive seats, resembling living room couches adjacent to an exclusive club equipped with full bar services, are perfect for private parties. The venue has become very popular, not only among the high net-worth individuals, but also the corporate customers who prefer using the ENIGMA for entertaining their VIP customers in an exclusive atmosphere.

Major Cineplex	#screens	#seats
Pinklao	13	4,200
Sukhumvit	8	1,800
Ratchayothin	15	3,800
Rungsit	16	3,600
Ramhumheang	7	2,100
Chiangmai	7	1,900
Rama III	9	2,700
Bangna	10	2,100
Samrong	12	2,400
Bangkapi	10	2,200
Rama II	9	1,800
Seri Center	6	1,000
Nakhon Sawan	5	1,100
Nonthaburi	7	1,300
Udon Thani	7	2,000
Chachoengsao	5	1,700
Fashion Island	11	2,400
Ubon	5	900
Petchakasem	6	1,700
Hua Hin	4	1,400
Samui	3	900
Pitsanulok	4	1,100
Changwattana	5	1,000
Pattaya	8	1,800
Chonburi	4	1,100
Krabi	4	1,100
Big C Navanakorn	4	1,000
Thanyaburi	4	1,100
Lotus Navanakorn	4	1,200
Banpong	5	1,400
Srinakarin	5	1,300
Salaya	5	1,300
Ayuttaya	4	1,300
Petchaboon	4	1,150

EGV Cinemas	#screens	#seats
Central Pinklao	12	2,000
Seacon Square	14	3,000
Future Rungsit	10	1,900
Siam Discovery	6	1,500
Bangkae	10	1,900
Ladprao	7	1,500
Korat	6	2,100
Sriracha	4	1,400
Metropolis	7	1,700
Aomyai	5	1,200

Paragon Cineplex	#screens	#seats
Siam Paragon	16	4,600

Esplanade Cineplex	#screens	#seats
Esplanade Ratchada	12	2,800

Total	344	84,450
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Post the "Golden year"

All industry professionals dubbed 2007 as the "Golden Year" of the film business. The industry witnessed double-digit growth in terms of box office sales. Such high growth was attributable to the success of two very popular Thai films, The Legend of King Naresuan Part 1 & 2, which have penetrated extremely well countrywide, not only the regular moviegoers, but also light & lapped moviegoers as well. On top of that; Harry Potter & the Order of Phoenix, Spiderman 3, Pirates of the Caribbean, and Transformer, four of the most Hollywood favorites among the Thais, were also screened during 2007. All of which established a solid base of almost one-third of the FY07 admissions sales.

Post the "Golden Year," the admissions sales in 2008 would have been much stronger had the releases of The Legend of King Naresuan Part 3 and Harry Potter & the Half-blood Prince were not postponed to 2009.

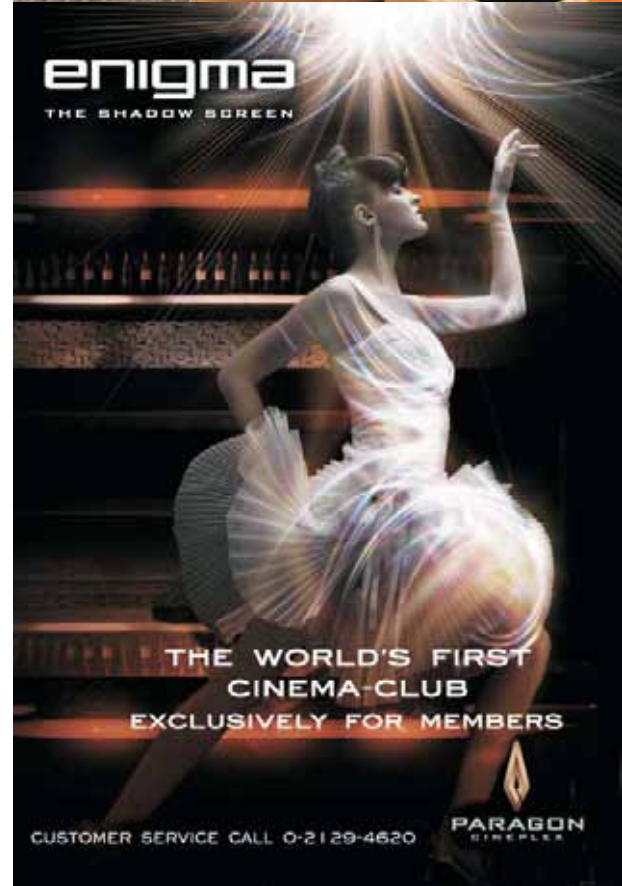
Given a much more inferior line-up in 2008, we learned to maximize revenue from driving the highest number of "guest counts" possible for any particular film. Many projects were initiated among our cinema team members. Content rebalancing was the biggest focus of the films programming team to capture all the demand and reassure as much as possible the smooth admissions sales line across the four quarters. From the operational standpoint, we introduced "convenience leadership" concept that emphasized on service speed at the box office queue. Electronic Ticketing Machines (ETMs) were installed at selected flagship stores to offer our customers alternative service lines with very fast and user-friendly interface. We made very good progress on that front as tickets purchases through all the "unmanned" channels have surged from only 3% in Jan-08 to over 12% of total admissions sales in Dec-08. Further success on this should have positive implication on labor cost going forward.

Another important emphasis post the "Golden Year" was driving the concessions sales, 60% margin business, riding on the cinema guest counts. The new-products development continued with added focus on "relevant menu variety." That means: any new product to be introduced must go through an intense customer-research studies & focus-group processes to make very certain that it appeals to a wide enough target segments More important, it must not cannibalize the core, MAJOR's Signature Popcorn & Soft drinks. Good progress was also made as the ratio of concessions to admissions sales increased to 22% in 2008 from 19% in 2007. We continued to climb in our efficiency of creating value even with much less cinema traffic.

In 2009, we still put a very strong emphasis on driving guest counts. Dynamic Pricing Structure is being implemented to balance between price & asset utilization rate at each Cineplex, at each target group, and at each time of the day. Given a stronger film line-up in 2009, we believe that a proper management in this area should help us maximize the revenue even amid the economic downturn.



**Panithan
Sethabutra**
COO



“ Bowling Karaoke & Ice Skating”

Bowling & Karaoke was added to the portfolio of lifestyle entertainment services in 1997. The first 20 lanes were put up in Major Sukhumvit Standalone Cineplex. Rather than being a typical sports bowling venue, “Major Bowl Hit” was launched with an “entertainment bowling” concept and positioning, where friends & families

“Major Karaoke” was a perfect compliment of the entertainment bowling as it provides, not only a better utilization of the space, but also another alternative form of lifestyle entertainment. Similar to bowling, karaoke rooms are modernly designed and decorated, perfect for the segment of consumers that bowling attract.



can come in & enjoy the game. Major Bowl Hit is decorated with a modern & trendy design with the latest releases of music being played, perfectly enticing to the younger & family segments of consumers.

While “Major Bowl Hit” offers the entertainment bowling to the mass segment around the country, “Blu-O Rhythm & Bowl” was introduced in 2006 as a “club fashion bowling,” targeting at the higher-end of the

consumer segments in the metro areas. The first Blu-O Rhythm & Bowl was put up in the Siam Paragon (a mega shopping mall in the heart of Bangkok) offering 38 bowling lanes, 12 karaoke rooms, and two Platinum rooms equipped with 4 exclusive bowling lanes each & karaoke facilities. In 2008, MAJOR operates totally 4 branches under brand "Blu-O Rhythm & Bowl," comprising of Paragon, Esplanade, Pattaya and Ratchayothin (recently rebranded from Major Bowl hit).

The "sub-zero: the Ice Skate Club" is the latest lifestyle entertainment that had been added to the portfolio. It has quickly become one of the most popular meeting joints for the hip & cool customer segments



in town. Locating in the Esplanade, Siam Future's newest Arte-tainment venue, sub-zero offers a compact ice skating rink of about 700 sq.m. with 4 ice karaoke rooms, ice dance studio, & classes for ice-skating, figure-skating, & ice hockey.

At year-end 2008, MAJOR operates 31 bowling locations with 492 lanes, 373 karaoke rooms, & one ice skating rink.

	#bowling lanes	#karaoke rooms
Pinklao	20	15
Sukhumvit	20	10
Ratchayothin	38	28
Rungsit	26	18
Rama III	26	10
Bangna	18	14
Samrong	20	14
Bangkapi	14	12
Rama II	30	13
Seri Center	12	9
Fashion Island	16	13
Petchakasem	12	9
Changwattana	14	9
Ladprao	10	10
Aomyai	12	12
Piyarom	30	9
Thonglor (J-avenue)	8	11
Ayudhya	10	10
Nakhon Sawan	12	9
Udon Thani	16	9
Chachoengsao	12	7
Hua Hin	8	10
Samui	8	7
Pitsanulok	8	6
Pattaya	22	9
Chonburi	10	8
Central Pinklao		21
Future Rangsit		12
Siam Discovery		12
Siam Paragon	38	16
Esplanade Ratchada	22	21
Total	492	373

“ Advertising Services ”



Advertising services business leverage off the traffic that cinema & other lifestyle entertainments attract. MAJOR had been able to draw between 25-30 million customers into the Cineplexes around the country annually. A subsidiary called CineAd Co.,Ltd. has been established to entice the advertisers and media agencies with full-range of advertising services, ranging from simple cinema screen advertising to fully-integrated below-the-line media solutions incorporating all media available in the Cineplex network around the country.

With additional revenues being generated on the existing assets, advertising services revenues enjoy a hefty margin in excess of 90%. Today, CineAd packages

integrate below-the-line media solutions for many dominant players in many industries. The solutions include not only the screen advertising but also new media like VDO walls, tri-vision, plasma screens, poll signs, bowling masking units, and outdoor media (Billboard/Cut-out), etc.

As one of the most effective, direct-to-target media alternatives, the cinemedia is among the highest growth in the entire media industry. For 2008, the cinemedia contributes about 4.7% of the advertising expenditures for the entire media industry.

Marketing Services Company

Year 2008 was another challenging year for the advertising media business. The overall advertising expenditures tracked by Nielsen Media Research revealed that the advertising media industry contracted by 2.7%. The shrinkage was apparent in almost all media categories with two exceptions being radio & transit.

Political wrangling seemed to be the first cause of advertising budgets reduction. The global recession induced by US subprime problems at around mid-year worsened the situation even further. The high inflation brought about by gasoline price at above Bt.40/liter seemed

to put more fuel to the fire. According to Nielsen Media Research, Cinema advertising contracted by about 4.6%. The weaker film line-up was also a reason for the fall.

One way to become less dependent of the films is to become a Marketing Services Company. Major CineAd Co., Ltd. (CineAd) will continue to leverage off the traffic in the Cineplex network around the country, integrate all the media across the Group companies, and package customized media solutions to serve specific needs of its customers.

Added value that CineAd can offer is to combine its unique, below-the-line, & very-focused media with an ability to become a distribution channel for its customers. A successful rollout of this concept should transform CineAd from being just a media company to a Marketing Services Company with long-term partnerships with its customers.

Rental & Services

In the Standalone Cineplex, MAJOR operates retail space rental and services business to compliment the lifestyle entertainment model by offering the customers with more variety of entertainment service beyond movie, bowling, karaoke, and ice skating.

MAJOR selects trendy brands that offer distinctive products and services that match customers' lifestyle. Retails spaces are packaged in 2 types – long-term lease contracts which are more than 3 years and short-term rental contracts which are less than 3 years.

As the Cineplex has become "destination" for lifestyle entertainment, MAJOR has



been able to attract many leading international chains as well as the newly emerging local brands. With the intense competition among the quick-serve restaurant chains, every brand is in need of new space to populate their new branches and expand their network every year. This has resulted in high occupancy rate at every location. Presently, MAJOR has a total of 142 shops, occupying 94% of more than 30,000 sq.m. available for rent or lease. Services accompanied space rental are the electricity, air-conditioned services, fire protection system, cleaning and security system as well as common area management services such as elevator, escalator and parking.

	Retails space sq.m.	%Occupancy Rate
Sukhumvit	6,700	96%
Ratchayothin	1,900	100%
Rangsit	1,600	100%
Ramhumheang	450	100%
Chiangmai	120	100%
Samrong	2,050	53%
Bangkapi	480	76%
Rama II	470	100%
Nakhon Sawan	190	100%
Udon Thani	350	100%
Samui	440	100%
Pitsanulok	190	100%
Future Rangsit	440	100%
Metropolis	14,420	71%
Aomyai	380	100%
Lad Prao	360	90%
Siam Paragon	130	100%
Chonburi	110	100%
Total	30,780	94%



“ Films Distribution ”

MAJOR has made two strategic investments in the film distribution business, the upstream theatrical distribution as well as in the downstream DVD/VCD distribution for home entertainment.

On the theatrical side, MAJOR originally acquired 80% stake in a company called “M Pictures” to manage the 52-week films

programming and smoothen out the revenue seasonality imposed by the Hollywood’s numerous summer releases in 2Q and holiday seasons releases in 4Q. Distributing films from independent studios as well as other Asian films from Japan & Korea, M-Pictures could lessen the impacts of quarterly revenue shortfalls by releasing these films in 1Q & 3Q. With MAJOR’s dominant market position in the exhibition window, M Pictures is riding on a solid platform to maximize its revenue as well.

In late 2007, a merger between M Pictures and Traffic Corner Holdings Plc (TRAF) was announced. TRAF was a media company

that was in need of contents, while M Pictures with its films distribution rights was a company that could use media to promote its films to the wider audience. The deal was completed in February with a share swap arrangement: MAJOR swapped its 80% stake in M Pictures with new shares of TRAF. Post the transaction, MAJOR owns 40.8% stake of TRAF, while TRAF owns 100% of M Pictures, and TRAF was subsequently renamed M Pictures Entertainment Plc. (MPIC).

On the home entertainment distribution side, MAJOR now own 97% stake in a company called “PMEG” (renamed as MVD Co.,Ltd on 3 February 2009) to manage the timing of the DVD/VCD releases as well as the

DVD/VCD pricing in bid to optimize revenue generating ability in each window and protect the core cinema business. With the appropriate timing of the DVD/VCD releases (typically 4-6 months subsequent to theatrical releases) and with proper pricing, a film can maximize its revenues in the cinema window as well as in the home entertainment distribution window itself.

As a group, MPIC and MVD provide “Comprehensive Film Distribution Services” with stronger potentials to derive higher revenues in the most part of the film distribution chain. The service that they provide is a strong fundamental development that should help drive higher growth, especially for the Thai film making industry.



“ Strategic Investments ”



Siam Future Development Plc. (Siam Future)

MAJOR currently invests 24.1% in Siam Future, a lifestyle-neighborhood-mall developer. The lifestyle malls that Siam Future develops are low-rise, open-air building next to the residential areas. The rationale for the investment in 2004 was to help each other grow. With the “movie culture,” MAJOR is an anchor tenant that generate traffic to the lifestyle malls. With its rapid pace of expansion, Siam Future provides MAJOR with an excellent vehicle for growth, especially in the metropolitan areas where MAJOR wants to improve cinema-access convenience to its customers.

Siam Future is listed on the Stock Exchange of Thailand with the symbol SF.



California WOW Xperience Plc. (CAWOW)

MAJOR invests 36.79% in CAWOW, an “exertainment” fitness club operator. CAWOW’s philosophy of running the fitness clubs is

very similar to the way Major Bowl Hit is operated in that the clubs are geared toward entertainment fitness. The clubs are also modernly designed & decorated as a community for the trendy new generation that has a high level of health consciousness. CAWOW represents itself with images of celebrities, rather than muscular men, selling hope to be fashionable & attractive. Having CAWOW in the Group provides MAJOR with another form of modern lifestyle entertainment and presents Siam Future with another strong anchor tenant.

CAWOW is listed on the Stock Exchange of Thailand with the symbol CAWOW.



Thai Ticket Major Co.,Ltd. (TTM)

In June 2007, MAJOR took 40.0% stake in Thai Ticket Master Dot Com Co.,Ltd., whose name has subsequently been changed to Thai Ticket Major Co.,Ltd. (TTM). The rationale was to expand MAJOR’s business into ticketing sales channel as well as enhancing value from the existing assets. Cinema ticket box offices are turned into also ticketing services counters for concerts, sports events, transportation. Not only better utilization of the resources at the box

offices, TTM also generates additional traffic into the Cineplexes which could also be enticed to consume other entertainment services.

Major Cineplex Lifestyle Property Fund (MJLF)

A major milestone that took place also in June 2007 was the completion of the REIT, Major Cineplex Lifestyle Property Fund (MJLF) managed by ING Funds. Two of the Standalone Cineplexes (Major Ratchayotin & Major Rangsit) were initially injected into the MJLF, raising Bt2.3 billion in cash. With the proceed, MAJOR reinvests 33% back into the fund, while the remaining amount is being reinvested into a brand-new Standalone Cineplex on Ratanathibate Road in Nonthaburi and a new lifestyle mall, Major Avenue @ Ratchayotin, a 50:50 joint venture between MAJOR & Siam Future.

This development marks an important step for the Group as MJLF becoming a vital vehicle for sustainable future growth. MAJOR can now expand with the original Standalone Cineplex model without fresh capital calls. The Standalone Cineplexes with much larger number of cinema screens & bowling lanes are expected to drive higher rate of growth for

the income statements than the balance sheets, enabling MAJOR to adopt the “asset-light” strategy with hope to generate higher rate of returns going forward.

MJLF is listed on the Stock Exchange of Thailand with the symbol MJLF.

PVR blu-O Entertainment Ltd.

A 51:49 joint venture company, namely PVR blu-O Entertainment Ltd. (PVR blu-O), was set up in 2008 by PVR Limited & MAJOR. Incorporated and listed in the Stock Exchange of India; PVR is a leading, premium multiplex cinema exhibition company, fully integrated throughout the film industry. While adding a new lifestyle entertainment to PVR’s business model, PVR blu-O is to introduce a new experience of entertainment bowling to the Indian patrons and provide MAJOR with an opportunity to unlock potential growth the Indian market has to offer.

The initial capital of PVR blu-O is INR 90 million. MAJOR has already paid-up for its 49% stake in 2008.

BUSINESSES

Risk Factors

Risks that MAJOR incurs in conducting its businesses can be classified as followed.

Risk from films release

Cinema exhibitors rely on steady flow of film releases as main source of revenue. Approximately, 45% - 50% of MAJOR's total revenues comes from revenue sharing of the movie admissions tickets sales, which depend on the number of films release and the films popularity. At present, cinema is the first and most important distribution window that films producers and distributors rely on in order to boost further sales in the downstream home entertainment market, such as VCD and DVD. Accordingly, trade among exhibitors, producers, and distributors are highly interdependent, all aim to maximize revenues to alleviate the risk of relying on the popularity of a single film.

