

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 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited ("the Company") as at 30 September 2008, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2008 and 2007, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2008 and 2007. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

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

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

I have audited the consolidated and company financial statements for the year ended 31 December 2007 of Major Cineplex Group Public Company Limited and its subsidiaries and of Major Cineplex Group Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 26 February 2008. The consolidated and company balance sheets as at 31 December 2007, presented for comparative purposes, are components of the financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
14 November 2008

Major Cineplex Group Public Company Limited

Balance Sheets

As at 30 September 2008 and 31 December 2007

| | | Unit: Baht'000 | | | |
|---------------------------|--|------------------|------------------|------------------|------------------|
| | | Consolidated | | Company | |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 30 September | 31 December | 30 September | 31 December |
| Notes | | 2008 | 2007 | 2008 | 2007 |
| Assets | | | | | |
| Current assets | | | | | |
| | Cash and cash equivalents | 157,641 | 215,815 | 49,806 | 78,567 |
| | Short-term investment | - | 302,905 | - | 302,905 |
| 6 | Trade accounts and notes receivable, net | 1,048,820 | 1,094,321 | 253,276 | 200,571 |
| | Accounts receivable - sponsors | 62,756 | 71,250 | 59,920 | 63,064 |
| 17 | Amounts due from related parties | 11,808 | 5,930 | 829,308 | 794,351 |
| | Inventories, net | 143,573 | 133,652 | 24,638 | 25,199 |
| | Value added tax | 190,810 | 173,996 | 60,352 | 36,636 |
| 17 | Dividends receivable | - | - | 36,630 | 125,840 |
| | Other current assets | 115,873 | 158,013 | 48,311 | 52,817 |
| | Total current assets | 1,731,281 | 2,155,882 | 1,362,241 | 1,679,950 |
| Non-current assets | | | | | |
| | Restricted cash | 6,083 | 6,981 | - | - |
| 15 | Investments in subsidiaries, associates and joint venture, net | 1,530,753 | 1,168,550 | 3,310,758 | 3,039,388 |
| 17 | Loans to related parties | 50,587 | 25,385 | 1,548,231 | 1,857,913 |
| | Loans to employees | 11,367 | 10,868 | 8,837 | 8,709 |
| 7 | Property, plant and equipment, net | 4,759,847 | 4,759,164 | 1,966,065 | 1,775,068 |
| 7 | Leasehold rights, net | 645,313 | 665,889 | 185,000 | 191,255 |
| 8 | Intangible assets, net | 207,165 | 391,846 | - | - |
| | Deposits | 80,770 | 87,292 | 38,603 | 41,711 |
| | Other non-current assets, net | 6,828 | 22,083 | 2,752 | 2,919 |
| | Total non-current assets | 7,298,713 | 7,138,058 | 7,060,246 | 6,916,963 |
| | Total assets | 9,029,994 | 9,293,940 | 8,422,487 | 8,596,913 |

Director _____

Director _____

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2008 and 31 December 2007

| | | Unit: Baht'000 | | | |
|---|--|------------------|------------------|------------------|------------------|
| | | Consolidated | | Company | |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 30 September | 31 December | 30 September | 31 December |
| Notes | | 2008 | 2007 | 2008 | 2007 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| | Bank overdrafts and borrowings from financial institutions | 910,156 | 913,692 | 687,145 | 471,482 |
| | Trade accounts and notes payable | 587,436 | 510,715 | 384,678 | 334,731 |
| | Amounts due to related parties | 10,962 | 5,821 | 364,176 | 287,985 |
| | Current portion of borrowings from financial institutions | 347,718 | 327,873 | 299,782 | 279,953 |
| | Other accounts payable | 173,858 | 182,304 | 80,608 | 84,331 |
| | Accrued income tax | 68,339 | 115,678 | 14,963 | 76,628 |
| | Current portion of deferred rental and services income | 21,887 | 22,470 | 3,227 | 4,023 |
| | Accrued expenses | 122,804 | 158,407 | 35,722 | 58,527 |
| | Other current liabilities | 212,394 | 249,695 | 88,734 | 64,883 |
| | Total current liabilities | 2,455,554 | 2,486,655 | 1,959,035 | 1,662,543 |
| Non-current liabilities | | | | | |
| | Borrowings from subsidiaries | - | - | 393,539 | 808,705 |
| | Borrowings from financial institutions | 720,275 | 678,419 | 718,940 | 673,519 |
| | Deferred rental and services income | 294,604 | 308,451 | - | - |
| | Advance receipt from sponsors | - | 13,333 | - | 13,333 |
| | Deposits | 179,441 | 180,475 | 18,786 | 21,541 |
| | Provision for liabilities on losses in subsidiaries | - | - | 75,706 | 60,738 |
| | Other non-current liabilities | 189 | 4,408 | - | 939 |
| | Total non-current liabilities | 1,194,509 | 1,185,086 | 1,206,971 | 1,578,775 |
| | Total liabilities | 3,650,063 | 3,671,741 | 3,166,006 | 3,241,318 |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2008 and 31 December 2007

| | | Unit: Baht'000 | | | |
|--|----|------------------|------------------|------------------|------------------|
| | | Consolidated | | Company | |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | | 30 September | 31 December | 30 September | 31 December |
| Notes | | 2008 | 2007 | 2008 | 2007 |
| Liabilities and shareholders' equity (Cont'd) | | | | | |
| Shareholders' equity | | | | | |
| Share capital | 10 | | | | |
| Authorised share capital | | 906,000 | 906,000 | 906,000 | 906,000 |
| Issued and fully paid-up share capital | | 881,897 | 879,933 | 881,897 | 879,933 |
| Share premium | 10 | 3,839,674 | 3,816,018 | 3,839,674 | 3,816,018 |
| Retained earnings | | | | | |
| Appropriated - legal reserve | | 90,600 | 90,600 | 90,600 | 90,600 |
| Unappropriated | | 588,154 | 833,267 | 444,310 | 569,044 |
| Total parent's shareholders' equity | | 5,400,325 | 5,619,818 | 5,256,481 | 5,355,595 |
| Minority interests | 16 | (20,394) | 2,381 | - | - |
| Total shareholders' equity | | 5,379,931 | 5,622,199 | 5,256,481 | 5,355,595 |
| Total liabilities and shareholders' equity | | 9,029,994 | 9,293,940 | 8,422,487 | 8,596,913 |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 30 September 2008 and 2007

