

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30,2013
AND
REVIEW REPORT OF INDEPENDENT AUDITOR

Independent Auditor's Report on Review of Interim Financial

To the Board of Directors of Thai Film Industries Public Company Limited

I have reviewed the accompanying statements of financial position of Thai Film Industries Public Company Limited as at June 30, 2013, the statements of comprehensive income for the three-month and six month period ended June 30,2013 , changes in equity and cash flows for the six-month period ended June 30,2013, and condensed notes ("Interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Other matter

Without qualifying my conclusion, I draw attention to the matters discussed in the notes to the interim financial statements as follow:

- 1) As discussed in note 22.4 to the interim financial statements, that on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral for totaling amount approximately to Baht 839.42 million which was consisted of principal amount of Baht 600 million and interest calculated upto the filing date totaling Baht 239.42 million. On December 24, 2012, the Court ordered to temporarily suspend the filing and submission the filing to the Supreme Court for consideration a petition to revoke a temporary restraining order of the Appeal Court. Furthermore, on September 30, 2009, the Company was sued by such bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Kor 202/2552 under the pledging the shares of an associated company (the first defendant) as for totaling amount approximately to Baht 902.30 million which was consisted of principal amount of Baht 600 million together with interest calculated upto the filing date (September 30, 2009) amount of Baht 302.30 million. The Court ordered to extend the settlement at Court to be held on October 11, 2013. The Company's lawyer opined that the Company does not have any

liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired. The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil Court case number black case file 3210/2550 seeking the payment for alleged breach of the pledge of shares agreement of an associated company of Baht 369.60 million, including the request for releasing the pledged shares of the mentioned associated company totaling 60 million shares to the Company. As the fact that the Company sued against the bank, the Company pledged the shares as collateral for the period of 4 years and it was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. The Civil Court passed judgment that the mentioned litigation case should be dismissed and the Appeals Court upholds the judgment of the Civil Court is to dismiss. Later, on November 21, 2012, the Company has filed a petition against the ordered of Appeal Court which the Supreme Court has already filed.

- 2) As discussed in notes 3 describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The statement of financial position as at 31 December 2012, which is included as comparative information, is a components the audited financial statements as at and for the year ended 31 December 2012 after making the adjustments described in notes 3. I have audited these adjustments and, based on my audit, in my opinion, such adjustments are appropriate and have been properly applied. Furthermore, the statements of comprehensive income for the three-month and six-month period ended 30 June 2012, changes in equity and cash flows for the six-month period ended 30 June 2012, which are included as comparative information, have also been adjusted as described in notes 3. I have reviewed these adjustments and, based on my review, nothing has come to my attention to indicate that such adjustments are not appropriate and properly applied.

(Ms.Wimolsri Jongudomsombut)
Certified Public Accountant
Registration No. 3899

Karin Audit Company Limited
Bangkok
August 13, 2013

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2013

		(Unit : Thousand Baht)	
		30 JUNE 2013	31 December 2012
		"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"	(RESTATED)
ASSETS			
CURRENT ASSETS			
	Cash and cash equivalents	5,727	1,254
5	Trade accounts receivable and other receivable - net	476,256	351,178
6	Inventories - net	288,492	364,150
	Spare parts and supplies - net	57,337	53,583
7	Advance for Investment - net	-	-
	Other current assets	29,416	40,929
	TOTAL CURRENT ASSETS	857,228	811,094
NON-CURRENT ASSETS			
8	Investments in associated companies - net	-	-
	Other long-term investments		
9	Related companies - net	-	-
	Other company	2,000	2,000
4.1	Loans receivable and advance payments - related companies - net	-	-
10	Land used in operation - at appraised value	456,057	456,057
11	Plant and equipment used in operation - net	1,757,354	1,878,413
12	Property, plant and equipment not used in operation - net	42,115	42,506
	Other non-current assets	3,416	3,607
	TOTAL NON-CURRENT ASSETS	2,260,942	2,382,583
	TOTAL ASSETS	3,118,170	3,193,677

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONTINUE)
AS AT JUNE 30, 2013

(Unit : Thousand Baht)

		30 June 2013	31 December 2012
		"UNAUDITED"	"AUDITED"
	Notes	"REVIEWED"	(RESTATED)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Bank overdrafts and short-term loans from financial institutions	13	577,767	645,520
Trade accounts payable and other payable - other		637,286	445,582
Loan from Related Parties	4.1	100,000	-
Current portion of long-term loans	14	200,326	200,086
Other current liabilities		1,108	885
TOTAL CURRENT LIABILITIES		1,516,487	1,292,073
NON-CURRENT LIABILITIES			
Long-term loans - net	14	496,305	596,550
Deferred tax liabilities	15	260,632	281,389
Other non - current liabilities	16	63,576	61,336
TOTAL NON-CURRENT LIABILITIES		820,513	939,275
TOTAL LIABILITIES		2,337,000	2,231,348
EQUITY			
SHARE CAPITAL			
Authorized share capital			
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000	1,365,000
Issued and paid-up share capital			
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000	1,365,000
Discount on common shares		(88,750)	(88,750)
Retained earnings (Deficits)		(1,140,048)	(1,033,648)
Other components of equity		644,968	719,727
TOTAL EQUITY		781,170	962,329
TOTAL LIABILITIES AND EQUITY		3,118,170	3,193,677

