

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

I have reviewed the accompanying consolidated and company balance sheets as at 30 September 2006 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, ("the Company") respectively, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2006, and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2006. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my review.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company balance sheets as at 31 December 2005 of the Company and its subsidiaries and of the Company respectively, presented herewith for comparative purposes, are components of the financial statements for the year ended 31 December 2005, which were audited by another auditor whose report dated 20 February 2006, expressed an unqualified opinion on those statements, and I have not performed any other auditing procedures subsequent to the date of that report. The related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2005, changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2005 of the Company and its subsidiaries and of the Company, presented herewith for comparative purposes, were reviewed by the same auditor as mentioned above, whose report dated 10 November 2005, stated that nothing had come to his attention that caused him to believe that those interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

Bangkok
14 November 2006

Major Cineplex Group Public Company Limited

Balance Sheets

As at 30 September 2006 and 31 December 2005

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2006	2005	2006	2005
		Baht'000	Baht'000	Baht'000	Baht'000
ASSETS					
Current Assets					
Cash and cash equivalents		375,945	316,627	265,886	146,419
Short-term investments		194	1,030	-	-
Trade accounts receivable and notes receivable, net	4	721,684	503,214	116,897	56,619
Amounts due from related parties	13	38	-	396,538	312,987
Inventories, net		145,872	78,961	13,560	8,812
Value added tax receivable, net		119,255	51,654	15,011	12,963
Other accounts receivable		129,845	57,823	51,722	7,729
Other current assets		152,902	122,081	81,054	41,136
Total Current Assets		1,645,735	1,131,390	940,668	586,665
Non-Current Assets					
Restricted cash		5,618	6,655	-	-
Investments in subsidiaries and associates	12	584,356	467,030	2,805,383	2,491,540
Long-term loans to related parties	13	2,950	2,350	1,369,079	1,110,574
Loans to employees		9,773	8,118	7,525	5,363
Property and equipment, net	5	4,826,731	4,589,137	1,454,971	1,407,020
Leasehold rights, net	5	587,428	589,520	83,525	86,270
Film rights, net	6	308,573	292,198	-	-
Goodwill, net	6	144,069	163,463	-	-
Deposits		271,389	80,466	225,994	43,769
Other non-current assets, net		58,530	49,643	3,571	1,168
Total Non-Current Assets		6,799,417	6,248,580	5,950,048	5,145,704
Total Assets		8,445,152	7,379,970	6,890,716	5,732,369

Director _____

Director _____

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2006 and 31 December 2005

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2006	2005	2006	2005
		Baht'000	Baht'000	Baht'000	Baht'000
LIABILITIES AND SHAREHOLDERS'					
EQUITY					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions		1,061,722	812,072	601,756	570,772
Trade accounts payable and notes payable		618,662	578,212	264,395	181,225
Amounts due to related parties	13	-	-	8,241	1,238
Current portion of long-term borrowings from financial institutions	7	590,505	588,678	480,005	481,250
Other accounts payable		225,386	265,212	88,953	29,453
Accrued income tax		113,381	127,952	11,819	64,936
Current portion of deferred rental and services income		17,763	17,587	-	-
Dividends payable		96,994	91	96,994	91
Accrued expenses		94,925	69,559	32,569	24,869
Other current liabilities		161,104	193,652	56,214	60,957
Total Current Liabilities		2,980,442	2,653,015	1,640,946	1,414,791
Non-Current Liabilities					
Long-term borrowings from subsidiaries	13	-	-	215,575	86,130
Long-term borrowings from financial institutions	7	1,136,827	1,395,280	1,094,407	1,276,591
Deferred rental and services income		296,862	310,372	-	-
Advance receipt from sponsors		1,185	22,000	1,185	22,000
Other non-current liabilities		82,161	74,804	21,210	20,850
Total Non-Current Liabilities		1,517,035	1,802,456	1,332,377	1,405,571
Total Liabilities		4,497,477	4,455,471	2,973,323	2,820,362

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

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2006 and 31 December 2005

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2006	2005	2006	2005
		Baht'000	Baht'000	Baht'000	Baht'000
LIABILITIES AND SHAREHOLDERS'					
EQUITY (Cont'd)					
Shareholders' Equity					
Share capital	8				
Authorised share capital		906,777	897,000	906,777	897,000
Issued and fully paid-up share capital		770,156	709,323	770,156	709,323
Premium on share capital	8	2,541,008	1,840,200	2,541,008	1,840,200
Advance receipt for share subscription	10	211,718	16	211,718	16
Retained earnings					
Appropriated - legal reserve		48,233	14,405	48,233	14,405
Unappropriated		346,278	348,063	346,278	348,063
Total parent's shareholders' equity		3,917,393	2,912,007	3,917,393	2,912,007
Minority interests		30,282	12,492	-	-
Total Shareholders' Equity		3,947,675	2,924,499	3,917,393	2,912,007
Total Liabilities and Shareholders' Equity		8,445,152	7,379,970	6,890,716	5,732,369