MAJOR currently underscores its leadership position in the market with a firm market share of about 80%. Bargaining power with film producers and distributors has been enhanced over the years. MAJOR's vertical integration into film distribution businesses also alleviates the risk in films reliance as MAJOR's own distribution company, M Pictures, can release its own films during the "off-peak" seasons where there are less selection

of Hollywood films.

MAJOR also deploys prepaid card, such as "m-cash" and "gift card", to provide ticketing convenience for customers via Internet ticketing and/or Automatic Ticketing Machines rather than having to queue-up in long lines at the conventional box office. It is also a "forward CRM" tool as the prepaid cards keep moviegoers coming back to redeem at our Cineplexes regardless of the film selection. MAJOR recognizes and rewards its prepaid moviegoers with extra services, such as seat upgrades, blanket service, etc. Thus, occupancy rate can be managed more efficiently regardless of the film selection.

Risk from competition

With respect to competition among the Thai cinema operators,

MAJOR is 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 using the four expansion models to populate Cineplexes around the country. Depending upon the demography, Standalone model, Shopping mall model, Lifestyle neighborhood mall model and Hypermarket model are deployed to tap new markets and expand customer base. Renovations

are done regularly at the existing branches to keep up with customers' changing lifestyles. Although MAJOR might be regarded as the distant leader, it has never been complacent, but consistently monitors expansion and development of the competitors. In addition, MAJOR also emphasizes on building and maintaining its customer base by consistently deploying marketing campaigns and leveraging on the Group's variety of lifestyle entertainments services. Consequently, MAJOR seems to be better equipped with many competitive edges, especially when compared with other players.

A possible competitor of the cinema business is VCDs and DVDs, both legal and illegal. However, it is not perceived as direct threats to our revenues and growth of the cinema business. According to the research studies, MAJOR's customers are not only interested in movie entertainment, but also desire to consume other lifestyles entertainments services offered by the Group. As for the illegal distribution of VCDs and DVDs, the Thai government and law enforcement authority have increasingly taken a more serious battle against the illegal media with strong punishment. It is believed that the illegal distribution will be at least contained, if not completely eliminated.

Risk from new expansion

Any new expansion faces uncertainty on its return on investment.

However, MAJOR has on average a payback period under 3-4 years and an internal rate of return of 15-20%. Every new investment must go through a market research and an intense feasibility study to ensure that there are sufficient streams of cash flows

that uphold the 5-year payback policy. If not, then business model is adjusted, i.e. increase/reduce screens to reach critical mass or reduce rental charges, add bowling or retails space to help with the cash flow, etc. These are the standard practice that is performed for any new location. Investments only take place for the ones with high potentials for return. MAJOR's expansion partners, Siam Future, the hypermarkets and the shopping mall operators, also provide us with a good check-and-balance in demographical study.

Risk from management reliance

MAJOR has been established and successfully

managed by Mr. Vicha Poolvaraluck. MAJOR is arguably relied on his profound experiences and reputation which may implies that risk from his shareholding stake divestment in MAJOR and/or resignation 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 over a decade. In addition, MAJOR is still in its adolescent stage of development with a bright future and strong growth prospects ahead. Logically there is no reason for him to abruptly abandon this investment.

Risk from fire accident

Every building and structure has a risk from fire accident.

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.

Risk from terrorism

The insurgencies and/or acts of terrorism, such as bomb

threats, usually have an immediate psychological, but short-lived, impact on MAJOR's operation. MAJOR has always recognized the importance of the security system and procedures and closely followed any threat through various news and intelligence source. Strict precautionous measures have been taken to prevent possible disturbances at all branches. Some of the recent precautions to safeguard customers' lives and assets of all parties are the installation of metal detectors and wider & more thorough CCTV network at all MAJOR branches.

GOVERNANCE

Corporate Governance

Along with the corporate governance policy, and the best practice for directors of listed companies issued by the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC"), MAJOR's Board of Directors ("the Board") recognizes the significance of the policy and complies with those five categories. Details are as follow;

1. Rights of Shareholders

MAJOR formulates the corporate governance policy to

ensure that the Company operates its business with ethics, transparency and accountability; the main drivers leading the Company to have sustainable growth.

MAJOR intends to comply with the corporate governance policy set by the government and the official agencies supervising the Company and to comply with other corporate governance standard considered to be applicable to the Company.

Regarding to an importance of right of shareholders, MAJOR treats all shareholders equally by posting the agenda of the Shareholder's Meeting with supported information on the Company's website (www.majorcineplex.com). Moreover, MAJOR allows all shareholders to send us their queries with regard to those agenda before the scheduled meeting.

An invitation letter and supported document for the Annual General Shareholders' Meeting are sent out to shareholders at least fourteen days in advance. MAJOR encourages all shareholders to participate the meeting and exercise their rights in inquiring the Board and submitting suggestions, generating the great benefit to the Management and the Company. The Minutes of Meeting is recorded and filed with integrity, for further inspecting.

In the Shareholders' Meetings, all directors, including Audit Committee, are required to attend every meeting with the exception of the one who are otherwise engaged. The Chairman of the meeting grants equal opportunities and times to all shareholders to exercise their rights regarding to the verification of operation, submission of inquiries, comments and recommendations, all of which are reported in the Minutes of Meetings. In 2008, MAJOR arranged the Annual General Shareholders' Meeting in April.

2. Equal Treatment to Shareholders

MAJOR treats all shareholders; Managements, Non - Managements, foreign shareholders and minority shareholders, equally. Furthermore, MAJOR sets the policy of inside information control that does not allow managements, staffs and related persons to use inside information for their own benefits or to distribute the information to outsiders. However, MAJOR has not seen the usage of inside information of any management, staffs or related person for their own benefits.

MAJOR prevents and manages conflicts of interests through equitable information disclosure, maintenance of confidential information, refusal to operate any task or any suitable measure to each circumstance. Along with the policy to prevent using inside information of the Managements for their own benefits, MAJOR defines the policy and

approval process on conflicts of interest transactions and connected transactions. Regarding to Section 59 of the Securities and Exchange Act B.E. 2535, all Directors and Managements are required to submit the report of changes in securities holding to the SEC, which are regularly reported in the Board of Directors' Meetings. Transactions generating interests to Directors and Managements are also reported to the Board of Directors' Meetings.

MAJOR defines the policy allowing shareholders to raise agenda for the Shareholders' Meeting; however, it would be done under suitable condition, timing and related regulation. For shareholders who are unable to attend the Meetings, they are able to submit the proxy, attached in the invitation package, to delegate others; such as the Audit Committee, to attend the Meetings and exercise their rights to vote on agenda in the Meeting. On the Agenda of Director Nomination, MAJOR proposes shareholders to consider Directors individually. Voting cards are provided in every meeting.

significant in different practices to the Company. MAJOR recognizes the appropriate rights and basic benefits, which stakeholders are entitled to receive such as the rights to conveniently access accurate and complete information. Furthermore, MAJOR establishes the policy to prevent default and illegal transactions of managements and related persons to the Company with facilitating to the one who informs those transactions to the Company. Along with the supporting from our stakeholders, it leads MAJOR to have strong competition capability and high earning to the Company, contributing successful story in the long term period.

Social Responsibilities are another important duty of the Company. MAJOR always submits substantial support to help people, who do not have good opportunity or who encounter with the natural disaster or serious troubles, through the Company itself or coordination with both government agencies and private agencies.

More details on charitable activities and public services are under "Social Activities".

893 or via email address ir@majorcineplex.com, to treat and provide equitably information to all investors; retail investors, institutional investors, securities analysts and local and foreign fund managers. MAJOR organizes many activities; such as reporting quarterly Management Discussion and Analysis along with Financial Statement, announcing quarterly and annual operating result for both local and foreign investors and analysts and company visits, to inform the progression and the performance of the company and to give all of them the opportunities to inquire any question or recommendation to the company. Furthermore, MAJOR submits continually required information to the SET and also posts that information on the Company's Website at www.majorcineplex.com. In 2008, more than 350 investors / analysts visited our company.

MAJOR's Board of Directors is responsible for preparation of Financial Statements and financial information disclosed in the Company's annual report, complied with the suitable certified account standards in Thailand and disclosure sufficient information in the Notes of Financial Statements. This responsibility is done under prudent caution and best practices.

The Board has appointed the Audit Committee to be responsible for monitoring the quality of the Company's Financial Statements and Internal Control System. Regarding to these matters, the comments of the Audit Committee are reported in

the Report of Audit Committee disclosed in the Annual Report.

Due to the importance of equitable treatment to all shareholders and related persons, Financial Statements, financial information and operating results of the Company are disclosed with completeness, integrity, transparency and appropriate timing in the Annual Reports and the Company's Website.

Appropriate remuneration level for the Board has been set up with the resolution from the Shareholders. At the Shareholders' Meeting No.7 held on April 4, 2008, Shareholders have approved the remuneration and special bonus for the Board and Subcommittee and empowered the Nomination and Remuneration Committee to consider the level of remuneration and bonus for each director. This resolution is effective until decided otherwise by the Shareholders' Meeting.

3. Role of Stakeholders

All stakeholders;

both internal stakeholders (staffs and managements and external stakeholders) customers, creditors, supplier, competitor, related partner, conflicted partner and society, are

4. Disclosure and Transparency

MAJOR has established

Investor Relations Department as an information center which can be contacted at phone number +662-511-5427-36 extension

Remuneration of the Board of Directors

In 2008, the Company pays an additional Baht 6,000,000 of special remuneration to director's base on 2007 performance.

The total remuneration of the eleven directors for the year 2008, amount Baht 6,600,000

Name	Position	Remuneration (Baht)
1. Mr. Somchainuk Engtrakul	Chairman	800,000
2. Mr. Vicha Poolvaraluck	Director	682,500
3. Mr. Verawat Ongvasith	Director	582,500
4. Mrs. Paradee Poolvaraluck	Director	562,500
5. Mr. Thanakorn Puliwekin	Director	562,500
6. Mr. Panithan Sethabuttra	Director	562,500
7. Mr. Athasith Damrongrat	Director	500,000
8. Mr. Wichai Poolvaraluck	Director	500,000
9. Mr. Chai Jroongtanapibarn	Independent Director Chairperson of Audit Committee	682,500
10. Mr. Wallop Tangtrongchitr	Independent Director Audit Committee Member	582,500
11. Mr. Naruenart Ratanakanok	Independent Director Audit Committee Member	582,500

Remuneration of MAJOR's Management

Remuneration	Persons	2008
		Remuneration (Baht)
Salary, Bonus and Provident Fund	9	28,022,923
TOTAL	9*	28,022,923

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

5. Responsibilities of the Board of Directors

5.1) Board of Directors

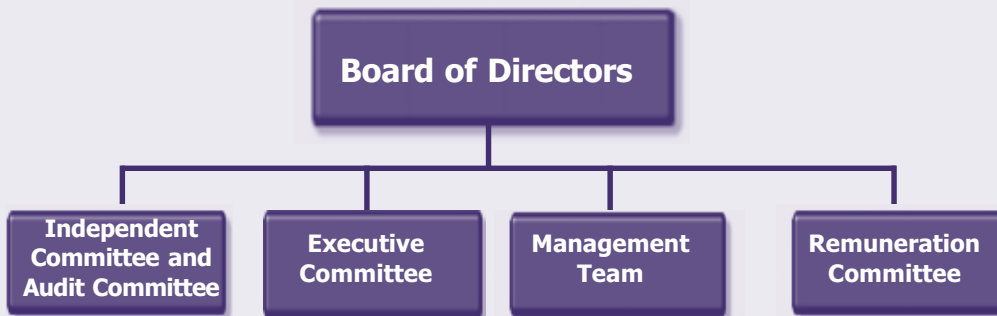
As at December 31, 2008, the Board of Directors consisted of eleven directors, five of them are the Company's Management; Executive Chairman & CEO, COO, Chief Films officer and Executive directors, and the rest of them are non-management and independent directors, which is one-third of the total number of directors complying with the rule of the SET.

This ensures that the Board is able to work independently, reflecting in efficient decision makings.

The Company nominates directors from various businesses with strong leadership skill vision, work experience, business ethics and the ability to show their independent comments. (The Directors and Management Teams section contains biography of each Directors of the Company's.) For the appropriate balance of power in the operation, the Chairman and the Executive Chairman & CEO are held by different

individuals. The Chairman is the policy leader and the Executive Chairman & CEO is the administrative leader.

MAJOR has four sets of Directors; the Board of Directors, Audit Committee which are independent directors, Executive Committee, Remuneration Committee and one set of Management Team. The authorities, duties, appointments, and removal of directors appear in the Company regulations as registered with the Public Company Limited Registrar, Department of Business Development (Formerly known as the Commercial Registrar Department), the Ministry of Commerce. Details are as follows;



Board of Directors

As at December 31, 2008, MAJOR's Board of Directors consisted of eleven directors.

Name	Position	% of Shareholding
1. Mr. Somchainuk Engtrakul	Chairman	-
2. Mr. Vicha Poolvaraluck	Director	37.51%
3. Mr. Verawat Ongvasith	Director	0.89%
4. Mrs. Paradee Poolvaraluck	Director	3.46%
5. Mr. Thanakorn Puliwekin	Director	0.14%
6. Mr. Panithan Sethabutra	Director	-
7. Mr. Athasith Damrongrat	Director, Independent Director	-
8. Mr. Wichai Poolvaraluck	Director, Independent Director	0.47%
9. Mr. Chai Jroongtanapibarn	Independent Director, Chairperson of Audit Committee	-
10. Mr. Wallop Tangtrongchitr	Independent Director, Audit Committee Member	0.08%
11. Mr. Naruenart Ratanakanok	Independent Director, Audit Committee Member	-

Authorities of the Board of Directors

- The Board may assign one or more directors to act on its behalf.
- The Board may authorize a director to sign together with the Company Seal on behalf of the Company.
- The Board may appoint or empower any person to conduct MAJOR's business under its supervision with suitable issues and timings. Its appointment or empowerment may be withdrawn by the Board itself.
- Directors, who might have interests on any matter, must have no right to vote on such matters.
- The Board might approve the interim dividend payment if the Company has sufficient

profit to do so. This payment should be reported to the next Shareholders' Meeting.

6. Regarding to the Public Company Limited Act B.E 2535 indicated that some transactions, e.g., the consideration and approval of the Company's Financial Statements, the consideration of profit and capital reserve allocation, the election for directors' replacement due to term expiration, the determination of remuneration, the appointment of external Auditors with their compensation, the sales and transfers of MAJOR's partial or overall business, the purchase or transfer the ownership from other companies, the preparation, amendment or revocation of MAJOR's

leasing contracts and the empowerment to any person to conduct the business on behalf of MAJOR or the merger with other persons to share profits and losses, the Board must have the resolution from the shareholders' meeting on such matters.

Duties of the Board of Directors

- The Board must conduct the business in compliance with laws, the Company's Objectives, Articles of Association, and resolutions of the Shareholders' Meetings with integrity and prudence for MAJOR's best interests.
- The Board must inform the Company immediately their direct or indirect interests regarding to the

company's contracts occurred during the fiscal year. Furthermore, they must inform their changes on their holding common shares or bond in the Company itself or the Affiliate Companies during the fiscal year.

3. The Board must arrange the Meeting at least every three months with more than a half of total directors attending the meetings. The resolutions of the meetings are based on the majority votes.

4. The Board must organize the Annual General Shareholders' Meeting within four months after the ending of the Company's fiscal year.

5. All directors are restricted from conducting, investing, and being partner in the companies having the same business as MAJOR.

Nomination, Appointment and Removal of the Board of Directors

- Each Director and Audit Committee shall be appointed by the majority votes in the Shareholders' Meeting in which one share equals to one right to vote. Highest votes person shall be appointed with the following highest votes until meeting the required number of directors. The Company shall have at least five directors. In case, voted directors are higher than required directors, the final decision shall be made by the Chairman of the Meeting.
- The Board shall appoint one of them to act as the Chairman and one or more as appropriate to act as Vice Chairpersons.
- In every Shareholders' Meeting, at least or the closest number of one-third of total directors shall be

resigned from the Board. The resigned directors shall be re-appointed by the Shareholders' Meeting.

4. The Shareholders' Meeting shall vote any director out before the expiration term with the votes of third-fourths of eligible attending shareholders with at least a half of total number of eligible shares.

5. In case of a vacancy of director, who has the remaining term more than two months, with the reason other than the expiration term, the Board shall appoint any qualified person to replace the vacant position with the votes of more than third-fourths of the existing directors in the next Board of Directors' Meeting. The term of the replacement director shall be equal to the remaining term of the resigned directors.

5.2) Sub-Committee

5.2.1) Independent Directors and Audit Committee

Audit Committee all are Independent Directors, has passed the "Audit Committee Program" arranged by Institute of Directors. Three members of Audit Committee are;

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairperson of Audit Committee
2. Mr. Wallop Tangtrongchitr	Audit Committee
3. Mr. Naruenart Ratanakanok	Audit Committee

Duties of Audit Committee

1. Ensure accurate and adequate financial reports.
2. Ensure appropriate and efficient internal control and internal audit system.

3. Review the Company's operation to comply with the Securities and Exchange Act, the Stock Exchange of Thailand's regulation or other related laws.

4. Consider, assort, appoint external auditors and consider the compensation for them.

5. Consider the disclosure of the Company's information regarding to the connected transactions or conflicts of interest transaction to ensure the completeness and accuracy.

6. Prepare the corporate governance report, signed by the chairperson of the Audit Committee, and disclose in the Company's Annual Report.

7. Perform other duties as assigned by the Board of Directors.

5.2.2) Executive Committee

Executive Committee of MAJOR consisted of four members;

Name	Position
1. Mr. Vicha Poolvaraluck	Chairperson of Executive Committee
2. Mr. Verawat Ongvasith	Executive Committee
3. Mrs. Paradee Poolvaraluck	Executive Committee
4. Mr. Thanakorn Puliwekin	Executive Committee

Duties 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.

5.2.3) Nomination and Remuneration Committee

Nomination and Remuneration Committee of MAJOR consisted of four members;

Name	Position
1. Mr. Chai Jroongtanapibarn	Chairman of nomination and remuneration Committee
2. Mr. Wallop Tangtrongchitr	Nomination and Remuneration Committee
3. Mr. Verawat Ongvasith	Nomination and Remuneration Committee
4. Mr. Naruenart Ratanakanok	Nomination and Remuneration Committee

Duties of Nomination and Remuneration Committee

Nomination and Remuneration Committee is responsible for seeking eligible persons and proposing to the Board of Directors' Meetings and/or the Shareholders' Meetings to have the resolution to appoint those persons as the directors of the Company. Another responsibility is to consider and propose an appropriate remuneration for each directors of the Board and management of the Company to the Board of Directors Meeting and the Shareholders' Meetings. The remuneration can be 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.