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2013

“UNAUDITED”
“REVIEWED”

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2013	2012	2012
		(RESTATED)		(RESTATED)	
REVENUES					
Sales		941,994	1,033,713	941,994	
Costs of sales		(858,829)	(983,864)	(858,829)	
Gross profit margin		83,165	49,849	83,165	
Other income	4.2,17	11,198	3,441	11,198	
Profit before expenses		94,363	53,290	94,363	
Selling expenses		(33,960)	(29,927)	(33,960)	
Administrative expenses	4.2	(27,520)	(23,174)	(27,520)	
Management benefit expenses		(18,640)	(11,754)	(18,640)	
Total expenses		(80,120)	(64,855)	(80,120)	
Profit (loss) before finance costs		14,243	(11,565)	14,243	
Finance costs	4.2	(25,950)	(28,388)	(25,950)	
Profit (loss) before income tax		(11,707)	(39,953)	(11,707)	
Revenue income tax (expense)	18	(2,639)	375	(2,639)	
Profit (loss) and total comprehensive income for the period		(14,346)	(39,578)	(14,346)	
Profit (loss) attributable to:					
Owner of the Company		(14,346)	(39,578)	(14,346)	
Non-controlling interests		-	-	-	
Total profit (loss) for the periods		(14,346)	(39,578)	(14,346)	
Earnings (loss) per Share (Unit : Baht)					
Basic earnings (loss) per share (Unit : Baht)	19	(0.01)	(0.03)	(0.01)	
The number of ordinary shares weighted average (Unit : Thousand Shares)		1,365,000	1,365,000	1,365,000	

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

“UNAUDITED”
“REVIEWED”

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2013	2012	2012
		(RESTATED)		(RESTATED)	
REVENUES					
Sales		1,865,477	1,984,723	1,865,477	
Costs of sales		(1,722,963)	(1,934,368)	(1,722,963)	
Gross profit margin		142,514	50,355	142,514	
Other income	4.2,17	102,948	14,240	64,000	
Profit before expenses		245,462	64,595	206,514	
Selling expenses		(66,407)	(57,908)	(66,407)	
Administrative expenses	4.2	(39,152)	(35,190)	(37,920)	
Management benefit expenses		(38,142)	(23,652)	(38,142)	
Total expenses		(143,701)	(116,750)	(142,469)	
Profit (loss) before finance costs		101,761	(52,155)	64,045	
Finance costs	4.2	(62,710)	(56,312)	(62,687)	
Profit (loss) before income tax		39,051	(108,467)	1,358	
Revenue income tax (expense)	18	(4,338)	2,067	(4,338)	
Profit (loss) and total comprehensive income for the period		34,713	(106,400)	(2,980)	
Profit (loss) attributable to:					
Owner of the Company		34,713	(106,400)	(2,980)	
Non-controlling interests		-	-	-	
Total profit (loss) for the periods		34,713	(106,400)	(2,980)	
Earnings (loss) per Share (Unit : Baht)					
Basic earnings (loss) per share (Unit : Baht)	19	0.03	(0.08)	(0.00)	
The number of ordinary shares weighted average (Unit : Thousand Shares)		1,365,000	1,365,000	1,365,000	

The accompanying notes are an integral part of these financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
 STATEMENTS OF CHANGES IN EQUITY
 FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2012

"Unaudited"

"Reviewed"

(Unit :Thousand Baht)

		Consolidated									
		Share capital			Other components of equity			Equity attributable		Total	
		issued and	Discount	Deficit		Capital surplus	Capital surplus	Total	to Equity of owner	Non - Controlling	
Notes	paid-up	on share	Appropriated	Unappropriated	from land	from machinery	other components	of equity	the Company	interests	
		capital			revaluation	revaluation					
	Balance as at January 1, 2012 - as previously reported	1,365,000	(88,750)	-	(898,398)	218,470	870,291	1,088,761	1,466,613	-	1,466,613
	Cumulative effect of the change in accounting policy	-	-	-	(93,243)	(43,694)	(174,058)	(217,752)	(310,995)	-	(310,995)
	Balance as at January 1, 2012 - restated	1,365,000	(88,750)	-	(991,641)	174,776	696,233	871,009	1,155,618	-	1,155,618
	Depreciation for capital surplus from machinery revaluation	-	-	-	-	-	(93,982)	(93,982)	(93,982)	-	(93,982)
	Income tax on other components of equity	-	-	-	-	-	18,796	18,796	18,796	-	18,796
	Net Profit for the period	-	-	-	34,713	-	-	-	34,713	-	34,713
	Ending balance as at June 30, 2012	1,365,000	(88,750)	-	(956,928)	174,776	621,047	795,823	1,115,145	-	1,115,145

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

"Unaudited"

"Reviewed"

(Unit : Thousand Baht)