Major Cineplex Group Public Company Limited**Statements of Income (Unaudited)****For the three-month periods ended 30 September 2006 and 2005**

	Consolidated		Company	
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Note	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Admissions	618,211	627,936	340,871	325,112
Concessions sales	106,554	95,896	49,310	48,162
Advertising services income	155,078	143,053	85,828	29,700
Bowling and Karaoke services income	150,086	134,096	23,219	29,991
Rentals and services income	110,398	71,880	11,149	10,685
Sales of VCD/DVD and film rights	153,721	129,169	-	-
Fitness services income	5,498	8,090	-	-
Sponsorship income	14,917	15,483	11,175	11,713
Total revenues	1,314,463	1,225,603	521,552	455,363
Expenses				
Cost of film exhibition and theatre	552,353	487,457	294,187	277,530
Cost of concessions	35,724	34,797	16,461	18,095
Cost of advertising services	5,728	7,129	-	-
Cost of bowling and Karaoke services	81,637	86,820	17,264	19,760
Cost of rentals and services	62,001	55,035	1,727	1,562
Cost of sales of VCD/DVD and film rights	118,609	81,539	-	-
Cost of fitness services	6,196	7,174	-	-
Selling and administrative expenses	278,153	239,253	113,369	83,844
Total expenses	1,140,401	999,204	443,008	400,791
Profit from sales and services	174,062	226,399	78,544	54,572
Other operating income	46,948	14,865	76,930	57,252
Operating profit	221,010	241,264	155,474	111,824
Share of profit of investments - equity method	56,377	7,699	82,685	84,534
Profit before interest and tax	277,387	248,963	238,159	196,358
Interest expense	(41,730)	(25,073)	(33,408)	(16,556)
Income tax	(46,693)	(66,160)	(15,932)	(22,580)
Profit before minorities	188,964	157,730	188,819	157,222
Profit attributable to minorities, net	(145)	(508)	-	-
Net profit for the period	188,819	157,222	188,819	157,222
	Baht	Baht	Baht	Baht
Earnings per share				
Basic earnings per share	0.25	0.22	0.25	0.22
Diluted earnings per share	0.24	-	0.24	-

Major Cineplex Group Public Company Limited**Statements of Income (Unaudited)****For the nine-month periods ended 30 September 2006 and 2005**

	Notes	Consolidated		Company	
		30 September 2006 Baht'000	30 September 2005 Baht'000	30 September 2006 Baht'000	30 September 2005 Baht'000
Revenues					
Admissions		1,817,451	1,711,115	1,005,341	863,654
Concessions sales		316,074	249,841	148,568	120,442
Advertising services income		464,198	448,758	159,278	112,092
Bowling and Karaoke services income		408,299	339,544	69,642	117,699
Rentals and services income		316,149	220,975	32,394	32,571
Sales of VCD/DVD and film rights		370,195	304,108	-	-
Fitness services income		19,830	16,042	-	-
Sponsorship income		106,936	88,046	76,190	53,260
Total revenues		3,819,132	3,378,429	1,491,413	1,299,718
Expenses					
Cost of film exhibition and theatre		1,631,624	1,453,214	918,832	756,704
Cost of concessions		114,535	89,312	53,395	45,211
Cost of advertising services		13,251	11,602	-	-
Cost of bowling and Karaoke services		229,666	231,814	49,384	88,249
Cost of rentals and services		179,559	159,752	5,116	5,332
Cost of sales of VCD/DVD and film rights		219,828	213,983	-	-
Cost of fitness services		18,148	23,618	-	-
Selling and administrative expenses		815,184	618,609	322,383	252,943
Total expenses		3,221,795	2,801,904	1,349,110	1,148,439
Profit from sales and services		597,337	576,525	142,303	151,279
Profit from disposal of investment	12	107,441	-	107,441	-
Other operating income		125,681	51,998	209,909	170,358
Operating profit		830,459	628,523	459,653	321,637
Share of profit of investments - equity method	12	87,045	22,141	287,232	193,405
Profit before interest and tax		917,504	650,664	746,885	515,042
Interest expense		(123,719)	(73,357)	(95,689)	(45,800)
Income tax		(213,332)	(178,283)	(72,963)	(64,186)
Profit before minorities		580,453	399,024	578,233	405,056
(Profit) loss attributable to minorities, net		(2,220)	6,032	-	-
Net profit for the period		578,233	405,056	578,233	405,056
		Baht	Baht	Baht	Baht
Earnings per share					
Basic earnings per share	3	0.78	0.57	0.78	0.57
Diluted earnings per share		0.76	-	0.76	-

Major Cineplex Group Public Company Limited

Statements of Changes in Shareholders' Equity (Unaudited)