The director of the Company must be selected and nominated by the Company's Nomination and Remuneration Committee. The candidate must follow qualification guideline according to the Public Company Act, as well as the regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission. The director must also have strong business ability and work experience to show their independent comments in order to help develop the Company businesses.

In addition to the Board of Directors, Audit Committee, and the Nomination and Remuneration Committee, the Company has appointed committees/working groups to handle and monitor its various operations to be in line with the Company's policy.

5.3) Roles and Responsibilities of Board of Directors

The Board has the main responsibility to set up the policies and directions to the Company on approval the vision, mission and strategic goals of the Company. With those policies and directions, the Board should ensure that the Managements follow those set up policies, goals and budgeting with value added to the Company and take very good care of the most benefits to the Company and Shareholders.

The Board has consistently monitored the risk management and internal control of the Company. Sub-Committee has been appointed with authorities and responsibilities separately from those of the Board and the Management. (See more details in 5.2: Sub-Committee)

The Board 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.

Having the best practices for a Code of Conduct and a Code of Business Conduct is a significant basic for creation of good corporate governance. The best practices on the Code of Conduct and the Code of Business Conduct are the integration of ethical behaviors with an aim to preserve and promote the Company's honor and good reputation. MAJOR also lays down rules and regulations for staff to perform their activities in compliance with integrity and a Code of Business Conduct.

MAJOR recognizes an importance of good internal control at both Management and Operation levels. Environment or factors are set up for motivation all staffs to recognize this importance. This helps the Company reach the targeted good internal control system. Internal Control Department, which reports directly to the Audit Committee, has been set up to be responsible for this matter. This department is the main driver to promote, review and to ensure that the system is appropriate and effective. The efficiency of the internal control system is reviewed and adjusted on a continual basis to reduce operational risks. At the same time, the recommendations or opinions from external auditor are considered in order to develop the system with more effectiveness. The Company is confident that its internal control system is adequate enough to prevent its properties from any possible damages.

5.4) Board of Directors' Meeting

The Board organizes the Board of Directors' Meeting with a consistent basis; however, the extra meetings may be held; if needed. Many agenda are included in the meeting such as the reviewing of the quarterly financial statements, the monitoring the progress of any project and the consideration of the Company's policy and the operating results. The invitation letter is sent out by the Executive Chairman & CEO's Office at least seven days in advance providing all directors enough time to consider the agenda with attached document of the Meeting. The Meetings of Sub-Committee are also held in the consistent basis. The minutes of meetings are recorded in writing.

The Minutes of Meeting is recorded in writing and reviewed by the Board before certification the Minutes in the next Meeting. The Certified Minutes of Meetings are filed and available for reviewing or auditing by the Board and related officials at any time. In 2008, the Board organized 7 meetings with details as follows;

5.5) Board of Directors - Self Assessment

Even though, all directors are highly qualified persons with knowledge, ability and best understanding in the business, they still continuously monitor its operation such as strategic policy and business plan, risk management and internal control, conflicts of interests, and financial reports and operating result to ensure that the operation has no default.

5.6) Board of Directors - Remuneration

With the appropriate policy of the remuneration for the Board of Directors, and Sub-Committee, the Nomination and Remuneration Committee is responsible for proposing that appropriate level and asking for the resolution from the Shareholders' Meeting. In the Shareholders' Meeting No.7 on April 4, 2008, the Shareholders have passed the resolution to approve the remuneration and the bonus for each director, which has been effective until the Shareholders' Meeting passes the resolution otherwise.

Name	Position	Board of Directors' Meeting (Total 7 Meetings)	Audit Committee's Meeting (Total 14 Meetings)
1. Mr. Somchainuk Engtrakul	Chairman	7	-
2. Mr. Vicha Poolvaraluck	Director	7	-
3. Mr. Verawat Ongvasith	Director	7	-
4. Mrs. Paradee Poolvaraluck	Director	6	-
5. Mr. Thanakorn Puliwekin	Director	7	-
6. Mr. Panithan Sethabuttra	Director	7	-
7. Mr. Athasith Damrongrat	Independent Director	6	-
8. Mr. Wichai Poolvaraluck	Independent Director	7	-
9. Mr. Chai Jroongtanapibarn	Independent Director Chairperson of Audit Committee	7	14
10. Mr. Wallop Tangtrongchitr	Independent Director Audit Committee Member	7	13
11. Mr. Naruenart Ratanakanok	Independent Director Audit Committee Member	7	12

5.7) Board of Directors and Managements Training

The board of directors consists of persons with various qualifications, who all have skills, experience and expertise that are useful to the company. To generate more efficiency to the Company, the board of directors normally encourage and facilitate trainings for all internal parties related to Corporate Governance, such as the Good Corporate Governance program and the Audit Committee Program.

Having high qualified Management, the Executive Chairman & CEO shall authorize one of them to operate the business while he is not available to operate its business such as attending international business trip. However, this delegation shall be limited with the appropriate level to the current situation of the Company.

5.8) Management Team

At the end of 2008, Management Team of MAJOR consisted of nine members;

Duties of Chief Executive Officer and Management Team

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.

Management Team duties are to 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.

Name	Position
1. Mr. Vicha Poolvaraluck	Executive Chairman & CEO
2. Mr. Panithan Sethabutra	Chief Operations Officer
3. Mrs. Yupin Garnjanawikai	Assistant to CEO
4. Mr. Thanakorn Puliwekin	Chief Films Officer
5. Mr. Chattaphum Khantiviriya	Chief Financial Officer
6. Mr. Anavach Ongvasith	Chief Cinema Officer
7. Mr. Richard H.von Waldegg*	Chief Bowling Officer
8. Mrs. Jinda Wantanahatai	Chief Retails Officer
9. Mr. Jiradej Nusthit	Chief Corporate Strategy & Investor Relations

* Mr. Richard H.von Waldegg has been appointed as the new Chief Bowling Officer effective from September 28, 2008 after Mr. Artorn Techatantiwong resigned on March 1, 2008.

Mrs. Aorawan Kowathana has resigned from a post of Chief Cinema Operations effective from May 24, 2008.

GOVERNANCE

Internal Control

Audit Committee supervised and monitored the operations of Internal Audit Department on a consistency basis. In 2008, the Committee held a total of 14 meetings, occasionally with the Management, the Auditors, the Internal Auditors, and Independent, Non-Executive Directors. At each meeting, the Committee reported its views and recommendations independently, as an evaluation of sufficiency for the internal control system can be concluded as follows:

Organization and Environment: The Committee views that MAJOR has prudently set its operational targets with organization structure appropriate for business under takings. Moreover, it has also set up rules on actions against the company's interests and penalty procedures for those who violate the rules.

Risk Management: MAJOR has considered its problems and risks and sought guidelines, remedial measures to control and reduce risks. Meanwhile, the Internal Audit Unit Department has been established to carry out the auditing process and submit the audit results to the Audit Committee on a quarterly basis.

Administration Control for Executives: MAJOR has apparently formulated the scope of authority for each level of the executives and determined strict measures in considering actions, activities related to major shareholders, directors, executives or any persons concerned with these persons on ground of maximum benefit of the company. The approval for such activities must obtain discretion from the Audit Committee and/or the Board of Directors as the case may be.

Information System and Communication: MAJOR provides adequate information for decision making of the Board of Directors and put in place filing system with complete, categorized and reliable documents. MAJOR also applies the accounting policy in accordance with the accounting principles generally accepted and appropriate with its nature of business.

Monitoring System: MAJOR has made a comparison between the business targets and the actual performance on a consistency basis and then informed the Board of Directors. Moreover, MAJOR also implements the internal audit process of which the results will be reported directly to the Audit Committee.

Monitoring of Inside Information Usage

MAJOR places an importance on dissemination of transparent information to all parties including institutional investors, analysts, minor investors and local and foreign investors, who are subject to receiving information on an equality and fair basis. The Company's policy to provide information to outsiders includes the designation of a person who is assigned to file specific information for investors for acknowledgement with accuracy and hitting to the point. The Company also supervises the use of inside information in terms that the material information which significantly has an impact towards the operational performance shall not be revealed to the public. Such information will be disclosed only to the limited and concerned groups of persons.

Besides determining directors, executives and employees to sign in the agreements for keeping a secret issue and/or the inside corporate information, MAJOR has also set a means to control them not to use the Company's inside information for their own benefits by defining penalty for those who violate the regulations.

Human Resources

Personnel

As of
December
31, 2008,

MAJOR recorded the number of 3,687 employees, to be well-prepared for the continual growth on Cinema & Concession Business, Bowling & Karaoke Business, Advertising Business and Rental Business.

Human Resource Management Policy

2.1 Recruitment and Motivation

MAJOR places a focus on internal recruitment and then gives additional trainings since promotion from within will not only get staff

2.2 Human Resource Development

MAJOR arranges for the staff both on-the-job training and functional training. For on-the-job training, senior staffs give advices and recommendations all through the whole process to junior staffs. With respect to functional trainings, various in-house training courses will be arranged by both internal and external lecturers or sending staff to attend outside seminar programs such as those organized consistently by The Management and Psychology Institute (MPI). MAJOR arranges other Soft Skills such as Leadership skill, Selling & negotiation technique, Marketing skill, Team work development etc.

In addition, MAJOR has co-operated with Stock Exchange of Thailand (SET), which is a long-term program with an objective to promote and serve students who need to utilize their free time by working to get experiences. In this connection, MAJOR offers the students a chance to practice in some position considered to be appropriate with their maturity, skill, and spare time of each student.

Business Unit	Number of Employees
Head Office	284
Cinema & Concession	2,067
Bowling & Karaoke	1,070
Advertising	52
Rental Space & Services	214
Total	3,687

Staff remunerations, consisting of salary, overtime payment, bonus and provident fund, totaled to Baht 456,119,996.31 in 2008.

acquainted with the company's operations and help create morale in working, but also attract them to stay longer with the company, who provides them with the comparable compensation with other companies in the same industry. In addition, MAJOR has provided nice working environment that would increase staffs enthusiasm.

GOVERNANCE

Related Transactions

The Company has related transactions disclosed in a consolidated financial statement for a period of January 1 to December 31, 2008 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, 2008 which is audited by auditor.

Related transactions in 2008

The Company and/or subsidiaries and/or associated companies are comprised of 16 companies which are Siam Future Development PLC., Udon FiveStar Cineplex Co.,Ltd., Pacific Media Sales Co.,Ltd., Ratchayothin Avenue Co.,Ltd., Pacific Marketing and Entertainment Group Co.,Ltd., M Pictures Co.,Ltd, Exertainment Co.,Ltd., California WoW Xperience Plc., Major Cineplex Lifestyle Property Fund, MacThai Co.,Ltd., Well Ad Co.,Ltd., Well Cineplex Co.,Ltd., Well Entertainment Ltd., Petch Pinklao Co.,Ltd., Major Online Co.,Ltd. and Thai Ticket Major Co.,Ltd.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (thousand baht)	Major details/ conditions
Siam Future Development Plc.	Associate with 24.10% holding	Revenue		
		1. Management Fee	6,813	Management fee for Marketing and business consultant.
		2. Dividend	27,033	
		Expense		
		1. Rental and Service fee	18,720	To rent rental space to operate cinema and bowling businesses in Chachoengsao, Thonglor, Piyarom and Esplanade branches, approved by audit committee to be comparable to market price.
		2. Utilities fee	11,742	
3. Equipment fee	2,851			
		Prepaid leasehold rights	138,691	For 25-year leasehold rights worth 150 million baht. Approved by Audit Committee to be comparable to market price of Paragon Cineplex Branch.
		Other Payable		
		1. Equipment Fee	2,126	Charges from rental space under SF management.
Udon FiveStar Cineplex Co.,Ltd.	Subsidiary with 99.99% shares	Revenue		
		1. Management Fee	3,600	Management fee charged for Udonthani branch which is a normal business transaction. Approved by Audit Committee to be comparable to market price.
2. Other Revenue	480			
Pacific Media Sales Co.,Ltd.	Pacific Marketing and Entertainment Group Co.,Ltd hold 50% shares	Loans	60,382	PMEG financially support by lending with an interest rate of 7.13 - 8.50 % p.a. with amount proportionate to % shareholding. Approved by Audit Committee to be comparable to bank rate.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (thousand baht)	Major details/ conditions
Ratchayothin Avenue Co.,Ltd.	Associates with 50 % holding, share with SF	Loans	48,903	The company financially support by lending credit limit of 100 million baht with amount proportionate to % shareholding. Approved by Audit Committee to be referable to MLR of SCB Bank.
Pacific Marketing and Entertainment Group Co.,Ltd.	Subsidiary with 96.99% holding	Guarantee for bank loans	360,000	The company guarantee for bank loans without any further guarantee charges. This guarantee was proportionate to % shareholding and was approved by Audit Committee.
M Pictures Co.,Ltd.	Subsidiary with 80% holding (At the end of 2008, become the company's associate with 40.81 % shares)	Guarantee for bank loans	280,000	The company guarantee for bank loans without any further guarantee charges. This guarantee was proportionate to % shareholding and was approved by Audit Committee.
Exertainment Co.,Ltd.	EGV Entertainment Plc. (company's subsidiary) hold 59.98%	Guarantee for bank loans	37,200	The company guarantee for bank loans without any further guarantee charges. This guarantee was proportionate to % shareholding and was approved by Audit Committee.
California WoW Xperience Plc.	Associate with 36.79% holding	Account Receivable 1. Rental and Service Fee	835	Related transaction with Ratchayothin Realty Co., Ltd. with purpose of space rental at ratchayothin branch and Ratchayothin Co.,Ltd. with purpose of space rental at Sukhumvit branch worth 6,000 baht.
Major Cineplex Lifestyle Property Fund	Associate with 33.00% holding	Revenue 1. Dividend 2. Management fee 3. Utilities Fee Expense Rental and service fee	65,578 25,521 23,554 111,284	Property management fee which is a normal business transaction. Rental space to operate cinema and bowling businesses.
McThai Co.,Ltd.	100% Holding by Mr.Vicha Poolvaraluck	Account Receivable 1. Rental and service fee	870	Rental space at Ratchayothin, Sukhumvit. Rangsit, Samrong and Metropolis branches.
Well Ad Co.,Ltd.	Holding by Mr.Vicha and Mrs.Paradee Poolvaraluck	Management fee	23,400	1.95 million baht per month started from 1 January 2007 - 31 December 2011. Approved by Audit Committee. The agreed price is no more than 1% of revenue which comparative less than compensation for Managing Director in listed companies.

Person/Juristic person who may have conflict of interests	% of Ownership interest	Type of transactions	Amount (thousand baht)	Major details/ conditions
Well Cineplex Co.,Ltd.	Holding by Mr.Vicha Poolvaraluck's father	Other Account Payable		
		Advance receive	1,813	Deposit for rental spaces and cinema equipment.
		Revenue Management fee	4,800	400,000 baht a month for manage pinklao branch owned by Mr.Vicha's father.
		Expense Equipment rental	21,600	1.8 million baht a month covered 8 theatres for 15 years strated from 1 February 2002 to 31 January 2017. The agreed price was comparable for those of EGV cinema at Central Pinklao and was approved by Audit Committee.
Well Entertainment Ltd.	Holding by Mr.Vicha poolvaraluck's father	Space rental	9,600	Rental spaces and service charges amount to 800 baht a month for operate cinema business at pinklao branch for 15 years started from 1 February 2002 to 31 January 2017. The agreed price is comparable for those of EGV cinema at Central Pinklao and was approved by Audit Committee.
		Service fee	13,200	
		Utilities fee	8,483	
Petch Pinklao Co.,Ltd.	Holding by Mr.Vicha Poolvaraluck's mother	Prepaid Expense - leasehold right	60,478	15 installment at 4.50 million baht for 1 st - 14 th periods and 6.25 million baht for the last period started from September 2004 to March 2005. The rights was for 25 years started from 1 April 2005 - 31 March 2030. The agreed price is comparable to those of Major Cineplex Pinklao's project. and was approved by Audit Committee.
Thai Ticket Major Co.,Ltd.	Associate with 40% holding	Asset and Liability Deferred income from ticket selling	902	For ticketing services at Major Cineplex's selling counters.

The background of the page features several stacks of gold coins, some standing upright and others lying flat, creating a sense of wealth and finance. The lighting is warm, highlighting the metallic texture of the coins.

Major Shareholders

Top ten major shareholders as of December 31, 2008 are as follows:

Shareholder	Number of shares (Million)	Percentage %
1. Mr. Vicha Poolvaraluck	330.84	37.51
2. NORTRUST NOMINEES LTD.	52.05	5.90
3. Thai NVDR LIMITED	46.13	5.23
4. STATE STREET BANK AND TRUST COMPANY FOR AUSTRALIA	42.56	4.83
5. SOMERS (U.K.) LIMITED	37.63	4.27
6. GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION	35.64	4.04
7. Mrs. Paradee Poolvaraluck	30.47	3.46
8. THE BANK OF NEW YORK (NOMINEES) LIMITED	20.84	2.36
9. MORGAN STANLEY & CO. INTERNATIONAL Plc.	18.60	2.11
10. STATE STREET BANK AND TRUST COMPANY	18.08	2.05

GOVERNANCE

Employee Stock Option Program

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 1.13 common shares*
Exercise price	11.649 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is June 15, 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 1.057 common share*
Exercise price	14.448 baht per share*
Exercise period	last working day of March and September till expiry on which the last date is June 30, 2008.

ESOP-W3

Employee Stock Option Program #3 (ESOP-W3)

Type	indicate holder and non-transferable
Term	5 years from the issuing date
Amount	13,000,000 units
Offering method	allot to 82 directors and employees without offering price (-0- baht a unit)
Exercise ratio	1 warrant for 1.02 common share
Exercise price	16.447 baht per share*
Exercise period	last working day of February, May, August and November till expiry on which the last date is November 15, 2012.