	Notes	Separate							Total
		Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	
				Appropriated	Unappropriated				
Balance as at December 31, 2012 - as previously reported		1,365,000	(88,750)	-	(932,191)	218,470	681,189	899,659	1,243,718
Cumulative effect of the change in accounting policy	3.2	-	-	-	(101,457)	(43,694)	(136,238)	(179,932)	(281,389)
Balance as at December 31, 2012 - restated		1,365,000	(88,750)	-	(1,033,648)	174,776	544,951	719,727	962,329
Depreciation for capital surplus from machinery revaluation	11	-	-	-	-	-	(93,449)	(93,449)	(93,449)
Income tax on other components of equity		-	-	-	-	-	18,690	18,690	18,690
Net loss for the periods		-	-	-	(106,400)	-	-	-	(106,400)
Ending balance as at June 30, 2013		<u>1,365,000</u>	<u>(88,750)</u>	<u>-</u>	<u>(1,140,048)</u>	<u>174,776</u>	<u>470,192</u>	<u>644,968</u>	<u>781,170</u>
Balance as at January 1, 2012 - as previously reported		1,365,000	(88,750)	-	(860,705)	218,470	870,291	1,088,761	1,504,306
Cumulative effect of the change in accounting policy	3.2	-	-	-	(93,243)	(43,694)	(174,058)	(217,752)	(310,995)
Balance as at January 1, 2012 - restated		1,365,000	(88,750)	-	(953,948)	174,776	696,233	871,009	1,193,311
Depreciation for capital surplus from machinery revaluation	11	-	-	-	-	-	(93,982)	(93,982)	(93,982)
Income tax on other components of equity		-	-	-	-	-	18,796	18,796	18,796
Net loss for the periods		-	-	-	(2,980)	-	-	-	(2,980)
Ending balance as at June 30, 2012		<u>1,365,000</u>	<u>(88,750)</u>	<u>-</u>	<u>(956,928)</u>	<u>174,776</u>	<u>621,047</u>	<u>795,823</u>	<u>1,115,145</u>

The accompanying notes are an integral part of these financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Consolidated		Separate	
	2012	2013	2012	2013
	(Restated)		(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	34,713	(106,400)	(2,980)	
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				
Allowance for obsoleted stock (Reversal) Increase	(5,816)	28	(5,816)	
Depreciation	48,742	50,872	48,742	
(Profit) from sales assets	(63,733)	(2,487)	(21,880)	
Allowance for trade account receivable (reverse)	(153)	-	(153)	
Amortization expenses	13,026	20,763	13,026	
Provision for employee benefits	5,212	4,886	5,212	
Unclaimed withholding tax	234	190	234	
Unrealized loss on exchange rate	7,824	12,098	7,824	
Loss on written off assets	11	30	11	
Interest expenses	54,784	46,357	54,762	
Interest incomes	-	-	(3,506)	
Income tax expense (income)	4,338	(2,067)	4,338	
Profit from operating activities before changes in operating assets and liabilities	99,182	24,270	99,814	
(Increase) Decrease in Trade accounts receivable and other receivable	(85,044)	(111,886)	(85,044)	
(Increase) Decrease in Inventories	(37,161)	75,630	(37,161)	
(Increase) Decrease in Spare parts and supplies	(3,588)	(3,754)	(3,588)	
(Increase) Decrease in Other current assets	(21,089)	(9,250)	(21,089)	
(Increase) Decrease in Other non-current assets	(1,666)	-	(1,666)	
Increase (Decrease) in Trade account payable and other payable	35,307	178,689	35,250	
Increase (Decrease) in Other current liabilities	(8,799)	222	(8,784)	
Increase (Decrease) in Other non-current liabilities	(385)	(2,646)	(385)	
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	(23,243)	151,275	(22,653)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from accrued interest - loan to ex-subsidiary company	-	-	9,435	
Cash received from loan receivable - ex-subsidiary company	-	-	205,582	
Cash received from debt settlement	215,017	-	-	
Cash received from sales assets - net	519,924	2,487	525,690	
Purchase of property, plant and equipment	(13,557)	(22,901)	(13,557)	
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	721,384	(20,414)	727,150	

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Consolidated		Separate	
	2012	2013	2012	
	(Restated)		(Restated)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in Loan from Related Parties	-	100,000		-
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	(55,448)	(77,893)		(55,448)
Repayment of long - term loans	(101,706)	(100,006)		(101,706)
Repayment loan from related person	(500,000)	-		(500,000)
Cash paid for interest expenses	(54,969)	(48,489)		(54,947)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	(712,123)	(126,388)		(712,101)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	(13,982)	4,473		(7,604)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIOD	15,097	1,254		8,719
CASH AND CASH EQUIVALENTS AS AT THE END OF PERIOD	<u>1,115</u>	<u>5,727</u>		<u>1,115</u>

Supplemental Disclosure of Cash Flow Information

- The Extraordinary General Meeting of Shareholders no. 1/2555 held on 27 March 2012, approved to the Company sold certain assets not related to core business operations as

- All investment in Riverside Tower Co., Ltd.
- Investment in Lakewood land Co., Ltd.
- Investment in Lakewood Country Club Co.,Ltd.,
- Land not used in operation and Investment property

to Mr. Chalermchai Mahagitsiri. The Company received cash proceeds from sales on such 4 assets totaling amount Baht 530 million and also received the repayment of loan and accrued interest at amount of Baht 205.58 million and Baht 9.43 million from Riverside Tower Co., Ltd.on March 29, 2012

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2013

"UNAUDITED"

"REVIEWED"

Proceeds from sales of assets was as follows:

