

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED  
AND IT'S SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIOD  
ENDED SEPTEMBER 30,2014  
AND REVIEW REPORT OF INDEPENDENT'S 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 accompanying consolidated and separate statements of financial position of Thai Film Industries Public Company Limited and its subsidiaries, and of Thai Film Industries Public Company Limited, respectively, as at September 30, 2014, the consolidated and separate statements of comprehensive income for the three-month and nine-month period ended September 30, 2014, changes in equity and cash flows for the nine-month period ended September 30, 2014, 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 (Revised 2012), "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 (Revised 2012), "Interim Financial Reporting".

### **Emphasis of Matter**

Without qualifying my conclusion, I draw attention in the notes 24.5 to the interim financial statements, 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. 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 December 16, 2014. 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 judged that the period of pledging shares in share agreement is ended as appeal. However the Appeal Court upholds the judgment of the Civil Court for the payment for breaching contract 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.

**Other matters**

The consolidated and separate statements of financial position for the year ended 31 December 2013, of Thai Film Industries Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were audited by another auditor in my firm whose report dated on February 21, 2014, expressed an unqualified opinion on those financial statements the consolidated and separate statements of comprehensive income for the three-month and nine-month period ended September 30, 2013, changes in shareholders' equity and cash flows for nine-month period ended September 30, 2013, of Thai Film Industries Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were reviewed by another auditor in my firm, and concluded an unqualifying in her report dated on November 12 2013.

(Mr. Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

November 13, 2014

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

		(Unit : Thousand Baht)			
		Consolidated		Separate	
		September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes	"REVIEWED"	"REVIEWED"	"REVIEWED"	"REVIEWED"	"REVIEWED"
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
	Cash and cash equivalents	7,556	10,784	6,156	8,784
	Trade accounts receivable and other receivable - net	5	423,331	529,244	423,331
	Other receivable - related companies	4.1	-	-	24
	Inventories - net	6	341,209	288,138	341,209
	Spare parts and supplies - net		58,412	55,075	58,412
	Advance for Investment - net	7	-	-	-
	Loans receivable, advance payments - subsidiary, associated and related companies - net	4.1	-	-	8,268
	Other current assets		41,516	58,218	41,516
	<b>TOTAL CURRENT ASSETS</b>		<b>872,024</b>	<b>941,459</b>	<b>878,916</b>
<b>NON-CURRENT ASSETS</b>					
	Restricted bank deposits	8	12,344	-	12,344
	Investments in subsidiary and associated companies - net	9,10	-	-	4,000
	Other long-term investments				
	Related companies - net	11	-	-	-
	Other company		2,000	2,000	2,000
	Land used in operation - at appraised value	12	456,057	456,057	456,057
	Plant and equipment used in operation - net	13	1,457,184	1,534,464	1,457,184
	Property, plant and equipment not used in operation - net	14	131,525	174,158	131,525
	Other non-current assets		2,021	2,422	2,021
	<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,061,131</b>	<b>2,169,101</b>	<b>2,065,131</b>
	<b>TOTAL ASSETS</b>		<b>2,933,155</b>	<b>3,110,560</b>	<b>2,944,047</b>