For the nine-month periods ended 30 September 2006 and 2005

Consolidated (Baht'000)							
	Issued and paid-up share capital	Premium on share capital	Advance for share subscription	Legal reserve	Unappropriated retained earnings	Minority interests	Total
Notes							
Opening balance 1 January 2006	709,323	1,840,200	16	14,405	348,063	12,492	2,924,499
Issuance of ordinary shares	8 60,833	700,808	(16)	-	-	-	761,625
Advance for share subscription	10 -	-	211,718	-	-	-	211,718
Share subscription in subsidiary received from minorities	-	-	-	-	-	16,487	16,487
Legal reserve appropriation	-	-	-	33,828	(33,828)	-	-
Net profit for the period	-	-	-	-	578,233	2,220	580,453
Dividends	9 -	-	-	-	(546,190)	(917)	(547,107)
Closing balance 30 September 2006	<u>770,156</u>	<u>2,541,008</u>	<u>211,718</u>	<u>48,233</u>	<u>346,278</u>	<u>30,282</u>	<u>3,947,675</u>

Consolidated (Baht'000)							
	Issued and paid-up share capital	Premium on share capital	Unrealised gain on investments in available for sale securities	Legal reserve	Unappropriated retained earnings	Minority interests	Total
Opening balance 1 January 2005	709,323	1,840,200	1	-	40,275	22,453	2,612,252
Acquired shares in subsidiary from minorities	-	-	-	-	-	(900)	(900)
Legal reserve appropriation	-	-	-	14,405	(14,405)	-	-
Net profit (loss) for the period	-	-	-	-	405,056	(6,032)	399,024
Dividends	-	-	-	-	(212,797)	-	(212,797)
Closing balance 30 September 2005	<u>709,323</u>	<u>1,840,200</u>	<u>1</u>	<u>14,405</u>	<u>218,129</u>	<u>15,521</u>	<u>2,797,579</u>

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

Major Cineplex Group Public Company Limited

Statements of Cash Flows (Unaudited)

For the nine-month periods ended 30 September 2006 and 2005

	Notes	Consolidated		Company	
		30 September 2006 Baht'000	30 September 2005 Baht'000	30 September 2006 Baht'000	30 September 2005 Baht'000
Cash flows from operating activities	11	786,065	807,184	112,139	392,902
Cash flows from investing activities					
Net proceeds for short-term investments		836	1,531	-	1,531
Loans made to related parties	13	(600)	-	(524,868)	(530,391)
Proceed from repayment of loans to related parties	13	-	600	266,363	-
Proceeds from disposal of investment in associates	12	149,255	-	149,255	-
Payment for investment in associates	12	(90,110)	(1,853)	(90,110)	(1,853)
Purchases of property and equipment		(821,739)	(639,231)	(235,136)	(314,487)
Proceeds from disposals of property and equipment		2,804	-	32,817	32,989
Dividends received from subsidiaries and associates		18,015	31,998	21,685	31,998
Loans made to employees		(1,655)	949	(2,162)	(456)
Payment for deposits for land, leases and service contracts		(181,457)	(9,135)	(111,572)	(5,256)
Payments for leasehold rights		(16,600)	(67,250)	-	(17,250)
Payments for film rights		(319,183)	(42,431)	-	-
Net cash payments for investing activities		(1,260,434)	(724,822)	(493,728)	(803,175)
Cash flows from financing activities					
Decrease in restricted cash		1,037	11,761	-	-
Proceeds (repayments) from short-term loans		215,300	(330,577)	4,000	280,000
Payments of finance lease liabilities		(36,803)	(42,975)	(35,929)	(42,407)
Proceeds from loans from subsidiaries		-	-	241,945	107,700
Repayments of loans from subsidiaries		-	-	(112,500)	(192,379)
Proceeds from long-term borrowings	7	100,000	422,500	100,000	422,500
Repayments of long-term borrowings	7	(319,823)	(120,750)	(247,500)	(42,000)
Proceeds from issuance of shares	8	761,625	-	761,625	-
Cash received in advance from share subscription	10	211,718	-	211,718	-
Dividends paid		(449,287)	(212,789)	(449,287)	(212,789)
Dividends paid from subsidiary to minorities		(917)	-	-	-
Share subscription in subsidiary received from minorities		16,487	-	-	-
Net cash receipts (payments for) financing activities		499,337	(272,830)	474,072	320,625
Net increase/(decrease) in cash and cash equivalents		24,968	(190,468)	92,483	(89,648)
Opening balance of cash and cash equivalents		282,555	318,641	145,647	109,066
Closing balance of cash and cash equivalents		307,523	128,173	238,130	19,418

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

Major Cineplex Group Public Company Limited

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

For the nine-month periods ended 30 September 2006 and 2005

	Consolidated		Company	
	30 September 2006 Baht'000	30 September 2005 Baht'000	30 September 2006 Baht'000	30 September 2005 Baht'000
Cash and cash equivalents as at 30 September comprise:				
Cash on hand and deposits held at call with banks	375,945	207,264	265,886	93,294
Bank overdrafts	(68,422)	(79,091)	(27,756)	(73,876)
Total cash and cash equivalents	<u>307,523</u>	<u>128,173</u>	<u>238,130</u>	<u>19,418</u>