	In Thousand Baht
Cash receivable from sales of assets net of selling expenses	523,821
<u>(Less)</u> Investment in Lakewood Land Co.,Ltd.	(43,500)
Investment in Lakewood Country Club Co.,Ltd.	(750)
Land not used in operation	(70,840)
Investment property	(70,840)
Cash and deposits at financial institutions	(5,766)
Net	332,125
<u>(Less)</u> Finished condominium units	(360,095)
Other current assets	(4)
Cost of property to be developed - net	(124,625)
Other non-current assets	(1,012)
<u>(Plus)</u> Other payable - other	458
Accrued interest - ex -Parent Company	9,435
Loan from ex-Parent Company	205,582
Profit from sales assets	61,864
Net cash inflow from sale of assets ;	
Cash receivable from sales of assets net of selling expenses	523,821
<u>(Less)</u> Cash and deposits at financial institutions	(5,766)
Net cash inflow from sales	518,055

The accompanying notes are an integral part of these interim financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2013

1. General

Thai Film Industries Public Company Limited was registered in Thailand on March 3, 1983 with the registration number 882/2526. It was later registered a conversion to a public company limited on February 1, 1994 with the registration number 0107537000386. The major shareholders are Mahagitsiri family. The Company is engaged in manufacturing of packaging film. Presently, the Company has offices located at the following addresses:

- a) Head Office and Factory : 73/3 Moo 4, Bangna - Trad Road, Bangchalong, Bangplee, Sumutprakarn.
- b) Factory : 327 Moo 8, Mabkha, Nihompattana District, Rayong.

2. Basis of Financial Statement Preparation and Significant accounting policies

2.1 Basis of Financial Statement Preparation

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) Interim Financial Reporting; Regulations of the Stock Exchange of Thailand, prepared to provide an update on the financial statements for the year ended 31 December 2012 but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2012.

The accompanying financial statements are prepared in Thai Baht and show unit amounts at Thousand Baht, except that identify the other unit. The financial statements have been prepared on the historical cost basis (except disclosed in the accounting policies).

For convenience of readers, These English language financial statements have been prepared from The Thai language statutory financial statements.

2.2 Adoption of new accounting standards

2.2.1 Accounting standards effective for the beginning on 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2013

TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
FAP Announcement 34/2555 Accounting guidancer for Transfers of financial Assets.	

2.2.2 Accounting Standards Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

2.3 Significant accounting policies

The Company prepared the interim financial statements for the six-month period ended June 30, 2013 with same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2012, except as described below.

a) Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2013

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

b) Presentation of information on operating segments

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Company presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Company’s financial statements.

2.4 Use of estimates and judgments

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2012 that included in the following notes:

Note 16 Discount rate, salary increase rate, turnover and mortality rate

3. Cumulative effect of change in accounting policy

3.1 Due to the adoption of TAS 12 Income Taxes, as mentioned in Note 2.3 to the financial statements. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders’ equity.

3.2 The amounts of adjustments from the change in accounting policy and prior years’ adjustments affecting the statements of financial position as at December 31, 2012 and January 1, 2012, and the statements of comprehensive income for the three-month and six-month period ended June 30, 2012 are summarised below.

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	(Unit : Thousand Baht)	
	December 31, 2012	January 1, 2012
STATEMENTS OF FINANCIAL POSITION		
Increase in deferred tax liabilities	281,389	310,995
Decrease capital surplus from land revaluation	(43,694)	(43,694)
Decrease capital surplus from machinery revaluation	(136,238)	(174,058)
Increase in unappropriated deficits	(101,457)	(93,243)

	(Unit : Thousand Baht)			
	For the three-month periods ended June 30, 2012		For the six-month periods ended June 30, 2012	
	Consolidated	Separate	Consolidated	Separate
STATEMENTS OF COMPREHENSIVE INCOME				
Increase (decrease) in income tax	2,639	2,639	4,338	4,338
Increase (decrease) in profit	(2,639)	(2,639)	(4,338)	(4,338)
Increase (decrease) in basic earnings per share	(0.002)	(0.002)	(0.003)	(0.003)

4 Inter – Transactions between Related Companies

The Company has accounting transactions to occur with the ex - subsidiary company and related companies and persons having the same shareholder’s group and mutual directors. Significant inter-transactions and remaining balances between the company with the ex - subsidiary company, related companies and persons could be summarized as follows: -

4.1 Inter-Assets and Liabilities

		(Unit : Thousand Baht)	
Type of Transaction/Company’s Name	Relationship	June 30, 2013	December 31, 2012
Loan receivable and advance payment – Related Company			
Thai Film Bangladesh Co., Ltd.	Related company		
Beginning		37,965	37,965
<u>Add</u> Loans during the period		-	-
<u>Less</u> Received repayment during the period		-	-
Ending		37,965	37,965
<u>Less</u> Allowance for doubtful debt		(37,965)	(37,965)
Net		-	-

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		(Unit : Thousand Baht)	
Type of Transaction/Company's Name	Relationship	June 30, 2013	December 31, 2012
Loan from related parties			
PM Group Co., Ltd	The same shareholders and		
Beginning	directors	-	-
<u>Add Loans during the year</u>		100,000	-
<u>Less Payment during the year</u>		-	-
Ending		<u>100,000</u>	<u>-</u>
Accrued interest expense			
PM Group Co., Ltd	The same shareholders and		
	directors	52	-

Short-term loan from related parties represent loan under promissory note, due at call without any collateral and interest rate at MOR-1% per annum.