| | Note | Unit: Baht'000 | | | |
|--|------|------------------|------------------|----------------|----------------|
| | | Consolidated | | Company | |
| | | 2008 | 2007 | 2008 | 2007 |
| Revenues | | | | | |
| Admissions | | 627,523 | 692,198 | 423,946 | 434,194 |
| Concessions sales | | 142,211 | 125,950 | 90,270 | 76,882 |
| Advertising services and sponsorship income | | 216,197 | 246,100 | 49,739 | 66,643 |
| Bowling and Karaoke services income | | 153,162 | 143,313 | 2,890 | 22,301 |
| Rentals and services income | | 84,246 | 78,463 | 27,272 | 30,899 |
| Sales of VCD/DVD and film rights | | 123,329 | 182,950 | - | - |
| Dividend income | | - | - | 16,698 | - |
| Other operating income | | 20,670 | 24,294 | 81,800 | 83,443 |
| Total revenues | | 1,367,338 | 1,493,268 | 692,615 | 714,362 |
| Expenses | | | | | |
| Cost of film exhibition and theatre | | 566,436 | 608,328 | 381,461 | 378,019 |
| Cost of sales of concessions | | 56,609 | 48,330 | 35,559 | 29,764 |
| Cost of providing advertising services | | 7,456 | 10,821 | - | - |
| Cost of providing Bowling and Karaoke services | | 97,316 | 94,630 | 2,501 | 12,524 |
| Cost of rentals and services | | 47,771 | 41,541 | 4,490 | 3,902 |
| Cost of sales of VCD/DVD and film rights | | 120,404 | 139,489 | - | - |
| Selling and administrative expenses | | 281,122 | 309,035 | 144,443 | 178,322 |
| Total expenses | | 1,177,114 | 1,252,174 | 568,454 | 602,531 |
| Operating profit | | 190,224 | 241,094 | 124,161 | 111,831 |
| Share of profit of investments - equity method | | 7,113 | 12,475 | - | - |
| Profit before interest and tax | | 197,337 | 253,569 | 124,161 | 111,831 |
| Interest expense | | (26,150) | (25,199) | (29,018) | (33,217) |
| Income tax | | (50,213) | (53,500) | (18,623) | (21,878) |
| Net profit for the period | | 120,974 | 174,870 | 76,520 | 56,736 |
| Net profit (loss) attributable to | | | | | |
| Equity holders of the parent | | 122,397 | 168,748 | 76,520 | 56,736 |
| Minority interests | | (1,423) | 6,122 | - | - |
| Net profit for the period | | 120,974 | 174,870 | 76,520 | 56,736 |
| | | Baht | Baht | Baht | Baht |
| Earnings per share | 5 | | | | |
| Basic earnings per share | | 0.14 | 0.19 | 0.09 | 0.06 |
| Diluted earnings per share | | 0.14 | 0.19 | 0.09 | 0.06 |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Statements of Income (Unaudited)
For the nine-month periods ended 30 September 2008 and 2007

| | | Unit: Baht'000 | | | |
|-----------------|--|-----------------------|------------------|------------------|------------------|
| | | Consolidated | | Company | |
| Notes | | 2008 | 2007 | 2008 | 2007 |
| Revenues | | | | | |
| | Admissions | 1,853,588 | 2,206,044 | 1,243,067 | 1,287,602 |
| | Concessions sales | 397,123 | 423,456 | 251,492 | 240,068 |
| | Advertising services and sponsorship income | 657,167 | 764,018 | 138,871 | 167,263 |
| | Bowling and Karaoke services income | 422,124 | 366,898 | 8,977 | 66,650 |
| | Rentals and services income | 245,876 | 301,849 | 84,451 | 83,039 |
| | Sales of VCD/DVD and film rights | 370,726 | 403,995 | - | - |
| | Fitness services income | - | 7,360 | - | - |
| | Gain on disposals of property, plant and equipment | 4 | - | 726,271 | - |
| | Dividend income | - | - | 394,692 | 1,371,756 |
| | Other operating income | 154,852 | 55,272 | 330,665 | 252,785 |
| | Total revenues | 4,101,456 | 5,255,163 | 2,452,215 | 3,469,163 |
| Expenses | | | | | |
| | Cost of film exhibition and theatre | 1,666,514 | 1,884,387 | 1,110,881 | 1,131,099 |
| | Cost of sales of concessions | 158,042 | 166,882 | 98,928 | 95,725 |
| | Cost of providing advertising services | 28,616 | 35,228 | - | - |
| | Cost of providing Bowling and Karaoke services | 279,746 | 250,908 | 7,590 | 38,967 |
| | Cost of rentals and services | 137,281 | 161,744 | 9,999 | 8,950 |
| | Cost of sales of VCD/DVD and film rights | 340,683 | 352,112 | - | - |
| | Cost of providing fitness services | - | 4,348 | - | - |
| | Selling and administrative expenses | 885,901 | 1,021,738 | 485,363 | 461,430 |
| | Total expenses | 3,496,783 | 3,877,347 | 1,712,761 | 1,736,171 |
| | Operating profit | 604,673 | 1,377,816 | 739,454 | 1,732,992 |
| | Gain on disposals of investment | 15 | 114,667 | - | 182,690 |
| | Share of profit of investments - equity method | 15 | 149,525 | 26,769 | - |
| | Profit before interest and tax | 868,865 | 1,404,585 | 922,144 | 1,732,992 |
| | Interest expense | (70,703) | (89,565) | (92,076) | (89,046) |
| | Income tax | (217,493) | (228,382) | (126,326) | (86,896) |
| | Net profit for the period | 580,669 | 1,086,638 | 703,742 | 1,557,050 |
| | Net profit (loss) attributable to | | | | |
| | Equity holders of the parent | 583,363 | 1,103,394 | 703,742 | 1,557,050 |
| | Minority interests | (2,694) | (16,756) | - | - |
| | Net profit for the period | 580,669 | 1,086,638 | 703,742 | 1,557,050 |
| | | Baht | Baht | Baht | Baht |
| | Earnings per share | 5 | | | |
| | Basic earnings per share | 0.66 | 1.26 | 0.80 | 1.81 |
| | Diluted earnings per share | 0.66 | 1.26 | 0.80 | 1.81 |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 30 September 2008 and 2007