Supplementary information for cash flows:

Interest paid	128,255	68,751	91,348	41,733
Income tax paid	227,903	145,135	126,080	59,651

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2006 and 2005:

	Consolidated		Company	
	30 September 2006 Baht'000	30 September 2005 Baht'000	30 September 2006 Baht'000	30 September 2005 Baht'000
Investment in property and equipment not yet paid	65,175	104,682	25,501	14,762
Purchases of film rights not yet paid	78,256	68,140	-	-
Purchases of property and equipment under finance leases	7,717	58,605	6,912	56,637

Major Cineplex Group Public Company Limited

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

For the nine-month periods ended 30 September 2006 and 2005

	Notes	Company (Baht'000)					Total
		Issued and paid-up share capital	Premium on share capital	Advance for share subscription	Legal reserve	Unappropriated retained earnings	
Opening balance 1 January 2006		709,323	1,840,200	16	14,405	348,063	2,912,007
Issuance of ordinary shares	8	60,833	700,808	(16)	-	-	761,625
Advance for share subscription	10	-	-	211,718	-	-	211,718
Legal reserve appropriation		-	-	-	33,828	(33,828)	-
Net profit for the period		-	-	-	-	578,233	578,233
Dividends	9	-	-	-	-	(546,190)	(546,190)
Closing balance 30 September 2006		<u>770,156</u>	<u>2,541,008</u>	<u>211,718</u>	<u>48,233</u>	<u>346,278</u>	<u>3,917,393</u>
Opening balance 1 January 2005		709,323	1,840,200	-	-	40,275	2,589,798
Legal reserve appropriation		-	-	-	14,405	(14,405)	-
Net profit for the period		-	-	-	-	405,056	405,056
Dividends		-	-	-	-	(212,797)	(212,797)
Closing balance 30 September 2005		<u>709,323</u>	<u>1,840,200</u>	<u>-</u>	<u>14,405</u>	<u>218,129</u>	<u>2,782,057</u>

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

1 Summary of significant of accounting policies

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Account Profession Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format according to Thai Accounting Standard 41, 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention.

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

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The comparative figures in consolidated and company financial statements as at 31 December 2005 and the interim consolidated and company financial statements for the three-month and nine-month period ended 30 September 2005 have been adjusted to conform with changes in presentation in the interim consolidated and company financial statements as at 30 September 2006 and for the three-month and nine-month periods ended 30 September 2006.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 14 November 2006.

These interim financial statements should be read in conjunction with the 2005 annual financial statements. The significant accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2005 as set forth:

1.1 Group accounting - Investments in subsidiaries and associates

a) Subsidiaries

Subsidiary undertakings, which are those companies in which the Group has power to govern the financial and operating policies, are consolidated; attention is directed to the substance of the power, and not merely the legal form.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date on which the Group ceases to have the power to exercise control over the operations. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless costs cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests. The interest of third parties in subsidiaries is accounted for on the basis of their share in the underlying equity of these undertakings. A list of subsidiaries is set out in Note 12.

In the Company's separate financial statements, the Company accounts for its interest in subsidiaries on an equity basis.

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

1.1 Group accounting - Investments in subsidiaries and associates (Cont'd)

b) Associates

Investments in associated undertakings are accounted for using the equity method of accounting in the consolidated financial statements. Under this method, the company's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are entities over which the Group generally has significant influence, but which it does not control, generally accompanying or shareholding of between 20% and 50% the voting rights. 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. The Group's investment in associates includes goodwill (net of accumulated amortisation) on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not continue to recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates. A list of the principal associates is set out in Note 12.

In the Company's separate financial statements, the Company accounts for its interest in associates on an equity basis.

1.2 Foreign currency translation

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.

1.3 Cash and cash equivalents

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

1.4 Trade accounts receivable

Trade accounts receivable are recognised initially 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 and the amount expected to be collectible. Bad debts are recognised in the income statement within selling and marketing expenses.

1.5 Inventories

Inventories consist foods and beverages at concessions and outlets, theatre supplies, VCD and DVD. Inventories are valued 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 average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

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

1.6 Investments (other than subsidiaries and associates)

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 income statement in the period in which they arise. 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.

1.7 Property and equipment

Property 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	5,10,20 years and the lease contracts periods
Buildings and theatres improvements	5,10,25 years
Utilities systems	5,10 years
Tools and equipment	5,10,15 years
Furniture, fixtures and office equipment	5 years
Motor vehicles (including motor vehicles under finance leases)	5 years

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 income statement 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 the income statement.

Interest costs on borrowings to finance the construction of property 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.

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

1.8 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. Goodwill is amortised using the straight-line method over its estimated useful life. Management determines the estimated useful life of goodwill based on its evaluation of the respective companies at the time of the acquisition, considering factors such as existing market share, potential growth and other factors inherent in the acquired companies.

Goodwill arising on acquisitions of the Group is amortised over a period of 10 years.

