

**(TRANSLATION)**  
**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying consolidated and the Company balance sheets as of December 31, 2005 and 2004, the related consolidated and the Company statements of income, the related consolidated and the Company statements to changes in shareholders' equity and the related consolidated and the Company cash flow statements for the years then ended of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED and its subsidiaries, and of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED, respectively. These financial statements are the responsibility of the company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of California Wow Xperience Public Co., Ltd. which is associated companies. The consolidated and the Company financial statements included investment in such associated company in accordance with equity method as of December 31, 2005 and 2004 by Bath 195.31 millions (equivalent to 2.64% of consolidated total assets) and 174.75 millions (equivalent to 2.62% of consolidated total assets) respectively and participating profit (loss) of associated companies for the year end on December 31, 2005 and 2004 by Baht 20.56 millions (equivalent to 3.84% of consolidated net profit) and (5.70) millions (equivalent to 1.19% of consolidated net loss) respectively. Apart from this, the consolidated and Company financial statements for the year end on December 31, 2004 it combined participation profit of Siam Future Development Public Co., Ltd. by Baht 46.06 millions whereby I did not review interim financial statements of Siam Future Development Public Co., Ltd. which is associated company. The interim financial statements of such associated companies have been reviewed by other auditors. I have been furnished by the report of the other auditor. My report, insofar as it relates to the amount of various transactions of such associated companies is based solely on the report of those auditor.

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

In my opinion, the consolidated and the company financial statements referred to above present fairly, in all material respects, the consolidated and the company's financial position as of December 31, 2005 and 2004, the results consolidated and the company operations and cash flows for the years then ended of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED and its subsidiary and the Company of MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED respectively, in accordance with generally accepted accounting principles.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED

(Somchai Kurujitkosol)

Authorized Auditor No.3277

Bangkok,

February 20, 2006

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## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

As of December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Its Equivalent	323,281,424.55	320,847,645.76	146,419,414.78	109,066,175.33
Temporary Investments (Note 8)	1,030,290.42	1,235,980.15	-	172,430.94
Accounts and Notes Receivable-Net (Note 9)	207,579,918.36	151,025,973.18	23,928,865.32	21,208,060.10
Accounts Receivable-Advertisement-Net (Note 6.2,10)	225,117,521.32	225,618,728.40	32,689,659.00	5,243,000.00
Inventories-Net (Note 11)	91,568,124.87	70,828,973.33	8,811,567.71	9,908,934.12
Other Current Assets				
Other Accounts Receivable-Subsidiary Companies (Note 6.2)	-	-	312,986,869.39	149,612,538.21
Accrued Interest Receivable-Subsidiary and Related Companies (Note 6.2)	50,413.43	30,016.85	24,332,298.01	1,428,439.40
Accounts Receivable-Revenue Department	51,654,102.55	35,202,303.90	-	4,591,352.88
Prepaid Deposit of Share-Subscription (Note 12)	-	65,000,000.00	-	65,000,000.00
Suspended Input Tax	65,192,787.89	43,248,572.86	12,962,892.18	15,947,957.95
Other Accounts Receivable-Sale Promotion	13,935,196.84	18,952,813.70	7,729,196.84	18,952,813.70
Cash Guarantee (Note 13)	-	11,760,750.00	-	-
Others (Note 14)	125,492,777.68	70,994,372.41	16,804,069.64	21,500,763.97
<b>TOTAL CURRENT ASSETS</b>	<b>1,104,902,557.91</b>	<b>1,014,746,130.54</b>	<b>586,664,832.87</b>	<b>422,632,466.60</b>
<b>NON-CURRENT ASSETS</b>				
Investments in Subsidiary Companies (Note 15)	-	-	2,024,657,576.84	1,821,925,804.81
Investments in Associated Companies (Note 16)	467,029,953.06	455,629,052.25	466,882,222.34	454,301,816.77
Loans to Subsidiary and Related Companies (Note 6.2)	2,350,000.00	2,950,000.00	1,110,574,309.18	261,935,641.56
Loans to Employees	8,117,739.38	8,247,581.70	5,362,377.86	4,456,080.68
Property Plant and Equipment - Net (Note 17)	4,589,136,993.58	4,245,332,558.28	1,407,019,911.17	1,366,117,361.65
Other Non-Current Assets				
Leased and Services Accounts Receivable	7,105,600.00	5,000,000.00	-	-
Leased and Services Contract Bond (Note 18)	80,465,949.70	65,443,720.82	43,768,562.91	37,660,138.32
Prepaid Leasehold Right Fee Repayable Instead of Subsidiary (Note 19)	-	200,000,000.00	-	200,000,000.00
Deferred Building Area Leasehold Rights (Note 20)	529,850,959.59	227,558,525.98	86,270,097.82	63,796,610.15
Deferred Land Leasehold Rights-Net (Note 21)	59,668,827.03	62,537,345.55	-	-
Deferred Film Copy Rights-Net (Note 22)	339,328,096.83	133,458,658.22	-	-
Asset Not Used for Operations-Net (Note 23)	1.00	1.00	1.00	1.00
Goodwill - Net (Note 24)	167,082,640.10	193,281,097.74	-	-
Negative Goodwill - Net (Note 25)	(3,620,198.61)	(3,960,959.41)	-	-
Others	42,537,758.89	51,220,361.26	1,168,726.72	5,189,213.24
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,289,054,320.55</b>	<b>5,646,697,943.39</b>	<b>5,145,703,785.84</b>	<b>4,215,382,668.18</b>
<b>TOTAL ASSETS</b>	<b>7,393,956,878.46</b>	<b>6,661,444,073.93</b>	<b>5,732,368,618.71</b>	<b>4,638,015,134.78</b>

Notes to financial statements are an integral part of these statements

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## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

As of December 31, 2005 and 2004

		CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
		BAHT	BAHT	BAHT	BAHT
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank Overdraft	(Note 26)	34,072,291.84	2,206,929.78	772,077.84	-
Short - Term Loans from Finance Institute	(Note 26,27)	778,000,000.00	1,173,067,447.73	570,000,000.00	400,000,000.00
Notes Payable		11,797,173.13	14,486,791.53	6,259,681.86	13,882,828.34
Accounts Payable		613,544,985.79	364,914,642.18	174,965,046.52	132,817,874.21
Short-Term Loans from Other Company	(Note 28)	-	29,009,850.00	-	-
Current Portion of Long-Term Loans	(Note 29)	545,500,000.00	356,000,000.00	439,000,000.00	251,000,000.00
Current Portion of Liabilities under Financial Lease Agreement	(Note 30)	43,178,239.45	41,337,382.59	42,249,595.87	40,317,952.53
Other Current Liabilities					
Accrued Expenses		69,558,445.23	97,525,615.83	24,868,586.50	43,039,853.46
Accrued Film Copy Rights		-	16,050,000.00	-	-
Other Accounts Payable		98,248,663.94	85,777,001.45	20,002,140.34	13,452,016.51
Accrued Corporate Income Tax		127,951,755.23	46,304,021.36	64,936,353.13	14,838,225.97
Accounts Payable for Assets Purchased and Construction Works		166,963,089.21	171,984,239.18	7,721,191.03	9,443,371.23
Advance Received Income		52,520,161.76	25,041,047.03	31,074,813.58	12,634,850.03
Others		108,080,325.70	59,213,575.16	32,941,029.46	21,788,208.88
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,649,415,131.28</b>	<b>2,482,918,543.82</b>	<b>1,414,790,516.13</b>	<b>953,215,181.16</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans from Subsidiary Companies	(Note 6.2)	-	-	86,130,000.00	122,678,800.00
Long-Term Loans	(Note 26,29)	1,393,938,141.59	1,097,438,141.59	1,276,000,000.00	875,000,000.00
Other Non-Current Liabilities					
Rental Bond		63,212,715.55	50,730,267.85	16,139,292.55	11,595,156.00
Deferred Leasehold Revenue	(Note 31)	196,144,315.51	195,853,445.28	-	-
Deferred Service Revenue	(Note 32)	131,814,460.07	131,716,419.55	-	-
Liabilities under Financial Lease Agreement-Net	(Note 30)	1,341,646.87	57,129,189.65	590,588.62	55,742,416.16
Advance Received from Sales Promotion	(Note 33)	22,000,000.00	19,999,999.97	22,000,000.00	19,999,999.97
Others		11,591,683.87	13,406,595.82	4,710,918.56	9,985,882.53
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,820,042,963.46</b>	<b>1,566,274,059.71</b>	<b>1,405,570,799.73</b>	<b>1,095,002,254.66</b>
<b>TOTAL LIABILITIES</b>		<b>4,469,458,094.74</b>	<b>4,049,192,603.53</b>	<b>2,820,361,315.86</b>	<b>2,048,217,435.82</b>

Notes to financial statements are an integral part of these statements

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## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

As of December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital	(Note 34)			
897,000,000 Ordinary Shares @ Baht 1.00	897,000,000.00	897,000,000.00	897,000,000.00	897,000,000.00
Issued and Paid-up Share Capital				
709,322,633 Ordinary Shares @ Baht 1.00	709,322,633.00	709,322,633.00	709,322,633.00	709,322,633.00
Premiums on Share Capital	(Note 36)	1,840,199,567.10	1,840,199,567.10	1,840,199,567.10
Share Subscription Received in Advance	(Note 35)	16,250.92	-	16,250.92
Unrealized Gain (loss) on Temporary Investments in available for sale of Subsidiary and Associated Companies		-0.94	598.88	-
Retained Earnings				
Appropriated				
Legal Reserve	(Note 37,38)	14,405,494.67	-	14,405,494.67
Unappropriated		348,063,357.16	40,275,498.86	348,063,357.16
Minority Shareholders' Interest		12,491,481.81	22,453,172.56	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,924,498,783.72</b>	<b>2,612,251,470.40</b>	<b>2,912,007,302.85</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,393,956,878.46</b>	<b>6,661,444,073.93</b>	<b>5,732,368,618.71</b>
				<b>4,638,015,134.78</b>

Notes to financial statements are an integral part of these statements

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## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## STATEMENT OF INCOME

For the Year ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
<b>REVENUES FROM OPERATION</b>				
Revenue from Cinema Business	2,703,143,187.46	1,826,831,839.94	1,406,082,886.36	1,180,127,877.09
Revenue from Bowling and Karaoke Business	467,608,849.39	297,696,368.79	145,467,007.05	225,113,712.65
Revenue from Rentals and Services Business	304,547,621.15	290,468,217.44	43,555,009.44	47,469,444.81
Revenue from Advertisement Business	586,667,845.09	296,102,614.76	141,791,870.00	58,966,297.20
Revenue from Sales VCD, DVD and Movie Copy Right Business	502,902,346.01	47,398,328.49	-	-
Revenue from Fitness Center Business	22,644,638.05	3,223,989.37	-	-
Other Incomes				
Sale Promotion Revenue	99,422,541.62	64,063,643.30	64,149,807.09	53,194,686.56
Administrative Revenue	10,300,000.00	4,800,000.00	277,525,718.51	191,492,165.69
Amortized Negative Goodwill (Note 25)	340,760.80	340,760.80	-	-
Others	91,243,453.58	42,585,758.91	62,228,629.61	25,912,125.94
Participating Profit in Subsidiary Companies	-	-	121,833,454.64	107,829,035.45
Participating Profit in Associated Companies	42,998,994.41	38,229,929.33	44,178,499.17	38,055,445.38
<b>TOTAL REVENUES</b>	<b>4,831,820,237.56</b>	<b>2,911,741,451.13</b>	<b>2,306,812,881.87</b>	<b>1,928,160,790.77</b>
<b>EXPENSES FROM OPERATION</b>				
Cost of Cinema Business	2,009,059,005.42	1,355,498,284.95	1,083,789,635.02	911,465,303.10
Cost of Bowling and Karaoke Business	285,726,523.32	173,884,363.83	101,192,165.55	158,353,782.10
Cost of Rentals and Services Business	203,720,032.88	200,732,461.18	7,577,877.89	8,726,735.53
Cost of Advertisement Business	23,493,729.69	18,076,594.66	-	-
Cost of Sales VCD, DVD and Movie Copy Right Business	417,882,794.13	28,976,046.01	-	-
Cost of Fitness Center Business	23,660,528.64	5,766,644.09	-	-
Amortized Good will (Note 24)	26,198,457.64	21,409,120.69	-	-
Selling and Administrative Expenses	981,916,398.01	618,051,531.79	390,785,682.48	429,243,088.15
Directors' Remuneration (Note 39)	3,400,000.00	1,610,000.00	3,400,000.00	1,610,000.00
<b>TOTAL EXPENSES</b>	<b>3,975,057,469.73</b>	<b>2,424,005,047.20</b>	<b>1,586,745,360.94</b>	<b>1,509,398,908.88</b>
<b>PROFIT BEFORE AMORTIZATION OF THE EXCESS OF COST OF ACQUISITION OVER</b>				
<b>FAIR VALUE OF SUBSIDIARIES, INTEREST EXPENSES AND CORPORATE INCOME TAX</b>	856,762,767.83	487,736,403.93	720,067,520.93	418,761,881.89
AMORTIZATION OF THE EXCESS OF COST OF ACQUISITION OVER				
FAIR VALUE OF SUBSIDIARIES (Note 3,15.2)	-	(816,939,353.70)	-	(816,939,353.70)
<b>PROFIT(LOSS) FROM OPERATION BEFORE INTEREST EXPENSES AND</b>				
<b>CORPORATE INCOME TAX</b>	<b>856,762,767.83</b>	<b>(329,202,949.77)</b>	<b>720,067,520.93</b>	<b>(398,177,471.81)</b>
INTEREST EXPENSES	(102,830,551.74)	(44,475,082.68)	(70,486,120.67)	(33,465,240.88)
CORPORATE INCOME TAX (Note 40)	(228,004,687.64)	(106,298,360.30)	(114,591,257.39)	(47,769,870.39)
<b>NET PROFIT(LOSS) BEFORE NET (PROFIT) LOSS OF MINORITY</b>				
<b>SHAREHOLDERS' INTEREST</b>	<b>525,927,528.45</b>	<b>(479,976,392.75)</b>	<b>534,990,142.87</b>	<b>(479,412,583.08)</b>
NET (PROFIT) LOSS OF MINORITY SHAREHOLDERS' INTEREST	9,062,614.42	563,809.67	-	-
<b>NET PROFIT(LOSS)</b>	<b>534,990,142.87</b>	<b>(479,412,583.08)</b>	<b>534,990,142.87</b>	<b>(479,412,583.08)</b>
BASIC EARNING(LOSS) PER SHARE (Unit : Baht) (Note 41)	0.75	(0.77)	0.75	(0.77)
DILUTED EARNING(LOSS) PER SHARE (Unit : Baht) (Note 41)	0.74	(0.75)	0.74	(0.75)
WEIGHTED AVERAGE OF ORDINARY SHARES (Unit : Share) (Note 41)	709,322,633	619,061,401	709,322,633	619,061,401
THE NUMBER OF DILUTED ORDINARY SHARES (Unit:Share) (Note 41)	710,248,182	640,852,579	710,248,182	640,852,579