| | Consolidated (Baht'000) | | | | | | | |
|--|--------------------------------|---|--------------------------|-------------------------------|--------------------------|---|-------------------------------|------------------|
| | Notes | Issued and paid-up share capital | Share premium | Share subscription | Legal reserve | Unappropriated retained earnings | Minority interests | Total |
| Opening balance 1 January 2008 | | 879,933 | 3,816,018 | - | 90,600 | 833,267 | 2,381 | 5,622,199 |
| Issuance of ordinary shares | 10 | 1,964 | 23,656 | - | - | - | - | 25,620 |
| Net profit (loss) for the period | | - | - | - | - | 583,363 | (2,694) | 580,669 |
| Disposal of investment in subsidiary | | - | - | - | - | - | (19,681) | (19,681) |
| Dividends paid | 12 | - | - | - | - | (828,476) | (400) | (828,876) |
| Closing balance 30 September 2008 | | <u>881,897</u> | <u>3,839,674</u> | <u>-</u> | <u>90,600</u> | <u>588,154</u> | <u>(20,394)</u> | <u>5,379,931</u> |
| Opening balance 1 January 2007 | | 787,185 | 2,735,697 | 136,041 | 63,522 | 447,932 | 26,253 | 4,196,630 |
| Issuance of ordinary shares | | 89,306 | 1,034,008 | (86,285) | - | - | - | 1,037,029 |
| Legal reserve appropriation | | - | - | - | 27,078 | (27,078) | - | - |
| Net profit (loss) for the period | | - | - | - | - | 1,103,394 | (16,756) | 1,086,638 |
| Dividends paid | 12 | - | - | - | - | (814,552) | (500) | (815,052) |
| Closing balance 30 September 2007 | | <u>876,491</u> | <u>3,769,705</u> | <u>49,756</u> | <u>90,600</u> | <u>709,696</u> | <u>8,997</u> | <u>5,505,245</u> |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

Major Cineplex Group Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 2008 and 2007

| | Company (Baht'000) | | | | | Total | |
|--|---------------------------|---|--------------------------|-------------------------------|--------------------------|----------------|---|
| | Notes | Issued and paid-up share capital | Share premium | Share subscription | Legal reserve | | Unappropriated retained earnings |
| Opening balance 1 January 2008 | | 879,933 | 3,816,018 | - | 90,600 | 569,044 | 5,355,595 |
| Issuance of ordinary shares | 10 | 1,964 | 23,656 | - | - | - | 25,620 |
| Net profit for the period | | - | - | - | - | 703,742 | 703,742 |
| Dividends paid | 12 | - | - | - | - | (828,476) | (828,476) |
| Closing balance 30 September 2008 | | <u>881,897</u> | <u>3,839,674</u> | <u>-</u> | <u>90,600</u> | <u>444,310</u> | <u>5,256,481</u> |
| Opening balance 1 January 2007 | | 787,185 | 2,735,697 | 136,041 | 63,522 | (351,959) | 3,370,486 |
| Issuance of ordinary shares | | 89,306 | 1,034,008 | (86,285) | - | - | 1,037,029 |
| Legal reserve appropriation | | - | - | - | 27,078 | (27,078) | - |
| Net profit for the period | | - | - | - | - | 1,557,050 | 1,557,050 |
| Dividends paid | 12 | - | - | - | - | (814,552) | (814,552) |
| Closing balance 30 September 2007 | | <u>876,491</u> | <u>3,769,705</u> | <u>49,756</u> | <u>90,600</u> | <u>363,461</u> | <u>5,150,013</u> |

The notes on pages 11 to 28 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 2008 and 2007

| | Notes | Unit: Baht'000 | | | |
|---|-------|----------------|-------------|-----------|-------------|
| | | Consolidated | | Company | |
| | | 2008 | 2007 | 2008 | 2007 |
| Cash flows from operating activities | 14 | 524,899 | 884,420 | 187,025 | 728,277 |
| Cash flows from investing activities | | | | | |
| Payments for short-term investments | | (340,000) | (202,904) | (340,000) | (202,904) |
| Proceeds from disposals of short-term investments | | 649,596 | - | 649,596 | - |
| Loans made to related parties | 17 | (41,000) | (45,403) | (114,996) | (395,138) |
| Proceeds from repayment of loans to related parties | 17 | 15,798 | 15,296 | 364,193 | 115,298 |
| Payment for investment in associates | 15 | (69,641) | (840,200) | (69,641) | (840,200) |
| Proceeds from disposals of investment in associates | 15 | - | 1,000 | - | 1,000 |
| Payments for investment in joint ventrue | 15 | (25,730) | - | (25,730) | - |
| Purchases of property, plant and equipment | | (461,725) | (743,213) | (369,545) | (470,073) |
| Proceeds from disposals of property, plant and equipment | | 140,945 | 1,813,649 | 145,165 | 49,299 |
| Dividends received from subsidiaries and associates | | 81,092 | 42,256 | 92,902 | 1,093,754 |
| Loans to employees | | (499) | (1,427) | (128) | (642) |
| Payments for leasehold rights | | (3,750) | (43,840) | - | (7,985) |
| Payments for film rights | | (35,597) | (197,442) | - | - |
| Net cash received from (payments for) investing activities | | (90,511) | (202,228) | 331,816 | (657,591) |
| Cash flows from financing activities | | | | | |
| (Increase) decrease in restricted cash | | 898 | (1,285) | - | - |
| Net proceeds (repayments) from short-term loans | | 230,000 | (457,175) | 200,000 | (504,000) |
| Repayments of financial lease liabilities | | (11,679) | (8,787) | (10,379) | (7,392) |
| Proceeds from loans from subsidiaries | 17 | - | - | 44,000 | 859,433 |
| Proceeds from long-term borrowings | 9 | 300,000 | 420,000 | 300,000 | 420,000 |
| Repayments of loans from subsidiaries | 17 | - | - | (68,166) | (155,912) |
| Repayments of long-term borrowings | 9 | (228,250) | (1,076,750) | (226,000) | (1,007,000) |
| Proceeds from issuance of shares | | 25,620 | 987,273 | 25,620 | 987,273 |
| Cash received for share subscription | | - | 49,755 | - | 49,755 |
| Dividends paid | 12 | (828,340) | (814,284) | (828,340) | (814,284) |
| Dividends paid to minorities | | (400) | (500) | - | - |
| Net cash receipts from (payments for) financing activities | | (512,151) | (901,753) | (563,265) | (172,127) |
| Net increase (decrease) in cash and cash equivalents | | (77,763) | (219,561) | (44,424) | (101,441) |
| Opening balance of cash and cash equivalents | | 169,648 | 404,698 | 67,085 | 241,038 |
| Closing balance of cash and cash equivalents | | 91,885 | 185,137 | 22,661 | 139,597 |