At each balance sheet date the Group assesses whether there is any indication of impairment on separately recognised goodwill. If such indications exist an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition. Negative goodwill is presented in the same balance sheet classifications as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and to the extent that these can be measured reliably, but which do not represent identifiable liabilities, that portion of negative goodwill is recognised in the statement of income when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the statement of income over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair values of those assets is recognised in the statement of income immediately.

1.9 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 in relation 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 immediately.

Leasehold rights

Land lease rights and leasehold rights of buildings are initially recognised at costs and amortised as expense on a straight-line basis over the leases periods.

1.10 Impairment of assets

Property and equipment and other non-financial 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 (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

1.11 Leases - where a group company is the lessee

Leases of property and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance charge is charged to results over the lease period. The property and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to results on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.12 Employee benefits

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate fund which is managed by the external fund manager. 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.

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

1.13 Provisions

Provisions, which exclude 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 asset but only when the reimbursement is virtually certain.

Provision for goods returns

Provision for goods returns of VCD and DVD is estimated by reference to actual goods returns occurred during the year and calculated as the percentage to sales made during the year.

1.14 Revenue recognition

Revenues of the Group consist principally admissions, concession sales, advertising services, bowling and Karaoke services, rental and services, fitness center 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 are recognised upon completion of services rendering.

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

The Group recognises revenues from providing on-screen advertising over the period of the related terms of agreements.

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

1.14 Revenue recognition (Cont'd)

Other revenues

Interest income is recognised 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. Dividends are recognised when the right to receive payment is established.

1.15 Deferred revenue

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

1.16 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.

1.17 Dividends

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

1.18 Segment reporting

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

1.19 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, short-term investments, trade receivables, related party receivables and payables, trade payables, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2 **Segment information**

Financial information by business segments:-

	Million Baht						
	Cinema business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Fitness center	Eliminated	Consolidated
For the three-month period ended							
30 September 2006							
Revenues	891	154	145	154	5	(35)	1,314
Segment result	118	30	76	(8)	(2)		214
Unallocated costs							(40)
Other revenues							103
Interest expense and tax							(88)
Net profit for the period							189
For the three-month period ended							
30 September 2005							
Revenues	882	134	121	129	8	(48)	1,226
Segment result	183	25	58	10	(3)		273
Unallocated costs							(46)
Other revenues							23
Interest expense and tax							(93)
Net profit for the period							157

2 Segment information (Cont'd)

	Million Baht						
	Cinema business	Bowling and Karaoke business	Rental and services	VCD/DVD and film rights distribution	Fitness center	Eliminated	Consolidated
For the nine-month period ended 30 September 2006							
Revenues	2,686	427	422	370	20	(106)	3,819
Segment result	<u>397</u>	<u>70</u>	<u>220</u>	<u>26</u>	<u>(3)</u>		710
Unallocated costs							(115)
Other revenues							320
Interest expense and tax							(337)
Net profit for the period							<u>578</u>
For the nine-month period ended 30 September 2005							
Revenues	2,477	360	327	304	16	(106)	3,378
Segment result	<u>477</u>	<u>73</u>	<u>149</u>	<u>2</u>	<u>(18)</u>		683
Unallocated costs							(102)
Other revenues							74
Interest expense and tax							(250)
Net profit for the period							<u>405</u>

3 Earnings per share

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

For the calculation of the diluted earnings per share, the net profit adjusted for the weighted average number of ordinary shares assuming conversion of all dilutive potential ordinary shares, being warrants (Note 10).

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

	Consolidated and Company					
	Net profit		Weighted average		Earnings	
	Baht'000		number of shares		per share	
			'000 shares		Baht	
For the three-month period ended 30 September	2006	2005	2006	2005	2006	2005
Basic earnings per share	188,819	157,222	770,156	709,323	0.25	0.22
The effect of dilutive potential shares	-	-	21,810	-	(0.01)	-
Diluted earnings per share	188,819	-	791,966	-	0.24	-

	Consolidated and Company					
	Net profit		Weighted average		Earnings	
	Baht'000		number of shares		per share	
			'000 shares		Baht	
For the nine-month period ended 30 September	2006	2005	2006	2005	2006	2005
Basic earnings per share	578,233	405,056	742,529	709,323	0.78	0.57
The effect of dilutive potential shares	-	-	22,778	-	(0.02)	-
Diluted earnings per share	578,233	-	765,307	-	0.76	-

The warrants outstanding as at 30 September 2005 were in connection with the warrants issued to directors and employee (ESOP) and warrants issued to the public (MAJOR-W1) which did not affect the diluted earnings per share since the average share price calculated from the date the warrants were granted to the reporting period was below the exercise price of the outstanding warrants.