Notes to financial statements are an integral part of these statements

## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Year ended on December 31, 2005 and 2004

CONSOLIDATED									
		Issued and Paid-up Share Capital	Premiums on Share Capital	Advance from Share Subscription	Unrealized Gain(loss) in Securities Available for Sale	RETAINED EARNINGS		Minority Shareholders' Interest	Total
						Appropriated	Unappropriated		
						Legal Reserve			
		BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT	BAHT
<b>Balance as of December 31, 2003</b>		<b>587,710,000.00</b>	<b>661,860,915.99</b>	-	<b>225,843,143.20</b>	<b>37,451,064.26</b>	<b>557,851,969.50</b>	<b>75,747,176.65</b>	<b>2,146,464,269.60</b>
Accumulated Fundamental Errors	(Note 7)	-	-	-	-	-	(2,753,348.71)	-	(2,753,348.71)
Balance after Adjustment		587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	555,098,620.79	75,747,176.65	2,143,710,920.89
Increase Share Capital from Merger	(Note 3)	119,776,533.00	1,437,318,396.00	-	-	-	-	-	1,557,094,929.00
Increased Share Capital from ESOP Exercises	(Note 35)	1,836,100.00	20,784,652.00	-	-	-	-	-	22,620,752.00
Unrealized Gain in Securities Available for Sale	(Note 16.2)	-	-	-	(225,842,544.32)	-	-	-	(225,842,544.32)
Minority Shareholders' Interest		-	-	-	-	-	-	(52,730,194.42)	(52,730,194.42)
Payment for Dividends	(Note 38)	-	-	-	-	-	(352,626,000.00)	-	(352,626,000.00)
Net Profit(loss)		-	-	-	-	-	(479,412,583.08)	(563,809.67)	(479,976,392.75)
Transfer Premiums on Share Capital	(Note 36)	-	(279,764,396.89)	-	-	-	279,764,396.89	-	-
Transfer Appropriated Legal Reserve	(Note 37)	-	-	-	-	(37,451,064.26)	37,451,064.26	-	-
<b>Balance as of December 31, 2004</b>		<b>709,322,633.00</b>	<b>1,840,199,567.10</b>	-	<b>598.88</b>	-	<b>40,275,498.86</b>	<b>22,453,172.56</b>	<b>2,612,251,470.40</b>
Receipt of share subscription in advance	(Note 35)	-	-	16,250.92	-	-	-	-	16,250.92
Unrealized Gain in Securities Available for Sale		-	-	-	(599.82)	-	-	-	(599.82)
Minority Shareholders' Interest		-	-	-	-	-	-	(899,076.33)	(899,076.33)
Legal Reserve	(Note 38)	-	-	-	-	14,405,494.67	(14,405,494.67)	-	-
Payment for Dividends	(Note 38)	-	-	-	-	-	(212,796,789.90)	-	(212,796,789.90)
Net Profit		-	-	-	-	-	534,990,142.87	(9,062,614.42)	525,927,528.45
<b>Balance as of December 31, 2005</b>		<b>709,322,633.00</b>	<b>1,840,199,567.10</b>	<b>16,250.92</b>	<b>(0.94)</b>	<b>14,405,494.67</b>	<b>348,063,357.16</b>	<b>12,491,481.81</b>	<b>2,924,498,783.72</b>

Notes to financial statements are an integral part of these statements

ได้รับพิจารณาเห็นชอบด้วย โดย.....วันที่.....

**MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the Year ended on December 31, 2005 and 2004**

**THE COMPANY ONLY**

		Issued and Paid-up Share Capital	Premiums on Share Capital	Advance from Share Subscription	Unrealized Gain in Securities Available for Sale	RETAINED EARNINGS		Minority Shareholders' Interest	Total
						Appropriated Legal Reserve	Unappropriated		
						BAHT	BAHT		
<b>Balance as of December 31, 2003</b>		<b>587,710,000.00</b>	<b>661,860,915.99</b>	-	<b>225,843,143.20</b>	<b>37,451,064.26</b>	<b>557,851,969.50</b>	-	<b>2,070,717,092.95</b>
Accumulated Fundamental Errors	(Note 7)	-	-	-	-	-	(2,753,348.71)	-	(2,753,348.71)
Balance after Adjustment		587,710,000.00	661,860,915.99	-	225,843,143.20	37,451,064.26	555,098,620.79	-	2,067,963,744.24
Increase Share Capital from Merger	(Note 3)	119,776,533.00	1,437,318,396.00	-	-	-	-	-	1,557,094,929.00
Increased Share Capital from ESOP Exercises	(Note 35)	1,836,100.00	20,784,652.00	-	-	-	-	-	22,620,752.00
Unrealized Gain in Securities Available for Sale	(Note 16.2)	-	-	-	(225,843,143.20)	-	-	-	(225,843,143.20)
Payment for Dividends	(Note 38)	-	-	-	-	-	(352,626,000.00)	-	(352,626,000.00)
Net Profit(loss)		-	-	-	-	-	(479,412,583.08)	-	(479,412,583.08)
Transfer Premiums on Share Capital	(Note 36)	-	(279,764,396.89)	-	-	-	279,764,396.89	-	-
Transfer Appropriated Legal Reserve	(Note 37)	-	-	-	-	(37,451,064.26)	37,451,064.26	-	-
<b>Balance as of December 31, 2004</b>		<b>709,322,633.00</b>	<b>1,840,199,567.10</b>	-	-	-	<b>40,275,498.86</b>	-	<b>2,589,797,698.96</b>
Receipt of Share subscription in advance	(Note 35)	-	-	16,250.92	-	-	-	-	16,250.92
Appropriated Legal Reserve	(Note 38)	-	-	-	-	14,405,494.67	(14,405,494.67)	-	-
Payment for Dividends	(Note 38)	-	-	-	-	-	(212,796,789.90)	-	(212,796,789.90)
Net Profit		-	-	-	-	-	534,990,142.87	-	534,990,142.87
<b>Balance as of December 31, 2005</b>		<b>709,322,633.00</b>	<b>1,840,199,567.10</b>	<b>16,250.92</b>	-	<b>14,405,494.67</b>	<b>348,063,357.16</b>	-	<b>2,912,007,302.85</b>

Notes to financial statements are an integral part of these statements

ได้รับพิจารณาเห็นชอบด้วย โดย.....วันที่.....



## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

For the Year ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit(Loss)	534,990,142.87	(479,412,583.08)	534,990,142.87	(479,412,583.08)
Adjustments to Net Profit (Loss) for Cash provided (used) from Operations				
Depreciation	562,552,971.63	382,191,484.02	218,084,435.29	191,294,842.45
Participating Loss (Profit) in Subsidiary Companies	-	-	(121,833,454.64)	(107,829,035.45)
Participating Loss (Profit) in Associated Companies	(42,998,994.41)	(38,229,929.33)	(44,178,499.17)	(38,055,445.38)
Amortized Expenses	8,958,751.17	-	-	-
Amortized Film Copy Right	169,189,924.47	25,548,030.67	-	-
Amortized Revenue Leasehold and Services	(17,725,235.30)	(16,773,189.70)	-	(1,046,743.88)
Amortized Revenue Sales Promotion	(19,999,999.96)	(10,000,000.03)	(9,999,999.96)	(10,000,000.03)
Amortized Expense Leasehold and Services	15,012,467.13	5,076,369.29	2,449,409.53	203,389.85
Amortized Interest Expenses of Financial Lease	2,187,590.83	-	1,966,648.90	-
Doubtful Debt	43,680,714.86	2,625,854.00	286,959.87	818,527.80
Loss (Gain) of Minority Shareholders' Interest	(9,062,614.42)	(563,809.67)	-	-
Amortization of the Excess of Cost of Acquisition Over Fair Value of Subsidiaries	953,587.61	816,939,353.70	953,587.61	816,939,353.70
Unrealized Loss (Gain) in Temporary Investment - Securities Available for Trade	(4,086.40)	(68,344.97)	-	(1,237.79)
Loss(Gain) sales of Temporary Investment - Securities Available for Trade	(1,383,118.67)	(627,765.67)	(1,420,463.86)	(369,891.79)
Loss(Gain) from Reduction in Asset Liability	1,213,820.46	-	-	-
Loss from Cancelled for Business Operation-Bowling	-	10,890,722.05	-	10,890,722.05
Loss from Liquidation of Subsidiary Companies	-	-	-	2,877,216.19
Allowance for Withholding Income Tax Exceeding 3 Years	933,357.08	2,009,380.48	-	-
Loss from Amortization Goodwill from Liquidation of Subsidiary Companies	-	9,207,986.87	-	-
Amortized Goodwill	26,198,457.64	21,409,120.69	-	-
Amortized Negative Goodwill	(340,760.80)	(340,760.80)	-	-
Profit (Loss) from Operating Activities before Change in Operating Assets and Liabilities	1,274,356,975.79	729,881,918.52	581,298,766.44	386,309,114.64
Purchase of Temporary Investment-Securities Available for Trade	(280,000,000.00)	(150,000,000.00)	(280,000,000.00)	(150,000,000.00)
Sales of Temporary Investment - Securities Available for Trade	281,592,894.80	170,521,939.71	281,592,894.80	150,264,065.83
(Increase) Decrease in Accounts and Notes Receivable	(94,129,559.15)	(40,867,163.88)	(2,982,697.29)	(8,053,135.00)
(Increase) Decrease in Accounts Receivable - Advertisement	530,737.08	(29,060,353.50)	(27,446,659.00)	8,560,000.00
(Increase) Decrease in Inventories	(21,952,972.00)	(13,059,289.71)	1,097,366.41	(2,222,967.65)
(Increase) Decrease in Other Accounts Receivable - Subsidiary and Related Companies	-	3,287,768.84	(57,386,450.83)	(27,925,907.22)
(Increase) Decrease in Accrued Interest Receivable	(20,396.58)	(30,016.85)	(34,172,441.35)	945,822.40
(Increase) Decrease in Accounts Receivable - Revenue Department	(16,451,798.65)	2,200,314.37	4,591,352.88	-
(Increase) Decrease in Prepaid in Share Subscription	65,000,000.00	(65,000,000.00)	65,000,000.00	(65,000,000.00)
(Increase) Decrease in Suspended Input Tax	(21,944,215.03)	221,990.55	2,985,065.77	1,403,392.50
(Increase) Decrease in Other Accounts Receivable - Sale Promotion	5,017,616.86	3,300,370.01	11,198,549.06	3,300,370.01
(Increase) Decrease in Cash Guarantee	11,760,750.00	(11,760,750.00)	-	-
(Increase) Decrease in Other Current Assets	(61,566,393.24)	(25,970,711.54)	4,923,637.39	(16,311,162.83)
(Increase) Decrease in Accounts Receivable - Leasehold and Services	(2,105,600.00)	(5,000,000.00)	-	-
Increase (Decrease) in Notes Payable	(2,689,618.40)	(9,133,606.91)	(7,623,146.48)	(3,901,650.34)
Increase (Decrease) in Accounts Payable	16,741,955.97	52,383,906.45	42,147,172.31	(22,356,268.93)
Increase (Decrease) in Accrued Expenses	(27,967,170.60)	32,819,588.70	64,600,191.29	100,048,328.41
Increase (Decrease) in Accrued Dividends	(208,316.40)	(22,068,416.10)	(208,316.40)	182,216.40
Increase (Decrease) in Other Accounts Payable	12,471,662.49	3,745,659.57	6,550,123.83	(4,747,514.11)
Notes to financial statements are an integral part of these statements				
Increase (Decrease) in Accrued Corporate Income Tax	81,647,733.87	(45,319,595.86)	50,098,127.16	(27,408,826.86)

## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

For the Year ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
Increase (Decrease) in Advance Received from Sales	27,209,114.73	-	8,439,963.54	
Increase (Decrease) in Other Current Liabilities	49,253,897.50	6,043,915.98	14,395,051.04	4,589,803.99
Increase (Decrease) in Advance Received from Sales Promotion	22,000,000.00	30,000,000.00	22,000,000.00	30,000,000.00
Increase (Decrease) in Deferred Service Recognized as Income	7,105,600.00	-	-	-
Increase (Decrease) in Deferred Leasehold Recognized as Income	11,008,546.05	-	-	-
<b>NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES</b>	<b>1,336,661,445.09</b>	<b>617,137,468.35</b>	<b>751,098,550.57</b>	<b>357,675,681.24</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Share Subscription Received in Advance	16,250.92	-	16,250.92	-
Cash Purchase of Investment in Subsidiary Companies	(1,852,605.00)	(297,245,133.52)	(81,851,905.00)	(550,008,691.37)
Cash Receive from refundable Share Capital from Liquidation of Subsidiary Companies	-	-	-	27,740,000.00
Cash Purchase of Investment in Associated Companies	(400,000.00)	(82,140,282.00)	(400,000.00)	(82,140,282.00)
Dividend Received	31,998,093.60	6,000,000.00	31,998,093.60	50,499,367.50
(Increase) Decrease in Loans to Subsidiary and Related Companies	600,000.00	-	(731,410,125.87)	(250,735,797.16)
(Increase) Decrease in Loans to Employees	129,842.32	(2,541,055.55)	(906,297.18)	(904,467.92)
Purchase of Fixed Assets	(697,142,862.05)	(506,924,804.06)	(384,115,423.02)	(276,209,395.05)
Increase (Decrease) in Accounts Payable for Assets Purchased-Subsidiary Company	-	-	-	(852,144.94)
Increase (Decrease) in Accounts Payable for Assets Purchased and Construction Works	(246,622,694.85)	(54,466,157.01)	(6,290,644.04)	(31,258,637.18)
Sales of Fixed Assets	-	97,312,564.56	32,989,178.70	45,769,880.17
(Increase) Decrease in Lease and Service Contract Bond	(15,022,228.88)	1,873,400.00	(6,108,424.59)	2,600,000.00
Cash paid for Prepaid Leasehold Rights fee Repayable instead of Subsidiary Companies	-	(50,000,000.00)	-	(50,000,000.00)
(Increase) Decrease in Building Area Leasehold Rights	(80,686,382.22)	(64,000,000.00)	(24,922,897.20)	(64,000,000.00)
(Increase) Decrease in Land Leasehold Rights	-	(20,000,000.00)	-	-
(Increase) Decrease in Deferred Film Copy Right	(159,220,975.44)	(91,718,510.98)	-	-
(Increase) Decrease in Prepaid Deposit	-	(1,754,350.00)	-	-
(Increase) Decrease in Other Non - Current Assets	(276,148.81)	4,269,110.33	4,020,485.52	1,561,772.71
<b>NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES</b>	<b>(1,168,479,710.41)</b>	<b>(1,061,335,218.23)</b>	<b>(1,166,981,708.16)</b>	<b>(1,177,938,395.24)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in Bank Overdraft	31,865,362.06	2,019,520.67	772,077.84	(187,409.11)
Increase (Decrease) in Short - Term Loan due to Finance Institute	(395,067,447.73)	123,067,447.73	170,000,000.00	200,000,000.00
Increase (Decrease) in Liabilities under Financial Lease Agreement	(57,497,276.75)	(101,323,389.53)	(56,549,833.10)	(93,979,440.69)
Increase (Decrease) in Loans from Subsidiary and Related Companies	-	-	(36,548,800.00)	94,959,349.00
Increase (Decrease) in Loans from Others Companies	(29,009,850.00)	(37,758,099.87)	-	-
Increase (Decrease) in Long - Term Loans	486,000,000.00	993,100,000.00	589,000,000.00	1,001,000,000.00
Increase (Decrease) in Rental Bond	12,482,447.70	(883,084.18)	4,544,136.55	(1,744,664.00)