The notes on pages 11 to 28 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 2008 and 2007

| | Unit: Baht'000 | | | |
|---|----------------|----------------|---------------|----------------|
| | Consolidated | | Company | |
| | 2008 | 2007 | 2008 | 2007 |
| Cash and cash equivalents comprise: | | | | |
| Cash on hand and deposits held at call with banks | 157,641 | 234,593 | 49,806 | 139,597 |
| Bank overdrafts | (65,756) | (49,456) | (27,145) | - |
| Total cash and cash equivalents | <u>91,885</u> | <u>185,137</u> | <u>22,661</u> | <u>139,597</u> |

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 2008 and 2007 are as follows:

| | | | | |
|--|---------|--------|---------|---------|
| Investment in property, plant and equipment not yet paid | 49,479 | 53,609 | 51,982 | 29,786 |
| Purchases of film rights not yet paid | 90,143 | 28,144 | - | - |
| Purchases of property, plant and equipment under finance leases | 1,630 | 19,430 | 1,630 | 13,767 |
| Investment in an associate by mean of share exchange (Note 15) | 255,998 | - | 255,998 | - |
| Offsetting dividend receivables with borrowing from subsidiaries | - | - | 391,000 | 101,162 |
| Offsetting amount due to related parties with loans to related parties | - | - | 60,485 | 51,904 |

The notes on pages 11 to 28 are an integral part of these interim financial statements.

1 Summary of significant of accounting policies

1.1 Basis of preparation

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

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

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

These interim financial statements have added additional information in relation to critical accounting estimated, assumption and judgements and capital risk management as required by the revised standards TAS 35.

The following amendments to standards and new standard as published by the Federation of Accounting Professions are mandatory for the Group's accounting periods beginning on or after 1 January 2008.

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 revised standards do not result in substantial effect to the Group's financial statements except TAS 35 and TAS 43.

These interim financial statements include revisions to the presentation of minority interest and the statement of cash flows and include additional information in Note 2 in relation to critical accounting estimated, assumption and judgements and capital risk management as required by the revised standard TAS 35.

TAS 43 (Revised 2007) requires the indefinite useful lives of intangible to be tested for impairment annually and no amortisation is required. The change in accounting policy is applied prospectively.

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.

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

1.1 Basis of preparation (Cont'd)

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

These interim financial statements should be read in conjunction with the 2007 annual financial statements.

Comparative figures have been adjusted to conform with changes in presentation in the current period.

These consolidated interim financial statements were authorised for issue by the Board of Directors on 14 November 2008.

2 Additional information

2.1 Critical accounting estimates, assumption and judgements

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

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.

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.

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 to previously estimation, or will write off or write down technically obsolete or assets that have been abandoned or sold.

2.2 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.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

3 Segment information

Financial information by business segments is as follows:-

| | Consolidated | | | | | Unit: Million Baht | |
|---|----------------------------|---|--------------------------------|---|---------------------------|---------------------------|---------------------|
| | Cinema business | Bowling and Karaoke business | Rental and services | VCD/DVD and film rights distribution | Fitness center | Eliminated | Consolidated |
| For the three-month period ended 30 September 2008 | | | | | | | |
| Revenues | 989 | 159 | 104 | 125 | - | (10) | 1,367 |
| Segment result | 194 | 8 | 50 | (14) | (2) | - | 236 |
| Unallocated costs | | | | | | | (46) |
| Operating profit | | | | | | | 190 |
| For the three-month period ended 30 September 2007 | | | | | | | |
| Revenues | 1,054 | 157 | 107 | 184 | - | (9) | 1,493 |
| Segment result | 219 | 16 | 56 | 30 | (3) | - | 318 |
| Unallocated costs | | | | | | | (77) |
| Operating profit | | | | | | | 241 |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

3 Segment information (Cont'd)

| | Consolidated | | | | | Unit: Million Baht | |
|--|----------------------------|---|--------------------------------|---|---------------------------|---------------------------|---------------------|
| | Cinema business | Bowling and Karaoke business | Rental and services | VCD/DVD and film rights distribution | Fitness center | Eliminated | Consolidated |
| For the nine-month period ended 30 September 2008 | | | | | | | |
| Revenues | 2,897 | 440 | 320 | 377 | - | (31) | 4,003 |
| Segment result | 512 | 12 | 159 | (23) | (6) | - | 654 |
| Gain on cancellation of lease agreement | | | | | | | 98 |
| Unallocated costs | | | | | | | (147) |
| Operating profit | | | | | | | 605 |
| For the nine-month period ended 30 September 2007 | | | | | | | |
| Revenues | 3,388 | 394 | 422 | 403 | 8 | (85) | 4,530 |
| Segment result | 659 | 9 | 234 | (77) | (6) | - | 819 |
| Profit on disposals of property, plant and equipment | | | | | | | 726 |
| Unallocated costs | | | | | | | (167) |
| Operating profit | | | | | | | 1,378 |
| Discontinuing operations | | | | | | | |

Since the second quarter of 2007, a subsidiary has discontinued its operations in providing fitness centre services. As a result, there was no revenue derived from fitness centre in 2008.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

4 Significant items charged to operating profit

The following items of unusual nature have been charged to the operating profit during the interim period.

| For the nine-month periods ended | Unit: Baht'000 | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| Gain on disposals of assets to Property Fund | - | 725,698 | - | - |
| Gain on cancellation of lease agreement (Note 7) | 98,441 | - | 98,441 | - |
| Gain on disposal of investment in subsidiary (Note 15) | 107,976 | - | 175,999 | - |
| Loss from written-off of assets | - | 59,172 | - | - |
| Doubtful debt | - | 23,262 | - | - |

5 Earnings per share

Earnings per share attributable to equity holders of the parent is calculated by dividing the net profit attributable to equity holders of the parent 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 are assumed for conversion of all dilutive potential ordinary shares being warrants as described in Note 11.

