



SET 31/2007

30 October 2007

Subject: Report of the resolutions of the Board of Directors' Meeting No. 6/2007  
Attention: President  
The Stock Exchange of Thailand

The Board of Directors' Meeting No. 6/2007 of Major Cineplex Group Public Company Limited (the **Company**), held on 30 October 2007, adopted the following resolutions:

1. Approval of the sale of 799,993 shares in M. Pictures Co., Ltd. (**MP**) held by the Company, or equivalent to 79.99 per cent of MP's total shares, to Traffic Corner Holdings Public Company Limited (**Traffic Corner**) at the price of Baht 320 per share. Payment for such shares shall be made by cash in full or by newly issued ordinary shares in Traffic Corner and/or cash. However, the price offered for the aforementioned is subject to change, depending on the results of investigation of information relating to MP by Traffic Corner.

Such a sale constitutes disposal of the Company's assets under the Notification of the Securities Exchange Commission of Thailand re: Disclosure and Other Acts of Listed Companies Concerning Acquisition or Disposal of Assets 2004, dated 29 October 2004 (the **SEC Notification Regarding Acquisition and Disposal of Assets**). Moreover, based on the criteria prescribed in the SEC Notification Regarding Acquisition and Disposal of Assets, the size of the transaction is less than 15 per cent.

Traffic Corner is not considered a related party under the Notification of the Securities Exchange of Thailand re: Disclosure and Other Acts of Listed Companies Concerning the Connected Transactions 2003, dated 19 November 2003. Consequently, the Company is not required to prepare a report, disclose the transaction and obtain approval from the shareholders.

2. Approval of the postponement of the acquisition of shares in Traffic Corner without making an offer to buy all its shares as prescribed in the SEC Notification No. Gor.Jor. 53/2545 re: Rules, Conditions and Procedures for the Holding of Securities for Business Takeovers, from the meeting of Traffic Corner's shareholders.

Please be informed accordingly.

Yours sincerely,

(Mr.Chattaphum Khantiviriya)

**Information Memorandum Concerning the Acquisition of Assets**  
**Major Cineplex Group Public Company Limited**

**1. Transaction Date**

The first quarter of 2008

**2. Parties involved and their relationships**

Sellers Major Cineplex Group Public Company Limited (MAJOR)  
and other shareholders of M Pictures Company Limited

Purchaser Traffic Corner Holdings Public Company Limited

Relationship between parties The Sellers have no relationship with the Purchaser and are not considered as connected persons according to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 or any other relevant regulations

**3. General Features of Transaction**

Type of transaction The disposition of 799,993 shares in M Pictures Company Limited

Size of transaction The transaction of disposition is equivalent to 3.3 percent of total value of the consideration (based on the Company's consolidated financial statements) and the SET may exempt prepare disclosure report stated in Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 since the transaction size is not more than 15 percent of Company's assets value.

**4. Details of assets disposed**

Name of business M Pictures Company Limited  
97/11 EGV Metropolis Building, 6<sup>th</sup> Floor,  
Rajdamri Road, Lumpini, Patumwan, Bangkok, 10330

#### Nature of business

M pictures Company Limited (MP) manages its licenses of local and international film rights to be exhibited in theatres, to be sold in forms of VCD and DVD, and to be broadcast through Cable and Free TVs

#### Capital structure

As of 30<sup>th</sup> June 2007, the Company has registered and paid-up capital in the amount of Baht 100 million, consist of 1 million ordinary shares with a par value of Baht 100. Details of shareholders as of 30<sup>th</sup> April 2007 are as follows:

<b>Shareholders</b>	<b>Number(shares)</b>	<b>Percent of registered capital</b>
1. Major Cineplex Group Public Company Limited	799,993	80.00
2. Mr. Suchin Satitpattanapan	200,000	20.00
3. Others	7	0.00
<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

#### Board of directors

Details of board of directors as of 19<sup>th</sup> October 2007 consist of 5 members namely:

<b>Name</b>	<b>Position</b>
1. Mr. Vicha Poolvaraluck	Director
2. Mr. Tanakorn Puliwekin	Director
3. Mr. Chattaphum Khantiviriya	Director
4. Mr. Suthep Dansiriviroj	Director
5. Mr. Sumet Sornsuth	Director

#### **5. Total value of the consideration and conditions of payment**

The total value of the consideration is set at Baht 320 million. The company has 2 settlement options as follows

- A. Cash for the whole amount or
- B. New issued ordinary shares and/or cash with the offering price of these newly issued ordinary shares of TRAF is set at Baht 1.84 per share, given that the shareholding of the Company after entering into this transaction must be at least 51%

#### **6. Value of asset disposed**

The total value of asset disposed is equivalent to Baht 320 million.

**7. Criteria applied to determine the considerations**

The criteria used to determine the consideration which is based on financial statements as of 30<sup>th</sup> June 2007 of MP and TRAF are:

- A. Book value
- B. Present value derived from the Discounted Cash Flow method
- C. Weighted average market price of TRAF for the period 30 days prior to the date of the meeting of TRAF's Directors approving the transaction

MP and TRAF's book value as of 30<sup>th</sup> June 2007 is equivalent to Baht 121 million and Baht 43 million respectively.

**8. Net income after tax of assets disposed**

MP has net income after tax as of 31<sup>st</sup> December 2005 (Registered on 25<sup>th</sup> November 2005), 31<sup>st</sup> December 2006 and 6-month period as of 30<sup>th</sup> June 2007 equal to Baht 1 million, Baht 34 million and net loss of Baht 14 million respectively.

**9. Anticipated benefits**

The Company will penetrate into Lifestyle Entertainment businesses with TRAF's expertly mass media management as well as proficient procurement of international and domestic films of the Company. Also, a broad network and strong connection with film producer/Thai performer as well as Major Cineplex Group's supports in other area will generate maximum benefits to the Company and shareholders in the future.

**10. Conditions of Precedent**

The company shall agree to dispose MP's securities when all of the following conditions have been fulfilled:

- A. MP shall provide TRAF the sufficient information for conducting a due diligence process and TRAF will hold the Board of Directors' meeting to consider the due diligence results and the purchase price of MP prior to the date of shareholder's meeting of TRAF
- B. The purchase price of MP might be adjusted according to due diligence result using the following formula

Price adjustment = Adjusted book value * P/BV used above in determining the specified price
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- C. In the case where the payment is in form of newly issued shares and/or cash
  - TRAF shall provide the Company sufficient information for conducting a due diligence process
  - The Company must obtain the Board of Directors' approval in entering into this transaction given that the Company's Board of Directors must satisfy with the due diligence results and the

offering price of the newly issued shares of TRAF. In this regard, MAJOR shall arrange the Board of Director's Meeting prior to the Shareholders' Meeting date of the Company

- In case of newly issued shares price adjustment is needed, TRAF shall adjust its rights offering price according to the following formula

$\text{RO price adjustment} = \text{Newly issued share price offered to the Sellers} - \text{Baht } 0.05$
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- TRAF board of directors' meeting and the Shareholders' Meeting will be held to approve the acquisition of new securities without making a tender offer for all of the securities of the business (White wash) and shall be approved accordingly by the Securities and Exchange Commission.
- The new ordinary shares will be issued to the Sellers by January 2008.

**11. Opinion of the Board of directors concerning a decision to enter into the transaction**

The Board of Directors has agreed that the entering of this transaction is reasonable and shall bring the utmost advantage to the Company by strengthening business operations and competitiveness

**12. Opinion of the Board of directors and/or the audit committee which is different from (11)**

-None

The Company hereby certifies that the above-mentioned information contained herein is true and correct in all respects.