Notes to financial statements are an integral part of these statements

## MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

For the Year ended on December 31, 2005 and 2004

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	BAHT	BAHT	BAHT	BAHT
Increase (Decrease) in Other Non - Current Liabilities	(1,814,970.89)	590,698.69	(5,274,963.97)	4,450,452.71
Cash Received from Share Subscription	-	22,621,452.00	-	22,620,752.00
Dividend Payment	(212,706,220.28)	(352,626,000.00)	(212,706,220.28)	(352,626,000.00)
<b>NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES</b>	<b>(165,747,955.89)</b>	<b>648,808,545.51</b>	<b>453,236,397.04</b>	<b>874,493,039.91</b>
<b>Cash on Hand and Cash Equivalent Increase(Decrease)-Net</b>	<b>2,433,778.79</b>	<b>204,610,795.63</b>	<b>37,353,239.45</b>	<b>54,230,325.91</b>
<b>Cash on Hand and Cash Equivalent at Beginning of the Period</b>	<b>320,847,645.76</b>	<b>116,236,850.13</b>	<b>109,066,175.33</b>	<b>54,835,849.42</b>
<b>Cash on Hand and Cash Equivalent at Ending of the Period</b>	<b>323,281,424.55</b>	<b>320,847,645.76</b>	<b>146,419,414.78</b>	<b>109,066,175.33</b>
<b>Additional Disclosure :</b>				
Cash Payment During The Year				
1. Interest Paid	105,640,534.71	86,265,106.04	66,830,304.08	43,370,403.02
2. Corporate Income Tax	165,235,374.01	147,343,978.70	59,650,662.43	75,254,309.11
3. Cash Payment to Purchase Investment in Subsidiary Companies Calculated as Follows:				
Investment in Subsidiary Company	-	-	79,999,300.00	-
Fair Value of Subsidiaries at acquisition (in accordance to Shareholding)	-	993,621,699.57	-	1,143,620,999.57
Goodwill	-	146,543,267.10	-	146,543,267.10
Cost of Business Acquisition Over Fair Value of Subsidiaries	953,587.61	816,939,353.70	953,587.61	816,939,353.70
Minority Shareholders' Interest	899,017.39	-	899,017.39	-
Cost of Business Acquisition	1,852,605.00	1,957,104,320.37	81,851,905.00	2,107,103,620.37
<u>Less</u> Purchased Transactions by share swap	-	(1,557,094,929.00)	-	(1,557,094,929.00)
Cash payable to purchase investment	1,852,605.00	400,009,391.37	81,851,905.00	550,008,691.37
<u>Less</u> Cash and Cash Equivalent of subsidiary companies	-	(102,764,257.85)	-	-
Net cash purchase of acquisition	1,852,605.00	297,245,133.52	81,851,905.00	550,008,691.37
4. Investments Activities made not affecting Cash Flow Statement				
Purchase of Fixed Assets in Aggregate Cost	906,357,406.93	542,803,533.53	406,162,264.26	286,825,593.58
Unpaid Liabilities Payable from Investment in Building and Equipment During this period				
Account Payable for Assets Purchased and Construction Works	207,851,544.88	34,454,691.67	4,568,463.84	9,192,160.73
Liabilities under Financial Lease Agreement	1,363,000.00	1,424,037.80	1,363,000.00	1,424,037.80
Paid from debt offsetting with account receivable	-	-	16,115,377.40	-
5. Transaction of Debt Receipt which not affect Cash Flow from debt offsetting	-	-	82,771,458.25	81,393,525.78
6. Cash on Hand and Cash Equivalent				
Cash on hand	42,365,805.19	26,857,488.52	24,903,882.00	15,063,213.00
Bank Deposit - Current Accounts	17,902,845.68	40,083,145.37	4,818,589.36	21,993,239.62
Bank Deposit - Saving Accounts	263,007,375.98	253,890,592.80	116,696,943.42	72,009,722.71
Bank Deposit - Fixed Accounts	5,397.70	16,419.07	-	-
Total	323,281,424.55	320,847,645.76	146,419,414.78	109,066,175.33

## The Company Only

- For the year ended on December 31, 2004, the company has dividends from subsidiary company amount of Baht 27.92 million which take to offset debt with accounts payable for assets purchased-sub subsidiary company and these transaction non-effect cash flow of the company.
- For the year ended on December 31, 2005, the company sold bowling equipment to one subsidiary in the price of Baht 116.78 millions which there is no receipt of repayment.
- For the year ended on December 31, 2005, the company received accrued interest receivable by amount of Baht 14.93 millions by offsetting against related trading payable in amount of Baht 11.27 millions and accrued interest in amount of Baht 3.67 millions.
- For the year ended on December 31, 2005, the company had transferred leasehold right fee which paid in advance to subsidiary companies in amount of Baht 200.00 million to Loan to Subsidiary Companies.

## Consolidated

- For the year ended on December 31, 2005, the subsidiary company purchased copyright of film in amount of Baht 215.84 millions which there is no paid of repayment.

Notes to financial statements are an integral part of these statements

**MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

**1. Basis of Financial Statement Preparation**

- 1.1 The financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which is the accounting standard determined by the Institute of Certified Accountants under the Accounting Act B.E. 2547. To classified transactions in the financial statements, it must be comply with the Board of Supervision of Auditing Practices, appointed by Minister of Commerce under the Accounting Act. B.E. 2544, resolved and announced to be implemented and in accordance with the determination of the office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.
- 1.2 In order to prepare the financial statements to comply with generally accepted accounting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 1.3 In accordance with the consolidated and the Company financial statements as of December 31, 2004, were reclassified accounting items in order to comparing the financial statements for the year ended on December 31, 2005.

**2. General Information**

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

Company Name	Registered Date	Registered Number	Type of Business
Major Cineplex Group Public Company Limited	22 Feb 2002	40854500677	Cinema services, immovable property for rent and entertainment services, sales food and beverage.
Major Cineplex Property Co., Ltd.	7 Jul 1994	(2)2930/2537	Building for rent.
Major Cineplex Service Co., Ltd.	13 Feb 1997	(4)307/2540	Utilities services.
Chiang Mai Cineplex Co., Ltd.	16 Nov 2000	(2)1502/2543	Cinema services, sales food beverage and immovable property for rent.

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<b>Company Name</b>	<b>Registered Date</b>	<b>Registered Number</b>	<b>Type of Business</b>
Major Bowl Co., Ltd.	28 Jan 1997 (Presently, its business is liquidated)	(4)183/2540	Entertainment services, sales food and beverage.
Ratchayothin Realty Co., Ltd.	3 Sep 1996	(1)2123/2539	Building for rent.
Ratchayothin Cinema Co., Ltd.	4 Jun 1998	(4)589/2541	Cinema services, sales food and beverage.
Major Bowl Group Co., Ltd.	4 Jun 1998	(4)590/2541	Entertainment services, sales food and beverage.
Major Cinema Co., Ltd.	3 Jun 1999 (Presently, its business is liquidated)	(4)572/2542	Cinema services, sales food beverage and immovable property for rent.
Ratchayothin Management Co., Ltd.	13 Feb 1997	(4)306/2540	Utilities services.
Major Cinead Co., Ltd.	24 Oct 2001	Kor Tor 05-0289-44	Advertising services and business advisory services.
Bangkok Imax Theater Co., Ltd.	11 Jan 2001	(2)51/2544	Cinema services, sales food and beverage.
Udorn Five Star Cineplex Co., Ltd.	1 Oct 2003	10554601114	Cinema services, sales food and beverage.
Siam Cineplex Co., Ltd.	26 Apr 2004	0108254704840	Cinema services, sales food and beverage.
EGV Entertainment Public Co., Ltd.	3 Sep 2002	40854500695	Cinema services, sales food and beverage.
EGV Entertain Golden Village Exhibition Co., Ltd.	28 Sep 1995	(3) 2232/2538	Cinema services, Advertising services, Area for rent of sales food beverage
EGV Exhibition Co., Ltd.	27 Dec 1996	(3) 2547/2539	Cinema services, Advertising services, Area for rent of sales food beverage
EGV Five Star Co., Ltd.	19 May 2000	Bor Or Jor Nor Mor 2070	Cinema services, Advertising services, Area for rent of sales food beverage
Exertainment Co., Ltd.	21 Aug 2003	10554600922	Business Operation in respect of Health Center, exercise center and Other related service
Pacific Marketing and Entertainment Group Co., Ltd.	16 Aug 2002	(2)121012540	Sales VCD, DVD and Film Copy Right
Pacific Media Sale Co., Ltd.	13 Dec 2004	0107554726053	Sale/Rent Tape, CD, VDO Tape, VCD and DVD
M Pictures Co., Ltd.	25 Nov 2005	0105548154744	Distribution, let and agent representative in the distribution film VCD and DVD

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2.2 Company's locations are as following:

Major Cineplex Group Public Company Limited

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

Major Cineplex Property Co., Ltd.

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

Major Cineplex Service Co., Ltd.

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

Chiangmai Cineplex Co., Ltd.

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

Ratchayothin Realty Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.

Ratchayothin Cinema Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.

Siam Cineplex Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.

Ratchayothin Management Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok

Major Cinead Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok

Bangkok Imax Theater Co., Ltd.

- 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok.

Major Bowl Group Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchak, Bangkok  
As of December 31, 2005 and 2004 constitutes number of 16 branches and 4 branches respectively.

EGV Entertainment Public Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.  
As of December 31, 2005 and 2004 constitutes number of 9 branches for two years.

Entertainment Golden Village Exhibition Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.

EGV Fivestar Co., Ltd.

- 1242/2 Mitrapap Road, Naimang, Nakornratchsema.

EGV Exhibition Co., Ltd.

- Head office 1839 Phaholyothin Road, Ladyao, Chatuchack, Bangkok.  
As of December 31, 2005 and 2004 constitutes equal number of 3 branches for two years.

Exertainment Co., Ltd.

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

Pacific Marketing and Entertainment Group Co., Ltd.

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

Pacific Media Sales Co., Ltd.

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

M Pictures Co., Ltd.

- 18 Building of Plaza Park Siam Commercial, Rajchadapisek Road., Chatuchak, Chatuchak, Bangkok.

### 2.3 Branch's information

The Major Cineplex Group Public Company Limited has continuously been opening new branches so the Statements of Income for the year ended on December 31, 2005 and 2004 show a combined operating result for 17 branches and 14 branches respectively.

### 3. Merger

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

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



#### 4. Summary of Significant Accounting Policies

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

4.1.1 Revenue from Cinema Business

- Revenue from the sale ticket are recognized when the film is already on service.
- Revenue from sale foods and beverages are recognized when goods are sold to customer.
- Revenue from the sale of Gift Voucher is recognized as revenue in accordance with period of service.

4.1.2 Revenue from Bowling and Karaoke Business

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

4.1.3 Revenue from Rentals and Services Business

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

4.1.4 Revenue from Advertisement Business

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

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

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

4.1.6 Revenue from the Fitness Business

- Revenue from enrollment fee of new membership is recognized as revenue on the transaction dated.

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

#### 4.1.7 Other Revenue

- Interest revenue when it is received, calculated on the accrued principal balance.
- Revenue from management is recognized when the service has been provided to customer.
- Revenues of sales promotion support are recognized when the sale promotion support is already granted.

4.2 The Company and its subsidiary recorded expenses on an accrual basis.

4.3 Cash and equivalent to cash transactions includes bank deposit in type of current, saving and not exceeding three – month fixed deposit with no guarantee obligation.

4.4 Short-Term investment is trading securities reflected by fair value. Gain (loss) derived from disposal of trading securities and unrealized gain (loss) derived from the adjustment of fair value is recognized as revenue or expense in the statement of income.

4.5 Allowance for doubtful debt is estimated from trade receivable and each note receivable which are unlikely to be collectable.

4.6 Estimate of allowance of debt reduction which incurred from the returned receipt of merchandise, VCD and DVD is computed from average estimated rate of returned merchandise multiplied with sales of merchandise which customers can return merchandise.

4.7 Inventories are valued at cost or net realisable value whichever is lower as following :

- Foods and Beverages are valued at cost under FIFO method.
- VCD and DVD are valued at cost under average method.

4.8 Estimate of cost of merchandise returned of VCD and DVD is computed from average estimation rate of merchandise returned multiplied with sales of merchandise which customers can return merchandise deducted by gross profit margin rate from average sales of merchandise.

4.9 Investment in subsidiaries is recorded by equity method.

4.10 Film copyright is recorded in accordance with cost price by allocation of copyright cost to copyright fee of film, VCD and DVD and free television in accordance with the proportion of revenue in the history and amortised to expense which is divided into 2 types as follows:

- Film copyright which is shown in the cinema is amortized as expense when film is shown in cinema .