4.2 Inter-Revenue and Expense

		(Unit : Thousand Baht)		
Type of Transaction/Company's Name	Relationship	Consolidated	Separate	
		For the six month periods ended June 30,		
		2012	2013	2012
<u>Income from Rental of land</u>				
Quality Coffee Product Co., Ltd.	The same shareholders and directors	605	-	605
<u>Income from Rental of condominium units</u>				
Mr. Prayudh Mahagitsiri	Chairman	617	-	-
<u>Common Area Expense</u>				
PM Riverside Juristic Person	Mutual directors	646	-	-

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		(Unit : Thousand Baht)		
		Consolidated	Separate	
		For the six month periods ended June 30,		
Type of Transaction/Company's Name	Relationship	2012	2013	2012
<u>Interest income</u>				
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	3,506
<u>Interest expense</u>				
Mr. Chalermchai Mahagitsiri	Director	7,858	-	7,836
PM Group Co., Ltd	The same shareholders and directors	-	1,589	-

		(Unit : Thousand Baht)		
		Consolidated	Separate	
		For the three month periods ended June 30,		
Type of Transaction/Company's Name	Relationship	2012	2013	2012
<u>Interest expense</u>				
PM Group Co., Ltd	The same shareholders and directors	-	1,589	-

5 Trade Accounts Receivable and Other Receivable - Net

Consist of :-

		(Unit : Thousand Baht)	
		As at June 30, 2013	As at December 31, 2012
Trade accounts receivable and other receivable			
- Trade accounts receivable		449,804	347,183
- other receivable		26,452	3,995
Total trade accounts receivable and other receivable		476,256	351,178

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The Company has accounts receivable was classified by aging as follows:

	(Unit : Thousand Baht)	
	As at June 30, 2013	As at December 31, 2012
<u>Domestic Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	181,785	142,373
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	74,798	72,702
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	896	896
Total	257,479	215,971
<u>Foreign Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	128,784	65,856
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	15,479	6,799
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	-	-
Total	144,263	72,655
Notes Receivable	48,958	59,453
<u>Less</u> Allowance for doubtful accounts	(896)	(896)
Net	449,804	347,183

Allowance for doubtful accounts is changed during the periods as follows :-

	(Unit : Thousand Baht)	
	For the six month periods ended June 30,2013	For the year ended December 31,2012
Beginning balance	896	4,584
Increase	-	896
Decrease	-	(4,584)
Ending balance	896	896

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6 Inventories - Net

Allowance for obsolete stock is changed during the periods as follows :-

	(Unit : Thousand Baht)	
	For the six month periods ended June 30,2013	For the year ended December 31,2012
Beginning balance	6,617	11,760
Increase	28	-
Decrease	-	(5,143)
Ending balance	<u>6,645</u>	<u>6,617</u>

7 Advance for Investment - Net

Consist of :-

	(Unit : Thousand Baht)	
	As at June 30, 2013	As at December 31, 2012
Advance payment for investment	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	<u>(45,594)</u>	<u>(45,594)</u>
Net	<u>-</u>	<u>-</u>

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8 Investments in Associated Companies - Net

Consist of :-

Company	Country of business	Type of business	Paid up Capital		Percentage of Investment		Separate (Unit : Thousand Baht)	
			(Million Baht)				Cost Method	
			June 30,2013	December 31,2012	June 30,2013	December 31,2012	June 30,2013	December 31,2012
Associated Companies								
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518,981	1,518,981
TFM Packaging Film Co., Ltd.	Thailand	Packaging Film	324.90	324.90	49.20	49.20	159,836	159,836
Total							1,678,817	1,678,817
<u>Less</u> Allowance for impairment in investment							(1,678,817)	(1,678,817)
Net							-	-

Thai Copper Industries Pcl.

The Company has ceased to calculate the equity loss in Thai Copper Industries Pcl. because such associated company has lack in working capital and TCI stopped its operation and lay-off its employees. The Company’s equity recognized equally to their investment (zero). In the cost method, the Company set up an allowance for impairment of the investment in full (Baht 1,519 million).

The latest significant financial data of TCI are as follows:-

	(Unit : Million Baht)
	As at December 31, 2007
	“audited”
Total Assets*	23,937
Total liabilities	20,684
Total equity*	3,253

*If TCI recorded the allowance for impairment of asset based on the appraisal report of independent appraiser dated on September 28, 2007. Total asset and total equity will be decreased in amount of Baht 12,530 million.

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TFM Packaging Film Co., Ltd.

The Company has ceased to calculate the equity loss in TFM Packaging Film Co., Ltd. which in the process of being liquidated. The Company’s equity recognized equally to their investment (zero). In the cost method, the Company set up an allowance for impairment of the investment in full (Baht 160 million).

Net book value of investment in associated company in which the equity method is applied is zero. The Company does not prepare financial statements in which the equity method is applied for the three-month and six-month periods ended June 30, 2013, Because of the financial statements presented by the equity method present the same amount and presentation as the separate financial statements for the same periods.