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 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

Exercise Result

ESOP-W1

Exercise Result ESOP-W1

	Exercise Date	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1.	30/09/03	710,000	10,053,600	Working capital
2.	31/03/04	No exercise	-	-
3.	30/09/04	1,836,100	22,620,752	Working capital
4.	31/03/05	No exercise	-	-
5.	30/09/05	No exercise	-	-
6.	31/03/06	8,940,400	108,357,648	Working capital
7.	02/10/06	5,669,243	68,711,227	Working capital
8.	30/03/07	1,325,000	16,059,056	Working capital
9.	01/10/07	333,000	3,923,303	Working capital
10.	31/03/08	633,300	7,522,337	Working capital
11.	13/06/08	819,200	9,542,861	Working capital This is the final exercise period

ESOP-W2

Exercise Result ESOP-W2

	Exercise Date	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1.	30/09/04	No exercise	-	-
2.	31/03/05	No exercise	-	-
3.	30/09/05	No exercise	-	-
4.	31/03/06	No exercise	-	-
5.	02/10/06	No exercise	-	-
6.	30/03/07	No exercise	-	-
7.	01/10/07	3,111,000	45,831,252	Working capital
8.	31/03/08	No exercise	-	-
9.	13/06/08	No exercise	-	- This is the final exercise period

ESOP-W3

Exercise Result ESOP-W3

	Exercise Date	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1.	30/11/07	No exercise	-	-
2.	29/02/08	409,000	6,858,930	Working capital
3.	02/06/08	103,100	1,695,686	Working capital
4.	01/09/08	No exercise	-	-
5.	28/11/08	No exercise	-	-

MAJOR-W1

Exercise Result MAJOR-W1

	Exercise Date	Number of ordinary share	Increased of authorized share capital (Bt)	Use of proceed
1.	31/03/05	No exercise	-	-
2.	30/06/05	No exercise	-	-
3.	30/09/05	No exercise	-	-
4.	30/12/05	1,270	16,250.92	Branch expansion / Working capital
5.	31/03/06	29,843,472	375,699,469.00	Branch expansion / Working capital
6.	30/06/06	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.	03/01/07	10,806,338	136,013,989.68	Branch expansion / Working capital
9.	02/02/07	77,147,876	971,214,610.96	Branch expansion / Working capital This is the final exercise period

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

GOVERNANCE

Share Repurchase Program

According to the resolution of the board of directors' meeting no. 7/2008 held on December 15, 2008 regarding the approval on the proposed share repurchase for financial management purposes to maintain an appropriated value of the Company's stock, due to the market price at some point has been lower than its book value. In addition, it shall help to increase liquidity, support a better financial management and improve earning per share for shareholders. The details are as follows:

- The maximum amount for the share repurchase is 650 million baht.
- The number of shares repurchased 88 million shares (at par value 1.00 baht per share) or equal to

9.98 % of the total of paid-up capital.

- Procedure used for the repurchasing of shares - on the Stock Exchange of Thailand

The repurchase period will be started from December 29, 2008 to June 28, 2009.

- The principle used to determine the repurchase price taking into account the average market price during the last 30 days prior to the date on which the company discloses the information of shares repurchased. The repurchase price shall not exceed 115 % of the average closing price of 5 trading days, prior to the repurchase date. The average closing price of 30 days from November 15, 2008, was 5.66 baht per share.

After the shares repurchase program, shareholders should receive a higher dividend per share, since the repurchased shares are not eligible to dividend receivable. With the same reason, the return on equity should also increase. While the Company should have reduction in liquid assets and book value.

The description of the resale of shares and of the shares written off: Shares would be resold on the Stock Exchange of Thailand. The shares resale procedure and period shall be determined by the Board of Directors after 6 months from the Completion Date of repurchase and shall not exceed 3 years. The offering price for the resale of the repurchased shares shall not be less than 85% of the average closing price, 5 business days prior to the Resale Date.

Reporting of Share Repurchase as of 31 December 2008.

Repurchase Date	Number of Shares	Repurchase or Highest price (Baht/share)	Lowes Price (baht/share)	Total (baht)
29 Dec 08	950,000	7.15	6.8	6,612,140
30 Dec 08	1,300,000	6.95	6.7	8,936,500

GOVERNANCE

Social Activities

January

On the National Children Day, Major Cineplex Group invited children for a free movie at all branches of Major Cineplex, EGV, Paragon Cineplex, and Esplanade Cineplex. And in collaboration with FM91 Traffic Pro Radio, Major Cineplex Group also organized special movie session of "Bee Movie" for more than 300 underprivileged children from 3 Foundations – Foundation for the Welfare of the Crippled under the Royal Patronage of HRH the Princess Mother, Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of HM the Queen and Home for Disabled Babies (Baan Fuengfah). Mr. Puttipong Poonnagun, Deputy Bangkok Governor, the Guest of Honor, attended this event at Major Cineplex Ratchayothin.

During January 24th – December 4th 2008, Major Cineplex Group in collaboration with Media Standard Co.,Ltd. (the producer of animation movie "The Buddha"), Royal Thai Police and Dhamma for Youth Fund by Ministry of Education sold ticket at the price of 50 baht for "Movie for Conscious Juvenile" Program and deduct 8 baht each to humbly present to his majesty the king in occasion of the 80th Anniversary Celebration.

February

Major Cineplex Group, in collaboration with Siam Paragon, organized "27 Dress Charity Preview Night" Party at Infinicity Hall, 5th Floor, Paragon Cineplex. The revenue from this charity event was donated to the Heart Foundation of Thailand under the Royal Patronage

of HM the Queen and 8 organizations for women for helping poor patients with heart-disease.

March

Major Cineplex Group in collaboration with Royal Thai Navy brought more than 120 students consist of Navy students, the youths from Naratiwat and Bangkok Province attended in the Field Trip under the 2nd Thai Unity Project from speeches of HM the Queen with the purpose of igniting the value of nationalism and cooperation among Thais, especially in three southernmost provinces of Thailand. In addition, Major Cineplex Group organized the site visit and free movie of "Salad ta daew" at Paragon Cineplex.

During March 28-30, 2008 at Siam Pavalai Theatre, Major Cineplex Group in collaboration with Bridge Communication Co.,Ltd. and Kim Eng Securities organized charity concert "Kamlungjai" performed by Lena Maria, Swedish disabled singer and Peerapat Tenvong, Famous Thai singer. The revenue from this charity concert was donated to Christian Care Foundation for children with disabilities in Thailand (CCD).

Major Cineplex Group, in collaboration EF Education First, organized a CSR campaign named "English on Screen," the 1st English Teaching Program in the theatre. The campaign offered the scholarships, worth Bt.1 million, to 10 most talented students to study English during summer course at EF Education in Brisbane, Australia.

Major Cineplex Group arranged free movie "Spiderwick" for



4th-stage cancer patients from Wishing Well Foundation at Major Cineplex Ratchayothin.

April

Major Cineplex Group in collaboration with group of celebrities held the charity events "Major Cineplex Fashion Week & Star Charity" many activities i.e. selling goods with attractive prices, fashion show from the celebrities and mini concert from Nest-Thanadol, singer from GMM Grammy. In addition, a number of wheel chairs were given to Association of the Handicapped and the Underprivileged at Nakhonratchasima province.

Krungsri Imax theatre in collaboration with FM91 Traffic Pro Radio organized "Taxi Day" activity by opening its 3D theatre to taxi drivers and their families for a free viewing of its latest movie, "Sea monsters." The objective was to encourage the taxi

drivers to be good citizen and to help publicize Krungsri Imax theatre, the biggest theatre in Thailand, for educational viewing to the wider audience both Thais and foreigners.

July

Major Cineplex Group, in collaboration with Dutch Mill Group, arranged "English Grade A – Free movie for Grade A Students" campaign that offered free movie in all branches of Major Cineplex, EGV, Paragon Cineplex, and Esplanade Cineplex to high-school students whose grade in English subject were A.

EGV, in collaboration with Right Beyond, organized movie charity "Friendship, You and Me," the 1st movie available in finger language which enabled the deaf to enjoy the movie at Grand EGV, Siam Discovery. The revenue from this charity was denoted to Setsatien



with Disabilities (Baan Nontapum).

Thanakorn Puriwekin welcomed Admiral Kamthorn Poomhirun, Commander-in-Chief of the Royal Thai Navy and civil servants in the Royal Thai Navy to watch the movie "Where the Miracle Happens" at Major Cineplex Pinklao. The revenue from this event was donated to the "Miracle of Life" Project of which the objective is to provide educational support to the underprivileged children in the rural areas.

September

Major Cineplex Group, in collaboration with the Ronald McDonald's Charity House in Thailand organized animation movie preview "Star Wars: The Clone Wars" on September 20, 2008 before its scheduled theatrical release on October 2, 2008 at Siam Pavalai Theatre, 6th Floor, Paragon Cineplex. The revenue from this event was denoted to more than 300 children in a range of disabilities foundations.

Major Cineplex Group, in collaboration with Boon-Rod Trading Co.,Ltd., organized free movie session, "Where the Miracle Happens," at Major Cineplex Ratchayothin for approximately 120 Children from Klong-Lord and Bang-Sue Community to reinforce awareness among these children to realize the importance of education.

School for the Deaf under the Royal Patronage of HRH Crown Prince Maha Vajiralongkorn.

Krungsri Imax theatre organized special animation movie round "Kung Fu Panda" for approximately 500 children from Human Development Foundation (Mercy Center) to experience the digital screening of the movie on 8-Floor height theatre with 12,000 watts digital surround together with several singers and actors to entertain them at Krungsri Imax theatre, 5th Floor, Paragon Cineplex.

August

Major Cineplex Group, in collaboration with AIS, organized special movie session, "Where the Miracle Happens," starring Princess Ubolratana Rajakanya in the lead actress role, for children from many charity foundations around Thailand on August 1, 2008 at all branches of Major Cineplex, EGV, Paragon Cineplex, and Esplanade Cineplex.

Executive team of Major Cineplex Group along with the company's employees hosted a lunch and donated money and living necessities to approximately 400 disabled children at Home for Children

Paragon Cineplex in collaboration with Cartier (Thailand) and Best Buddies Thailand Project organized free movie session, "Wall-E," at Paragon Cineplex for a group of children, officers, and volunteers from Rajanukul Institute so that they could learn how to live in the society and relate with other people. Nat AF4 singer from Academy Fantasia 4 also attended this event.

October

Major Cineplex Group, in collaboration with Boyd-Kosiyabong together with other professional singers and Church of Joy, organized a charity concert, "this is Love Worship," at Siam Pavalai Theatre, Paragon Cineplex. Many professional singers performed in this charity such as Boyd-Kosiyabong, Bu-Anchalee, Jo-Jirayu, Bow-Ratanasawadee, Rose-Sirintip, James-Ruengsak, B-Peerapat, CJ Brand etc. The revenue from this charity would be spent of production of the "Answer of Life" TV Program on Modern nine TV.

November

Major Cineplex Group, led by Thanakorn Puliwekin – Chief Films Officer, the Royal Thai Navy, and Channel 3 Thailand held the press conference for Thai Unity Project 2009 which brought 14-19-years-old students in the three

southernmost provinces of Thailand on a Field Trip to expose the students to new experiences in cities while sharing among the group a way to live peacefully in a diverse community with love and cohesiveness.

December

Major Cineplex Group, in collaboration with EF Education First, organized "the 2nd English on Screen" program at Grand EGV, Siam Discovery recruiting 2,000 senior-high-school students for free English course taught in the theatre by famous experts such as Christopher Right, June-Sawittree Ratanapruk, VJ Nickey, etc. The top-10 most talented students were given scholarships to study English in England.

Executive team & staff of Major Cineplex Group led by Chairman, Vicha Poolvaraluck, welcomed a group of Karen hill tribe children from Amphur Kang-Kra-Chan Petchaburi patronized by World Vision Foundation at Major Cineplex Ratchayothin. In this occasion, the children sang Christmas carols for the Executives & staff in appreciation for Major Cineplex Group's continuous supports of the foundation's activities.

FINANCIALS

Management discussion & analysis

The Company overview

The Company has 5 core businesses, which are cinema, bowling karaoke and ice skating rink, rental and services, advertising media and film distribution. Following the expansion of 8 branches in 2008, the Company has expanded its capacity to 344 screens serving 84,500 seats, 492 bowling lanes, 373 karaoke rooms, 1 ice skating rink and 30,780 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, California WOW Xperience PLC - an "exertainment" fitness club and Thai Ticket Major Co., Ltd. an "Online Realtime" ticketing services for performances and exhibitions.

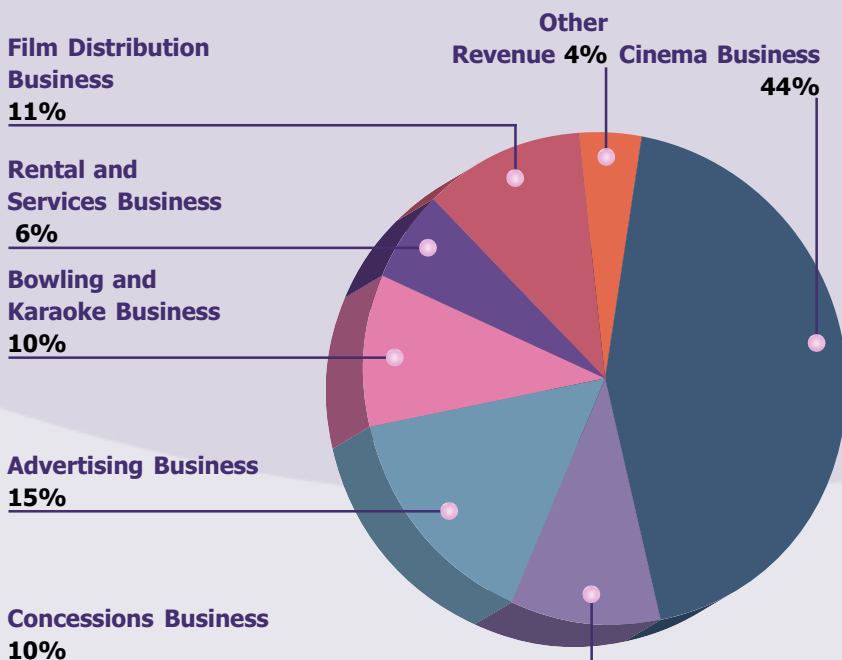
In addition, The company started a joint investment with PVR Limited which is incorporated and listed in Stock Exchange of India, by setting up PVR Blu Entertainment Co.,Ltd. a new joint venture for the purpose of operating entertainment bowling business in India.

2008 Performance

In 2008, the Company had total revenue of 5,552 million baht, comprise of core business revenue 5,328 million baht, down 477 million baht or 8% from the previous year. The core revenues can be classified as in the pie chart.

The decline in the total revenues from the previous year was due mainly to softer films line-up which is incomparable to those of exceptional year 2007. The postponement of two mega blockbusters, King Naresuan 3 and Harry Potter and the Half-Blood Prince to year 2009 left 2008 with a limited mega blockbuster films. Advertising service revenues was also down in-line with the less cinema traffic. The media industry as a whole was affected by all the political uncertainties with series of street protests & confrontation besides the global economic meltdown that began at about mid-year. The country also lost a beloved member of the Royal Highness Princess Galyani Vadhana in Jan-08.

Total expenses in 2008 was 4,777 million baht, down 379 million baht or 7% from



a year ago, was in-line with the decline in revenues as costs of many business units are variable. Effective control of SG&A also contributed to the decline.

Accordingly, the Company's net profit in 2008 was at 626 million baht or with an EPS of 0.71 baht. The decline was a mixture of the rationales for the revenue decline as discussed above and the negative equity income of two associated companies, California Wow Xperience Plc. (CAWOW) & M Pictures Entertainment Plc. (MPIC). Loss at CAWOW was mainly from the way it accounts for its revenue, while M Pictures Entertainment Plc.'s loss was a result of business restructuring of the football leagues broadcasting business.

Financial position as of year-end

Asset

The Company had total assets as of year-end at 9,669 million baht, up 375 million baht or 4% from the previous year.

Non-current assets of the Company increased 6% or 431 million baht from 2007. This was due mainly to the Company's continued expansion in the Cineplex network around the country

with the ultimate objective of growing the industry & building a solid platform for Thai films industry to grow. Another reason was the increase of investment in associates companies such as M Pictures Entertainment plc. (formerly known as Traffic Corner Holdings Public Company Limited - TRAF) and a joint venture with PVR Company Limited ("PVR"), which is incorporated and listed in India. The joint venture, registered as PVR bluO Entertainment Limited, provides Bowling, Karaoke and Ice-skating services.

The Company had current assets of 2,100 million baht. The decrease of 56 million baht or 2.6% from a year ago was attributable to disposal of certain short-term investment during the year and derived gain on disposal of Baht 6.7 million.

The Company had cash and its equivalent of 241 million baht, increase 26 million baht. This was an outcome of cashflows generated by operating activities of 987 million baht. Financing activities contributed 227 million baht in net outflows. Meanwhile, investing activities use 730 million baht net, mainly for payment for the investment in associates companies and joint venture.

Source of funds

Major source of funds during 2008 came from Long-term borrowings from financial institution worth 1,012 million baht. The Company had total liabilities of 4,247 million baht, increase 15.7% from the previous year, of which 65% or 2,760 million baht were current liabilities and 35% or 1,487 million baht were non-current liabilities. The Company had short-term loan of 795 million baht, account payable of 669 million baht and long-term loan including current portion of borrowing amount to 1,436 million baht.

Liquidity and Profitability Ratios

Year 2007 was the exceptional year as the Company recorded 694 million baht gain on disposal of Property, Plant and Equipment into MJLF. As a result, the Company realized unusually high level of cash flow and profit. Hence, liquidity & profitability ratios in FY2007 were naturally much more superior when compared to 2008. Benchmarking with a more "normal" year in 2006, the Company's liquidity position had actually improved. The slight decline in the profitability ratio could be attributable to the weaker film line-up as discussed above.

FINANCIALS

Report of the Audit Committee

The Audit Committee of Major Cineplex Group Public Company Limited is comprised of three independent directors. The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

For the fiscal year 2008, the Audit Committee held fourteen meetings. In such meetings, the Audit Committee met external auditor to review the Company's consolidated financial statement every quarter-end 2008 and provided assessments and recommendations to the Board of Directors and also met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. Where weaknesses were identified in internal controls, corrective action plan has been taken to eliminate or reduce the associated risks.

Accordingly, in our opinion, the internal control of Major Cineplex Group Public Company Limited operated effectively throughout the year to ensure that the Company's assets were safeguarded, proper accounting records were maintained, and resources were utilized efficiently. The Audit Committee has recommended to the Board of Directors that Mr.Kajornkiet Arunpairojanakul, Certified public Accountant No.3445 of PricewaterhouseCoopers ABAS Limited, be re-appointed as the Company's auditor for the financial year ending December 31, 2009. The re-appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on April 9, 2009.