| | Unit: Shares'000 | | | |
|-----------------------------------|-----------------------------------|----------------------|----------------------------------|----------------------|
| | Consolidated and Company | | | |
| | For the three-month periods ended | | For the nine-month periods ended | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| Number of weighted average share: | | | | |
| - For basic earnings per share | 881,897 | 876,491 | 880,988 | 862,042 |
| - For diluted earnings per share | 881,897 | 876,978 | 880,988 | 862,529 |

6 Trade accounts and notes receivable, net

| | Unit: Baht'000 | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Unbilled revenue - advertising | 15,311 | 19,601 | - | - |
| Notes receivable | 12,882 | 10,816 | 40 | 56 |
| Trade accounts receivable | | | | |
| - advertising | 799,629 | 669,196 | 224,935 | 166,423 |
| - sales of VCD, DVD and film rights | 181,074 | 366,472 | - | - |
| - others | 59,023 | 47,350 | 28,301 | 34,092 |
| Total | 1,067,919 | 1,113,435 | 253,276 | 200,571 |
| Less: Allowance for doubtful accounts | (19,099) | (19,114) | - | - |
| Trade accounts and notes receivable, net | 1,048,820 | 1,094,321 | 253,276 | 200,571 |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

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

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

| | Unit: Baht'000 | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Unbilled revenue - advertising | 15,311 | 19,601 | - | - |
| Trade accounts and notes receivable | | | | |
| - Current | 239,425 | 648,477 | 36,108 | 117,965 |
| - Overdue not more than 3 months | 598,462 | 242,391 | 47,889 | 60,718 |
| - 3 - 6 months | 114,719 | 58,203 | 40,624 | 16,597 |
| - over 6 months | 100,002 | 144,763 | 128,655 | 5,291 |
| Total | 1,067,919 | 1,113,435 | 253,276 | 200,571 |
| <u>Less: Allowance for doubtful accounts</u> | <u>(19,099)</u> | <u>(19,114)</u> | <u>-</u> | <u>-</u> |
| Trade accounts and notes receivable, net | 1,048,820 | 1,094,321 | 253,276 | 200,571 |

7 Capital expenditure and commitments

| | Unit: Baht'000 | | | |
|---|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | Consolidated | | Company | |
| | Property, plant and equipment | Leasehold rights | Property, plant and equipment | Leasehold rights |
| For the nine-month period ended | | | | |
| 30 September 2008 | | | | |
| Opening net book amount | 4,759,164 | 665,889 | 1,775,068 | 191,255 |
| Additions | 512,834 | 3,750 | 423,157 | - |
| Disposals of investment in a subsidiary | (6,734) | - | - | - |
| Disposals, net | (46,626) | - | (57,219) | - |
| Depreciation/amortisation | (458,791) | (24,326) | (174,941) | (6,255) |
| Closing net book amount | 4,759,847 | 645,313 | 1,966,065 | 185,000 |

On 6 January 2008, the Company has agreed to return the leased areas of theatres and bowling at Central World. The lessor has agreed to pay the compensation to the Company 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.

8 Intangible assets

| | Consolidated (Baht'000) | | |
|--|-------------------------|---------------|----------------|
| | Film rights | Goodwill | Total |
| For the nine-month period ended 30 September 2008 | | | |
| Opening net book amount | 310,071 | 81,775 | 391,846 |
| Additions | 125,740 | - | 125,740 |
| Disposals of investment in a subsidiary | (144,149) | - | (144,149) |
| Amortisation/impairment | (166,272) | - | (166,272) |
| Closing net book amount | 125,390 | 81,775 | 207,165 |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

9 Long-term borrowings from financial institutions

| | Unit: Baht'000 | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Current portion | | | | |
| - Finance lease liabilities | 8,280 | 13,435 | 6,782 | 11,953 |
| - Bank borrowings | 339,438 | 314,438 | 293,000 | 268,000 |
| Total current portion of long-term borrowings | 347,718 | 327,873 | 299,782 | 279,953 |
| Non-current | | | | |
| - Finance lease liabilities | 1,525 | 6,419 | 940 | 4,519 |
| - Bank borrowings | 718,750 | 672,000 | 718,000 | 669,000 |
| Total non-current portion of long-term borrowings | 720,275 | 678,419 | 718,940 | 673,519 |
| Total long-term borrowings from financial institutions | <u>1,067,993</u> | <u>1,006,292</u> | <u>1,018,722</u> | <u>953,472</u> |

The movements in bank borrowings (not including finance lease liabilities) can be analysed as follows:

| | Unit: Baht'000 | |
|--|------------------|------------------|
| | Consolidated | Company |
| For the nine-month period ended 30 September 2008 | | |
| Opening amount | 986,438 | 937,000 |
| Borrowing during the period | 300,000 | 300,000 |
| Repayments of borrowings | (228,250) | (226,000) |
| Closing amount | <u>1,058,188</u> | <u>1,011,000</u> |

Long-term bank borrowings are denominated in Thai Baht and bear interest at the rates ranging from 5.38% to 7.50% per annum and are secured by the pledge of property, buildings and leasehold rights. Finance lease liabilities are effectively secured as the rights to the leased assets revert to lessor in the event of defaults.

10 Share capital and premium on share capital

| | Authorised number of shares Shares'000 | Issued and fully paid up shares | | |
|--|--|-----------------------------------|--------------------------------|------------------------------|
| | | Number of shares Shares'000 | Ordinary shares Baht'000 | Share premium Baht'000 |
| For the nine-month period ended 30 September 2008 | | | | |
| Opening balance | 906,000 | 879,933 | 879,933 | 3,816,018 |
| Issuance of shares | - | 1,964 | 1,964 | 23,656 |
| Closing balance | <u>906,000</u> | <u>881,897</u> | <u>881,897</u> | <u>3,839,674</u> |

As at 30 September 2008, the total authorised number of ordinary shares is 906 million shares (31 December 2007: 906 million shares) with a par value of Baht 1 per share (31 December 2007: Baht 1 per share).

The new shares issued during the period are in connection with the exercise of warrants as mentioned in Note 11.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

11 Warrants

The Company issued and offered warrants to directors and employees (ESOP) 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 grant date.