9 Other long-term investments - related companies – Net

Consist of :-

Company	Country of Business	Type of business	Capital paid-up	Percentage of Investments		Value of Investment (Unit : Thousand Baht)	
						Consolidated/	
				Separate	Separate	Separate	Separate
				June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
Total						37,487	37,487
Less Allowance for impairment of investment						(37,487)	(37,487)
Net						-	-

10 Land used in operation - at appraised value

As at June 30, 2013, the land used in operation was re-appraised according to the report of independent appraiser (Bangkok Property Appraisal Co., Ltd.) at fair market value date December 24, 27, 2010 and January 6, 2011, respectively, which appraisal date was December 16 - 17, 2010.

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11 Plant and equipment used in operation - net

	<u>(Unit : Thousand Baht)</u>
Cost :-	
Net Book Value as at January 1, 2013	1,198,266
Purchase	22,901
Transferred in (out)	-
Write off	(30)
Adjusted	-
Depreciation for the period	<u>(50,653)</u>
Net Book Value as at June 30, 2013	<u>1,170,484</u>
Capital Surplus from Revaluation :-	
Net Book Value as at January 1, 2013	680,147
Depreciation for the period	<u>(93,277)</u>
Net Book Value as at June 30, 2013	<u>586,870</u>
Net Book Value as at June 30, 2013	<u><u>1,757,354</u></u>

Depreciation for the six-month periods ended June 30, 2013 and 2012, amounted to Baht 49.63 million and Baht 46.72 million, respectively, are included in cost of sales, and Baht 1.03 million and Baht 1.81 million, respectively, are included in selling and administrative expenses.

As at June 30, 2013 and As at December 31, 2012, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 1,581.81 Million and Baht 1,580.27 million, respectively.

The Company has applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016. The Company chose this alternative thus depreciation expenses for the six month periods ended June 30, 2013 and 2012, in the financial statements is lower stated by Baht 93.28 million and Baht 93.81 million, respectively, and net loss for the six month periods ended June 30, 2013 and 2012, in the financial statements is lower stated by Baht 93.28 million and Baht 93.81 million, respectively, (Loss per share is lower stated in the financial statements by Baht 0.07 per share and Baht 0.07 per share, respectively).

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12 Property, Plant and Equipment not used in Operation - Net

As at June 30, 2013, the lands and machineries not used in operation, which cost of Baht 74 million and Baht 44.98 million, respectively, were re-appraised according to reports of independent appraiser (Bangkok Property Appraisal co., ltd. and UK Valuations and Agency co., ltd., respectively) date January 6, 2011 (for land) and date January 17, 2011 (for machineries) which appraisal date was December 16, 2010 (for land) and December 15, 2010 (for machineries). That using market value method and depreciated replacement cost method, respectively. And allowance for impairment of such lands and machineries were amount of Baht 37.39 million and Baht 37.51 million, respectively.

13 Bank Overdrafts and Short – Term Loans due to Financial Institutions

Consist of :-

	(Unit : Thousand Baht)	
	As at June 30, 2013	As at December 31, 2012
Bank overdrafts	17,294	18,593
Packing credits	128,687	35,473
Liabilities under trust receipts	186,086	197,003
Promissory notes	245,700	394,451
Total	577,767	645,520

As at June 30, 2013 and As at December 31, 2012, the Company has bank overdrafts, packing credits, liabilities under trust receipts, promissory notes, letters of credit and letters of guarantee which were credit facilities received from many local banks as follows :-

	(Unit : Million Baht)			
Currency	As at June 30, 2013	Bank charge and Interest rate Per annum	As at December 31, 2012	Bank charge and Interest rate Per annum
Baht	1,327.00	1.50 – 7.425	1,327.00	1.50 – 7.425

These credit facilities are secured by assets and personal guarantee as mentioned in the note to financial statements No.14.

As at June 30, 2013 and As at December 31, 2012, the Company had unutilized credit facility balances by approximately Baht 189.73 million and Baht 270.02 million, respectively.

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14 Long-Term Loans

Consist of :-

	(Unit : Thousand Baht)	
	For the six month periods ended June 30,2013	For the year ended December 31,2012
Beginning	796,636	998,308
<u>Add</u> Loans during the period	-	-
<u>Add</u> Represent refinancing some portion of short term loan to long term loan	-	-
<u>Less</u> Payment during the period	(100,005)	(201,672)
Total	696,631	796,636
<u>Less</u> Current portion of long - term loans	(200,326)	(200,086)
Net	496,305	596,550

As at June 30, 2013 and As at December 31, 2012, interest rates of long term loans at MLR to MOR per annum and MLR to MOR per annum, respectively.

The loans including credit facilities from the banks as mentioned in note to financial statement No.13 are guaranteed by pledging :-

- a) The Company’s land and machinery totaling Baht 1,871.81 million.
- b) New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.
- c) A director of the Company offers his/her personal guarantee.

Presently the Management is in process of considering solutions to improve Debt to Equity ratio which is consequently affected from the adoption of new Thai accounting standard (TAS) no. 12 Income Taxes to be in accordance with one local bank’s covenant.

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15 Deferred tax liabilities

As at June 30, 2013 and As at December 31, 2012, the components of deferred tax liabilities are as follows:

	(Unit : Thousand Baht)	
	June 30, 2013	December 31, 2012
Amortization Expenses	3,587	5,530
Plant and equipment	95,803	95,927
Capital surplus from land revaluation	43,694	43,694
Capital surplus from machinery revaluation	117,548	136,238
total	<u>260,632</u>	<u>281,389</u>

As at June 30, 2013 and As at December 31, 2012, the Company have deductible temporary differences and unused tax losses totaling Baht 642.67 million and 623.00 million respectively, As the operation results in the period of 2013, incurred loss.