4 Trade accounts and notes receivable, net

	Consolidated		Company	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Unbilled revenue - advertising	105,774	24,766	-	-
Notes receivable	23,703	13,263	11,227	1,082
Trade accounts receivable				
- advertising	258,481	200,352	48,064	32,690
- sales of VCD, DVD and film rights	305,642	208,991	-	-
- others	71,406	93,534	58,689	23,551
Total	765,006	540,906	117,980	57,323
Less Allowance for doubtful accounts	(43,322)	(37,692)	(1,083)	(704)
Trade accounts and notes receivable, net	721,684	503,214	116,897	56,619

4 Trade accounts and notes receivable, net (Cont'd)

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

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
Unbilled revenue - advertising	105,774	24,766	-	-
Trade accounts and notes receivable				
Current	479,542	374,559	70,359	25,361
Overdue below 3 months	76,519	66,029	30,475	30,047
Overdue 3 - 6 months	39,434	10,509	13,144	103
Overdue over 6 months	63,737	65,043	4,002	1,812
	765,006	540,906	117,980	57,323
Less Allowance for doubtful accounts	(43,322)	(37,692)	(1,083)	(704)
Trade accounts and notes receivable, net	721,684	503,214	116,897	56,619

5 Capital expenditure and commitments

	Consolidated		Company	
	Property and equipment Baht'000	Leasehold rights Baht'000	Property and equipment Baht'000	Leasehold rights Baht'000
For the nine-month period ended				
30 September 2006				
Opening net book amount	4,589,137	589,520	1,407,020	86,270
Additions	679,063	16,600	214,334	-
Disposals, net	(3,396)	-	-	-
Depreciation/amortisation	(438,073)	(18,692)	(166,383)	(2,745)
Closing net book amount	4,826,731	587,428	1,454,971	83,525

Capital commitments

During the period, on 11 September 2006, the Board of Director has approved the Company to purchase the land next to Major Cineplex Ratchayothin from the Siam Commercial Bank Public Company Limited for Baht 652.64 million. The Company has made deposit for the purchase of the land amounting to Baht 75 million.

6 **Intangible assets**

	Consolidated	
	Film rights Baht'000	Goodwill Baht'000
For the nine-month period ended		
30 September 2006		
Opening net book amount	292,198	163,463
Additions	181,599	-
Amortisation	(165,224)	(19,394)
Closing net book amount	<u>308,573</u>	<u>144,069</u>

7 **Long-term borrowings from financial institutions**

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
Current portion				
- Finance lease liabilities	3,005	43,178	3,005	42,250
- Bank borrowings	587,500	545,500	477,000	439,000
Total current borrowings	<u>590,505</u>	<u>588,678</u>	<u>480,005</u>	<u>481,250</u>
Non-current				
- Finance lease liabilities	4,712	1,342	3,907	591
- Bank borrowings	1,132,115	1,393,938	1,090,500	1,276,000
Total non-current borrowings	<u>1,136,827</u>	<u>1,395,280</u>	<u>1,094,407</u>	<u>1,276,591</u>
Total borrowings	<u><u>1,727,332</u></u>	<u><u>1,983,958</u></u>	<u><u>1,574,412</u></u>	<u><u>1,757,841</u></u>

The movements in bank borrowings can be analysed as follows:

	Consolidated Baht'000	Company Baht'000
For the nine-month period ended 30 September 2006		
Opening amount	1,939,438	1,715,000
Borrowings during the period	100,000	100,000
Repayment during the period	(319,823)	(247,500)
Closing amount	<u><u>1,719,615</u></u>	<u><u>1,567,500</u></u>

Long-term bank borrowings bear interest at the rate ranging from 3.50% to 6.75% per annum are secured by the certain building and leasehold rights.

8 Share capital and premium on share capital

	Authorised number of share Share'000	Issued and fully paid-up		
		Number of shares Shares'000	Ordinary shares Baht'000	Share premium Baht'000
For the nine-month period ended 30 September 2006				
Opening balance	897,000	709,323	709,323	1,840,200
Issue of shares	-	60,833	60,833	700,808
Decrease of authorised shares	(223)	-	-	-
Increase of authorised shares	10,000	-	-	-
Closing balance	<u>906,777</u>	<u>770,156</u>	<u>770,156</u>	<u>2,541,008</u>

As at 30 September 2006, the total authorised number of ordinary shares is 907 million shares (31 December 2005: 897 million shares) with par value of Baht 1 per share (31 December 2005: Baht 1 per share).

At the Annual General Meeting of the shareholders held on 4 April 2006, the shareholders passed a resolution to approve the decrease of authorised share capital from 897,000,000 ordinary shares with a par value of Baht 1 per share to 896,776,533 ordinary shares with a par value of Baht 1 per share and increase of authorised share capital from 896,776,533 ordinary shares to 906,776,533 ordinary 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 12 July 2006.

The new shares issued during the period are in connection with the exercises of warrants as mentioned in Note 10.