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans from financial institutions	15	673,801	169,658	673,801	169,658
Trade accounts payable and other payable - other		517,522	725,709	517,409	724,212
Current portion of long-term loans	16	197,961	197,961	197,961	197,961
Other current liabilities		903	8,477	902	8,477
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,390,187</b>	<b>1,101,805</b>	<b>1,390,073</b>	<b>1,100,308</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans from related company	4.1	-	-	-	-
Long-term loans - net	16	213,767	395,922	213,767	395,922
Deferred tax liabilities	17	213,505	242,612	213,505	242,612
Employee benefit obligations	18	34,621	30,131	34,621	30,131
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>461,893</b>	<b>668,665</b>	<b>461,893</b>	<b>668,665</b>
<b>TOTAL LIABILITIES</b>		<b>1,852,080</b>	<b>1,770,470</b>	<b>1,851,966</b>	<b>1,768,973</b>
<b>EQUITY</b>					
<b>SHARE CAPITAL</b>					
Authorized share capital	19				
2,847,500,000 ordinary shares : Baht 1 per share		2,847,500	2,847,500	2,847,500	2,847,500
Issued and paid-up share capital	19				
2,047,500,000 ordinary shares : Baht 1 per share		2,047,500	2,047,500	2,047,500	2,047,500
Discount on common shares		(88,750)	(88,750)	(88,750)	(88,750)
Retained earnings (Deficits) -Unappropriated		(1,333,900)	(1,187,629)	(1,322,894)	(1,177,631)
Other components of equity		456,225	568,969	456,225	568,969
<b>TOTAL EQUITY</b>		<b>1,081,075</b>	<b>1,340,090</b>	<b>1,092,081</b>	<b>1,350,088</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,933,155</b>	<b>3,110,560</b>	<b>2,944,047</b>	<b>3,119,061</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

**“UNAUDITED”**  
**“REVIEWED”**

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2014	2013	2014	2013
<b>REVENUES</b>					
Sales	23	810,551	1,203,025	810,551	1,203,025
Costs of sales	4.2	(801,337)	(1,133,263)	(801,337)	(1,133,263)
<b>Gross profit margin</b>		<b>9,214</b>	<b>69,762</b>	<b>9,214</b>	<b>69,762</b>
Other income	4.2, 20	7,139	13,955	7,404	13,955
<b>Profit before expenses</b>		<b>16,353</b>	<b>83,717</b>	<b>16,618</b>	<b>83,717</b>
Selling expenses	4.2	(25,256)	(36,238)	(25,256)	(36,238)
Administrative expenses	4.2	(27,364)	(38,057)	(27,304)	(32,189)
<b>Total expenses</b>		<b>(52,620)</b>	<b>(74,295)</b>	<b>(52,560)</b>	<b>(68,427)</b>
<b>Profit (loss) before finance costs</b>		<b>(36,267)</b>	<b>9,422</b>	<b>(35,942)</b>	<b>15,290</b>
Finance costs	4.2	(20,104)	(27,777)	(20,104)	(27,777)
<b>Loss before income tax</b>		<b>(56,371)</b>	<b>(18,355)</b>	<b>(56,046)</b>	<b>(12,487)</b>
Expenses income tax	21	(132)	(1,099)	(132)	(1,099)
<b>Loss comprehensive income for the period</b>		<b>(56,503)</b>	<b>(19,454)</b>	<b>(56,178)</b>	<b>(13,586)</b>
<b>Loss attributable to:</b>					
Owner of the Company		(56,503)	(19,453)	(56,178)	(13,586)
Non-controlling interests		-	-	-	-
<b>Total loss for the periods</b>		<b>(56,503)</b>	<b>(19,453)</b>	<b>(56,178)</b>	<b>(13,586)</b>
<b>Loss per Share (Unit : Baht)</b>					
Basic loss per share (Unit : Baht)	22	(0.03)	(0.01)	(0.03)	(0.01)
The number of ordinary shares weighted average					
(Unit : Thousand Shares)		2,047,500	1,365,000	2,047,500	1,365,000

## THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

“UNAUDITED”

## STATEMENTS OF COMPREHENSIVE INCOME

“REVIEWED”