Chai Jroongtanapibarn
Chairman of Audit Committee
March 4th, 2009

Responsibility Statement

of the Board of Directors to the 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, 2008 are reasonably trusted.



Mr. Somjainuk Engtrakul
Chairman of the Board



Mr. Vicha Poolvaraluck
Chairman

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Auditor's Report

To the Shareholders and the Board of Directors of Major Cineplex Group Public Company Limited

I have audited the accompanying consolidated and company balance sheets as of 31 December 2008 and 2007, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an 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 audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 31 December 2008 and 2007, and the consolidated and company results of operations, and cash flows for the years then ended of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Limited

Bangkok
24 February 2009

Major Cineplex Group Public Company Limited

Balance Sheets

As at 31 December 2008 and 2007

Unit: Baht

	Notes	Consolidated		Company	
		2008	2007	2008	2007
Assets					
Current assets					
Cash and cash equivalents	7	241,388,077	215,815,169	106,858,258	78,567,588
Short-term investment	8	170,444,423	302,904,317	170,444,423	302,904,317
Trade accounts and notes receivable, net	9	1,249,105,101	1,165,571,122	337,452,319	263,635,874
Amounts due from related parties	29	17,221,686	5,929,690	773,924,250	920,190,445
Inventories, net	10	132,106,341	133,651,726	32,131,655	25,199,164
Other current assets	11	289,520,805	332,009,592	104,326,587	89,452,504
Total current assets		2,099,786,433	2,155,881,616	1,525,137,492	1,679,949,892
Non-current assets					
Restricted cash		6,123,104	6,981,019	-	-
Investments in subsidiaries, net	12	-	-	1,662,580,317	1,734,579,617
Investments in associates, net	12	1,506,765,502	1,168,550,021	1,687,896,576	1,304,808,758
Interest in joint venture	12	29,507,045	-	35,407,445	-
Long-term loans - related parties	29	62,489,968	36,252,472	1,595,662,764	1,866,622,535
Property, plant and equipment, net	13	4,932,677,022	4,759,164,047	2,046,175,709	1,775,067,911
Intangible assets, net	14	913,261,291	1,057,734,993	214,949,756	191,254,830
Other non-current assets, net	15	118,169,864	109,375,694	39,581,964	44,629,674
Total non-current assets		7,568,993,796	7,138,058,246	7,282,254,531	6,916,963,325
Total assets		9,668,780,229	9,293,939,862	8,807,392,023	8,596,913,217

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 31 December 2008 and 2007

Unit: Baht

Notes	Consolidated		Company		
	2008	2007	2008	2007	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term					
	16	837,468,558	913,692,318	617,632,838	471,481,530
		668,660,917	510,714,435	341,930,108	334,730,904
	29	52,157,416	5,820,618	187,272,667	287,985,391
	16	424,104,074	327,873,449	383,708,078	279,952,990
		88,561,442	115,678,376	70,175,698	76,628,075
	17	689,388,764	612,875,945	272,634,947	211,764,202
		2,760,341,171	2,486,655,141	1,873,354,336	1,662,543,092
Non-current liabilities					
	29	-	-	408,963,735	808,704,738
	16	1,011,670,495	678,418,598	1,011,355,163	673,519,329
	12	-	-	124,713,325	60,737,656
	18	475,061,664	506,667,795	20,630,890	35,813,757
		1,486,732,159	1,185,086,393	1,565,663,113	1,578,775,480
		4,247,073,330	3,671,741,534	3,439,017,449	3,241,318,572
Shareholders' equity					
Share capital					
	19	906,000,000	906,000,000	906,000,000	906,000,000
		881,897,219	879,932,619	881,897,219	879,932,619
	19	3,839,673,605	3,816,018,391	3,839,673,605	3,816,018,391
	8	444,423	-	444,423	-
Retained earnings					
Appropriated					
	21	90,600,000	90,600,000	90,600,000	90,600,000
		15,548,640	-	15,548,640	-
		615,598,285	833,266,542	555,759,327	569,043,635
	19	(15,548,640)	-	(15,548,640)	-
		5,428,213,532	5,619,817,552	5,368,374,574	5,355,594,645
	22	(6,506,633)	2,380,776	-	-
		5,421,706,899	5,622,198,328	5,368,374,574	5,355,594,645
		9,668,780,229	9,293,939,862	8,807,392,023	8,596,913,217

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Income
 For the years ended 31 December 2008 and 2007

Unit: Baht

	Notes	Consolidated		Company	
		2008	2007	2008	2007
Revenues					
Service income		4,179,803,455	4,654,155,428	2,094,996,051	2,164,685,292
Sales		1,148,653,967	1,150,692,179	343,649,687	308,940,343
Other operating income	23	223,190,610	788,834,958	831,162,400	1,848,407,370
Total revenues		5,551,648,032	6,593,682,565	3,269,808,138	4,322,033,005
Expenses					
Cost of providing services		2,818,692,889	3,009,521,546	1,503,008,505	1,532,169,859
Cost of sales		729,068,819	758,285,057	134,669,266	121,846,857
Selling and administrative expenses		1,229,712,564	1,388,518,763	676,192,377	635,624,193
Total expenses		4,777,474,272	5,156,325,366	2,313,870,148	2,289,640,909
Operating profit	24	774,173,760	1,437,357,199	955,937,990	2,032,392,096
Gain on disposals of investments		114,666,607	1,484,343	182,690,012	2,516,829
Share of profit of investments in associates and joint venture	12	100,763,650	157,258,274	-	-
Profit before finance costs and tax		989,604,017	1,596,099,816	1,138,628,002	2,034,908,925
Finance costs	25	(88,234,750)	(119,129,000)	(119,797,774)	(121,530,049)
Income tax		(258,077,393)	(273,378,785)	(188,090,025)	(150,746,593)
Net profit for the year		643,291,874	1,203,592,031	830,740,203	1,762,632,283
Attributable profit (loss) to:					
Shareholders of the parent		626,356,254	1,226,964,389	830,740,203	1,762,632,283
Minority interest	22	16,935,620	(23,372,358)	-	-
		643,291,874	1,203,592,031	830,740,203	1,762,632,283
Earnings per share for profit attributable to the shareholders of the parent					
	26				
Basic earnings per share		0.71	1.42	0.94	2.04
Diluted earnings per share		0.71	1.41	0.94	2.03

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited

Statements of Changes in Shareholders' Equity

For the years ended 31 December 2008 and 2007

Unit: Baht

	Notes	Consolidated									
		Issued and paid-up share capital	Share premium	Share subscription	Fair value reserve on available-for-sale investment	Legal reserve	Unappropriated retained earnings	Treasury shares and reserve	Minority interest	Total	
Opening balance at 1 January 2008		879,932,619	3,816,018,391	-	-	90,600,000	833,266,542	-	-	2,380,776	5,622,198,328
Issuance of ordinary shares	19	1,964,600	23,655,214	-	-	-	-	-	-	-	25,619,814
Reserve during the year	19	-	-	-	-	(15,548,640)	15,548,640	-	-	-	-
Net profit (loss) for the year		-	-	-	-	626,356,254	-	-	-	16,935,620	643,291,874
Dividends paid	27	-	-	-	-	(828,475,871)	-	-	-	(400,051)	(828,875,922)
Disposals		-	-	-	-	-	-	-	-	(25,422,978)	(25,422,978)
Treasury shares	19	-	-	-	-	-	-	(15,548,640)	-	-	(15,548,640)
Fair value reserve	8	-	-	-	444,423	-	-	-	-	-	444,423
Closing balance at 31 December 2008		881,897,219	3,839,673,605	-	444,423	90,600,000	615,598,285	-	-	(6,506,633)	5,421,706,899
Opening balance at 1 January 2007		787,185,105	2,735,696,694	136,040,990	-	63,522,103	447,932,185	-	-	26,253,134	4,196,630,211
Issuance of ordinary shares	19	92,747,514	1,080,321,697	(136,040,990)	-	-	-	-	-	-	1,037,028,221
Legal reserve appropriation	21	-	-	-	-	27,077,897	(27,077,897)	-	-	-	-
Net profit (loss) for the year		-	-	-	-	-	1,226,964,389	-	-	(23,372,358)	1,203,592,031
Dividends paid	27	-	-	-	-	-	(814,552,135)	-	-	(500,000)	(815,052,135)
Closing balance at 31 December 2007		879,932,619	3,816,018,391	-	-	90,600,000	833,266,542	-	-	2,380,776	5,622,198,328

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited

Statements of Changes in Shareholders' Equity (Cont'd)

For the years ended 31 December 2008 and 2007

Unit: Baht

	Notes	Company							Total
		Issued and paid-up share capital	Share premium	Share subscription	Share on available-for-sale investment	Fair value reserve	Legal reserve	Unappropriated retained earnings	
Opening balance at 1 January 2008		879,932,619	3,816,018,391	-	-	90,600,000	569,043,635	-	5,355,594,645
Issuance of ordinary shares	19	1,964,600	23,655,214	-	-	-	-	-	25,619,814
Reserve during the year	19	-	-	-	-	-	(15,548,640)	15,548,640	-
Net profit for the year		-	-	-	-	-	830,740,203	-	830,740,203
Dividends paid	27	-	-	-	-	-	(828,475,871)	-	(828,475,871)
Treasury shares	19	-	-	-	-	-	-	(15,548,640)	(15,548,640)
Fair value reserve	8	-	-	-	444,423	-	-	-	444,423
Closing balance at 31 December 2008		881,897,219	3,839,673,605	-	444,423	90,600,000	555,759,327	-	5,368,374,574
Opening balance at 1 January 2007		787,185,105	2,735,696,694	136,040,990	-	63,522,103	(351,958,616)	-	3,370,486,276
Issuance of ordinary shares	19	92,747,514	1,080,321,697	(136,040,990)	-	-	-	-	1,037,028,221
Legal reserve appropriation	21	-	-	-	-	27,077,897	(27,077,897)	-	-
Net profit for the year		-	-	-	-	-	1,762,632,283	-	1,762,632,283
Dividends paid	27	-	-	-	-	-	(814,552,135)	-	(814,552,135)
Closing balance at 31 December 2007		879,932,619	3,816,018,391	-	-	90,600,000	569,043,635	-	5,355,594,645

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited

Statements of Cash Flows

For the years ended 31 December 2008 and 2007

Unit: Baht

Notes	Consolidated		Company		
	2008	2007	2008	2007	
Cash flows from operating activities					
Cash generated from operating activities	28	1,368,657,088	1,661,616,553	605,622,168	773,485,936
Interest paid		(96,875,799)	(117,375,956)	(90,393,036)	(91,349,762)
Income tax paid		(285,194,327)	(260,244,048)	(194,542,402)	(99,624,199)
Net cash generated from operating activities		986,586,962	1,283,996,549	320,686,730	582,511,975
Cash flows from investing activities					
Payments for short-term investment	8	(510,000,000)	(850,000,000)	(510,000,000)	(850,000,000)
Receipts for short-term investment	8	649,595,868	548,082,471	649,595,868	548,082,471
Loans made to related parties	29	(50,407,200)	(46,077,604)	(223,589,399)	(437,494,297)
Loans payment received from related parties	29	24,169,703	22,968,000	434,064,053	236,014,794
Payments for investment in subsidiaries	12	(8,000,000)	-	(8,000,000)	-
Proceeds from disposals of investment in associate	12	-	1,000,000	-	1,000,000
Payments for investment in associates	12	(127,090,057)	(840,200,000)	(127,090,058)	(840,200,000)
Payments for investment in joint venture	12	(35,407,445)	-	(35,407,445)	-
Purchases of property, plant and equipment		(659,411,337)	(963,321,748)	(478,972,051)	(599,431,236)
Proceeds from disposals of property, plant and equipment and leasehold rights		165,904,767	1,809,731,176	164,403,764	212,313,413
Dividends received	12	97,410,694	59,030,231	109,220,642	1,262,690,167
Payments for deposits for leases and service contracts		-	(4,978,088)	-	(3,282,855)
Payments for leasehold rights		(15,000,000)	(43,840,281)	-	(7,984,981)
Payments for film rights		(261,436,155)	(272,482,989)	-	-
Net cash used in investing activities		(729,671,162)	(580,088,832)	(25,774,626)	(478,292,524)
Cash flows from financing activities					
(Increase) decrease in restricted cash		857,915	(1,341,092)	-	-
Proceeds (repayments) from short-term borrowings		181,000,000	(442,175,000)	150,000,000	(454,000,000)
Repayments of financial lease liabilities		(19,354,864)	(15,087,101)	(17,684,608)	(12,103,204)
Proceeds from loans from related parties	29	-	-	78,000,000	890,632,662
Proceeds from long-term borrowings	16	700,000,000	420,000,000	700,000,000	420,000,000
Repayments of loans from related parties	29	-	-	(86,741,002)	(302,273,554)
Repayments of long-term borrowings	16	(271,000,000)	(1,122,427,010)	(268,000,000)	(1,043,000,000)
Proceeds from issuance of shares	19	25,619,814	1,037,028,222	25,619,814	1,037,028,222
Dividends paid to shareholders	27	(828,418,306)	(814,455,437)	(828,418,306)	(814,455,437)
Dividends paid to minorities in subsidiaries	22	(400,051)	(500,000)	-	-
Payment for treasury shares	19	(15,548,640)	-	(15,548,640)	-
Net cash used in financing activities		(227,244,132)	(938,957,418)	(262,772,742)	(278,171,311)

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

Major Cineplex Group Public Company Limited
Statements of Cash Flows (Cont'd)
 For the years ended 31 December 2008 and 2007

Unit: Baht

	Notes	Consolidated		Company	
		2008	2007	2008	2007
Net increase (decrease) in cash and cash equivalents		29,671,668	(235,049,701)	32,139,362	(173,951,860)
Cash and cash equivalents at the beginning of the year		169,647,851	404,697,552	67,086,058	241,037,918
Cash and cash equivalents at the end of the year	7	<u>199,319,519</u>	<u>169,647,851</u>	<u>99,225,420</u>	<u>67,086,058</u>
Non-cash transactions					
Significant non-cash transactions are as follows:					
Investment in property, plant and equipment not yet paid		182,037,824	36,658,934	65,429,999	25,985,648
Purchases of leasehold rights not yet paid		32,670,000	-	32,670,000	-
Purchases of film rights not yet paid		76,991,805	24,680,158	-	-
Purchases of property, plant and equipment under finance leases		27,275,529	28,263,829	27,275,529	22,536,115
Investment in subsidiaries by converting debt to equity		-	-	-	85,000,000
Offsetting dividend receivables with loans from and amounts due to related parties			-	392,840,000	101,162,000
Offsetting amounts due to related parties with loans to related parties		-	-	60,485,117	51,904,000
Investment in an associate by mean of share exchange	12	255,997,761	-	255,997,761	-

The accompanying notes on pages 62 to 99 are an integral part of these consolidated and company financial statements.

FINANCIALS

Notes to the Consolidated and Company Financial Statements

1 General information

Major Cineplex Group Public Company Limited ("the Company") is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is as follows:

1839 Phaholyothin road, Ladyao, Jatujak, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The Group principally engages in theatre operations and entertainment services. The principal business operations of the Group are summarised as follows:

- Theatre operations including advertising and media services
- Bowling and Karaoke services
- Rental and services
- VCD, DVD and film distribution

These group consolidated and company financial statements were authorised for issue by the Board of Directors on 24 February 2009.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Comparatives

Certain items in the financial statements have been reclassified for comparative purposes, particularly the statements of income.

The reclassification of the revenue and expenses of 2007 are summarised as follows:-

For the years ended 31 December 2008 and 2007

2 Accounting policies (Cont'd)

2.1 Basis for preparation (Cont'd)

	Unit: Baht'000	
	Consolidated	Company
	2007	2007
Revenues		
Admissions	2,809,321	1,697,372
Advertising services and sponsorship income	935,324	275,792
Bowling and Karaoke services income	519,278	77,316
Rentals and services income	382,873	114,205
Fitness services income	7,360	-
	<u>4,654,156</u>	<u>2,164,685</u>
Service income	<u>4,654,156</u>	<u>2,164,685</u>
Concessions sales	531,383	308,940
Sales of VCD/DVD and film rights	619,309	-
	<u>1,150,692</u>	<u>308,940</u>
Sales	<u>1,150,692</u>	<u>308,940</u>
Gain on disposals of property, plant and equipment	693,868	-
Dividends income	-	1,388,530
Other income	94,967	459,877
	<u>788,835</u>	<u>1,848,407</u>
Other operating income	<u>788,835</u>	<u>1,848,407</u>
Expenses		
Cost of film exhibition and theatre	2,408,790	1,473,906
Cost of providing advertising services	45,713	-
Cost of providing bowling and Karaoke services	343,567	45,277
Cost of rentals and services	206,913	12,987
Cost of providing fitness services	4,539	-
	<u>3,009,522</u>	<u>1,532,170</u>
Cost of providing services	<u>3,009,522</u>	<u>1,532,170</u>
Cost of sales of concessions	209,537	121,847
Cost of sales of VCD/DVD and film rights	548,748	-
	<u>758,285</u>	<u>121,847</u>
Cost of sales	<u>758,285</u>	<u>121,847</u>

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Notes to the Consolidated and Company Financial Statements

2 Accounting policies (Cont'd)**2.2 New accounting standard and amendments to accounting standards**

During 2007 and 2008, the Federation of Accounting Profession ("FAP") has announced new standard and amendments to Thai Accounting Standards ("TAS") as follows:

Revised standards

TAS 25: Cash Flow Statements

TAS 29: Leases

TAS 31: Inventories

TAS 33: Borrowing Costs

TAS 35: Presentation of Financial Statements

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

TAS 41: Interim Financial Reporting

TAS 43: Business Combinations

TAS 49: Construction Contracts

New standard

TAS 51: Intangible Assets

The amendments to accounting standards and the new accounting standard are effective for the period beginning on or after 1 January 2008 except TAS 29 which is effective for the lease contract started on or after 1 January 2008.

Accounting standards that are not yet effective and have not been early adopted by the Group.

TAS 36: Impairment of Assets

TAS 54: Non-current Assets Held for Sale and Discontinued Operations

These two standards are not expected to have a material impact on the financial statements being presented.

2.3 Group accounting - Investments in subsidiaries and associates and interests in joint venture**a) Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, in respective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of income.

For the years ended 31 December 2008 and 2007

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries and associates and interests in joint venture (Cont'd)

a) Subsidiaries (Cont'd)

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements investments in subsidiaries are reported by using the cost method of accounting. Under the cost method income from investments in subsidiaries will be recorded when dividends are declared.

A list of the Group's principal subsidiaries and the financial effects of the acquisitions and disposals of are shown in Note 12.

b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of income, and its share of post-acquisition movements in reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's financial statements, investments in associates are accounted for using the cost method of accounting.