- Film copyright which is not shown in the cinema is amortized as expense when there is preparation in form of VCD and DVD and distribution of copyright so as for broadcasting via free television

4.11 Goodwill is amortized in accordance with the straight line method for the period of 10 years commenced from the date of entity acquisition.

4.12 Negative goodwill is reflected as transaction deducted from assets in the balance sheet by amortized in accordance with the straight line method according with the remaining useful life for definable assets of subsidiary Companies for the period of 2 years, 2.3 years, 9.3 years and 17.3 years commenced from the date of entity acquisition.

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

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

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

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

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

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

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

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

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

## 5. Basis of Consolidated Financial Statements Preparation

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

Company Name	Shareholding	Percentage	Ending of	Country
	As of	As of	Accounting Period	
	December 31, <u>2005</u>	December 31, <u>2004</u>		
Major Cineplex Property Co., Ltd.	99.99	99.99	December 31	Thailand
Major Cineplex Service Co., Ltd.	99.99	99.99	December 31	Thailand
Chiangmai Cineplex Co., Ltd.	99.99	99.99	December 31	Thailand
Ratchayothin Realty Co., Ltd.	99.99	99.99	December 31	Thailand
Ratchayothin Cinema Co., Ltd.	99.99	99.99	December 31	Thailand
Major Bowl Group Co., Ltd.	99.99	99.99	December 31	Thailand
Ratchayothin Management Co., Ltd.	99.99	99.99	December 31	Thailand
Major Cinead Co., Ltd.	99.93	99.93	December 31	Thailand
Bangkok Imax Theater Co., Ltd.	99.94	99.94	December 31	Thailand
Udom Five Star Cineplex Co., Ltd.	80.00	80.00	December 31	Thailand
Siam Cineplex Co., Ltd.	99.99	99.99	December 31	Thailand
EGV Entertainment Public Co., Ltd.	99.97	99.82	December 31	Thailand
Pacific Marketing and Entertainment Group Co., Ltd.	80.00	80.00	December 31	Thailand
M Pictures Co., Ltd.	79.99	-	December 31	Thailand

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

Company Name	Percentage Of Shareholding		Ending of Accounting Period	Country
	As of	As of		
	December 31,	December 31,		
	2005	2004		
EGV Entertain Golden Village Exhibition Co., Ltd.	99.82	99.82	December 31	Thailand
EGV Exhibition Co., Ltd.	99.82	99.82	December 31	Thailand
EGV Five Star Co., Ltd.	89.84	89.84	December 31	Thailand
Exertainment Co., Ltd.	59.89	59.89	December 31	Thailand

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

Company Name	Percentage Of Shareholding		Ending of Accounting Period	Country
	As of	As of		
	December 31,	December 31,		
	2005	2004		
Pacific Media Sale Co., Ltd.	79.52	79.52	December 31	Thailand

- 5.4 On September 27, 2004, The Company invested in ordinary shares of EGV Entertainment Public Co., Ltd. and its subsidiary. Moreover, on September 28, 2004, the company invested in ordinary shares of Pacific Marketing and Entertainment Group Co., Ltd., which is regarded as subsidiary. As a result, the consolidated statement of income for the year ended on December 31, 2004, includes revenue and expense of EGV Entertainment Public Co., Ltd. and its subsidiary and Pacific Marketing and Entertainment Group Co., Ltd. for the period from October 1, 2004 to December 31, 2004.
- 5.5 On November 17, 2004, the Major Bowl Co., Ltd. and Major Cinema Co., Ltd., which are subsidiaries retired their business and accounting is liquidated. The Company received ordinary shares subscription from the two subsidiaries. As a result, the consolidated statement of income for the year ended on December 31, 2004 includes revenue and expense of Major Bowl Co., Ltd. and Major Cinema Co., Ltd. for the period from January 1, 2004 to November 17, 2004.
- 5.6 Investment in subsidiaries which the Company holding shares from 99.90% in the preparation of consolidated financial statements and the record of investment in subsidiaries by equity method, the Company computes such investment in subsidiaries as if the Company is holding 100% of registered share capital.

- 5.7 The consolidated financial statements are prepared under the rules and regulation of The Stock Exchange of Thailand with the only objective to show the combined financial position and operating result of the Major Cineplex Group Public Company Limited and its subsidiaries. Use of information in the consolidated financial statements for any other purpose may be restricted by the differences in business nature of its subsidiaries.
- 5.8 The preparation of consolidated financial statement were eliminated significant inter-assets and liabilities and inter-transaction.
- 5.9 Accounting policy for the subsidiary companies will utilize the same policy as that of the MAJOR CINEPLEX GROUP PUBLIC COMPANY LIMITED. in the preparation of the consolidated financial statements.

## 6. Inter-Transaction

The Company had significant inter-transactions with the subsidiary companies, associated companies, related companies and directors which could be summarized as follows:

### 6.1 Inter-income and expenses

	Consolidated For the Year Ended on December 31,	
	2005	2004
	<u>'000 Baht</u>	<u>'000 Baht</u>
<b><u>Revenue</u></b>		
Management Fee Income		
Wel Cineplex Co., Ltd.	4,800	4,800
<b><u>Expenses</u></b>		
Expense Recorded as Capital Expenditure		
Wel Ad Co., Ltd.	23,400	23,400
Common Area Service Revenue		
Siam Future Development Public Co., Ltd.	2,528	1,851
Public Utility Expense		
Siam Future Development Public Co., Ltd.	1,622	1,359

	The Company Only	
	For the Year	
	Ended on December 31,	
	2005	2004
	<u>'000 Baht</u>	<u>'000 Baht</u>
<b>Income</b>		
<b>Management Fee Income</b>		
Ratchayothin Cinema Co., Ltd.	32,232	29,964
Chiangmai Cineplex Co., Ltd.	23,047	23,769
Major Cinead Co., Ltd.	197,147	117,581
Major Bowl Group Co., Ltd.	6,000	6,000
Ratchayothin Management Co., Ltd.	4,800	4,830
Ratchayothin Realty Co., Ltd.	400	4,548
Wel Cineplex Co., Ltd.	4,800	4,800
Udon Five Star Cineplex Co., Ltd.	3,600	-
<b>Advertising Income</b>		
Major Cinead Co., Ltd.	118,500	58,800
<b>Assets Rent Revenue</b>		
Ratchayothin Cinema Co., Ltd.	606	1,047
Major Bowl Group Co., Ltd.	35,150	-
	The Company Only	
	For the Year	
	Ended on December 31,	
	2005	2004
	<u>'000 Baht</u>	<u>'000 Baht</u>
<b>Interests Revenue</b>		
Major Cineplex Property Co., Ltd.	2,217	1,483
Major Cineplex Service Co., Ltd.	1,219	1,785
Ratchayothin Cinema Co., Ltd.	1,010	2,250
Ratchayothin Management Co., Ltd.	3,194	2,219
Major Bowl Group Co., Ltd.	6,940	-
Ratchayothin Realty Co., Ltd.	72	718
EGV Entertainment Public Co.,Ltd	18,498	326
Udon Five Star Cineplex Co., Ltd.	-	358
Bangkok Imax Theater Co., Ltd.	1,183	-
Siam Cineplex Co., Ltd.	5,151	-

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	The Company Only	
	For the Year	
	Ended on December 31,	
	2005	2004
	<u>'000 Baht</u>	<u>'000 Baht</u>
Sale Gift Voucher Revenue		
Major Cinead Co., Ltd.	8,598	2,852
Major Bowl Group Co., Ltd.	1,272	-
EGV Entertainment Public Co.,Ltd	-	3,022
Other Income		
Major Cinead Co., Ltd.	-	2,000
Major Bowl Group Co., Ltd.	-	901
EGV Entertainment Public Co.,Ltd	3,930	-
Udom Five Star Cineplex Co., Ltd.	3,600	-
<b><u>Expenses</u></b>		
Rentals Expense		
Major Cineplex Property Co., Ltd.	29,700	39,601
Assets Rent Expense		
EGV Entertainment Public Co.,Ltd	27,000	-
Common Area Service Expense		
Major Cineplex Service Co., Ltd.	25,050	33,600
Electricity Expense		
Major Cineplex Service Co., Ltd.	6,778	7,634
Premises Tax		
Major Cineplex Property Co., Ltd.	3,713	4,950
Expense Recorded as Capital Expenditure		
Wel Ad Co., Ltd.	23,400	23,400
Interest Expense		
Chiangmai Cineplex Co., Ltd.	941	420
Major Cinema Co., Ltd.	-	479
Major Bowl Group Co., Ltd.	-	214
Siam Cineplex Co., Ltd.	-	266
Major Bowl Co., Ltd.	-	833
Ratchayothin Realty Co., Ltd.	811	-
Ratchayothin Cinema Co., Ltd.	251	-



	The Company Only	
	For the Year	
	Ended on December 31,	
	2005	2004
	<u>'000 Baht</u>	<u>'000 Baht</u>
Sale Promotion Expense		
Ratchayothin Cinema Co., Ltd.	-	393
Major Bowl Group Co., Ltd.	-	1,097
Cost from used Gift Voucher		
Chiangmai Cineplex Co., Ltd.	1,498	708
Udon Five Star Cineplex Co., Ltd.	556	288
Ratchayothin Cinema Co., Ltd.	11,901	5,620
Major Bowl Group Co., Ltd.	1,515	1,864
Bangkok Imax Theater Co., Ltd.	87	-
Advertise Expense		
Major Cinead Co., Ltd.	-	1,485

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

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

- Revenue from advertisement fee incurred by subsidiaries is determined in the package rate as monthly installment and equivalent to percentage rate of revenue in accordance with the inter-memorandum.
- Space rental fee and central service fee is charged by lum sum rate per month pursuant to the mutually agreed-upon and / or percentage rates of revenue in accordance with mutually agreed upon.
- Public utility fee is computed pursuant to quantity of actual usage, pursuant to rates which are mutually agreed upon.
- Others in accordance with agreed-upon rate.

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## 6.2 Inter-Assets and Liabilities

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
<b>Assets</b>				
Other Account Receivable				
EGV Entertainment Public Co.,Ltd	-	-	1,014	-
Major Cinead Co., Ltd.	-	-	912	-
Major Bowl Group Co., Ltd.	-	-	1,809	-
	<u>-</u>	<u>-</u>	<u>3,735</u>	<u>-</u>
Accounts Receivable – Advertisement				
Major Cinead Co., Ltd.	-	-	32,690	5,243
Notes Receivable				
Ratchayothin Management Co., Ltd.	-	-	-	1,338
Ratchayothin Realty Co., Ltd.	-	-	-	1,091
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,429</u>
Accounts Receivable - Other				
Chiangmai Cineplex Co., Ltd.	-	-	5,075	2,970
Ratchayothin Cinema Co., Ltd.	-	-	2,882	-
Major Bowl Co., Ltd.	-	-	103,008	55,151
Major Cinead Co., Ltd.	-	-	127,530	80,771
Udon Five Star Cineplex Co., Ltd.	-	-	6,749	10,721
Bangkok Imax Theatre Co., Ltd.	-	-	3,210	-
Siam Cineplex Co., Ltd.	-	-	64,105	-
4 Subsidiary Companies	-	-	428	-
	<u>-</u>	<u>-</u>	<u>312,987</u>	<u>149,613</u>

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
<b>Accrued Interest Receivable</b>				
Ratchayothin Cinema Co., Ltd.	-	-	5	198
Ratchayothin Management Co., Ltd.	-	-	2,196	352
Ratchayothin Realty Co., Ltd.	-	-	-	83
Major Cineplex Property Co., Ltd.	-	-	2,217	180
EGV Entertainment Public Co., Ltd.	-	-	11,764	326
Udon Five Star Cineplex Co., Ltd.	-	-	-	53
Major Cineplex Service Co., Ltd.	-	-	1,219	193
Major Bowl Group Co., Ltd.	-	-	3,598	43
Media Logistic Co., Ltd.	50	30	-	-
Bangkok Imax Theatre Co., Ltd.	-	-	998	-
Siam Cineplex Co., Ltd.	-	-	2,335	-
	<u>50</u>	<u>30</u>	<u>24,332</u>	<u>1,428</u>
<b>Leasehold Rights</b>				
Petchpinklao Co., Ltd.	67,403	54,000	67,403	54,000
Siam Future Development				
Public Co., Ltd.	9,390	10,000	9,390	10,000
<b>Loans to</b>				
EGV Entertainment Public Co.,Ltd	-	-	569,640	20,000
Ratchayothin Management Co., Ltd.	-	-	44,600	71,000
Ratchayothin Realty Co., Ltd.	-	-	-	16,000
Major Bowl Group Co., Ltd.	-	-	196,900	39,500
Major Cineplex Property Co., Ltd.	-	-	47,120	34,239
Ratchayothin Cinema Co., Ltd.	-	-	-	39,850
Bangkok Imax Theatre Co., Ltd.	-	-	59,568	2,400
Major Cineplex Service Co., Ltd.	-	-	5,919	38,947
Media Logistic Co., Ltd.	2,350	2,950	-	-
Siam Cineplex Co., Ltd.	-	-	186,828	-
	<u>2,350</u>	<u>2,950</u>	<u>1,110,575</u>	<u>261,936</u>

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For the year ended on December 31, 2005 there were movement transactions of the loan to the subsidiary and associated companies as follows:

				(Unit : '000 Baht)
	Balance	In the period		Balance
	As of	Increase	Decrease	As of
	<u>December 31, 2004</u>			<u>December 31, 2005</u>
<u>Consolidated</u>				
Media Logistic Co., Ltd.	2,950	-	(600)	2,350
<u>The Company Only</u>				
Ratchayothin Cinema Co., Ltd.	39,850	9,400	(49,250)	-
Ratchayothin Management Co., Ltd.	71,000	1,000	(27,400)	44,600
Ratchayothin Realty Co., Ltd.	16,000	-	(16,000)	-
Major Bowl Group Co., Ltd.	39,500	256,150	(98,750)	196,900
Major Cineplex Property Co., Ltd.	34,239	75,019	(62,138)	47,120
Major Cineplex Service Co., Ltd.	38,947	13,500	(46,528)	5,919
EGV Entertainment Public Co., Ltd.	20,000	585,000	(35,360)	569,640
Bangkok Imax Theatre Co., Ltd.	2,400	79,568	(22,400)	59,568
Siam Cineplex Co., Ltd.	-	327,328	(140,500)	186,828