16 Provision for employees benefits

An independent actuary carried out an evaluation of the Company’s obligations for employees’ long-term benefits using the projected unit credit method. The Company has provided the provision for employees’ long-term benefits as follows:

	(Unit : Thousand Baht)	
	For the six month periods ended June 30, 2013	For the year ended December 31, 2012
Provision for employee benefits - beginning	61,336	53,415
<u>Add</u> recognized amount	4,886	10,551
<u>Less</u> liability decrease from actual paid	(2,646)	(2,630)
Provision for employee benefits – ending	<u>63,576</u>	<u>61,336</u>

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17 Other income

For the three month periods ended June 30, 2013 and 2012 details of financial information shown other income

Consist of:-

	(Unit : Thousand Baht)		
	Consolidated	Separate	
	2012	2013	2012
Income from sales scrap	7,040	-	7,040
Gain from disposal of assets	1,869	1,721	1,869
Other income	2,289	1,720	2,289
Total	11,198	3,441	11,198

For the six month periods ended June 30, 2013 and 2012 details of financial information shown other income

Consist of:-

	(Unit : Thousand Baht)		
	Consolidated	Separate	
	2012	2013	2012
Gain on exchange rate	15,953	7,908	15,953
Interest income	-	-	3,506
Income from sales scrap	9,758	-	9,758
Gain from disposal of assets	63,733	2,487	21,880
Other income	13,504	3,845	12,903
Total	102,948	14,240	64,000

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18 Income Tax

Income tax expense is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

Income tax (expenses) revenue for the three-month periods ended June 30, 2013 and 2012 are made up as follows:

	(Unit : Thousand Baht)		
	Consolidated	Separate	
	June 30, 2012	June 30, 2013	June 30, 2012
Current Income tax:			
Income tax	-	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(2,639)	375	(2,639)
Income tax (expense) revenue reported in the statements of comprehensive income	(2,639)	375	(2,639)

Income tax (expenses) revenue for the six-month periods ended June 30, 2013 and 2012 are made up as follows:

	(Unit : Thousand Baht)		
	Consolidated	Separate	
	June 30, 2012	June 30, 2013	June 30, 2012
Current Income tax:			
Income tax	-	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(4,338)	2,067	(4,338)
Income tax (expense) revenue reported in the statements of comprehensive income	(4,338)	2,067	(4,338)

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19 Earnings (Loss) per Share

Basic Earnings (Loss) per Share

The calculation of basic earnings (loss) per share of the financial statements for the three month and six month periods ended June 30, 2013 and 2012 was based on the profit (loss) for the periods attributable to equity holders of the Company and weighted average number of ordinary shares (Basic) issued during for the three month and six month periods ended June 30, 2013 and 2012.

Net Profit (loss) for the periods

	(Unit : Million Baht)		
	Consolidated	Separate	
	2012	2013	2012
For the three month periods ended June 30,	(14)	(40)	(14)
For the six month periods ended June 30,	35	(106)	(3)

Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)	
	Consolidated / Separate	
	June 30, 2013	June 30, 2012
Weighted average number of ordinary shares outstanding during the periods (Basic)	1,365	1,365

20 Promotional Privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520 for production and distribution of films, the Company was granted certain promotional privileges, which include, among others, exemption from custom duties on imported raw material and machinery needed for the promoted products, corporate income tax from taxable income equivalent to 5% of the incremental amount of export sales over prior year for 10 years and exemption from corporate income tax of certain film production for a period of 3 years and 8 years.

Results of the Company’s operations for the six month periods ended June 30, 2013 and 2012, classified into non-promoted.

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21 Disclosure of Segment Business Operation

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Company is engaged in mainly in manufacturing of packaging film, and the several geographical regions area of their operations is Thailand , Asia, Europe, America and other. For the six month periods ended June 30, 2013 and 2012 details of financial information shown separately by geographical are as follows :-

	(Unit : Million Baht)	
	2013	2012
Revenue from sales - Local	935	895
Revenue from sales - Foreign		
Asia	824	598
Europe	76	131
American	14	39
Other	136	202
Total	<u>1,985</u>	<u>1,865</u>

22 Commitments and Contingent Liabilities

As at June 30, 2013 in addition to the liabilities reflected in the statements of financial position, Thai Film Industries Public Company Limited still have of obligations and contingent liabilities as follows: -

- 22.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department, Metropolitan Electricity Authority and the Provincial Electricity Authority amounting to approximately Baht 12.70 million.
- 22.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 0-million.
- 22.3 The Company has export guaranteed entered into with a commercial bank to guarantee against the risk in receiving the payment of exporting goods for leave from the purchaser or the purchaser's bank overseas. The Company holds the right to the export guaranteed at Baht 34.28 million.