The exercise ratio and price are detailed below:

| | Grant date | 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 | 14.732 | 30 September 2004 | 15 June 2008 |
| ESOP-W3 | 12 November 2007 | 13.0 | 16.447 | 30 November 2007 | 15 November 2012 |

The exercise prices and ratios that will be effective from 2 June 2008 onwards are as follows:

| | Exercise ratio (unit/share) | Exercise price (Baht/unit) |
|---------|--------------------------------|-------------------------------|
| ESOP-W1 | 1.130 | 11.649 |
| ESOP-W2 | 1.037 | 14.732 |
| ESOP-W3 | 1.020 | 16.447 |

During the period, ESOP-W1 and ESOP-W3 warrants are exercised by 1,296,703 units and 510,080 units, respectively.

12 Dividends

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 (2007: Baht 0.43 per share, totaling Baht 376.31 million). The dividends were distributed to the shareholders on 2 May 2008.

At the Board of directors' meeting held on 13 August 2008, the directors passed a resolution to approve the interim dividend in respect of the operating results of the period from January to June 2008 at Baht 0.39 per share, totaling Baht 343.94 million (2007: Baht 0.50 per share, totaling Baht 438.24 million). The dividends were distributed to the shareholders on 5 September 2008.

13 Commitments and contingencies

i) Bank guarantees

As at 30 September 2008, there are outstanding bank guarantees given on behalf of the Group to third parties in normal course of business amounting to Baht 145.85 million (31 December 2007: Baht 151.0 million).

ii) Guarantee

As at 30 September 2008, the Company has guaranteed for bank loans granted to subsidiaries and related company being Pacific Marketing and Entertainment Group Company Limited, Exertainment Company Limited, M Pictures Company Limited and Ratchayothin Avenue Company Limited for a total of Baht 1,260.2 million (31 December 2007: Baht 1,140.2 million).

13 Commitments and contingencies (Cont'd)

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

As at 30 September 2008, 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: Million Baht | | | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Not later than 1 year | 538 | 547 | 221 | 243 |
| Later than 1 year but not later than 5 years | 2,191 | 2,316 | 877 | 1,011 |
| Later than 5 years | 5,989 | 6,330 | 1,845 | 1,945 |
| | <u>8,718</u> | <u>9,193</u> | <u>2,943</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 lessors.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

14 Cash flows from operating activities

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

| For the nine-month periods ended | Unit: Baht'000 | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| Net profit before tax for the period | 798,162 | 1,315,020 | 830,068 | 1,643,946 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 649,389 | 644,528 | 181,196 | 193,004 |
| Interest expenses | 70,703 | 89,565 | 92,076 | 89,046 |
| Allowance for doubtful accounts | 219 | 23,262 | - | - |
| Provision for goods returns (reversal) | (4,762) | (7,513) | - | - |
| Loss (profit) on disposals of property, plant and equipment and leasehold rights | 339 | (725,698) | (293) | - |
| Gain on cancellation of lease agreement (Note 7) | (98,441) | - | (98,441) | - |
| Loss on write-off of property, plant and equipment | 884 | 59,172 | - | - |
| Realised gain on disposals of assets to the Property Fund (Note 15) | (10,424) | - | - | - |
| Shares of profit of investments in associates (Note 15) | (149,525) | (26,769) | - | - |
| Dividends income | - | - | (394,692) | (1,371,756) |
| (Gain) loss on disposal of investment in associates | (107,976) | 434 | (175,999) | (600) |
| Gain on disposals of short-term investments | (6,691) | - | (6,691) | - |
| Provision for liabilities in subsidiaries | - | 16,071 | 14,968 | 13,958 |
| Changes in operating assets and liabilities: | | | | |
| - trade accounts and notes receivable | (172,923) | (212,158) | (52,705) | 40,711 |
| - accounts receivable - sponsorship | 8,494 | 28,798 | 3,144 | 63,708 |
| - amounts due from related parties | (5,402) | (18,060) | (26,110) | (154,817) |
| - inventories | (9,921) | 6,225 | 561 | 75 |
| - other current assets | 471 | (44,120) | (17,271) | 31,833 |
| - other assets | 7,687 | 13,459 | 3,275 | 5,402 |
| - trade accounts and notes payable | 8,267 | (36,171) | 49,947 | 122,348 |
| - amounts due to related parties | (39,777) | 13,745 | 106,028 | 193,548 |
| - accrued expenses and other current liabilities | (62,997) | 45,154 | (69,295) | 26,284 |
| - other liabilities | (14,065) | 14,817 | (3,694) | 731 |
| | 861,711 | 1,199,761 | 436,072 | 897,421 |
| Interest paid | (71,980) | (90,196) | (61,056) | (74,093) |
| Income tax paid | (264,832) | (225,145) | (187,991) | (95,051) |
| Cash flows from operating activities | <u>524,899</u> | <u>884,420</u> | <u>187,025</u> | <u>728,277</u> |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

15 Investments in subsidiaries, associates and joint venture

| | Unit: Baht'000 | | | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Investments in subsidiaries | - | - | 1,672,680 | 1,752,679 |
| <u>Less: Allowance for impairment</u> | - | - | (18,100) | (18,100) |
| Investments in subsidiaries, net | - | - | 1,654,580 | 1,734,579 |
| Investments in associates | 1,505,023 | 1,168,550 | 1,630,448 | 1,304,809 |
| Investments in joint venture | 25,730 | - | 25,730 | - |
| Investments in subsidiaries, associates and joint venture, net | <u>1,530,753</u> | <u>1,168,550</u> | <u>3,310,758</u> | <u>3,039,388</u> |

a) Movements of investments in subsidiaries

| | Company Baht'000 |
|------------------------------------|-----------------------------|
| Investments in subsidiaries | |
| Opening net book amount | 1,734,579 |
| Disposal | (79,999) |
| Closing net book amount | <u>1,654,580</u> |

b) Movements of investments in associates

| | Unit: Baht'000 | |
|--|-----------------------|------------------|
| | Consolidated | Company |
| Investments in associates | | |
| As at 31 December 2007 | | |
| Investment amount | 1,524,734 | 1,304,809 |
| <u>Less: Unrealised gain on disposals of assets to the Property Fund</u> | (356,184) | - |
| Net book amount | <u>1,168,550</u> | <u>1,304,809</u> |
| For the nine-month period ended 30 September 2008 | | |
| Opening net book amount | 1,168,550 | 1,304,809 |
| Acquisition | | |
| - Traffic Corner Holdings Public Company Limited | 270,333 | 270,333 |
| - California WoW Experience Public Company Limited | 55,306 | 55,306 |
| Realised gain on disposals of assets to the Property Fund | 10,424 | - |
| Dividends received | (81,092) | - |
| Share of results | 149,525 | - |
| | <u>1,573,046</u> | <u>1,630,448</u> |
| <u>Less: Elimination of gain on disposals of investments to an associate</u> | (68,023) | - |
| Closing net book amount | <u>1,505,023</u> | <u>1,630,448</u> |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