7 **Long-term borrowing from financial institutions**

	Consolidated		Company	
	30 June 2006 Baht'000	31 December 2005 Baht'000	30 June 2006 Baht'000	31 December 2005 Baht'000
Current portion				
-Financial lease liabilities		43,178		42,250
-Bank borrowings		545,500		439,000
Total current borrowings		588,678		481,250
Non-current				
-Financial lease liabilities		1,342		591
-Bank borrowings		1,393,938		1,276,000
Total non-current borrowings		1,395,280		1,276,591
Total borrowings		1,983,958		1,757,841

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

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2006		
Opening amount		
Repayment of borrowings		
Closing amount		

Long-term bank borrowings bear interest at the rate ranging from [] to [] per annum are secured by certain building and leasehold rights.

8 **Share capital and premium on share capital**

	Authorised number of share Share'000	Issued and fully paid up shares		
		Number of shares Shares'000	Ordinary shares Baht'000	Share premium Baht'000
For the six-month period ended 30 June 2006				
Opening balance				
Issue of shares				
Closing balance				

As at 30 June 2006, the total authorized number of ordinary shares is [] million shares (31 December 2005: 897 shares) with par value of Baht 1 per share (31 December 2005: Baht 1 per share).

9 **Warrants**

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

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

	<u>Issued date</u>	<u>Issued units (Million)</u>	<u>Exercise price (Baht/unit)</u>	<u>Exercise period</u>	
				<u>Start</u>	<u>End</u>
ESOP-W1	27 May 2003	19.5	12.120	27 May 2003	15 June 2008
ESOP-W2	6 July 2004	3.5	15.032	6 July 2004	15 June 2008

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

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

The exercise prices and ratios will be effective from 9 March 2006 onwards are as follows:

	<u>Exercise Ratio (unit/share)</u>		<u>Exercise price (Baht/unit)</u>	
	<u>Old</u>	<u>New</u>	<u>Old</u>	<u>New</u>
	ESOP-W1	1.068	1.086	12.320
ESOP-W2	1.000	1.016	15.280	15.032
MAJOR-W1	1.016	1.033	12.796	12.589

During the six-month period ended 30 June 2006, warrants are exercised by [] and [] million units of ESOP-W1 and MAJOR-W1, respectively. The Company has received advance for share subscription Baht 484.057 million during this quarter and registered the increase in share capital with the Ministry of Commerce on 4 April 2006.

10 Cash flows from operating activities

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

	Consolidated		Company	
	30 June 2006 Baht'000	30 June 2005 Baht'000	30 June 2006 Baht'000	30 June 2005 Baht'000
Net profit for the period		247,834		247,834
Adjustments for:				
Realised deferred revenue		(13,316)		(5,518)
Allowance for doubtful accounts (reversal)		6,759		-
Provision for goods returns (reversal)		???		???
Loss on disposals of fixed assets		-		-
Amortisation of deferred expenses		2,107		2,035
Unrealized gain in investment in trading securities		-		-
Shares of net results of investment in subsidiaries and associates		(14,442)		(108,872)
Share of net results of subsidiaries to minority interests		(6,540)		-
Unrealized Loss(Gain) in Temporary Investment-Securities Available Trade		(486)		(479)
- trade accounts and notes receivable		(15,549)		(37,300)
- amounts due from related parties		-		-
- inventories		(37,387)		(1,717)
- other account receivable - sponsorship		-		-
- value added tax receivable		-		-
- other current assets		(74,642)		(38,563)
- other assets		7,083		3,060
- trade accounts and notes payable		(78,434)		68,681
- amounts due to related parties		30,613		15,492
- accrued expenses		30,632		24,751
- other accounts payable		54,352		4,342
- accrued income tax		46,055		17,520
- other current liabilities		52,962		42,868
- rental deposits		11,001		4,265
- advanced received from sponsorship		-		-
- other liabilities		(1,100)		(1,011)
Cash flows from operating activities		635,046		342,319

11 Investments in subsidiaries and associates

	Consolidated		Company	
	30 June 2006 Baht'000	31 December 2005 Baht'000	30 June 2006 Baht'000	31 December 2005 Baht'000
Subsidiaries		-		2,024,658
Associates		467,030		466,882
Total investments - equity method		467,030		2,491,540

11 Investments - equity method (Cont'd)

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

	Consolidated	Company
	Baht'000	Baht'000
For the six-month period ended 30 June 2006		
Opening book value		
Share of profit in subsidiaries and associated, net		
Dividends received		
Closing book value		

b) The details of investments in subsidiaries and associates are as follows:

	Nature of business	Nature of relationship	% Ownership Interest
Subsidiaries			
Major Cineplex Property Co., Ltd.	Building space for rent	Shareholder	99.99
Major Cineplex Services Co., Ltd.	Utilities services	Shareholder	99.99
Chiangmai Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Management Co., Ltd.	Utilities services	Shareholder	99.99
Ratchayothin Cinema Co., Ltd.	Cinema services	Shareholder	99.99
Ratchayothin Realty Co., Ltd.	Building space for rent	Shareholder	99.99
Major Bowl Group Co., Ltd.	Entertainment services	Shareholder	99.99
Major Cinead Co., Ltd.	Advertising and advisory services	Shareholder	99.93
Bangkok Imax Theater Co., Ltd.	Cinema services	Shareholder	99.94
Udon Five Star Cineplex Co., Ltd.	Cinema services	Shareholder	80.00
Siam Cineplex Co., Ltd.	Cinema services	Shareholder	99.99
EGV Entertainment Public Co., Ltd. ("EGV")	Cinema services	Shareholder	99.97
Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG")	Distribution of VCD/DVD and film rights	Shareholder	80.00
M Pictures Co., Ltd.	Distribution of film rights	Shareholder	79.99