A list of the Group's principal associates and the financial effects of acquisitions and disposals of associates are shown in Note 12.

c) Interests in joint venture

The Group's interests in jointly controlled entities are initially recorded at cost and accounted for by the equity method in the consolidated financial statements. The Group recognised interest in joint venture which included goodwill (net of accumulated amortisation). The Group's share of its joint venture's post-acquisition profits or losses is recognised in the consolidated statement of income, and its share of post-acquisition movements in reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the interest in joint venture. When the Group's share of losses in joint venture equals or exceeds its interest in joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

In the Company financial statements, the cost method is applied to account for interests in joint venture. Under the cost method, income from interests in joint venture will be recorded when dividends are declared.

A list of the Group's joint venture and the financial effects of the acquisitions and disposals of joint venture are shown in Note 12.

Notes to the Consolidated and Company Financial Statements

2 Accounting policies (Cont'd)**2.4 Investments (other than subsidiaries and associates and interests in joint venture)**

Trading and available-for-sale investments are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the statement of income in the period in which they arise. In the statement of cash flows, trading investments are presented within the section on operating activities as part of changes in working capital (Note 28). Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity.

Fair value of marketable equity securities is calculated by reference to the purchasing prices quoted by the Stock Exchange at the close of business on the balance sheet date.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Group's holding of a particular investment in debt or equity securities the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

2.5 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

2.6 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, investments, trade accounts receivables and related party receivables. Financial liabilities carried on the balance sheet include trade accounts payable, related party payables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition and bank overdrafts. Bank overdrafts are included in current liabilities on the balance sheet.

2.8 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income within selling and administrative expenses.

For the years ended 31 December 2008 and 2007

2 Accounting policies (Cont'd)

2.9 Inventories

Inventories consist of foods and beverages at concessions and outlets, theatre supplies, VCD and DVD.

Inventories are stated at the lower of cost or net realisable value. Costs of foods and beverages and theatre supplies are determined by the first-in, first-out (FIFO) method. Costs of VCD and DVD are determined using weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life or, if it is shorter, the lease term, as follows:

Buildings	20 years
Theatres	10, 20 years and the lease contracts periods
Buildings and theatres improvements	10, 20 years and the lease contracts periods
Utility system	5, 10, 15 years
Tools and equipment	5, 10, 15, 20 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles (including vehicles under finance leases)	5 years

Residual value and the estimated useful life of the assets are revised in every reporting balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are expenses.

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Notes to the Consolidated and Company Financial Statements

2 Accounting policies (Cont'd)**2.11 Goodwill (Cont'd)**

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Excess of the fair value of an acquisition over the cost of the Group's share of the net assets of the acquired subsidiary or associated undertaking at the date of acquisition is recognised in the statement of income.

2.12 Other intangible assets**Film rights**

Film rights is capitalised at the purchase price including costs directly attributable to the acquisition of rights. Film rights are amortised and charged to direct costs of exhibition, VCD and DVD and TV broadcasting at the ratio relating to the expected revenue earned from each of the revenue-generated channels over the lifetime of rights. In the event that an ultimate loss is projected for each right, an amount equivalent to this loss will be written-off in the statement of income immediately.

Leasehold rights

Land lease rights and leasehold rights of buildings are initially recognised at costs and amortised as expense over the lease periods.

2.13 Impairment of assets

Property, plant and equipment and other non-current assets, including goodwill and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reversed for possible impairment loss if the estimation of the recoverable amount were changed in subsequent period after the Group's recognition of impairment.

2.14 Leases - where a group Company is the lessee

Leases of property, plant and equipment, which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payable. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant period rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the statement of income on a straight-line basis over the period of the lease.

For the years ended 31 December 2008 and 2007

2 Accounting policies (Cont'd)

2.14 Leases - where a group Company is the lessee (Cont'd)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lesser by way of penalty is recognised as an expense in the period in which termination takes place.

Leases - where a group company is the lesser

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred and subsequently stated at cost.

2.16 Employee benefits

The Group operates a provident fund, that is a defined contribution plan. The assets of which are held in a separate fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

The warrants granted to directors and employees of the Group are recognised when they are exercised.

2.17 Provisions

Provisions, excluding the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

Provision for goods returns

Provision for goods returns of VCD and DVD is determined by reviewing of actual goods returns during the year and being calculated as the percentage to sales made during the year.

2.18 Revenue recognition

Revenues of the Group consist principally admissions, concession sales, advertising services, bowling and Karaoke services, rental and services, VCD/DVD and film rights distribution and sponsorship income.

Revenue comprises the invoiced value for the sale of goods and services net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from providing services is recognised when the services are rendered.

Revenue from leases and services are recognised over the period of the lease agreement.

Notes to the Consolidated and Company Financial Statements

2 Accounting policies (Cont'd)**2.18 Revenue recognition (Cont'd)**

Other revenues are recognised on the following basis:

- Interest income - on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Dividend income - when the right to receive payment is established.

2.19 Deferred revenue

Deferred revenue relates to rentals and services are recognised as revenue when services are provided to customers.

2.20 Income tax

The Group calculates income tax in accordance with the Revenue Code and records income tax on an accrual basis. The Group does not recognise income tax payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

2.21 Dividends

Dividends are recorded in the consolidated and company financial statements in the period in which they are approved by the shareholders.

2.22 Segment reporting

Segment information has been prepared based on the internal report of the Group, which disaggregates its business by services or products.

3 Financial risk management**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks, including the effects from change of foreign currency exchange rates, interest rates and non-performance of contractual obligations by counterparties. Risk management is carried out by Group Management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

3.1.1 Interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The loan interest rates of the Group are mainly floated. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

3.1.2 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

For the years ended 31 December 2008 and 2007

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Credit risk

The Group has no significant concentrations of credit risks due to the large number of customer from which the income is charged in cash. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value

The book values of financial assets and liabilities with a maturity of less than one year are approximate their fair values. Long-term borrowings and loans made with related parties carried an interest at the market interest rate. Management believe that their net book values are assumed to approximate their fair value.

4 Critical accounting estimates, assumption and judgements

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

4.1 Impairment of receivable

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

4.2 Impairment of goodwill

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

4.3 Property, plant and equipment and intangible assets

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

5 Capital risk management

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

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

Notes to the Consolidated and Company Financial Statements

6 Segment information

Financial information by business segment is as follows:-

	Consolidated					Unit: Million Baht
	Cinema business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Eliminated	
For the year ended 31 December 2008						
Revenues	3,819	599	435	618	(41)	5,430
Segment result	674	15	190	(14)		865
Gain on disposals of property, plant and equipment						98
Unallocated costs						(190)
Operating profit						773
Gain on disposal of investment						115
Share of associates						101
Interest expense						(88)
Profit before tax						901
Tax						(258)
Net profit						643
Segment fixed assets	5,330	1,052	821	584		7,787
Investment in associates						1,536
Unallocated assets						346
Consolidated total assets						9,669
Impairment charge						9

For the years ended 31 December 2008 and 2007

	Consolidated					Unit: Million Baht
	Cinema business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Eliminated	
For the year ended 31 December 2007						
Revenues	4,274	555	540	627	(96)	5,900
Segment result	772	25	278	(105)		970
Gain on disposals of property, plant and equipment						694
Unallocated costs						(227)
Operating profit						1,437
Gain on sale of investment						2
Share of associates						157
Interest expense						(119)
Profit before tax						1,477
Tax						(273)
Net profit						1,204
Segment fixed assets						7,510
Investment in associates		1,120	509	801		1,169
Unallocated assets	5,080					615
Consolidated total assets						9,294
Impairment charge						17

Notes to the Consolidated and Company Financial Statements

6 Segment information (Cont'd)

Unallocated costs represent corporate expenses. Segment assets consist primarily property and equipment, intangible assets, inventories, receivables and operating cash and mainly exclude investments.

Liabilities are mainly borrowings purposed to be used for all segments and for the Group's liquidity. Accordingly, the Group does not present the liabilities segment information.

Discontinuing operations

On 26 June 2007, certain subsidiaries have sold utilities equipment and leased certain property and buildings to Major Cineplex Lifestyle Property Fund. As a result, revenue for the rental and services segment decreased by Baht 93 million in 2007. However, the group has property management income of Baht 12 million according to an agreement with the Property Fund. Rental and service expense for 2007 increased by Baht 48 million due to the lease back of theatres from the Property Fund.

In 2008, the Group has discontinued the operations of fitness centre services which has the revenue and operating loss amounting to Baht 8 million and Baht 12 million respectively in 2007.

7 Cash and cash equivalents

Unit: Baht

	Consolidated		Company	
	2008	2007	2008	2007
Cash on hand	49,354,689	77,450,476	27,878,141	41,786,342
Deposits held at call with banks	192,033,388	138,364,693	78,980,117	36,781,246
Cash and bank balances	241,388,077	215,815,169	106,858,258	78,567,588

The effective interest rates on short-term bank deposit are ranging from 0.75% to 2.50% per annum (2007: 0.75 % to 2.00% per annum).

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Unit: Baht

	Consolidated		Company	
	2008	2007	2008	2007
Cash on hand and deposits held at call with banks	241,388,077	215,815,169	106,858,258	78,567,588
Bank overdrafts (Note 16)	(42,068,558)	(46,167,318)	(7,632,838)	(11,481,530)
Cash and cash equivalents	199,319,519	169,647,851	99,225,420	67,086,058

For the years ended 31 December 2008 and 2007

8 Short-term investment

Short-term investment represents investment unit of a mutual fund. Movements of short - term investment are as follows:

	Unit: Baht
	Consolidated and Company
Opening book value	302,904,317
Additions	510,000,000
Disposals	(642,904,317)
Change in fair value of available-for-sale investments	444,423
Closing book value	170,444,423

The Company disposed certain short-term investment during the year and derived gain on disposal of Baht 6.7 million.

9 Trade accounts and notes receivable, net

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Unbilled revenue - advertising	17,107,078	19,601,567	-	-
Notes receivable	24,777,660	10,816,461	40,000	56,000
Trade accounts receivable				
- advertising	761,918,575	641,896,648	226,362,780	166,423,520
- sales of VCD, DVD and film rights	316,986,235	366,471,809	-	-
- others	147,911,006	145,898,964	111,049,539	97,156,354
Total	1,268,700,554	1,184,685,449	337,452,319	263,635,874
<u>Less</u> Allowance for doubtful accounts	(19,595,453)	(19,114,327)	-	-
Trade accounts and notes receivable, net	1,249,105,101	1,165,571,122	337,452,319	263,635,874

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

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Unbilled revenue - advertising	17,107,078	19,601,567	-	-
Trade accounts and notes receivable				
Current	472,542,487	681,163,456	169,363,430	145,088,782
Overdue not more than 3 months	214,082,606	261,544,278	53,088,087	79,335,696
3 - 6 months	433,947,308	58,899,580	42,152,830	16,597,658
Over 6 months	131,021,075	163,476,568	72,847,972	22,613,738
Total	1,268,700,554	1,184,685,449	337,452,319	263,635,874
<u>Less</u> Allowance for doubtful accounts	(19,595,453)	(19,114,327)	-	-
Trade accounts and notes receivable, net	1,249,105,101	1,165,571,122	337,452,319	263,635,874

Notes to the Consolidated and Company Financial Statements

10 Inventories, net

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Foods and beverages (net with provision)	25,948,803	18,853,664	14,269,377	14,571,463
VCD and DVD (net with provision)	75,773,637	84,968,522	-	-
Supplies (net with provision)	30,383,901	29,829,540	17,862,278	10,627,701
	<u>132,106,341</u>	<u>133,651,726</u>	<u>32,131,655</u>	<u>25,199,164</u>

11 Other current assets

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Prepaid expenses	27,001,006	32,629,372	12,987,768	14,946,863
Value added tax receivable	206,965,315	173,996,331	54,533,032	36,635,691
Other accounts receivable	27,370,369	8,117,045	25,588,755	3,744,334
Others	28,184,115	117,266,844	11,217,032	34,125,616
	<u>289,520,805</u>	<u>332,009,592</u>	<u>104,326,587</u>	<u>89,452,504</u>

12 Investments in subsidiaries and associates and interests in joint venture**a) Movements of investments in subsidiaries and associates and interests in joint venture are as follows:**

	Unit: Baht	
	Company	
	2008	2007
Investments in subsidiaries	1,680,680,317	1,752,679,617
Less Allowance for impairment	(18,100,000)	(18,100,000)
Investment in subsidiaries - net	<u>1,662,580,317</u>	<u>1,734,579,617</u>

	Unit: Baht
	Company
Investment in subsidiaries	
Opening net book amount	1,734,579,617
Acquisition	8,000,000
Disposal	(79,999,300)
Closing net book amount	<u>1,662,580,317</u>

Udorn Five Star Cineplex Co., Ltd.

In December 2008, the Company has acquired 39,000 ordinary shares in Udorn Five Star Cineplex Co., Ltd. ("UDF") from minorities at Baht 205 per share, representing 10% of paid-up share capital, for a total consideration of Baht 8 million. As a result of this acquisition, the Company owns 99.99% of UDF's registered shares capital. The fair value of UDF's net assets as on the acquisition date was Baht 5.74 million. Goodwill recognised from this acquisition is Baht 2.26 million.

For the years ended 31 December 2008 and 2007

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)

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

	Unit: Baht	
	Consolidated	Company
Investments in associates		
As at 31 December 2007		
Investment amount	1,524,734,233	1,304,808,758
<u>Less</u> Unrealised gain on disposals of assets to the Property Fund	(356,184,212)	-
Net book amount	<u>1,168,550,021</u>	<u>1,304,808,758</u>
Opening net book amount	1,168,550,021	1,304,808,758
Acquisition		
- Traffic Corner Holdings Public Company Limited	270,333,010	270,333,010
- California WoW Experience Public Company Limited	55,306,018	55,306,018
- Siam Future Development Public Company Limited	57,448,790	57,448,790
Realised gain on disposals of assets to the Property Fund	13,897,711	-
Dividends received	(97,410,694)	-
Share of results	106,664,051	-
	<u>1,574,788,907</u>	<u>1,687,896,576</u>
<u>Less</u> Elimination of gain on disposals of investments to an associate	(68,023,405)	-
Closing net book amount	<u>1,506,765,502</u>	<u>1,687,896,576</u>
As at 31 December 2008		
Investment amount	1,849,052,003	1,687,896,576
<u>Less</u> Unrealised gain on disposals of assets to the Property Fund	(342,286,501)	-
Net book amount	<u>1,506,765,502</u>	<u>1,687,896,576</u>

Gain on disposals of assets to Major Cineplex Lifestyle Property Fund will be realised on the straight-line basis over the lease contracts periods of the buildings leased out to the Property Fund. During 2008, Baht 13.90 million has been realised in the statement of income (2007: Baht 6.95 million).

As at 31 December 2008, investment in associates included net book value of goodwill amounting to Baht 390 million (2007: Baht 120.13 million).

Traffic Corner Holdings Public Company Limited

On 4 February 2008, the Company sold all 799,993 ordinary shares (79.99%) in M Pictures Company Limited ("MP") to Traffic Corner Holdings Public Company Limited ("TRAF") at the price of Baht 320 per share for a total consideration of Baht 256 million, resulting in a gain of Baht 176 million. The Company has also acquired 146,920,114 ordinary shares of TRAF at the price of Baht 1.84 per share, for consideration of Baht 270.3 million, by exchange of ordinary shares of MP at the fair value of Baht 256 million and payment by cash of Baht 14 million. The percentage of shareholding in TRAF is 40.81% after completion of these transactions. Goodwill arisen from the acquisition of investment in TRAF is amounting to Baht 269.57 million. In the consolidated financial statements, gain on disposal of investment in MP amounting to Baht 108 million, has been recognised to the extent of third parties' holding in TRAF.

Notes to the Consolidated and Company Financial Statements

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)**a) Movements of investments in subsidiaries and associates and interests in joint venture are as follows: (Cont'd)**

Net assets acquired and goodwill arisen from the acquisition are as follows:

	Unit: Baht
Proceed used in the acquisitions	
- Cash payment	14,335,249
- Fair value of ordinary shares in M Pictures Company Limited	255,997,761
Total proceed used in the acquisitions	270,333,010
<u>Less</u> Fair value of net assets acquired	<u>(767,632)</u>
Goodwill	<u>269,565,378</u>

Details of assets and liabilities in MP disposed:

	2008 Baht
Other current assets	292,013,300
Property, plant and equipment, net	6,734,444
Other assets	153,574,539
Total liabilities	<u>(358,584,235)</u>
	<u>93,738,048</u>

Sales and service income, results and net cash flows of MP disposed are as follows:

	2007 Baht
Sales	285,579,890
Operating costs	<u>(297,321,729)</u>
Operating (loss)	(11,741,839)
Finance cost	<u>(16,904,484)</u>
(Loss) before tax	(28,646,323)
Income tax	<u>(12,950,261)</u>
(Loss) after tax	<u>(41,596,584)</u>

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

For the years ended 31 December 2008 and 2007

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)

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

California WoW Experience Public Company Limited

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

Siam Future Development Public Company Limited ("SF")

On 24 December 2008, the Company has acquired 15 million ordinary shares of Siam Future Development Public Company Limited ("SF") at Baht 3.70 per share, representing 3% of paid-up share capital, for the consideration of Baht 57.4 million. As a result of this acquisition, the Company holds 24.10% of SF's registered shares. Negative goodwill arisen from this acquisition amounting to Baht 34 million has been recognised as other income in the consolidated statement of income.

Net assets acquired and negative goodwill arisen from the acquisition are as follows:

	Unit: Baht
Proceed used in the acquisitions - Cash payment	57,448,790
<u>Less</u> Fair value of net assets acquired	<u>(91,337,000)</u>
Negative goodwill	<u>(33,888,210)</u>

	Unit: Baht	
	Consolidated	Company
Investment in joint venture		
Opening book amount	-	-
Investment in joint venture		
- PVR bluO Entertainment Limited	35,407,445	35,407,445
Share of result	<u>(5,900,400)</u>	<u>-</u>
Closing book amount	<u>29,507,045</u>	<u>35,407,445</u>

PVR bluO Entertainment Limited

On 26 February 2008, the directors of the Company passed a resolution to invest in a joint venture with PVR Company Limited ("PVR"), which is incorporated and listed in India. The joint venture, registered as PVR bluO Entertainment Limited, provides Bowling, Karaoke and Ice-skating services with total investment of Indian Rupee 90 million. PVR holds 51% and the Company holds 49% of the registered share capital of the joint venture which is approximate to Baht 35.4 million. As of 31 December 2008, the Company has fully paid of the Company's portion. The joint venture currently is in the process of installing equipment and plans to operate in 2009.