15 Investments in subsidiaries, associates and joint venture (Cont'd)

b) Movements of investments in associates (Cont'd)

| | Unit: Baht'000 | |
|--|-----------------------|------------------|
| | <u>Consolidated</u> | <u>Company</u> |
| As at 30 September 2008 | | |
| Investment amount | 1,850,784 | 1,630,448 |
| <u>Less:</u> Unrealised gain on disposals of assets to the Property Fund | <u>(345,761)</u> | <u>-</u> |
| Net book amount | <u>1,505,023</u> | <u>1,630,448</u> |

Gain on disposals of assets to the Property Fund will be realised on the straight-line basis over the lease contracts period of the buildings leased out to the Property Fund.

As at 30 September 2008, investment in associates in the consolidated financial statements includes net book value of goodwill amounting to Baht 389.70 million (31 December 2007: Baht 120.13 million).

Traffic Corner Holdings Public Company Limited

On 4 February 2008, the Company sold all 799,993 ordinary shares 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.

The following amounts represent net assets acquired and goodwill arisen from the acquisition.

| | Unit: Baht'000 |
|---|-----------------------|
| Proceed used in the acquisitions | |
| - Cash payment | 14,335 |
| - Fair value of ordinary shares in M Pictures Company Limited | <u>255,998</u> |
| Total proceed used in the acquisitions | 270,333 |
| <u>Less:</u> Fair value of net assets acquired | <u>(768)</u> |
| Goodwill | <u>269,565</u> |

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

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, totaling Baht 181,019. After the acquisitions, the percentage of shareholding has increased from 36.75% to 36.79%.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

15 Investments in subsidiaries, associates and joint venture (Cont'd)

c) Movements of investments in joint venture

| | Unit: Baht'000 | |
|--|----------------|---------|
| | Consolidated | Company |
| Investments in joint venture | | |
| For the nine-month period ended 30 September 2008 | | |
| Opening book amount | - | - |
| Investment in joint venture | | |
| - PVR bluO Entertainment Limited | 25,730 | 25,730 |
| | 25,730 | 25,730 |
| Closing book amount | 25,730 | 25,730 |
| | 25,730 | 25,730 |

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 approximates to Baht 38.6 million. As of 30 September 2008, the Company paid Baht 25.73 million of the Company's portion. The joint venture currently is in the process of installing equipment and plans to operate in December 2008.

d) The details of investments in subsidiaries, associates and joint venture 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. | Bowling, karaoke and entertainment services | Shareholder | 99.99 |
| Major Cinead Co., Ltd. | Advertising and advisory services | Shareholder | 99.93 |
| Bangkok Imax Theater Co., Ltd. | Cinema services | Shareholder | 99.94 |
| Udon Five Star Cineplex Co., Ltd. | Cinema services | Shareholder | 90.00 |
| Siam Cineplex Co., Ltd. | Cinema services | Shareholder | 99.99 |
| EGV Entertainment Public Co., Ltd. ("EGV") | Cinema services | Shareholder | 99.97 |
| Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG") | Distribution of VCD/DVD and film rights | Shareholder | 96.99 |
| Subsidiaries under EGV | | | |
| Entertain Golden Village Exhibition Co., Ltd. | Cinema services, advertising services | Indirect shareholding | 99.96 |
| EGV Exhibition Co., Ltd. | Cinema services, advertising services, area for rent of sales food beverage | Indirect shareholding | 99.96 |
| EGV Five Star Co., Ltd. | Cinema services, advertising services | Indirect shareholding | 89.97 |
| Exertainment Co., Ltd. | Fitness center | Indirect shareholding | 59.98 |

15 Investments in subsidiaries, associates and joint venture (Cont'd)

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

| | <u>Nature of business</u> | <u>Nature of relationship</u> | <u>% Ownership interest</u> |
|---|---|---|---------------------------------|
| Subsidiaries under PMEG | | | |
| Pacific Media Sale Co., Ltd. | Distribution of tape, CD, VDO, VCD and DVD | Indirect shareholding | 96.41 |
| Associates | | | |
| California WoW Experience Public Company Limited | Fitness center services and other related services | Shareholder | 36.79 |
| Siam Future Development Public Company Limited (“SF”) | Rental of building space and utilities services | Shareholder | 21.07 |
| Ratchayothin Avenue Co., Ltd. | Rental of building space and utilities services | Shareholder Indirect shareholding via SF | 50.00 10.57 |
| Major Cineplex Lifestyle Property Fund | Rental of building and utilities services | Shareholder | 33.00 |
| Thaiticketmajor Co., Ltd. | Agent for selling of tickets | Shareholder | 40.00 |
| M Pictures Entertainment Public Company Limited (Formerly “Traffic Corner Holdings Public Company Limited”) | Publishing, advertising and distribution of film rights | Shareholder | 40.81 |
| Associate under PMEG | | | |
| Media Logistic Co., Ltd. | Providing of logistic services | Indirect shareholding | 47.51 |
| 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 incorporated in India. All holdings are investments in ordinary shares and investment unit in the Property Fund.

16 Minority interests

As at 30 September 2008, the negative amount of minority interests represents deficit incurred in a subsidiary. The losses exceed the minority's interest and are allocated to the minority to the extent that the minority has provided guarantee to the subsidiary.

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

17 Related party transactions

During the period, the Group and the Company have entered into significant transactions with its subsidiaries, associates, joint venture and related companies. The terms and basis of such transactions are negotiated between the parties.