11 Investments - equity method (Cont'd)

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

	Nature of business	Nature of relationship	% Ownership Interest
Associates			
California Wow Experience Public Company Limited	Fitness center services and other related services	Shareholder	36.75
Siam Future Development Public Company Limited	Rental of building space and utilities services	Shareholder	25.15
I-Major Co., Ltd.	Agent for sales of cinema ticket	Shareholder	49.99
Major Online Co., Ltd.	Agent for sales of concert ticket and providing IT services	Shareholder	40.00
Associates under PMEG			
Media Logistic Co., Ltd.	Providing of logistic services.	Indirect shareholding	39.99

All subsidiaries and associates are incorporated in Thailand. All holdings are investments in ordinary shares.

12 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.

During the period, the Group and the Company have entered into significant transactions with its subsidiaries, associates and related companies. The terms and basis of such transactions are negotiated between the parties in the ordinary course of business and according to normal trade conditions.

12 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

i) Sales of goods and services

	For the six-month period ended 30 June			
	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Management income				
Subsidiaries				
Related companies				
Advertising income				
Subsidiaries				
Interest income				
Subsidiaries				
Equipment rental income				
Subsidiaries				

ii) Purchase of goods and services

	For the six-month period ended 30 June			
	Consolidated		Company	
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
Rental and area service expenses				
Subsidiaries				
Interest expense				
Subsidiaries				
Purchases of fixed assets				
Related company				

12 **Related party transactions (Cont'd)**

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

	Consolidated		Company	
	30 June 2006 Baht'000	31 December 2005 Baht'000	30 June 2006 Baht'000	31 December 2005 Baht'000
Receivable from:				
Trade accounts receivable				
Subsidiaries				35,499
Non-trade				
Subsidiaries				312,987
Associates				-
				312,987
Payable to:				
Trade accounts payable				
Subsidiaries				14,550
Non-trade				
Other payables - subsidiaries				1,238

iv) **Loans to related parties**

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2006		
Subsidiaries		
Beginning balance		
Loans made during the period		
Loans repayments received		
Ending balance		
Associates		
Beginning balance		
Loans repayments received		
Ending balance		

The loans to subsidiaries are carrying interest at the rate ranging from [] to [] per annum and there is no specific repayment date.

12 Related party transactions (Cont'd)

v) Loans from related parties

	Company
	Baht'000
For the six-month period ended 30 June 2006	
Subsidiaries	
Beginning balance	
Loans acquired during the period	
Loans repaid during the period	
Ending balance	<u> </u>

The loans from subsidiaries are carrying interest at the rate ranging from [] to [] per annum and there is no specific repayment date.

vi) Sureties

The Company has given guarantee for bank loans granted to subsidiaries being Pacific Marketing and Entertainment Group Co., Ltd. and M Pictures Co., Ltd. for a total of Baht 440 million (31 December 2005: Baht 440 million).

13 Commitments and contingencies

These are bank guarantees given on behalf of the Group to third parties amounting to Baht [] million outstanding as at 30 June 2006 (Baht 28.47 million as at 31 December 2005)

Operating Lease commitments – where a group company is the lessee

As of 30 June 2006, the Company and subsidiaries have commitment obligations in terms of long-term lease of land, buildings and service contracts.

The future aggregate minimum lease and service payments under the contracts are as follows:

	Consolidated		Company	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
	Million Baht	Million Baht	Million Baht	Million Baht
Not later than 1 year		415		140
Later than 1 year but not later than 5 years		1,386		598
Later than 5 years		3,696		1,091
		<u>5,497</u>		<u>1,829</u>

14 Event after balance sheet date

14.1 Annual General Meeting

At the Annual General Meeting of the shareholders held on 4 April 2006, the shareholders passed a resolution to approve the following matters:

i) Dividends

Dividends in respect of July to December 2005 of Baht 0.39 per share, totalling Baht 276.64 million to be payable to the shareholders on 2 May 2006.

ii) ESOP-W3

Issue and offer 10,000,000 units warrants (ESOP-W3) to directors and employees of the Company and its subsidiaries. The warrants have no offered price and their terms do not exceed 5 years from the issued date. The rate of right exercise is one unit of warrant is entitled to purchase 1 ordinary share at the exercised price of Baht 14.10 per share.

14.2 Sales of investment in an associated company

On 25 April 2006, the Company sold 16.55 million shares in Siam Future Development Public Company Limited, an associated company for a consideration of Baht 149.26 million. The ownership interests in Siam Future Development Public Company have been reduced from 25.15% to 21.25%.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 JUNE 2006