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22.4 On May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral for totaling amount approximately to Baht 839.42 million which was consisted of principal amount of Baht 600 million and interest calculated upto the filing date totaling Baht 239.42 million. As the negotiation at the court on November 3, 2008 and on December 15, 2008 and on February 27, 2009 and on June 19, 2009 between the plaintiff and the defendants. And the settlement at court including the investigation filing case was held at the Court on June 26, 2009 and on August 18, 2009. On October 12, 2010 and December 3, 2010, the Court has asked for investigation witness of the plaintiff, four of the defendants’ lawyers reported to the Court that the Plaintiff and the first defendant (An Associated Company) are in the negotiation process and have positive progress. The Court, therefore, approved to postpone the appointment at the Court to be held on March 14, 2011. On that day the court determined that both parties agreed to continue the negotiation process. However the negotiation process consumes time and involves to many parties and details. Therefore the Court agreed to temporarily suspend the filing until the conclusion of negotiation shall be made. On December 24, 2012, the Court ordered to temporarily suspend the filing and submission the filing to the Supreme Court for consideration a petition to revoke a temporary restraining order of the Appeal Court.

Furthermore, On September 30, 2009, the Company was sued by such bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Kor 202/2552 under the pledging the shares of an associated company (the first defendant) as for totaling amount approximately to Baht 902.30 million which was consisted of principal amount of Baht 600 million together with interest calculated upto the filing date (September 30, 2009) amount of Baht 302.30 million. The Company requested to extend the filing of testimony from February 1, 2010 to be March 2, 2010. And the settlement at court including the investigation filing case will be held at the court on March 8, 2010. Hence on March 8, 2010, the Company has filed a complaint request to the President of the Appeal Court to consider whether the case is a consumer case and the plaintiff’s lawyer has filed an argument on such request. The Court acknowledged the request however the Court has no authority to judge the request and to reject the request. Therefore on April 27, 2010, the Court forwarded the request to the President of the Appeal Court for the judgement. Presently, the President of the Appeal Court made the judgement that the plaintiff’s case was not a consumer case. Therefore the Central Intellectual Property and International Trade Court has authority to judge the case. The Court ordered to extend the settlement at Court to be held on October 11, 2013. The Company’s lawyer opined that the Company does not have any liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired.

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The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil Court case number black case file 3210/2550 seeking the payment for alleged breach of the pledge of shares agreement of an associated company of Baht 369.60 million, including the request for releasing the pledged shares of the mentioned associated company totaling 60 million shares to the Company. As the fact that the Company sued against the bank, the Company pledged the shares as collateral for the period of 4 years and it was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. On September 16, 2008, the Civil Court passed judgement that the mentioned litigation case should be dismissed, the Company, therefore has appealed the Court’s decision on October 30, 2008. Subsequently, on September 25, 2012, the Appeals Court upholds the judgment of the Civil Court is to dismiss. Later, on November 21, 2012, the Company has already filed a petition against the ordered of Appeal Court which the Supreme Court.

23 Financial Instruments

Policy to manage financial risk

The Company possesses risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Company will consider using derivative instruments, as and when it considers appropriating to manager such risks. However, the Company does not hold any policy to hold or issue any financial instruments for speculation or for trading.

Risk on Interest Rate

Risk on interest rates is derived from the change of the market interest rate in the future, which will affect upon the Company operating results and cash flows, because the Company has deposits and loans from financial institutions however this financial assets and liabilities bear interest rates comparable to market interest rates. The Company believes that no material risk derived from interest rates.

Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and imports of raw material because of business transaction are foreign currencies. As at June 30, 2013 and As at December 31, 2012, the Company possessed material assets and liabilities in foreign currencies as follows:-

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(Unit : Thousand)			
	Foreign Currency	As at June 30, 2013	As at December 31, 2012
Assets	US Dollar	4,139	1,702
	EURO	314	537
Liabilities	US Dollar	19,336	11,483
	EURO	12	45
	JPY	78	-

As at June 30, 2013 and As at December 31, 2012, there were forward contracts sold amount of USD 5.39 million and USD 1.80 million respectively.

Credit Risk

The Company has risk on credit regarding to trade accounts receivable which the counter party unaffordable or unwillingly follow the agreements. However the Company pursues conservative lending policy and the numbers of debtors are several, the Company does not anticipate any material damage from debt collections.

Fair Value

Since the most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Company management believes such book value of the financial assets and liabilities are presented in value not materially different from relevant fair value.

24 Capital Management

The primary objectives of the Company’s and its subsidiaries’ capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at June 30, 2013 and As at December 31, 2012, debt to equity ratio is 2.99:1.00 and 2.32:1.00 respectively.

25 Subsequent Event

The board of directors in its meeting no.5/2013, On July 29, 2013 passed the following significant resolutions:

25.1 Approved an establishment of new subsidiaries in total 4 companies as following;

- 1) TFI Power (Korat 1) Company Limited
- 2) TFI Power (Korat 2) Company Limited
- 3) TFI Power (Korat 3) Company Limited
- 4) TFI Power (Korat 4) Company Limited

“UNAUDITED”

“REVIEWED”

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To support business growth in the future, at the share holding structure of Company holds 99.96 percent stake of each subsidiary register capital of each company is Baht 1,000,000. Type of business of 4 subsidiaries: involving in renewable energy.

25.2 Approved connected transaction of financial assistance from PM. Group Co., Ltd. For the purpose of required working capital in ordinary business operations. The transaction will be in the short term loan with the maximum principal amount of Baht 200 million. Loan bears interest at rate MOR-1% p.a. and due within one year.

26 Approval of Financial Statements

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on August 13, 2013.