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

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

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	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
<b>Liabilities</b>				
Account Payable				
Chiangmai Cineplex Co., Ltd.	-	-	678	46
Rachayothin Cinema Co., Ltd.	-	-	3,292	1,572
Major Cinead Co., Ltd.	-	-	1,836	-
EGV Entertainment Public Co., Ltd.	-	-	8,062	-
4 Subsidiary Companies	-	-	682	-
	<u>-</u>	<u>-</u>	<u>14,550</u>	<u>1,618</u>
Accrued Interest Expense				
Chiangmai Cineplex Co., Ltd.	-	-	432	31
Siam Cineplex Co., Ltd.	-	-	-	266
Rachayothin Realty Co., Ltd.	-	-	559	-
Rachayothin Cinema Co., Ltd.	-	-	246	-
	<u>-</u>	<u>-</u>	<u>1,237</u>	<u>297</u>
Accrued Expense				
Major Cineplex Service Co., Ltd.	-	-	32	94
Rachayothin Cinema Co., Ltd.	-	-	-	111
Major Cinead Co., Ltd.	-	-	-	629
Major Bowl Co., Ltd.	-	-	-	1,105
	<u>-</u>	<u>-</u>	<u>32</u>	<u>1,939</u>
Suspended Output Tax				
Major Cinead Co., Ltd.	-	-	3,824	5,628
Major Bowl Group Co., Ltd.	-	-	35	1,023
Wel Cineplex Co., Ltd.	-	308	-	-
4 Subsidiary Companies	-	-	209	222
	<u>-</u>	<u>308</u>	<u>4,068</u>	<u>6,873</u>
Rental Revenue Received in Advance				
Rachayothin Cinema Co., Ltd.	-	-	-	606
Loans from				
Chiangmai Cineplex Co., Ltd.	-	-	22,650	6,000
Siam Cineplex Co., Ltd.	-	-	-	116,679
Rachayothin Realty Co., Ltd.	-	-	36,880	-
Rachayothin Cinema Co., Ltd.	-	-	22,600	-
	<u>-</u>	<u>-</u>	<u>86,130</u>	<u>122,679</u>

For the year ended on December 31, 2005, there were movement transactions of the loan from the subsidiary companies as follows:

				(Unit : '000 Baht)
	Balance	In the period		Balance
	As of	Increase	Decrease	As of
	<u>December 31, 2004</u>			<u>December 31, 2005</u>
<u>The Company Only</u>				
Chiangmai Cineplex Co., Ltd.	6,000	30,000	(13,350)	22,650
Siam Cineplex Co., Ltd.	116,679	-	(116,679)	-
Ratchayothin Realty Co., Ltd.	-	38,000	(1,120)	36,880
Ratchayothin Cinema Co., Ltd.	-	27,200	(600)	26,600

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

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

#### Consolidated/ The Company Only

As of December 31, 2005 and 2004, the whole amount of loan to subsidiary companies to make loan contract together with interest rate at 5.75%- 6.50 % per annum and 5.75%- 6.25 % per annum respectively.

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

As of December 31, 2005 and 2004, loan due to subsidiary companies to make loan contract together carried interest rate of 5.75%-6.50 % per annum and 5.75%-6.25 % per annum respectively.

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### 6.3 Relationship to other Companies and Individuals

Consist of :

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

### 7. Adjusted transaction from the change of accounting policy of associated company

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

### 8. Temporary Investment

Consist of :

	Consolidated			
	As of December 31, 2005		As of December 31, 2004	
	Cost	Fair value	Cost	Fair value
	Baht	Baht	Baht	Baht
Temporary investment in open fund	699,786.93	1,030,290.42	1,236,407.84	1,235,980.15
Total	699,786.93	1,030,290.42	1,236,407.84	1,235,980.15

  

	The Company Only			
	As of December 31, 2005		As of December 31, 2004	
	Cost	Fair value	Cost	Fair value
	Baht	Baht	Baht	Baht
Temporary investment in open fund	-	-	171,030.39	172,430.94
Total	-	-	171,030.39	172,430.94



## 9. Accounts and Notes Receivable-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Notes Receivable	13,262,266.24	19,241,188.94	1,081,901.70	3,123,062.72
Account Receivable - Cinema Business	32,429,105.94	64,124,505.22	21,741,495.69	15,455,650.45
Account Receivable - Bowling and Karaoke Business	2,841,405.45	1,538,239.31	1,809,440.00	1,006,332.76
Account Receivable - Rentals and Services Business	14,675,442.71	16,124,624.52	-	2,114,121.97
Account Receivable – Sales DVD andVCD Business	208,990,561.23	130,298,239.82	-	-
<b>Total</b>	<b>272,198,781.57</b>	<b>231,326,797.81</b>	<b>24,632,837.39</b>	<b>21,699,167.90</b>
<u>Less</u> Allowance for Doubtful Debt	(18,868,544.72)	(12,520,729.58)	(703,972.07)	(491,107.80)
Estimation of Account Receivable-Returned of of DVD and VCD Business	(45,750,318.49)	(67,780,095.05)	-	-
<b>Net</b>	<b>207,579,918.36</b>	<b>151,025,973.18</b>	<b>23,928,865.32</b>	<b>21,208,060.10</b>

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

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Notes Receivable	13,262,266.24	19,241,188.94	1,081,901.70	3,123,062.72
Accounts Receivable				
Within credit term	158,974,378.72	112,876,036.27	13,204,741.41	16,297,090.95
Over Due				
1-30 Days	46,779,143.29	58,988,301.30	7,975,062.60	1,006,744.15
31-60 Days	2,708,843.91	17,497,151.94	594,343.56	563,272.33
61-90 Days	7,572,336.76	3,653,909.97	35,354.00	20,613.00
91-120 Days	10,053,817.52	2,228,547.12	53,238.03	15,820.00
Over 120 Days	32,847,995.13	16,841,662.27	1,688,196.09	672,564.75
<b>Total</b>	<b>272,198,781.57</b>	<b>231,326,797.81</b>	<b>24,632,837.39</b>	<b>21,699,167.90</b>
<u>Less</u> Allowance for Doubtful Debt	(18,868,544.72)	(12,520,729.58)	(703,972.07)	(491,107.80)
Estimation of Account Receivable-Returned of Sales DVD and VCD Business	(45,750,318.49)	(67,780,095.05)	-	-
<b>Net</b>	<b>207,579,918.36</b>	<b>151,025,973.18</b>	<b>23,928,865.32</b>	<b>21,208,060.10</b>

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**10. Accounts Receivable-Advertisement-Net**

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Accounts Receivable				
Within credit term	202,321,278.54	97,925,922.39	11,073,779.00	5,243,000.00
Over Due				
1-30 Days	1,824,670.93	27,470,135.52	10,636,180.00	-
31-60 Days	4,586,530.85	75,365,169.39	10,785,380.00	-
61-90 Days	2,557,954.00	2,702,659.50	21,190.00	-
91-120 Days	454,750.00	1,144,365.00	49,534.00	-
Over 120 Days	32,194,951.26	21,131,444.60	123,596.00	-
Total	243,940,135.58	225,739,696.40	32,689,659.00	5,243,000.00
<u>Less</u> Allowance for Doubtful Debt	(18,822,614.26)	(120,968.00)	-	-
Net	225,117,521.32	225,618,728.40	32,689,659.00	5,243,000.00

As of December 31, 2005 trading account receivable which is overdue over 120 days up. Management is being in the process of speed up of debt collection whereby as of February 20, 2006, such account receivable which is overdue for repayment has mainly repaid debt to the company. The management believes that the Company holds no risk in debt uncollection and allowance of doubtful debt which is recorded is sufficient.

## 11. Inventories-Net

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31,2005	December 31, 2004
	Baht	Baht	Baht	Baht
Inventories - Food and Beverage				
- Cinema Business	13,277,155.83	11,442,344.08	5,744,561.43	5,405,057.92
- Bowling and Karaoke Business	3,959,979.30	2,154,600.96	450,572.84	937,466.01
Inventories - Sales DVD and VCD Business	59,111,206.26	35,863,212.53	-	-
Supplies	4,131,358.64	4,221,579.35	2,616,433.44	3,566,410.19
Total	80,479,700.03	53,681,736.92	8,811,567.71	9,908,934.12
<u>Add</u> Estimate of cost of merchandise returned	12,607,527.55	17,452,518.66	-	-
<u>Less</u> Allowance for Decliningin Value of Inventories	(1,519,102.71)	(305,282.25)	-	-
Net	91,568,124.87	70,828,973.33	8,811,567.71	9,908,934.12

## 12. The Prepaid Deposit of Share-Subscription

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

However, in accordance with the minute of Board of Directors Meeting no.6/2005 which held on November 14, 2005, the meeting resolved that investment in such company is cancelled. Presently the company fully received deposit refund.

## 13. Cash Guarantee

In accordance with consolidated financial statements as of December 31, 2004 the whole amount is guarantee amount against the short term loan from the finance institute, while the company will receive when such loan is fully repayable. During 2005, subsidiary company has repaid such loan and fully received guarantee refund.

#### 14. Other Current Assets

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Accrued Income	27,200,940.86	18,329,059.74	226,943.06	95,731.59
Prepaid Expenses	8,146,855.96	10,707,870.39	1,102,829.65	2,572,147.88
Prepaid Interest	3,947,515.08	7,821,129.90	3,947,515.08	7,821,129.90
Cash Advance	8,193,451.63	6,193,409.81	8,686,313.05	5,874,749.32
Other Accounts Receivable	55,003,341.80	19,453,721.88	2,447,740.98	2,187,792.19
Others	23,000,672.35	8,489,180.69	392,727.82	2,949,213.09
<b>Total</b>	<b>125,492,777.68</b>	<b>70,994,372.41</b>	<b>16,804,069.64</b>	<b>21,500,763.97</b>

#### 15. Investments in Subsidiary Companies

As of December 31, 2005 and 2004, Major Cineplex Group Public Company Limited had investment in its subsidiary companies as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Baht	Baht	%	%	Baht	Baht	Baht	Baht	Baht	Baht
Major Cineplex Property Co., Ltd.	78,000,000.00	78,000,000.00	99.99	99.99	77,999,300.00	77,999,300.00	240,512,919.93	208,727,213.15	-	-
Major Cineplex Service Co., Ltd.	23,000,000.00	23,000,000.00	99.99	99.99	22,999,300.00	22,999,300.00	63,614,811.51	42,302,132.78	-	-
Chiangmai Cineplex Co., Ltd.	20,000,000.00	20,000,000.00	99.99	99.99	19,999,900.00	19,999,900.00	42,875,816.21	37,582,719.52	-	-
Major Cinead Co., Ltd.	1,000,000.00	1,000,000.00	99.93	99.93	1,000,000.00	1,000,000.00	52,470,121.75	36,105,040.10	-	-
Major Bowl Group Co., Ltd.	36,000,000.00	36,000,000.00	99.99	66.67	62,609,887.00	62,609,887.00	71,901,952.93	65,632,494.13	-	-
Ratchayothin Realty Co., Ltd.	100,000,000.00	100,000,000.00	99.99	66.67	195,178,100.00	195,178,100.00	258,242,212.34	228,864,188.46	-	-
Ratchayothin Cinema Co., Ltd.	10,000,000.00	10,000,000.00	99.99	66.67	120,854,600.00	120,854,600.00	158,906,541.35	118,191,817.27	-	-
Ratchayothin Management Co., Ltd.	5,000,000.00	5,000,000.00	99.99	66.67	70,950,146.00	70,950,146.00	91,628,146.63	77,978,494.12	-	-
Bangkok Imax Theater Co., Ltd.	1,000,000.00	1,000,000.00	99.94	66.63	6,826,300.00	6,826,300.00	8,016,179.37	11,255,391.86	-	-
Udom Five Star Cineplex Co., Ltd.	39,000,000.00	39,000,000.00	80.00	80.00	31,199,500.00	31,199,500.00	36,213,135.24	34,156,062.02	-	-
Siam Cineplex Co., Ltd	150,000,000.00	150,000,000.00	99.99	99.99	149,999,300.00	149,999,300.00	149,542,743.83	149,931,811.53	-	-
EGV Entertainment Public Co.,Ltd	260,000,000.00	260,000,000.00	99.97	99.82	1,558,003,671.09	1,557,104,653.70	702,760,244.52	727,058,186.46	-	-
Pacific marketing and Entertainment Group Co., Ltd.	15,000,000.00	15,000,000.00	80.00	80.00	79,999,666.67	79,999,666.67	67,328,178.42	84,140,253.41	-	-
M Pictures Co., Ltd.	80,000,000.00	-	79.99	-	79,999,300.00	-	80,644,572.81	-	-	-
					<b>2,477,618,970.76</b>	<b>2,396,720,653.37</b>	<b>2,024,657,576.84</b>	<b>1,821,925,804.81</b>	<b>-</b>	<b>-</b>

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15.1 During year 2004, the Company holds additionally investment in subsidiary by the shares acquisition in the Ratchayothin Group in number of 5 Companies comprising Major Bowl Co., Ltd., Ratchayothin Realty Co., Ltd., Ratchayothin Cinema Co., Ltd., Ratchayothin Management Co., Ltd. and Bangkok Imax Theater Co., Ltd. from the minority shareholders who are foreigners in accordance with the Contract of Purchase-Sale of Investment dated March 22, 2004. The amount of investment purchase-sale is aggregated to Baht 320 millions, which is price compared from that of the independent financial advisor computed pursuant to Discounted Cash Flow Approach. The Contract is specified that the minority shareholders contribute benefit in the participating profit (loss) of such subsidiary for the quarter ended on March 31, 2004 to the Company ; as a result, the Company has to record participating profit (loss) of subsidiaries for such period as if the Company had purchased investment since January 1, 2004.

15.2 As of September 27, 2004, the Company invested in EGV Entertainment Public Co., Ltd. and its subsidiary by number of 259,522,559 shares which equivalent to 99.82% of equity which already issue and paid-up of EGV Entertainment Public Co., Ltd. and its subsidiary. Therefore, EGV Entertainment Public Co., Ltd. and its subsidiary become the Company's subsidiary. The Company has written off the excess of cost of acquisition over fair value which the independent appraiser computed in accordance with the Income Approach only fait of the Company's behalf, as of the purchase date of EGV Entertainment Public Co., Ltd. and its subsidiary amount of Baht 816.94 millions as the whole expense during the present period. Moreover, the company recognized the excess of fair value in accordance with the Income Approach over fair value of definable assets amount of Baht 25.88 millions as Goodwills. Moreover, in quarter 1 of 2005, the Company accepted the shares purchase of EGV Entertainment Public Co., Ltd. from minor shareholders by number of 411,690 shares in the purchased price as cash of Baht 4.50 per share, equivalent to Baht 1,852,605.00. Therefore, presently, the Company holds shares in EGV Entertainment Public Co., Ltd. by number of 259,934,249 shares, equivalent to 99.97% from the former 99.82% while the purchased share price is greater than net asset in accordance with book value by amount of Baht 953,587.61. Moreover, the Company fully recorded as expense in the statement of income.