Notes to the Consolidated and Company Financial Statements

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)**b) The details of investments in subsidiaries and associates and interests in joint venture are as follows:**

	Nature of business	Nature of relationship	% Ownership interest	
			2008	2007
Subsidiaries				
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Cineplex Services Co., Ltd.	Utility services	Shareholder	99.99	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Management Co., Ltd.	Utility services	Shareholder	99.99	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99	99.99
Major Bowl Group Co., Ltd.	Bowling, Karaoke and entertainment services	Shareholder	99.99	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.94	99.94
Udorn Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	90.00
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99	99.99
EGV Entertainment Public Co., Ltd. ("EGV")	Cinema services	Shareholder	99.97	99.97
Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG")	Distribution of VCD/DVD and film rights	Shareholder	96.99	96.99
M Pictures Co., Ltd.	Distribution of film rights	Shareholder	-	79.99
Subsidiaries under EGV				
Entertain Golden Village Exhibition Co., Ltd.	Cinema services, advertising services	Indirect Shareholding	99.96	99.96
EGV Exhibition Co., Ltd.	Cinema services, advertising services, area for rent of sales food beverage	Indirect Shareholding	99.96	99.96
EGV Five Star Co., Ltd.	Cinema services, advertising services	Indirect shareholding	89.97	89.97
Exertainment Co., Ltd.	Healthcare center and fitness center	Indirect shareholding	59.98	59.98
Subsidiaries under PMEG				
Pacific Media Sale Co., Ltd.	Distribution of tape, CD, VDO, VCD and DVD	Indirect Shareholding	96.41	96.41
Associates				
California Wow Experience Public Company Limited	Fitness center services and other related services	Shareholder	36.79	36.75
Siam Future Development Public Company Limited ("SF")	Rental of building space and utilities services	Shareholder	24.10	21.25
Ratchayothin Avenue Co., Ltd.	Rental of building space and utilities services	Shareholder	50.00	50.00
		Indirect shareholding via Siam Future	12.05	10.63

For the years ended 31 December 2008 and 2007

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)

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

	Nature of business	Nature of relationship	% Ownership interest	
			2008	2007
Associates				
Major Cineplex Lifestyle Property Fund	Rental of building and utilities services	Shareholder	33.00	33.00
Thaiticketmajor Co., Ltd.	Agent for selling of tickets	Shareholder	40.00	40.00
M Pictures Entertainment Public Company Limited (Formerly "Traffic Corner Holdings Public Company Limited")	Publishing, advertising and distribution of film rights	Shareholder	40.81	-
Associates under PMEG				
Media Logistic Co., Ltd.	Providing of logistic services	Indirect shareholding	47.51	39.99
Joint venture				
PVR bluO Entertainment Limited	Bowling, karaoke and entertainment services	Shareholder	49.00	-

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

Notes to the Consolidated and Company Financial Statements

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)

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

The Group's share of results of its associates and its share of the assets and liabilities are as follows:

	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht	% Ownership Interest
Year ended 31 December 2008					
California Wow Experience Public Company Limited	697,874,209	548,204,855	648,200,119	(42,413,669)	36.79
Siam Future Development Public Company Limited	1,526,752,396	1,068,177,500	360,684,760	79,787,906	24.10 (21.25 during the year)
Ratchayothin Avenue Company Limited	569,085,753	421,876,742	174,229,923	107,084,693	60.57
Major Cineplex Lifestyle Property Fund	2,761,787,154	53,705,202	299,415,562	62,746,037	33.00
Thaiticketmajor Company Limited	30,405,932	16,230,240	33,236,800	6,078,804	40.00
M Pictures Entertainment Public Company Limited	246,554,037	161,222,245	113,583,049	(108,166,906)	40.81
Year ended 31 December 2007					
California Wow Experience Public Company Limited	739,316,100	600,746,225	595,100,141	(34,557,782)	36.75
Siam Future Development Public Company Limited	1,363,212,600	956,393,671	337,892,663	65,392,071	21.25
Ratchayothin Avenue Company Limited	449,482,149	389,175,911	1,641,319	(343,762)	60.63
Major Cineplex Lifestyle Property Fund	912,229,658	15,731,050	51,212,875	154,272,508	33.00
Thaiticketmajor Company Limited	46,520,307	33,623,418	36,069,974	8,223,152	40.00

For the years ended 31 December 2008 and 2007

12 Investments in subsidiaries and associates and interests in joint venture (Cont'd)

c) Provision for liabilities on losses in subsidiaries

The subsidiaries, EGV Entertainment Public Co., Ltd. has provided a guarantee for Exertainment Co., Ltd.'s bank loans amounting to Baht 43.4 million (2007: Baht 43.4 million) and Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG") has provided loans to Pacific Media Sales Co., Ltd., a subsidiary under PMEG amounting to Baht 60.40 million (2007: Baht 66.50 million).

As at 31 December 2008, Exertainment Co., Ltd. and Pacific Media Sales Co., Ltd. have negative shareholders' equity amounting to Baht 90.15 million and Baht 52.66 million, respectively (2007: Baht 92.57 million and Baht 37.79 million). The Company has recognised a provision for liabilities arisen from these investments in respect of the guarantee obligation and the possible loans losses as aforementioned.

The movements of provision for liabilities on losses in such companies for the years ended 31 December 2008 and 2007 are as follows:

	Unit: Baht	
	Company	
	2008	2007
Opening balance	60,737,656	45,537,278
Additional provisions	63,975,669	15,200,378
Closing balance	<u>124,713,325</u>	<u>60,737,656</u>

Notes to the Consolidated and Company Financial Statements

Property, plant and equipment, net	Consolidated						Unit: Baht		
	Land improvements	Building and building improvements	Theatre and theatre improvements	Utility system	Tools, equipment and fixtures	Office equipment		Motor vehicles	Construction in progress
At 31 December 2007									
Cost	208,316,998	418,866,647	2,881,323,577	626,369,927	3,256,601,220	270,870,453	37,478,048	246,217,309	7,946,044,179
Less Accumulated depreciation	-	(138,658,538)	(908,796,869)	(331,074,249)	(1,609,792,290)	(180,997,237)	(16,776,083)	-	(3,186,095,266)
Allowance for impairment	-	-	-	(784,866)	-	-	-	-	(784,866)
Net book value	208,316,998	280,208,109	1,972,526,708	294,510,812	1,646,808,930	89,873,216	20,701,965	246,217,309	4,759,164,047
For the year ended 31 December 2008									
Opening net book value	208,316,998	280,208,109	1,972,526,708	294,510,812	1,646,808,930	89,873,216	20,701,965	246,217,309	4,759,164,047
Additions	-	52,092,206	104,182,448	77,890,815	229,533,120	24,926,145	6,474,159	367,825,831	862,924,724
Transfer	-	163,977,428	67,959,846	31,748,369	57,686,175	90,369	-	(321,462,187)	-
Reclassification	-	-	(14,564,020)	-	4,758,300	9,805,720	-	-	-
Disposals of investment in a subsidiary (Note 12)	-	-	-	-	(1,249,010)	(3,038,326)	(2,447,108)	-	(6,734,444)
Disposals, net	-	(15,525)	(363,572)	(6,498,031)	(6,840,194)	(87,087)	(1,349,871)	-	(15,154,280)
Write-off, net	-	(39,782,256)	(36,864,629)	(121,531)	(4,145,469)	(6,425)	-	-	(80,920,310)
Depreciation charge	-	(23,873,778)	(179,442,669)	(38,251,189)	(300,041,626)	(33,431,932)	(5,282,442)	-	(580,323,636)
Impairment charge	-	-	-	-	(6,108,258)	(170,821)	-	-	(6,279,079)
Closing net book value	208,316,998	432,606,184	1,913,434,112	359,279,245	1,620,401,968	87,960,859	18,096,703	292,580,953	4,932,677,022
At 31 December 2008									
Cost	208,316,998	593,232,392	2,983,884,816	711,670,069	3,437,372,875	300,199,179	33,138,204	292,580,953	8,560,395,486
Less Accumulated depreciation	-	(160,626,208)	(1,070,450,704)	(352,390,824)	(1,810,862,649)	(212,067,499)	(15,041,501)	-	(3,621,439,385)
Allowance for impairment	-	-	-	-	(6,108,258)	(170,821)	-	-	(6,279,079)
Net book value	208,316,998	432,606,184	1,913,434,112	359,279,245	1,620,401,968	87,960,859	18,096,703	292,580,953	4,932,677,022

For the years ended 31 December 2008 and 2007

13 Property, plant and equipment, net (Cont'd)

As at 31 December 2008, the costs of fully depreciated property and equipment that are still in use are amounting to Baht 1,163.37 million (2007: Baht 1,222.31 million).

Additions during 2008 include Baht 27.28 million of assets acquired under finance lease agreements (2007: Baht 28.90 million).

Properties with the net book value amounting to Baht 372.77 million (2007: Baht 372.77 million) are pledged as collateral for bank borrowings (Note 16).

On 26 June 2007, the Group has sold utilities equipment and leased certain property and buildings to Major Cineplex Lifestyle Property Fund for the lease periods of 20 years 8 months and 30 years, with the lease of one particular building can be extended for another 30 years. The lease of land is determined to be operating lease whereas the lease of buildings is determined to be finance lease according to the substance of the related lease agreements. The net book value of the disposed assets are amounting to Baht 523 million. The Group has received Baht 1,802.67 million as consideration for the transaction, of which Baht 34.91 million and Baht 120.94 million respectively, representing advance for land rental and a deposit for extension of the building lease term, and are included in the Deferred rental and Deposits on the balance sheet accordingly. As a result, gain from disposals amounting to Baht 693.87 million (after elimination of inter-company profit of Baht 363.13 million (Note 12)) has been recognised during the year.

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

During the year 2007, the Group has transformed certain theatres into retail areas for rent and has written off the net book value of the related theatre improvements amounting to Baht 65.20 million.

Notes to the Consolidated and Company Financial Statements

13 Property, plant and equipment, net (Cont'd)

	Company							Unit: Baht
	Land improvements	Building, theatre and improvements	Utility system	Tools, equipment and fixtures	Office equipment	Vehicles	Construction in progress	
At 31 December 2007								
Cost	173,406,998	1,245,392,828	122,972,020	1,040,633,463	106,586,350	19,929,500	56,816,520	2,765,737,679
Less Accumulated depreciation	-	(396,408,993)	(36,555,124)	(501,464,409)	(47,453,970)	(8,787,272)	-	(990,669,768)
Net book value	173,406,998	848,983,835	86,416,896	539,169,054	59,132,380	11,142,228	56,816,520	1,775,067,911
For the year ended 31 December 2008								
Opening net book value	173,406,998	848,983,835	86,416,896	539,169,054	59,132,380	11,142,228	56,816,520	1,775,067,911
Additions	-	153,114,184	68,665,133	145,820,663	17,332,788	6,474,159	185,176,789	576,583,716
Transfer	-	103,208,292	30,467,424	53,551,654	-	-	(187,227,370)	-
Write-off, net	-	(36,493,096)	(121,531)	(4,137,295)	-	-	-	(40,751,922)
Disposals, net	-	(15,102)	(6,340,138)	(8,177,700)	(190,339)	(1,349,870)	(8,847,376)	(24,920,525)
Depreciation charge	-	(86,926,139)	(12,348,140)	(118,547,989)	(18,912,272)	(3,068,931)	-	(239,803,471)
Closing net book value	173,406,998	981,871,974	166,739,644	607,678,387	57,362,557	13,197,586	45,918,563	2,046,175,709
At 31 December 2008								
Cost	173,406,998	1,434,284,917	198,753,746	1,188,326,107	123,420,868	20,255,659	45,918,563	3,184,366,858
Less Accumulated depreciation	-	(452,412,943)	(32,014,102)	(580,647,721)	(66,058,311)	(7,058,073)	-	(1,138,191,149)
Net book value	173,406,998	981,871,974	166,739,644	607,678,387	57,362,557	13,197,586	45,918,563	2,046,175,709

For the years ended 31 December 2008 and 2007

13 Property, plant and equipment, net (Cont'd)

As at 31 December 2008, the costs of fully depreciated property and equipment that are still in use are amounting to Baht 291.62 million (2007: Baht 226.88 million).

Additions during 2008 included Baht 27.28 million (2007: Baht 22.54 million) of assets acquired under finance lease agreements.

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise lease space, motor vehicles and computer equipment:

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Cost - capitalised finance leases	66,263,943	40,617,915	58,675,531	33,029,502
<u>Less</u> Accumulated depreciation	(16,395,811)	(7,951,393)	(12,591,518)	(5,494,378)
Net book amount	<u>49,868,132</u>	<u>32,666,522</u>	<u>46,084,013</u>	<u>27,535,124</u>

14 Intangible assets, net

	Unit: Baht				
	Consolidated				
	Leasehold rights	Film rights	Goodwill	Computer program	Total
At 31 December 2007					
Cost	746,858,266	815,513,625	156,605,798	983,128	1,719,960,817
<u>Less</u> Accumulated amortisation	(80,968,951)	(496,004,392)	(74,831,343)	(726,317)	(652,531,003)
Allowance for impairment	-	(9,438,010)	-	-	(9,438,010)
Net book value	<u>665,889,315</u>	<u>310,071,223</u>	<u>81,774,455</u>	<u>256,811</u>	<u>1,057,991,804</u>
For the year ended 31 December 2008					
Opening net book value	665,889,315	310,071,223	81,774,455	256,811	1,057,991,804
Additions	47,670,000	334,499,190	2,257,537	2,012,510	386,439,237
Disposals of investment in a subsidiary (Note 12)	-	(144,149,496)	-	-	(144,149,496)
Amortisation	(32,944,722)	(351,152,239)	-	(257,430)	(384,354,391)
Impairment charge	(178,985)	(2,486,878)	-	-	(2,665,863)
Closing net book value	<u>680,435,608</u>	<u>146,781,800</u>	<u>84,031,992</u>	<u>2,011,891</u>	<u>913,261,291</u>
At 31 December 2008					
Cost	794,528,266	1,005,863,319	158,863,335	2,995,638	1,962,250,558
<u>Less</u> Accumulated amortisation	(113,913,673)	(847,156,631)	(74,831,343)	(983,747)	(1,036,885,394)
Allowance for impairment	(178,985)	(11,924,888)	-	-	(12,103,873)
Net book value	<u>680,435,608</u>	<u>146,781,800</u>	<u>84,031,992</u>	<u>2,011,891</u>	<u>913,261,291</u>

Leasehold rights with the net book value amounting to Baht 191.59 million (2007: Baht 206.75 million) are pledged as collateral for bank borrowings (Note 16).

Notes to the Consolidated and Company Financial Statements

14 Intangible assets, net (Cont'd)

	Unit: Baht
	Company
	Leasehold
	rights
At 31 December 2007	
Cost	205,907,878
Less Accumulated amortisation	(14,653,048)
Net book value	191,254,830
For the year ended 31 December 2008	
Opening net book value	191,254,830
Additions	32,670,000
Amortisation	(8,975,074)
Closing net book value	214,949,756
At 31 December 2008	
Cost	238,577,878
Less Accumulated amortisation	(23,628,122)
Net book value	214,949,756

15 Other non-current assets, net

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Deposits	115,651,756	87,292,390	38,880,153	41,710,939
Others	2,518,108	22,083,304	701,811	2,918,735
	118,169,864	109,375,694	39,581,964	44,629,674

16 Borrowings

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Current				
Bank overdrafts	42,068,558	46,167,318	7,632,838	11,481,530
Short-term loans from financial institutions	795,400,000	867,525,000	610,000,000	460,000,000
Total bank overdrafts and short-term loans from financial institutions	837,468,558	913,692,318	617,632,838	471,481,530
Current portion of long-term borrowings:				
- Finance lease liabilities	7,104,074	13,435,307	5,708,078	11,952,990
- Bank borrowings	417,000,000	314,438,142	378,000,000	268,000,000
Total current portion of long-term borrowings	424,104,074	327,873,449	383,708,078	279,952,990

For the years ended 31 December 2008 and 2007

16 Borrowings (Cont'd)

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Non-current portion of borrowings				
- Finance lease liabilities	20,670,495	6,418,598	20,355,163	4,519,329
- Bank borrowings	991,000,000	672,000,000	991,000,000	669,000,000
Total non-current portion of borrowings	1,011,670,495	678,418,598	1,011,355,163	673,519,329
Total borrowings	2,273,243,127	1,919,984,365	2,012,696,079	1,424,953,849

The interest rate exposure on the borrowing of the Group and the Company is as follows:

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Borrowings:				
- at fixed rates	737,774,570	479,853,905	636,063,241	476,472,319
- at floating rates	1,535,468,557	1,440,130,460	1,376,632,838	948,481,530
Total borrowings	2,273,243,127	1,919,984,365	2,012,696,079	1,424,953,849

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

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Opening balance	986,438,142	1,688,865,152	937,000,000	1,560,000,000
Borrowings	700,000,000	420,000,000	700,000,000	420,000,000
Debt forgiveness	(7,438,142)	-	-	-
Repayments	(271,000,000)	(1,122,427,010)	(268,000,000)	(1,043,000,000)
Closing balance	1,408,000,000	986,438,142	1,369,000,000	937,000,000

Maturity of bank borrowings:

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Within 1 year	417,000,000	314,438,142	378,000,000	268,000,000
Between 1 year and 2 years	448,000,000	321,000,000	448,000,000	318,000,000
Between 2 years and 5 years	543,000,000	351,000,000	543,000,000	351,000,000
	1,408,000,000	986,438,142	1,369,000,000	937,000,000

Short-term loans from financial institutions represent bills of exchange and promissory notes denominated in Thai Baht bearing interest at the rates ranging from 3.75% to 7.50% per annum (2007: 4.05% to 8.25% per annum).

Long-term bank borrowings bear interest at the rates ranging from 5.38% to 7.12% per annum (2007: 3.50% to 7.00% per annum) and are secured by the pledge of building and leasehold rights (Note 13 and 14). Lease liabilities are effectively secured as the right to the leased asset revert to lesser in the event of default.

Notes to the Consolidated and Company Financial Statements

16 Borrowings (Cont'd)**Borrowing facilities**

As at 31 December 2008, the available credit facilities from financial institutions of the Group and the Company are Baht 1,018.18 million and Baht 866.79 million, respectively, which will mainly be used for acquisitions of cinema construction and working capital (2008: Baht 658.44 million and Baht 572.30 million, respectively).