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2014	2013	2014	2013
<b>REVENUES</b>					
Sales	23	2,851,411	3,187,748	2,851,411	3,187,748
Costs of sales	4.2	(2,799,383)	(3,067,866)	(2,799,383)	(3,067,866)
<b>Gross profit margin</b>		52,028	119,882	52,028	119,882
Other income	4.2 , 20	32,141	23,408	33,004	23,408
<b>Profit before expenses</b>		84,169	143,290	85,032	143,290
Selling expenses	4.2	(88,928)	(95,910)	(88,928)	(95,910)
Administrative expenses	4.2	(82,988)	(90,112)	(82,845)	(84,244)
<b>Total expenses</b>		(171,916)	(186,022)	(171,773)	(180,154)
<b>Loss before finance costs</b>		(87,747)	(42,732)	(86,741)	(36,864)
Finance costs	4.2	(59,444)	(84,090)	(59,442)	(84,090)
<b>Loss before income tax</b>		(147,191)	(126,822)	(146,183)	(120,954)
Revenue income tax (expense)	21	920	968	920	968
<b>Loss comprehensive income for the period</b>		(146,271)	(125,854)	(145,263)	(119,986)
<b>Loss attributable to:</b>					
Owner of the Company		(146,271)	(125,854)	(145,263)	(119,986)
Non-controlling interests		-	-	-	-
<b>Total loss for the periods</b>		(146,271)	(125,854)	(145,263)	(119,986)
<b>Loss per Share (Unit : Baht)</b>					
Basic loss per share (Unit : Baht)	22	(0.07)	(0.09)	(0.07)	(0.09)
The number of ordinary shares weighted average					
(Unit : Thousand Shares)		2,047,500	1,365,000	2,047,500	1,365,000

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

## THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

## STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

(Unit : Thousand Baht)

		Consolidated									
		Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity		
Notes	Appropriated			Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	attributable to Equity of owner the Company	Non Controlling interests	Total	
	<b>Balance as at January 1, 2014</b>	2,047,500	(88,750)	-	(1,187,629)	174,776	394,193	568,969	1,340,090	-	1,340,090
	Depreciation for capital surplus from machinery revaluation	13,14	-	-	-	-	(140,931)	(140,931)	(140,931)	-	(140,931)
	Income tax on other components of equity	-	-	-	-	-	28,187	28,187	28,187	-	28,187
	Net loss for the periods	-	-	-	(146,271)	-	-	-	(146,271)	-	(146,271)
	<b>Ending balance as at September 30, 2014</b>	2,047,500	(88,750)	-	(1,333,900)	174,776	281,449	456,225	1,081,075	-	1,081,075
	<b>Balance as at January 1, 2013</b>	1,365,000	(88,750)	-	(1,033,648)	174,776	544,951	719,727	962,329	-	962,329
	Depreciation for capital surplus from machinery revaluation	13,14	-	-	-	-	(140,948)	(140,948)	(140,948)	-	(140,948)
	Income tax on other components of equity	-	-	-	-	-	28,190	28,190	28,190	-	28,190
	Net loss for the periods	-	-	-	(125,854)	-	-	-	(125,854)	-	(125,854)
	<b>Ending balance as at September 30, 2013</b>	1,365,000	(88,750)	-	(1,159,502)	174,776	432,193	606,969	723,717	-	723,717

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



## THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

## STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

(Unit : Thousand Baht)

	Notes	Separate							Total
		Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus from land revaluation	Other components of equity		
				Appropriated	Unappropriated		Capital surplus from machinery revaluation	Total other components of equity	
<b>Balance as at January 1, 2014</b>		2,047,500	(88,750)	-	(1,177,631)	174,776	394,193	568,969	1,350,088
Depreciation for capital surplus from machinery revaluation	13 ,14	-	-	-	-	-	(140,931)	(140,931)	(140,931)
Income tax on other components of equity		-	-	-	-	-	28,187	28,187	28,187
Net loss for the periods		-	-	-	(145,263)	-	-	-	(145,263)
<b>Ending balance as at September 30, 2014</b>		<u>2,047,500</u>	<u>(88,750)</u>	<u>-</u>	<u>(1,322,894)</u>	<u>174,776</u>	<u>281,449</u>	<u>456,225</u>	<u>1,092,081</u>
<b>Balance as at January 1, 2013</b>		1,365,000	(88,750)	-	(1,033,648)	174,776	544,951	719,727	962,329
Depreciation for capital surplus from machinery revaluation	13 ,14	-	-	-	-	-	(140,948)	(140,948)	(140,948)
Income tax on other components of equity		-	-	-	-	-	28,190	28,190	28,190
Net loss for the periods		-	-	-	(119,986)	-	-	-	(119,986)
<b>Ending balance as at September 30, 2013</b>		<u>1,365,000</u>	<u>(88,750)</u>	<u>-</u>	<u>(1,153,634)</u>	<u>174,776</u>	<u>432,193</u>	<u>606,969</u>	<u>729,585</u>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