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

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

15.3 As of September 28, 2004, the Company invested in Pacific Marketing and Entertainment Group Co., Ltd.. In number of 1,199,995 shares equivalent to 80% of Capital issued and already paid-up of Pacific Marketing and Entertainment Group Co., Ltd. become the Company subsidiary.

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

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

Such both subsidiary as stated in Note 15.2 and 15.3 do not prepare any financial statements as of the date the Company acquired the business. As a result, the Company management will apply the financial statements of such subsidiary as of September 30,2004 which were reviewed by auditors as the financial statements as of the date of investment acquisition whereby the discrepancy of such number of days does not materially affect upon the financial statements.

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

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

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

15.7 In accordance with the minute of Board of Directors Meeting No.6/2005 which held on November 14, 2005, the meeting unanimously resolved that investment in M Pictures Co., Ltd. is carried on proceeding which is newly established company in the proportion of shareholding of 79.99% in number of 799,993 shares, in par value of Baht 100.0 per share which is subsidiary, carried the purpose so as for expansion of service of full cycle model in film business.

## 16. Investments in Associated Company

As of December 31, 2005 and 2004, Major Cineplex Group Public Company Limited had investment in its associated company as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2005 Baht	2004 Baht	2005 %	2004 %	2005 Baht	2004 Baht	2005 Baht	2004 Baht	2005 Baht	2004 Baht
California Wow Xperience Co., Ltd.	200,000,000.00	98,000,000.00	36.75	49.00	182,571,149.89	182,571,149.89	195,313,328.49	174,750,476.39	-	-
Siam Future Development Public Company Limited	424,117,769.00	402,225,034.00	26.43	26.43	227,178,793.25	227,178,793.25	263,483,189.03	271,859,429.13	31,998,093.60	6,000,000.00
I-Major Co., Ltd.	20,000,000.00	20,000,000.00	49.99	49.99	10,000,000.00	10,000,000.00	7,708,568.82	7,691,911.25	-	-
Major Online Co., Ltd.	1,000,000.00	-	40.00	-	400,000.00	-	377,136.00	-	-	-
					<u>420,149,943.14</u>	<u>419,749,943.14</u>	<u>466,882,222.34</u>	<u>454,301,816.77</u>	<u>31,998,093.60</u>	<u>6,000,000.00</u>

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As of December 31, 2005 and 2004, the Company constitutes the associated company whose shares are indirectly held by Pacific Marketing and Entertainment Group Co., Ltd. in the proportion as follows:

Name of Company	Issued and Paid up Shares		Percentage of Holding		Cost Method		Equity Method		Dividends	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Baht	Baht	%	%	Baht	Baht	Baht	Baht	Baht	Baht
Media Logistic Co., Ltd.	1,000,000.00	1,000,000.00	39.18	39.18	500,000.00	500,000.00	147,730.32	1,327,235.48	-	-

16.1 As of November 8, 2005, the California Wow Xperience Public Co., Ltd. has taken its ordinary shares by number of 50 millions shares to be appropriated and offered to public and management directors and the company staff. After such appropriation and public offering is conducted, the Company holds the shareholding proportion in the California Wow Xperience Public Co., Ltd. which is associated company has been changed from the former 49% to 36.75%.

However, investment in California Wow Xperience Public Co., Ltd. is marketable security. As of December 31, 2005 such security comprises fair value per share equivalent Baht 6.85 equivalent to the total amount of Baht 503.48 millions.

16.2 As of June 30, 2004, the Company exercised rights in accordance with the warrants to purchase ordinary shares in the Siam Future Development Public Co., Ltd. in number of 17.75 millions unit by the proportion of right exercise of 1 unit to 2.62875 ordinary shares in the exercised price of Baht 1 per share. The Siam Future Development Public Co., Ltd. has registered the increased share capital issued and called for paid-up from such right exercise on July 7, 2004. As December 31, 2004, the Company holds the proportion investment of The Siam Future Development Public Co., Ltd. amount of 26.43%.

However, investment in Siam Future Development Public Co., Ltd. is marketable security. As of December 31, 2005 and 2004 such security comprises fair value per share equivalent Baht 6.70 and Baht 6.20 respectively equivalent to the total amount of Baht 714.62 millions and Baht 661.29 millions respectively.

16.3 In the Consolidated and the Company financial statements as of December 31, 2005 investment in the California Wow Xperience Public Co., Ltd. and Media Logistic Co., Ltd. and as of December 31, 2004, investment in Siam Future Development Public Co., Ltd. and California Wow Xperience Public Co., Ltd. the Company computes the investment amount from financial statements which were audited by other auditors. Moreover, regarding the investment in I-Major Co., Ltd. The Company computed investment value from the financial statements were prepared by management which were not yet reviewed by other auditors by recognizing the participating profit (loss) in the associated company as follows.

	('000 Baht)	
	For the Years	
	Ended on December 31,	
	2005	2004
California Wow Xperience Public Company Limited	20,562	(5,698)
Siam Future Development Public Company limited	23,622	46,062
I-Major Co., Ltd.	16	(2,308)
Major Online Co., Ltd.	(22)	-
Media Logistic Co., Ltd.	(1,179)	174

16.4 In quarter 4 of 2004, California Wow Xperience Public Co., Ltd. constitutes the change of accounting policy in respect of the recognition of revenue and expense in accordance with the Note no. 7. The result of such change of accounting policy results in the participating profit in California Wow Xperience Public Co., Ltd. For the period of 9 months ended on September 30, 2004 which ever recognized by Baht 22.12 millions declined. California Wow Xperience Public Co., Ltd. is being the process of adjustment the affect on the financial statements for the period of 9 months. However, the company recognized participating profit in California Wow Xperience Public Co., Ltd. for the year ended on December 31, 2004 by Baht (5.70) millions.

16.5 In accordance with the minute of the company Board of Directors No.6/2005 which held on November 14, 2005, it is unanimousty resolved that investment in Major Online Co., Ltd. is carried on proceeding which is newly established company in the proportion of shareholding of 40% of 4,000 shares, in the price of Baht 100.0 per share which is associated company, carried the purpose of development in technology of film business.

## 17. Property and Equipment-Net

Consist of:

	Consolidated			
	Balance	Increase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2004			December 31, 2005
	Baht	Baht	Baht	Baht
<b>Cost :</b>				
Land	34,909,552.84	-	-	34,909,552.84
Building	899,312,491.54	1,207,627.18	-	900,520,118.72
Theatres	2,207,623,308.10	82,206,262.40	-	2,289,829,570.50
Tools	1,222,154,162.65	238,480,066.18	-	1,460,634,228.83
Vehicles	23,687,904.57	4,851,784.80	-	28,539,689.37
Furniture and Fixtures	1,069,465,665.19	116,844,113.42	-	1,186,309,778.61
Theatre Improvements ,Office Building				
Improvements and Systems	213,199,951.66	36,775,257.61	-	249,975,209.27
Utilities System	585,159,060.88	78,052,225.65	-	663,211,286.53
Construction in Progress	69,805,612.15	1,042,210,452.23	(694,270,382.54)	417,745,681.84
Total	<u>6,325,317,709.58</u>	<u>1,600,627,789.47</u>	<u>(694,270,382.54)</u>	<u>7,231,675,116.51</u>
<b>Accumulated Depreciation :</b>				
Building	(216,235,880.82)	(40,763,758.49)	-	(256,999,639.31)
Theatres	(554,287,187.81)	(79,580,716.35)	-	(633,867,904.16)
Tools	(429,555,964.63)	(227,208,099.32)	-	(656,764,063.95)
Vehicles	(7,022,079.81)	(4,372,785.12)	-	(11,394,864.93)
Furniture and Fixtures	(292,105,772.35)	(76,591,590.67)	-	(368,697,363.02)
Theatre Improvements , Office Building				
Improvements and Systems	(289,442,713.10)	(86,948,973.10)	-	(376,391,686.20)
Utilities System	(291,335,552.78)	(47,087,048.58)	-	(338,422,601.36)
Total	<u>(2,079,985,151.30)</u>	<u>(562,552,971.63)</u>	<u>-</u>	<u>(2,642,538,122.93)</u>
<b>Net</b>	<b><u>4,245,332,558.28</u></b>			<b><u>4,589,136,993.58</u></b>
<b>Depreciation in the Statements of Income</b>				
For the year				
Ended on December 31, 2005				562,552,971.63
Ended on December 31, 2004				382,191,484.02

In accordance with the consolidated financial statements, as of December 31, 2005 and 2004, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 821.49 million and Baht 438.15 million respectively. The net book value of which was now Baht 11,651.24 and Baht 5,051 respectively.

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In accordance with the consolidated financial statements, as of December 31, 2005 and 2004, cost of theatre and bowling equipment for the amount of Baht 200.00 millions and Baht 216.17 millions respectively and cost of vehicle partly for the amount of Baht 9.08 millions and Baht 5.72 millions respectively was assets under financial lease agreement.

In accordance with the consolidated financial statements for the year ended on December 31, 2005 and 2004, the company included cost of loan which is specifically borrow so as to use in the project of Siam Paragon combined as cost price of such project by Baht 3.02 millions and amount of Baht 1.50 millions respectively.

	The Company Only			
	Balance	Increase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2004			December 31, 2005
	Baht	Baht	Baht	Baht
<b>Cost :</b>				
Theatres	848,893,145.13	81,700,517.70	-	930,593,662.83
Tools	787,007,639.30	86,262,078.40	-	873,269,717.70
Vehicles	5,800,257.55	1,700,000.00	-	7,500,257.55
Furniture and Fixtures	88,020,332.38	32,644,651.56	-	120,664,983.94
Theatre Improvements ,Office Building				
Improvements and Systems	65,736,856.51	4,962,494.73	-	70,699,351.24
Utilities System	28,617,156.14	38,517,766.44	-	67,134,922.58
Construction in Progress	27,624,645.13	691,247,778.02	(678,048,302.04)	40,824,121.11
<b>Total</b>	<b>1,851,700,032.14</b>	<b>937,035,286.85</b>	<b>(678,048,302.04)</b>	<b>2,110,687,016.95</b>
<b>Accumulated Depreciation :</b>				
Theatres	(158,355,477.90)	(66,254,643.20)	-	(224,610,121.10)
Tools	(251,584,562.60)	(123,622,892.07)	-	(375,207,454.67)
Vehicles	(1,676,814.94)	(1,315,180.76)	-	(2,991,995.70)
Furniture and Fixtures	(43,279,719.51)	(14,185,722.01)	-	(57,464,882.13)
Theatre Improvements , Office Building				
Improvements and Systems	(13,765,499.75)	(5,743,452.21)	-	(19,508,828.21)
Utilities System	(16,920,595.79)	(6,962,545.04)	-	(23,883,140.83)
<b>Total</b>	<b>(485,582,670.49)</b>	<b>(218,084,435.29)</b>	<b>-</b>	<b>(703,667,105.78)</b>
<b>Net</b>	<b>1,366,117,361.65</b>			<b>1,407,019,911.77</b>
<b>Depreciation in the Statements of Income</b>				
For the year				
Ended on December 31, 2005				218,084,435.29
Ended on December 31, 2004				191,294,842.45

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In accordance with the company financial statements, as of December 31, 2005 and 2004, the Company had assets with the depreciation fully calculated but still in use which had a cost value of Baht 92.20 million and Baht 43.43 million, respectively. The net book value of which was now Baht 557 and Baht 257 respectively.

In accordance with the company financial statements, as of December 31, 2005 and 2004, cost of theatre and bowling equipment for the amount 200.0 millions and vehicle partly amount of 3.43 millions and amount of 4.39 millions respectively was assets under financial lease agreement.

In accordance with the company financial statements for the year end on December 31, 2005, the company included cost of loan which is specifically borrow so as to use in the project of Siam Paragon combined as cost price of such project by Baht 1.48 millions and amount of Baht 1.50 millions respectively.

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

In accordance with the consolidated and the Company financial statements, as of December 31, 2005 and 2004, the film building, public utility system and other fixed assets of the parent and subsidiary companies are located on area of leased building and leased land carried the leased contract of approximately 10-30 years. In accordance with the contract, it is mainly specified that when the leased period is terminated, the entire ownership of property in the nature of fixture to leased place will be belonged to lesser or have to immediately remove so as that the leased place is in the former condition.

#### **18. Lease and Services Contract Bond**

In the consolidated and the company financial statements as of December 31, 2005 and 2004, the guaranteed deposit against the contract of rental partly in amount of Baht 24.37 millions and Baht 18.26 millions respectively is guaranteed deposit against the area rental of the cinema and others. The contract is respectively conducted and memorandum of understanding between the lessor and the Company comprises the period of rental of 10-24 years.

In addition, according to the consolidated and the company financial statements as of December 31, 2005 and 2004, partly in amount of Baht 19.40 millions and Baht 21.80 millions respectively is leasing contract bond of Cinema's equipments, and 15 years service contract of Major Cineplex (Pinklao). The deposit for leasing and servicing is total amount of Baht 24.0 million, without being charged of interest. The deposit can be reimbursed each time at Baht 0.20 million for the period of 10 years beginning February 2004.