17 Other current liabilities

Unit: Baht

	Consolidated		Company	
	2008	2007	2008	2007
Other payables	310,212,961	182,304,486	100,464,593	84,330,716
Undue output VAT	130,533,042	148,345,188	48,086,741	51,269,299
Accrued expenses	127,902,767	158,406,981	63,352,941	58,527,566
Rental and services income received in advance	82,699,370	24,862,325	48,885,874	4,723,080
Deposits and advance receipts	9,330,807	56,985,108	3,690,139	6,667,686
Others	28,709,817	41,971,857	8,154,659	6,245,855
	<u>689,388,764</u>	<u>612,875,945</u>	<u>272,634,947</u>	<u>211,764,202</u>

18 Other liabilities

Unit: Baht

	Consolidated		Company	
	2008	2007	2008	2007
Rental and services income received in advance	289,648,789	308,451,454	-	-
Others	185,412,875	198,216,341	20,630,890	35,813,757
	<u>475,061,664</u>	<u>506,667,795</u>	<u>20,630,890</u>	<u>35,813,757</u>

19 Share capital and premium on share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of shares	Ordinary shares Baht	Share premium Baht
At 1 January 2007	906,776,533	787,185,105	787,185,105	2,735,696,694
Decrease of authorised shares	(20,776,533)	-	-	-
Increase of authorised shares	20,000,000	-	-	-
Issuance of shares	-	92,747,514	92,747,514	1,080,321,697
At 31 December 2007	906,000,000	879,932,619	879,932,619	3,816,018,391
Issuance of shares	-	1,964,600	1,964,600	23,655,214
At 31 December 2008	<u>906,000,000</u>	<u>881,897,219</u>	<u>881,897,219</u>	<u>3,839,673,605</u>

The total authorised number of ordinary shares is 906,000,000 shares (2007: 906,000,000 shares) with a par value of Baht 1 per share (2007: Baht 1 per share).

For the years ended 31 December 2008 and 2007

19 Share capital and premium on share capital (Cont'd)

In December 2008, the Company repurchased 2.25 million shares through the Thai Stock Exchange. The total amount paid to repurchase the shares was Baht 15.5 million which has been presented as a deduction to the shareholders' equity. These shares have not been cancelled and are held as treasury shares for reissuance at a later date.

The Company allocates retained earnings as a reserve for treasury shares amounting to Baht 15.5 million in accordance with section 66/1(2) of the Security and Exchange Act B.E. 2535 which requires the Company to set aside retained earnings as reserve.

The new shares issued during 2008 are in connection with the exercises of warrants as mentioned in Note 20.

At the Annual General Meeting of the shareholders held on 2 April 2007, the shareholders passed a resolution to approve the decrease of authorised share capital from 906,776,533 shares with a par value of Baht 1 per share to 886,000,000 shares with a par value of Baht 1 per share and increase of authorised share capital from 886,000,000 shares to 906,000,000 shares with a par value of Baht 1 per share. The Company registered the decrease and increase in share capital with the Ministry of Commerce on 11 April 2007.

20 Warrants

Warrants issued and offered to directors and employees (ESOP)

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

The exercise ratio and price are detailed belows:

	Issued date	Issued units	Exercise price	Exercise period	
		Million	Baht/unit	Start	End
ESOP-W1	14 June 2003	19.5	11.649	30 September 2003	15 June 2008
ESOP-W2	6 July 2004	3.5	14.448	30 September 2004	15 June 2008
ESOP-W3	12 November 2008	13.0	16.447	30 November 2007	15 November 2012

The exercise prices and ratios of warrants will be effective from 2 June 2008 onward are as follows:

	Exercise Ratio unit/share	Exercise price Baht/unit
ESOP-W1	1.130	11.649
ESOP-W2	1.057	14.448
ESOP-W3	1.020	16.447

During 2008, warrants are exercised by 1.30 million units and 0.51 million units of ESOP-W1 and ESOP-W3, respectively. Proceeds from exercises of warrants during the year are amounting to Baht 25.62 million.

21 Legal reserve

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

Notes to the Consolidated and Company Financial Statements

22 Minority interest

	Unit: Baht	
	Consolidated	
	2008	2007
Opening balance at 1 January	2,380,776	26,253,134
Disposals	(25,422,978)	-
Share of net profit of subsidiaries	20,358,470	1,628,740
Share of net loss of subsidiaries	(3,422,850)	(25,001,098)
Dividend paid	(400,051)	(500,000)
Closing balance at 31 December	<u>(6,506,633)</u>	<u>2,380,776</u>

23 Other operating income

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Dividend income (Note 12)	-	-	411,010,642	1,388,530,167
Gains on disposals of property, plant and equipment	4,400,358	693,868,274	-	-
Management fee income	35,349,661	25,347,608	158,949,660	299,110,497
Interest income	4,399,286	4,593,969	124,220,381	145,311,092
Other rental and services income	813,655	9,045,850	482,497	1,507,362
Gain on exchange rate	-	2,189,135	-	-
Property tax income	18,370,515	18,684,033	2,122,678	2,888,747
Subsidy for construction of theatre	13,500,000	-	-	-
Gain on cancellation of lease agreement (Note 13)	98,441,349	-	-	-
Others	47,915,786	35,106,089	98,441,349	11,059,505
	<u>223,190,610</u>	<u>788,834,958</u>	<u>35,935,193</u>	<u>1,848,407,370</u>

24 Expense by nature

	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Depreciation on property and equipment (Note 13)	580,324	603,768	239,803	242,361
Amortisation of intangible assets				
- goodwill (Note 14)	-	23,116	-	-
- film rights (Note 14)	372,598	210,644	-	-
- leasehold rights (Note 14)	32,945	33,149	8,975	8,340
Impairment of assets	8,945	8,807	-	-
Repairs and maintenance expenditure	51,721	56,738	23,063	27,257
Staff costs	575,651	570,818	288,413	262,207
Gain on disposals of assets to Property Fund	-	693,868	-	-
Loss from written-off of property, plant and equipment	-	64,164	-	-
Doubtful debts	1,196	23,262	-	-
Inventory				
- Cost of inventories recognised as expense (included in 'Cost of Sales')	213,495	209,653	134,669	121,847

For the years ended 31 December 2008 and 2007

25 Finance costs

Unit: Baht'000

	Consolidated		Company	
	2008	2007	2008	2007
Bank borrowings	86,807	116,889	76,519	77,439
Borrowings - related parties	-	-	41,983	43,743
Finance lease	1,428	2,240	1,296	348
Total	88,235	119,129	119,798	121,530

26 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

For the calculation of the diluted earnings per share, the net profit adjusted for weighted average number of ordinary shares are assume for conversion of all dilutive potential ordinary shares being warrants as per Note 20.

The basic earnings per share and the diluted earnings per share are as follows:

	Consolidated					
	Net profit		Weighted average		Earnings	
	Baht		number of shares		per share	
For the years ended 31 December	2008	2007	2008	2007	2008	2007
Basic earnings per share	626,356,254	1,226,964,389	881,216,632	866,513,626	0.71	1.42
The effect of dilutive potential shares	-	-	-	604,903	-	(0.01)
Diluted earnings per share	626,356,254	1,226,964,389	881,216,632	867,118,529	0.71	1.41

	Company					
	Net profit		Weighted average		Earnings	
	Baht		number of shares		per share	
For the years ended 31 December	2008	2007	2008	2007	2008	2007
Basic earnings per share	830,740,203	1,762,632,283	881,216,632	866,513,626	0.94	2.04
The effect of dilutive potential shares	-	-	-	604,903	-	(0.01)
Diluted earnings per share	830,740,203	1,762,632,283	881,216,632	867,118,529	0.94	2.03

Notes to the Consolidated and Company Financial Statements

27 Dividends**For the years ended 31 December 2008**

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

At the Board of Director Meeting held on 13 August 2008, the Board passed a resolution to approve interim dividends in respect of the operating results for the period from January to June 2008 at Baht 0.39 per share, totaling Baht 343.94 million. The dividends were distributed to the shareholders on 5 September 2008.

For the years ended 31 December 2007

At the Annual General Meeting of the shareholders held on 2 April 2007, the shareholders passed a resolution to approve dividends in respect of the operating results for the period from July to December 2006 at Baht 0.43 per share, totaling Baht 376.31 million. The dividends were distributed to the shareholders on 20 April 2007.

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

28 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

Note	Unit: Baht				
	Consolidated		Company		
	2008	2007	2008	2007	
Profit before income tax	901,369,267	1,476,970,816	1,018,830,228	1,913,378,876	
Adjustments for:					
Depreciation and amortisation	966,568,598	870,677,803	248,778,544	250,701,218	
Realised deferred revenue	-	(27,275,270)	-	(9,613,880)	
Allowance for doubtful accounts	481,126	14,546,686	-	-	
Provision for goods returns (reversal)	-	(5,046,458)	-	-	
Loss on diminution in value of inventories	6,508,074	2,745,128	-	-	
Gain from disposal of short-term investment	8	(6,691,551)	(986,788)	(6,691,551)	(986,788)
Gain on disposals of property, plant and equipment and leasehold rights	13	(4,207,087)	(693,868,274)	(289,966)	-
Gain on cancellation of lease agreement	13	(98,441,349)	-	(98,441,349)	-
Loss on write-off of property, plant and equipment		38,387,100	64,163,657	-	-
Realised gain on disposals of assets to Property Fund	12	(13,897,711)	-	-	-
Loss on impairment of assets		8,944,942	8,807,269	-	-
Shares of profit from associates and joint venture	12	(100,763,650)	(157,258,274)	-	-
Loss (profit) on disposals of investments in subsidiaries and associates	12	(107,974,456)	432,486	(175,998,461)	(600,000)

For the years ended 31 December 2008 and 2007

28 Cash flows from operating activities (Cont'd)

		Unit: Baht				
Note	Consolidated		Company			
	2008	2007	2008	2007		
	Provision for liabilities on losses in subsidiaries	12	-	-	63,975,669	15,200,378
	Dividend income	23	-	-	(411,010,642)	(1,388,530,167)
	Debt forgiveness	12	(7,438,142)	-	-	-
	Finance costs		88,234,750	119,129,000	119,797,774	121,530,049
	Changes in operating assets and liabilities:					
	- trade accounts and notes receivable		(302,220,130)	(154,966,623)	(73,816,445)	(145,113)
	- amounts due from related parties		(56,209,970)	(1,473,901)	55,216,196	(464,941,869)
	- inventories		(4,962,689)	10,749,213	(6,932,491)	(5,981,351)
	- other current assets		14,734,271	(39,054,845)	(14,874,084)	10,819,793
	- other assets		(22,883,739)	22,003,987	5,047,709	3,627,515
	- trade accounts and notes payable		102,637,102	19,164,179	7,199,204	63,753,632
	- amounts due to related parties		(22,590,878)	(1,440,325)	(96,102,483)	77,301,575
	- other current liabilities		(17,075,736)	110,981,632	(15,182,868)	42,563,817
	- other liabilities		6,148,946	22,615,455	(13,882,816)	145,408,251
			1,368,657,088	1,661,616,553	605,622,168	773,485,936

29 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following material transactions were carried out with related parties:

i) Sales of goods and services and others

		Unit: Baht'000			
	Consolidated		Company		
	2008	2007	2008	2007	
Sales of services to:					
	Subsidiaries	-	-	378,965	535,131
	Associates	73,452	63,819	37,138	20,573
	Related parties	22,284	15,310	5,724	5,449
		95,736	79,129	421,827	561,153
Dividend income and other income					
	Subsidiaries	-	-	447,247	1,634,337
	Associates	8,687	1,813	106,098	60,843
	Joint venture	4,500	-	4,500	-
	Related parties	-	-	-	-
	Property Fund	-	1,802,674	-	-
		13,187	1,804,487	557,845	1,695,180

Notes to the Consolidated and Company Financial Statements

29 Related party transactions (Cont'd)

ii) Purchase of goods and services and others

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Purchases of services and other from:				
Subsidiaries	-	-	124,897	207,572
Associates	170,469	134,528	122,067	69,577
Related parties	118,156	104,725	109,541	96,213
	<u>288,625</u>	<u>239,253</u>	<u>356,505</u>	<u>373,362</u>

Pricing policies for related party transactions are as follows:

	Pricing policies
Management fee	Agreed prices as stipulated in the agreements
Advertising fee	Agreed price which approximate to market price
Interest charge	Rate determined with reference to the interest rate quoted by commercial banks
Rental and services	Agreed prices which approximate to market price
Equipment rental	Agreed prices which approximate to market price
Computer service	Agreed prices as stipulated in the agreements
Leasehold rights	Agreed prices which approximate to market price
Sponsorship fee	Agreed prices as stipulated in the agreements
Film hire cost	Agreed prices which approximate to market price

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

	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Trade accounts receivable (included in "Trade accounts and notes receivable")				
Subsidiaries	-	-	230,946	176,376
Associates	2,895	9,792	608	250
Related parties	4,679	572	148	62
	<u>7,574</u>	<u>10,364</u>	<u>231,702</u>	<u>176,688</u>
Other receivables (included in "Amounts due from - related parties")				
Subsidiaries	-	-	723,353	788,579
Associates	11,560	5,917	10,119	5,503
Related parties	-	13	-	269
Joint venture	5,662	-	5,662	-
	<u>17,222</u>	<u>5,930</u>	<u>739,134</u>	<u>794,351</u>

For the years ended 31 December 2008 and 2007

29 Related party transactions (Cont'd)

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

	Unit: Baht'000			
	Consolidated		Company	
	2008	2007	2008	2007
Dividends receivables				
(included in "Other current assets")				
Subsidiaries	-	-	34,790	125,840
Trade accounts payable				
(included in "Trade accounts and notes receivable")				
Subsidiaries	-	-	111,029	103,246
Associates	99,633	-	-	-
Related parties	19,059	7,056	7,359	2,485
	<u>118,692</u>	<u>7,056</u>	<u>118,388</u>	<u>105,731</u>
Other payables				
(included in "Amounts due to - related parties")				
Subsidiaries	-	-	139,736	284,670
Associates	30,501	3,167	26,781	722
Related parties	18,356	2,654	17,456	2,593
Board	3,300	-	3,300	-
	<u>52,157</u>	<u>5,821</u>	<u>183,273</u>	<u>287,985</u>
Advance received for land rental				
(included in "Other liabilities")				
Property Fund	33,339	34,386	-	-
Deposits received				
(included in "Other liabilities")				
Property Fund	120,003	120,003	-	-
Current portion of finance lease liability				
Associates	280	-	280	-
Related parties	187	-	187	-
	<u>467</u>	<u>-</u>	<u>467</u>	<u>-</u>
Long-term portion of finance lease liability				
Associates	11,797	-	11,797	-
Related parties	7,865	-	7,865	-
	<u>19,662</u>	<u>-</u>	<u>19,662</u>	<u>-</u>

Notes to the Consolidated and Company Financial Statements

29 Related party transactions (Cont'd)**iv) Long-term loans to related parties**

	Unit: Baht'000	
	<u>Consolidated</u>	<u>Company</u>
For the year ended 31 December 2008		
Subsidiaries and associates and employees		
Beginning balance	36,252	1,866,623
Loans made during the year	50,710	229,893
Loans repayments during the year	<u>(24,473)</u>	<u>(500,853)</u>
Ending balance	<u>62,489</u>	<u>1,595,663</u>

The loans to related parties are carrying interest at the rates ranging from 7.00% to 8.50% per annum (2007: 7.13% to 8.50% per annum) and there is no specific repayment date.

v) Long-term loans from related parties

	Unit: Baht'000	
	<u>Company</u>	
For the year ended 31 December 2008		
Subsidiaries		
Beginning balance		808,705
Loans received during the year		78,000
Loans repaid during the year		<u>(477,741)</u>
Ending balance		<u>408,964</u>

The loans from subsidiaries are carrying interest at the rates ranging from 7.00% to 7.50% per annum (2007: 7.13% to 8.00% per annum) and there is no specific repayment date.

vi) Director's remuneration

In 2008 the total remuneration of the directors approximated Baht 40.91 million (2007: Baht 36.51 million), including salaries and other benefits.

vii) Investments in subsidiaries, associates and joint venture

Details of investments in subsidiaries, associates and joint venture are set out in Note 12.

30 Commitments and contingencies**i) Bank guarantees**

There are bank guarantees given on behalf of the Group to third parties amounting to Baht 148.11 million outstanding as at 31 December 2008 (2007: Baht 151 million).

For the years ended 31 December 2008 and 2007

30 Commitments and contingencies (Cont'd)

ii) Guarantees

As of 31 December 2008, the Company and a subsidiary have given guarantees for bank loans granted to related companies being Pacific Marketing and Entertainment Group Co., Ltd., M Pictures Co., Ltd. and Exertainment Co., Ltd. for a total of Baht 1,260.2 million (2007: Baht 808.2 million).

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

As of 31 December, the Company and its subsidiaries have commitment obligations in terms of long-term lease of land, buildings and service contracts. The future aggregate non-cancellable minimum lease and service payments under the contracts are as follows:

	Unit: Baht			
	Consolidated		Company	
	2008	2007	2008	2007
Not later than 1 year	561	547	225	243
Later than 1 year but not later than 5 years	2,196	2,316	876	1,011
Later than 5 years	5,956	6,330	1,852	1,945
	<u>8,713</u>	<u>9,193</u>	<u>2,953</u>	<u>3,199</u>

In addition to the minimum lease and service payments, the Group also has obligations in respect of lease of buildings and service contracts based on revenue sharing with the lesser.

iv) Capital commitments

Capital expenditure contracted for property, plant and equipment as at 31 December 2008 but not recognised in the financial statements is amounting to Baht 442.49 million (2007: Baht 20.89 million).

v) Commitment for acquisitions of film rights

As of 31 December 2008, the Group has commitments in respect of purchases of film rights amounting to Baht 133.56 million (2007: Baht 213.60 Million) payable over the next 1-2 years.

31 Subsequent event

At the Board of Directors Meeting held on 24 February 2009, the Board passed a resolution to approve dividends in respect of the operating results for the period from July to December 2008 at Baht 0.25 per share, totalling Baht 220.47 million. The dividends will be distributed to shareholders listed in the register on 4 May 2009.

REFERENCE

Reference

Share Registrar	Thailand Securities Depository Co., Ltd. 62 Stock Exchange of Thailand, Floor 4,6 and 7 Rachadapisek Rd., Klongtoey, Bangkok 10110 Tel: 0 2359 1200-1
Financial Advisor	Asia Plus Securities Plc. 11 st Floor, Sathorn City Tower, 175 South Sathorn Rd., Tungmahamek, Sathorn, Bangkok 10120 Tel: 0 2680 1111
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