The following material transactions were carried out with related parties:

i) Sales of goods and services and others

| For the three-month periods ended | Unit: Baht'000 | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| Service income | | | | |
| Subsidiaries | - | - | 70,673 | 132,524 |
| Associates | 20,657 | 17,112 | 9,668 | 8,063 |
| Related companies | 5,885 | 4,407 | 1,421 | 1,630 |
| | <u>26,542</u> | <u>21,519</u> | <u>81,762</u> | <u>142,217</u> |
| Dividend income and others | | | | |
| Subsidiaries | - | - | 29,610 | 35,681 |
| Subsidiaries | 612 | 791 | 17,119 | 791 |
| Associates | 2,295 | - | 4,500 | - |
| | <u>2,907</u> | <u>791</u> | <u>51,229</u> | <u>36,472</u> |
| | | | | |
| For the nine-month periods ended | Unit: Baht'000 | | | |
| | Consolidated | | Company | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| Service income | | | | |
| Subsidiaries | - | - | 222,014 | 319,686 |
| Associates | 49,665 | 49,629 | 25,042 | 13,662 |
| Related companies | 16,324 | 11,221 | 4,158 | 4,030 |
| Property funds | - | 593,272 | - | - |
| | <u>65,989</u> | <u>654,122</u> | <u>251,214</u> | <u>337,378</u> |
| Dividend income and others | | | | |
| Subsidiaries | - | - | 406,934 | 1,437,052 |
| Subsidiaries | 1,267 | 1,342 | 82,359 | 43,598 |
| Associates | 2,295 | - | 4,500 | - |
| Property funds | - | 1,209,402 | - | - |
| | <u>3,562</u> | <u>1,210,744</u> | <u>493,793</u> | <u>1,480,650</u> |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

17 Related party transactions (Cont'd)

ii) Purchases of goods and services and others

| | Unit: Baht'000 | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 30 September 2007 | 30 September 2008 | 30 September 2007 |
| For the three-month periods ended | | | | |
| Rental and service expenses | | | | |
| Subsidiaries | - | - | 23,241 | 79,242 |
| Associates | 38,263 | 33,191 | 25,905 | 21,613 |
| Related companies | 26,051 | 26,255 | 23,904 | 24,113 |
| Directors | 2,660 | 1,786 | 2,660 | 1,786 |
| | <u>66,974</u> | <u>61,232</u> | <u>75,710</u> | <u>126,754</u> |
| | | | | |
| | | | | |
| | | | | |
| For the nine-month periods ended | | | | |
| Rental and service expenses | | | | |
| Subsidiaries | - | - | 102,294 | 179,355 |
| Associates | 111,980 | 48,734 | 75,478 | 29,929 |
| Related companies | 78,342 | 78,606 | 71,891 | 72,219 |
| Directors | 9,450 | 8,088 | 9,450 | 7,788 |
| | <u>199,772</u> | <u>135,428</u> | <u>259,113</u> | <u>289,291</u> |

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

| | Unit: Baht'000 | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| As at | | | | |
| Trade accounts receivable (included in "Trade accounts and notes receivable") | | | | |
| Subsidiaries | - | - | 230,009 | 176,376 |
| Associates | 6,956 | 9,792 | 747 | 250 |
| Related company | 3,467 | 572 | 185 | 62 |
| | <u>10,423</u> | <u>10,364</u> | <u>230,941</u> | <u>176,688</u> |
| Other receivables | | | | |
| Subsidiaries | - | - | 815,969 | 788,847 |
| Associates | 6,063 | 5,917 | 5,389 | 5,503 |
| Joint venture | 5,745 | - | 7,950 | - |
| Related companies | | 13 | - | 1 |
| | <u>11,808</u> | <u>5,930</u> | <u>829,308</u> | <u>794,351</u> |
| Dividends receivables | | | | |
| Subsidiaries | - | - | 36,630 | 125,840 |

Major Cineplex Group Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the interim period ended 30 September 2008

17 Related party transactions (Cont'd)

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

| As at | Unit: Baht'000 | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Company | |
| | 30 September 2008 | 31 December 2007 | 30 September 2008 | 31 December 2007 |
| Trade accounts payable (included in "Trade accounts and notes payable") | | | | |
| Subsidiaries | - | - | 129,291 | 105,731 |
| Associates | - | - | - | - |
| Related companies | 13,529 | 7,056 | 4,002 | - |
| | <u>13,529</u> | <u>7,056</u> | <u>133,293</u> | <u>105,731</u> |
| Other payables | | | | |
| Subsidiaries | - | - | 356,702 | 284,670 |
| Associates | 5,742 | 3,167 | 5,074 | 722 |
| Related companies | 5,220 | 2,654 | 2,400 | 2,593 |
| | <u>10,962</u> | <u>5,821</u> | <u>364,176</u> | <u>287,985</u> |
| Advance received for land rental | | | | |
| Property Fund | 33,601 | 34,386 | - | - |
| Deposits received | | | | |
| Property Fund | <u>120,003</u> | <u>120,003</u> | <u>-</u> | <u>-</u> |

iv) Loans to related parties

| | Unit: Baht'000 | |
|--|----------------|------------------|
| | Consolidated | Company |
| For the nine-month period ended 30 September 2008 | | |
| Subsidiaries and associates | | |
| Beginning balance | 25,385 | 1,857,913 |
| Additions during the period | 41,000 | 114,997 |
| Repayments during the period | (15,798) | (424,678) |
| Ending balance | <u>50,587</u> | <u>1,548,232</u> |

Loans to subsidiaries and associates are carrying interest at the rates ranging from 5.00% to 8.50% per annum with no specific repayment date.

17 Related party transactions (Cont'd)

v) Loans from related parties

| | <u>Unit: Baht'000</u> |
|--|-----------------------|
| | <u>Company</u> |
| For the nine-month period ended 30 September 2008 | |
| Subsidiaries | |
| Beginning balance | 808,705 |
| Additions during the period | 44,000 |
| Repayments during the period | <u>(459,166)</u> |
| Ending balance | <u><u>393,539</u></u> |

Loans from subsidiaries are carrying interest at the rates ranging from 7.13% to 7.50% per annum with no specific repayment date.

18 Post balance sheet event

Acquisition and disposals of investments

On 27 June 2008, the directors of the Company passed a resolution to sell all ordinary shares in Pacific Marketing and Entertainment Group Co., Ltd. ("PMEG") to M Picture Entertainment Public Company Limited ("MPIC"), an associate company. The consideration for the purchase will be settled by way of subscription of newly issued ordinary shares in MPIC. However, due to current impact of the US and European financial and credit crisis on Thai economic growth and stock market, the Board of Directors of MPIC and the Company have agreed to cancel their Sale and Purchase Agreements for the time being and will reconsider such transaction once the timing is regarded as appropriate. The Board have informed their decision to the SET on 30 October 2008.

MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 2008