### 19. Prepaid Leasehold Right Fee Repayable Instead of Subsidiary

	Consolidated		The Company Only	
	As of December 31, 2005 Baht	As of December 31, 2004 Baht	As of December 31, 2005 Baht	As of December 31, 2004 Baht
Advance payment for leasehold right				
Repayable instead of subsidiary				
Siam Cineplex Co., Ltd.	-	135,000,000.00	-	135,000,000.00
Bangkok Imax Theater Co., Ltd.	-	20,000,000.00	-	20,000,000.00
Major Bowl Group Co., Ltd.	-	45,000,000.00	-	45,000,000.00
	<u>-</u>	<u>200,000,000.00</u>	<u>-</u>	<u>200,000,000.00</u>

In accordance with the consolidated and the Company financial statements as of December 31, 2004, the prepaid leasehold right fee repayable instead of subsidiary is wholly the financial support of construction fee so as for leasehold right of the area of 7<sup>th</sup> and 8<sup>th</sup> floor of the Project of Siam Paragon Trading Center in accordance with the contract of leasehold right reservation dated March 27, 2003, while the Company agreed to repay the financial support of construction fee by the total amount of Baht 300.0 millions. Moreover, on November 16, 2004, the company performed the memorandum attached to the contract of leasehold right reservation on the subject of the transfer of leasehold right. The Company will transfer the leasehold right to 3 subsidiary companies which resulted in the leasehold right that the company prepaid before the right transfer date is regarded as prepaid leasehold right instead of subsidiaries. Moreover in 1<sup>st</sup> quarter, of 2005, the Company has performed the contract to transfer the leasehold right to such subsidiaries.

## 20. Deferred Building Area Leasehold Rights

Consist of :

	Consolidated		The Company Only	
	As of December 31, 2005 Baht	As of December 31, 2004 Baht	As of December 31, 2005 Baht	As of December 31, 2004 Baht
Deferred Building Area Leasehold Rights-Beginning	227,558,525.98	-	63,796,610.15	-
The Building Area Leasehold Right is Increased from the Acquisition of Investment in Subsidiary.	-	166,016,376.04	-	-
Deferred Building Area Leasehold Rights-Increased during period	314,436,382.22	64,000,000.00	24,922,897.20	64,000,000.00
Amortized Deferred Building Area Leasehold Rights	(12,143,948.61)	(2,457,850.06)	(2,449,409.53)	(203,389.85)
Deferred Building Area Leasehold Rights-Ending	<u>529,850,959.59</u>	<u>227,558,525.98</u>	<u>86,270,097.82</u>	<u>63,796,610.15</u>

In accordance with the consolidated financial statements as of December 31, 2005 leasehold right of building area which is incremented during period, some part in amount of Baht 283.75 millions is derived from contract of leasehold right subscription on the subject of leasehold right transfer dated on November 16, 2004 while it is the receipt of right transfer which will lease some area in the 7<sup>th</sup> floor and 8<sup>th</sup> floor of Siam Paragon Trading Center building for the period of 25 years commenced from the date the Siam Paragon Trading Center opened its operation from Major Cineplex Group Public Co., Ltd. While it carried the value of leasehold right which has to repay by total of baht 300.0 millions

In accordance with the consolidated financial statements and the Company financial statements as of December 31, 2005 and 2004 deferred building area leasehold right some part which is incremented during 2005 and 2004 in amount of Baht 15.25 millions and Baht 54.0 millions respectively is the Project of Pinkrao Branch which is the financial support of construction fee so as for leasehold right of internal building area in the project of Petch Pinkrao Co., Ltd. which is related company by related director whereby the leased contract constitutes the period of 25 years where as the amount of financial support of construction fee which has to be repayable in entire amount of Baht 69.25 millions. Moreover, some part which is incremented during 2005 by amount of Baht 9.67 millions is derived from leasehold right of Ubonrajathani branch project while it carried the leased contract for the period of 20 years and some part which is incremented during 2004 in amount of Baht 10.0 millions is leasehold right of the Chachengchaow Branch Project which is the construction for support for the leasehold right of Siam Future Power Center Chachengchaow Project whereby the lease contract holds the period of 25 years and the whole value of leasehold right which has to be repaid is Baht 10 millions.

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In accordance with the consolidated financial statements as of December 31, 2005 and 2004 some part which is incremented is leasehold right Building Area of EGV Entertainment Public Co., Ltd. and its subsidiary whereby it is mainly advance lease fee and construction fee support in accordance with the leased contract of working place cinema of Ratchadamri Project which holds the lease contract of 20 years and the whole value of leasehold right which has to be repaid is Baht 180.23 millions and 174.43 millions respectively.

## 21. Deferred Land Leasehold Rights

Consist of :

	Consolidated	
	As of	As of
	December 31, 2005	December 31, 2004
	Baht	Baht
Deferred Land Leasehold Rights-Beginning	62,537,345.55	45,155,864.08
Deferred Land Leasehold Rights-Increased during period	-	20,000,000.00
Amortized Deferred Land Leasehold Rights	(2,868,518.52)	(2,618,518.53)
Deferred Land Leasehold Rights-Ending	<u>59,668,827.03</u>	<u>62,537,345.55</u>

In the consolidated financial statements as of December 31, 2005 and 2004, the whole amount of deferred land leasehold rights was land leasehold of a subsidiary company which has contract of land leasehold for the construction of the Major Cineplex, Rangsit for 27 years. When the lease period is terminated, the entire ownership of property with the leased land will belong to lessor. The subsidiary has transferred to one merchant bank as security for the credit of the Parent company. The transfer of such leased right was consented by the lessor.

The right of land lease is increased during the year 2004 which is derived from land lease so as for the construction of business building plus car park, Sukhumvit Branch whereas the contract of land lease constitutes 20 years and the leased right value which needs to fully repay is Baht 20 millions.



## 22. Deferred Film Copy Right

Consist of:

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Deferred Film Copy Rights Beginning - Net	133,458,658.22	-	-	-
<u>Add</u> Increase Film Copy Right from				
Investment in Subsidiary Companies	-	67,288,177.41	-	-
Deposit Film Copy Right	91,043,358.88	-	-	-
Increase during period	284,016,004.20	91,718,511.48	-	-
<u>Less</u> Amortization of Film Copy Right	(169,189,924.47)	(25,548,030.67)	-	-
Deferred Film Copy Right Ending - Net	<u>339,328,096.83</u>	<u>133,458,658.22</u>	<u>-</u>	<u>-</u>

## 23. Asset Not Used for Operations-Net

Consist of:

	Consolidated/The Company Only			
	Balance	Increase/	Sale /	Balance
	As of	Transfer in	Transfer out	As of
	December 31, 2004			December 31, 2005
	Baht	Baht	Baht	Baht
<b>Cost:</b>				
Tools	7,840,571.47	-	-	7,840,571.47
IMAX Equipment	18,687,941.50	-	-	18,687,941.50
Equipments and Tools Bowling	11,610,153.99	-	-	11,610,153.99
Total	<u>38,138,666.96</u>	<u>-</u>	<u>-</u>	<u>38,138,666.96</u>
<b>Accumulated Depreciation:</b>				
Tools	(1,052,569.86)	-	-	(1,052,569.86)
IMAX Equipment	(18,687,940.50)	-	-	(18,687,940.50)
Equipments and Tools Bowling	(719,431.94)	-	-	(719,431.94)
Total	<u>(20,459,942.30)</u>	<u>-</u>	<u>-</u>	<u>(20,459,942.30)</u>
Book Value	17,678,724.66	-	-	17,678,724.66
<u>Less</u> Allowance from non used Asset Impairment	(17,678,723.66)	-	-	(17,677,223.66)
<b>Asset Not used for Operation-Net</b>	<b><u>1.00</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1.00</u></b>

### Depreciation in the Statements of Income

For the year

Ended on December 31, 2005

-

Ended on December 31, 2004

617,117.70

## 24. Goodwill - Net

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Consist of:

	Consolidated	
	As of	
	December 31, 2005	December 31, 2004
	Baht	Baht
Goodwill as of Purchase	251,437,875.95	96,387,446.45
<u>Less</u> Amortization of Goodwill	(58,156,778.21)	(27,539,670.65)
Net Goodwill - Beginning	193,281,097.74	68,847,775.80
<u>Add</u> Goodwill Increase during Period -		
Parent Company	-	146,543,267.10
Goodwill Increase during Period -		
Subsidiary Companies	-	8,507,162.40
Total	193,281,097.74	223,898,205.30
<u>Less</u> Amortization of Goodwill to be expense During Period	(26,198,457.64)	(21,409,120.69)
Amortization of Goodwill from Liquidation of Subsidiary Companies	-	(9,207,986.87)
Goodwill – Net	167,082,640.10	193,281,097.74

## 25. Negative Goodwill - Net

Consist of:

	Consolidated	
	As of	
	December 31, 2005	December 31, 2004
	Baht	Baht
Negative Goodwill as of Purchase	27,166,011.44	27,166,011.44
<u>Less</u> Amortization of Negative Goodwill	(23,205,052.03)	(22,864,291.23)
Net Negative Goodwill - Beginning	3,960,959.41	4,301,720.21
<u>Less</u> Amortization Negative Goodwill to be Revenue		
During Period	(340,760.80)	(340,760.80)
Negative Goodwill - Net	3,620,198.61	3,960,959.41

## 26. Credit and Obligations

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

## 27. Short-Term Loans due to Finance Institute

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Bill of Exchange	370,000,000.00	1,060,000,000.00	370,000,000.00	400,000,000.00
Promissory Notes	408,000,000.00	113,067,447.73	200,000,000.00	-
<b>Total</b>	<b>778,000,000.00</b>	<b>1,173,067,447.73</b>	<b>570,000,000.00</b>	<b>400,000,000.00</b>

In accordance with the consolidated financial statement and the company only as of December 31, 2005 and 2004, the whole amount was loan in form of bill of exchange and promissory notes with finance institute for the period of 3-6 months carried interest rates of 3.80 – 6.00 % and 1.80 – 6.0 % per annum respectively.

## 28. Short Term Loan from Other Company

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

## 29. Long-Term Loans

Consist of:

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Loan from Commercial Bank	1,939,438,141.59	1,453,438,141.59	1,715,000,000.00	1,126,000,000.00
<u>Less</u> Current Portion of Long-Term Loans	<u>(545,500,000.00)</u>	<u>(356,000,000.00)</u>	<u>(439,000,000.00)</u>	<u>(251,000,000.00)</u>
<b>Net</b>	<b>1,393,938,141.59</b>	<b>1,097,438,141.59</b>	<b>1,276,000,000.00</b>	<b>875,000,000.00</b>

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In accordance with the consolidated and the Company financial statements as of December 31, 2005 and 2004 , long term loan is loan due to several commercial banks which constitutes the detail of loan as follows:

**Parent Company**

1) As of December 31, 2005 and 2004, it is loan due to one merchant bank as follows:

- As of December 31, 2005 and 2004, the availment of Baht 300.0 millions while the amount of Baht 225.0 millions and 300.0 millions respectively is used. It is loan due to one merchant bank for the period of 5 years, carried interest rate of 3.25 % per annum for the period of 2 years after which the interest rate of 3 months fixed deposit plus 2.5 % per annum is applied. The installment of 6 months is semi-annually repayable totally for 8 installments for the amount of Baht 37.50 millions per installment. The first installment in repayable on June 30, 2005.
- As of December 31, 2005 and 2004, the loan availment of Baht 600.0 millions while the amount of Baht 480.0 million and 360.0 millions respectively is used. It is loan due to one merchant bank for the period of 4 years carried interest rate of year 1 of 3 % per annum, another year, interest rate of MLR% - 2% per annum is applied or interest rate of the first 12 months fixed deposit plus 2% per annum is applied whichever is quarter . The installment of 3 month is repayable totally 14 installments aggregating to Baht 60.0 million per installment. The first installment is repayment on May 31, 2005.

The collateral, i.e. title-deed of Rachayothin Cinema Co., Ltd., land leasehold right of Rachayothin Realty Co., Ltd. and property which is the building of Major Cineplex, Rachayothin Branch.

2) As of December 31, 2005 and 2004, it is loan due to one merchant bank as follows:

- As of December 31, 2005 and 2004, the availment of Baht 280.0 millions while the amount of Baht 210.0 million and 266.0 million respectively is used. It is loan due to one commercial bank for the period of 5 years, carried interest rate of year 1-3 of 2% per annum and year 4-5 of 1% per annum. The three-month installment is repayable, totally 20 installment for the amount of Baht 14.0 million per installment. The first installment is repayable on November 30, 2004.

- As of December 31, 2005, the loan availment of Baht 300.0 millions which is used in amount of Baht 300 millions carried the period of 5 years, carried interest rate of year 1 by the rate of MLR minus by the spread of 1.50% per annum and year 4-5 by the rate of MLR minus by the spread of 1.00% per annum. It is gradually repayable as per 3 months installment totally 19 installments. Installment of 1-18 is repayable by amount of Baht 16.0 million per installment and installment of 19 is repayable by Baht 12.0 millions per installment. The first installment is repayable in May, 2006.

The collateral of land title and property on the piece of land of Major Cineplex Property Co., Ltd. also joint guarantee.

- 3) As of September 30, 2005 and December 31, 2005 and 2004, the loan availment of Baht 500.0 millions while the amount of Baht 500.0 millions and 200.0 millions respectively is used. It is loan due to one merchant bank for the period of 7 years, carried interest rate of year 1 of 3 % per annum, year 2-3 of 3.50 % per annum and year 4 onwards carried interest rate of MLR % - 1.375 % per annum. The leasehold right of the project of Siam Paragon Trading Center is pledged against the repayment for the period of 84 months commenced from the first installment of loan withdrawal. For the month of 1-24, interest is monthly repayable. For the month of 25-84, the principle is repayable for every 6 months installment totalling 10 installments, equivalent to amount of Baht 50.00 millions per installment while interest is separately repayable every month.

#### **Subsidiary Companies**

- 1) As of December 31, 2005 and 2004, loan in credit line of Baht 530.0 millions is repayable and remained amount of Baht 166.50 million and 256.50 millions respectively is used. It loan due to one merchant bank for the period of 6.50 years, carried interest rate of MLR% - 0.75% per annum but not below MLR% per annum of Thai Farmers Bank Public Co., Ltd. It is monthly repayable. For the installment of 1-18, amount of Baht 4.50 millions per installment is repayable. For the installment 19-77 amount of Baht 7.50 millions per installment is repayable and amount of Baht 6.50 millions for the final installment is repayable. The first installment is repayable in November, 2002. The right in accordance with the lease contract, right in accordance with the contract of service of public utility of EGV Entertainment Public Co., Ltd. and 3 Subsidiaries and directors are collateral.

As of March 31, 2005, such subsidiaries changed guarantors where by EGV Five Star Co., Ltd., Entertainment Golden Village Exhibition Co., Ltd., EGV Exhibition Co., Ltd., and Major Cineplex Group Public Co., Ltd. become the new guarantors in replacement of former guarantors.

- 2) As of December 31, 2005 and 2004, loan in credit line of Baht 60.0 million is repayable and remained amount of Baht 45.94 millions and Baht 55.94 millions respectively is loan due to one merchant bank for the period of 5 years, carried interest rate of MLR-1 or equivalent to 5.5% per annum . It is monthly repayable for the amount of Baht 1.0 millions per installment. Which the Company has to finish payment within August 2009. The first installment is repayable in September 2004. From November, 2005 onwards, the subsidiary company has negotiated by verbal to repay principle installment of Baht 0.50 millions per month while there is improvement of leased place, equipment and leasehold right in various branch and assets of Exertainment Co., Ltd. are collateral.
- 3) As of December 31, 2005 and 2004, the loan in credit line of Baht 15.0 million is repayable and remained amount of Baht 12.0 millions and Baht 15.0 millions respectively is loan at one merchant bank carried interest rate of MLR% per annum. The term of repayment of principle is within 5 years. While the principle is gradually repayable by Baht 0.25 millions per month plus interest. The first installment is repayable in January 2005.

### 30. Liabilities Under Financial Lease Agreement - Net

Consist of:

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2004	December 31, 2004
	Baht	Baht	Baht	Baht
Liabilities Under Financial Lease Agreement	45,104,261.32	101,005,671.10	43,347,808.00	98,416,301.10
<u>Less</u> Deferred Interest Expense Under Financial Lease Agreement	(584,375.00)	(2,539,098.86)	(507,623.51)	(2,355,932.41)
Current Portion of Liabilities Under Financial Lease Agreement	(43,178,239.45)	(41,337,382.59)	(42,249,595.87)	(40,317,952.53)
Net	<u>1,341,646.87</u>	<u>57,129,189.65</u>	<u>590,588.62</u>	<u>55,742,416.16</u>

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### 31. Deferred Leasehold Revenue

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Beginning Deferred Leasehold Revenue	195,853,445.28	205,909,638.12	-	-
<u>Plus</u> Deferred Leasehold Revenue	11,008,546.05	-	-	-
<u>Less</u> Reconnized as Revenue in the Accounting Period	(10,717,675.82)	(10,056,192.84)	-	-
Ending Deferred Leasehold Revenue	<u>196,144,315.51</u>	<u>195,853,445.28</u>	<u>-</u>	<u>-</u>

In accordance with the consolidated financial statements as of December 31, 2005 and 2004, the whole amount of deferred leasehold revenue was written off pending for recognized as revenue in accordance with the period of leased contract approximately 23-26 years.

### 32. Deferred Service Revenue

Consist of :

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
	Baht	Baht	Baht	Baht
Beginning Deferred Service Revenue	131,716,419.55	138,433,416.41	-	-
<u>Plus</u> Reconnized as Revenue in the Accounting Period	7,105,600.00	-	-	-
<u>Less</u> Service Revenue of contract cancellation	(7,007,559.48)	(6,716,996.86)	-	-
Ending Deferred Leasehold Revenue	<u>131,814,460.07</u>	<u>131,716,419.55</u>	<u>-</u>	<u>-</u>

In accordance with the consolidated financial statements as of December 31, 2005 and 2004, the whole amount of deferred leasehold revenue was written off pending for recognized as revenue in accordance with the period of leased contract approximately 23-26 years.

### 33. Advance Received from Sales Promotion

In accordance with the Company financial statements as of December 31, 2005, Revenue receivable from sale promotion in some part of Baht 22.0 Millions (amount in accordance with the contract of Baht 205.0 millions) is receipt of sponsorship fee of sale promotion from two companies, while carried the contract of total period of 5 years, commenced from the date the Siam Paragon Trading Center opened its operation and as of December 31, 2004, some part of Baht 20.0 Millions (amount in accordance with the contract of Baht 30.0 millions) is receipt of advance revenue-sales promotion fee received from one company carried the contract for the period of 3 years. The Company recognized the revenue by amortization of straight-line method pursuant to the period.

### 34. Authorized Share Capital

Year 2004 The Company's increase share capital is as follows :

#### Year 2004

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

1. The increased share capital is approved of 15.0 millions in par value of Baht 1.0 per share aggregating to registered share capital of 772.0 millions shares equivalent to total amount of Baht 772.0 millions so as to reserve for conversion to ordinary shares warrants which are issued.
2. The appropriation of ordinary shares is approved 15 millions shares for
  - 2.1 The conversion to ordinary shares of warrants to purchase ordinary shares in order to appropriate to directors and of the Company (ESOP-W2) in number 3,500,000 shares.
  - 2.2 The right exercise in accordance with ESOP-W1 and MAJOR-W1 is additionally reserved when there is right adjustment which is resulted in dividend payment exceeding 50% of net profit after corporate income tax in number of 11,500,000 shares.
  - 2.3 In case of ordinary shares remaining due to unexercised conversion in accordance with warrants appropriated directors and staff (ESOP-W2) ,the board of directors consider and propose to shareholders meeting for further approval.



3. The issuance and offer of warrants to purchase the company ordinary shares are approved to directors and staff (ESOP-W2) in number of 3,500,000 units.

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

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

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

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

### **39. Warrants**

#### **ESOP-W2**

As of July 6, 2004, the Company issued warrants to purchase the Company ordinary shares (ESOP-W2) to the directors and employees in number of 3,500,000 units the offered price per unit zero Baht. Such warrant not exceeding 4 years from issued date. The rate of right exercise is one unit of warrant is entitled to purchase 1 ordinary share in the exercised price of Baht 15.28 per one ordinary share.

As of December 31 , 2005 , non warrants holders of ESOP-W2 exercised their right.

**ESOP-W1**

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

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

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

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

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

As of December 31, 2005, non warrants holders of ESOP-W2 exercised their right.

**MAJOR-W1**

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

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

As of December 31, 2005, there are right exercisers in accordance with warrants to purchase ordinary shares by number of 1,250 units remained unexercised warrants which will purchase ordinary share in number of 146,925,742 units. The Company has reflected receipt from such right exercise by Baht 16,250.92 which is receipt in advance of share subscription fee in the balance sheet since the company has registered share capital increment which is issued and full called for paid up from such right exercise and Ministry of Commerce on January 16, 2006.

**36. Premiums on Share Capital**

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

**37. Legal Reserve**

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

### 38. Dividends

In accordance with the Minute of Board of Directors Meeting no.4/2005 which held on August 11, 2005, it is unanimously resolved that the Company repays dividend for the operation result for the period of 6 months, 2005 by the rate of Baht 0.25 per share to the total shareholders by number of 709.32 millions shares aggregating to total amount of Baht 177.33 millions. Moreover, the legal reservation is appropriated by amount of Baht 12.39 millions. Presently, the dividend is fully repayable.

In accordance with the resolution of the Company Board of Directors no. 1/2005 held on February 25, 2005 and in accordance with the minute of General Shareholders' Meeting no. 4/2005 held on April 5, 2005, it was unanimously resolved to approve the dividend payment for the operating result of 4<sup>th</sup> quarter, of 2004 in the rate of Baht 0.05 per share to the whole shareholders in number of 709.32 millions shares aggregating to total Baht 35.47 millions and appropriated legal reserve in amount of Baht 2.10 million. The dividend is fully repayable to shareholders.

In accordance with the resolution of the Company Board of Directors no. 2/2004 held on February 24, 2004 and in accordance with the minute of General Shareholders' Meeting no. 3/2004 held on April 22, 2004, it was unanimously resolved to approve the dividend payment for the operating result of year 2003 in the rate of Baht 0.60 per share to the whole shareholders in number of 587.71 millions shares aggregating to total Baht 352.63 millions.

### 39. Director's Remuneration

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

### 40. Corporate Income Tax

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

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

#### 41. Earnings per Share

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

##### 41.1 For the Year ended on December 31, 2005

	Net Profit	The weighted average Number of ordinary shares	Earnings per share
	(Baht)	(Shares)	(Baht)
<b>Basic earnings per share</b>			
Net Profit (LOSS)	534,990,142.87	709,322,633	0.75
<b>Effect of diluted potential common share warrants</b>			
Warrants convertible into ordinary shares No.1 (MAJOR-W1) 146,926,992 Unit Conversion Right 1 unit of warrant will be entitled to 1.016 ordinary share. The exercise price for ordinary shares will be baht 12.796 per share.	-	221,324	-
Warrants convertible into ordinary shares to Directors and employees (ESOP-W) 17,070,805 Unit Conversion Right 1 unit of warrant will be entitled to 1.068 ordinary share. The exercise price for ordinary shares will be Baht 12.320 per share.	-	704,225	-
<b>Diluted earning per share</b>			
Profit of Common Share holders assumed as conversion to common share	534,990,142.87	710,248,182	0.74

## 41.2 For the Year ended on December 31, 2004

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

## 42. Number and Expenses of Employees

	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
The average number of employee (persons)	8,968	2,817	4,029	1,381
Employee Expenses (millions baht)				
For the year ended on December 31	404.08	247.67	176.64	169.35

### 43. Disclosure of Sectoral Business Operation

Information on sectoral business operation is as follows:

Consolidated								
For the Year ended on December 31, 2005								
	Cinema Business	Bowling and Karaoke	Rentals and Services	Services Advertising	Fitness Center	Sales VCD DVD and Film Copy Right	Written-off Items	Total
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Revenue from sales and services	2,730,274	502,799	474,935	820,703	22,645	554,919	(518,761)	4,587,514
Profit(Loss)from operation	586,253	164,515	270,015	566,536	(1,016)	106,999	(69,331)	1,623,971
Common Expense								1,011,515
Interest Expense								102,831
Corporate Income Tax								228,005
Net Profit(Loss)								534,990
Fixed Assets	2,765,106	700,939	835,311	9,627	60,949	8,193	209,011	4,589,136
Common Assets								2,804,821
Total Assets								7,393,957

Consolidated								
For the Year ended on December 31, 2004								
	Cinema Business	Bowling and Karaoke	Rentals and Services	Services Advertising	Fitness Center	Sales VCD DVD and Film Copy Right	Written-off Items	Total
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Revenue from sales and services	1,837,286	301,053	425,323	372,525	3,224	108,199	(240,097)	2,807,513
Profit(Loss)from operation	402,053	103,340	222,190	272,520	(2,543)	20,573	(39,346)	978,787
Common Expense								1,458,009
Interest Expense								44,475
Corporate Income Tax								106,298
Net Profit(Loss)								(479,412)
Fixed Assets	2,614,634	483,029	819,314	4,437	67,407	6,122	250,390	4,245,333
Common Assets								2,416,111
Total Assets								6,661,444

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

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

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

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

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

**Policy of Price Determination**

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

**44. Financial Instruments**

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

44.1 Risk Management

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

44.2 Interest Rate Risk

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



The Company had assets and liabilities instruments to hedge against this risk as follow :

	Consolidated		The Company Only		Interest Rate	
	As of		As of			
	Dec.31, 05	Dec.31, 04	Dec.31, 05	Dec.31, 04	Dec.31, 05	Dec.31, 04
	Million Baht	Million Baht	Million Baht	Million Baht	%	%
Loans to Subsidiary amd Related Compamies	2.35	2.95	1,110.57	261.94	5.75-6.50	5.75-8
Loans to Director and Employees	8.12	8.25	5.36	4.46	3.00	3.00
Short Term Loans from Financial Institute	778.00	1,173.07	570.00	400.00	3.80-5.25	1.80-6.00
Loans from Subsidiary Companies	-	-	86.13	122.68	5.75-6.50	5.75-8
Long Term Loans	1,393.94	1,097.44	1,276.00	875.00	3.25 - 3.50, MLR - 0.75, MLR -1.50, MLR-2	3-3.5, MLR-1, MIR-2

#### 44.3 Exchange Rate Risk

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

#### 44.4 Credit Risk

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

#### 44.5 Fair Value

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

### 45. Obligations and Contingent Liabilities

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

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

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

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

45.2 In accordance with the consolidated financial statements as of December 31, 2005, subsidiaries in number of 3 companies constitute commitment obligation of leasehold right fee in amount Baht 61.25 millions in accordance with the contract of leasehold right subscription on the subject of leasehold right transfer dated on November 16, 2004, while it was receipt of some part of area leasehold right transfer in the area of 7<sup>th</sup> floor and 8<sup>th</sup> floor of Siam Paragon Trading Center Building for the period of 25 years, commenced from the date Siam Paragon Trading Center opened its operation from Major Cineplex Group Public Co., Ltd.

45.3 In accordance with the consolidated and the Company financial statements, the Company constitutes obligation commitment from guarantee loan to Pacific Marketing and Entertainment Group Co., Ltd. which is subsidiary, to one merchant bank by Baht 240.0 millions which constitutes one year commitment so as for financial support to subsidiary company.

45.4 In accordance with the consolidated and the Company financial statements, the Company constitutes obligation commitment from guarantee loan to M Pictures Co., Ltd. which is subsidiary, to one merchant bank by Baht 200.0 millions commitment so as for financial support to subsidiary company.

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

	Consolidated		The Company Only	
	As of		As of	
	December 31, 2005	December 31, 2004	December 31, 2004	December 31, 2003
	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Credit	24.45	30.94	24.45	30.94
Letter of Guarantee	31.41	32.98	12.23	16.48
Cheque Payable to Guarantee	3.11	-	3.11	-

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Apart from this, one subsidiary constitutes commitment obligation from letter of guarantee which is foreign currency by amount of USD 0.50 millions.

45.6 In accordance with the consolidated and the Company financial statements as of December 31, 2005, the Company and subsidiaries comprised commitment obligation in accordance with the contract of long term lease with outside party from the lease of land, lease of building area and contract of long term service with outside party as follows:

45.6.1 Leased fee and service fee which is called for collection in the constant rate in number of 45 contracts and 9 contracts respectively, carried the life of service and leased contract of 2-30 years while the commitment obligation in accordance with the contract as follows:

	Consolidated	The Company Only
	<u>Million Baht</u>	<u>Million Baht</u>
Within 1 year	415.07	140.37
over 1 year, but not over 5 years	1,386.31	598.10
over 5 years	3,695.94	1,091.07

45.6.2 Leased fee and service fee which is asked for collection in accordance with percentage rate over revenue of each operation place in number of 16 contracts and 5 contracts respectively, carried the contract of leased and service of 3-25 years while it computes rate of leased fee and service of 3.00-25.00% per annum and 4.50-15.00% per annum over revenue of each operation place respectively.

However, the leased fee and service fee for the year ended on December 31, 2005 as follows :

	Consolidated	The Company Only
	<u>Million Bath</u>	<u>Million Bath</u>
Rentals	250.83	85.91
Services	175.26	80.04

#### 46. Approval of the Interim Financial Statements.

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

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