**"UNAUDITED"**  
**"REVIEWED"**

(Unit :Thousand Baht)

	Consolidated		Separate	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(146,271)	(125,854)	(145,263)	(119,986)
<b>Adjustments to reconcile net profit(loss) to cash received (used )</b>				
<b>operating activities</b>				
Allowance for obsoleted stock (Reversal) Increase	1,514	294	1,514	294
Depreciation	78,604	76,783	78,604	76,783
Profit from sales assets	-	(4,893)	-	(4,893)
Amortization expenses	24,765	31,505	24,765	31,505
Provision for employee benefits	5,220	7,141	5,220	7,141
Unclaimed withholding tax	423	190	423	190
Unrealized (gain) loss on exchange rate	2,201	19,751	2,201	19,751
Loss on written off assets	124	31	124	31
Interest expenses	43,445	67,345	43,445	67,345
Interest incomes	(383)	(1)	(1,245)	(1)
Income tax expense (income)	(920)	(968)	(920)	(968)
<b>Profit from operating activities before changes in operating</b>				
<b>assets and liabilities</b>	8,722	71,324	8,868	77,192
(Increase) Decrease in Trade accounts receivable and other receivable	106,714	(214,528)	106,544	(214,528)
(Increase) Decrease in Inventories	(54,591)	93,960	(54,591)	93,960
(Increase) Decrease in Spare parts and supplies	(3,331)	(1,582)	(3,331)	(1,582)
(Increase) Decrease in Other current assets	(8,062)	(33,720)	(15,262)	(26,521)
(Increase) Decrease in Other non-current assets	(22)	-	(22)	-
Increase (Decrease) in Trade account payable and other payable	(212,448)	214,962	(211,062)	214,962
Increase (Decrease) in Other current liabilities	(7,574)	199	(7,575)	199
Increase (Decrease) in Employee benefits liabilities	(730)	(2,646)	(730)	(2,646)
<b>Net cash received (used) from operating activities</b>	<b>(171,322)</b>	<b>127,969</b>	<b>(177,161)</b>	<b>141,036</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

**"UNAUDITED"**  
**"REVIEWED"**

(Unit :Thousand Baht)

	Consolidated		Separate	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Increase) Decrease in restricted bank deposit	(12,344)	-	(12,344)	-
(Increase) Decrease in loans receivable and Advances to subsidiary companies	-	-	7,215	(13,067)
Interest incomes	252	-	1,476	-
Cash received from sales investment in subsidiary companies	-	-	1,000	-
Cash paid for investment in subsidiary companies and associated companies	-	-	(3,000)	(1,000)
Cash received from sales assets - net	94	4,893	94	4,893
Purchase of property, plant and equipment	(99,841)	(50,455)	(99,841)	(50,455)
<b>Net cash used from investing activities</b>	<b>(111,839)</b>	<b>(45,562)</b>	<b>(105,400)</b>	<b>(59,629)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdrafts and short-term loans from financial financial Institutions	503,905	(124,353)	503,905	(124,353)
Repayment of long - term loans	(182,155)	(186,948)	(182,155)	(186,948)
Cash received from loan from related company	-	300,000	-	300,000
Cash paid for interest expenses	(41,817)	(68,374)	(41,817)	(68,374)
<b>Net cash received (used) from financing activities</b>	<b>279,933</b>	<b>(79,675)</b>	<b>279,933</b>	<b>(79,675)</b>
<b>Cash and cash equivalents increase (decrease) - net</b>	<b>(3,228)</b>	<b>2,732</b>	<b>(2,628)</b>	<b>1,732</b>
<b>Cash and cash equivalents as at the beginning of periods</b>	<b>10,784</b>	<b>1,254</b>	<b>8,784</b>	<b>1,254</b>
<b>Cash and cash equivalents as at the end of periods</b>	<b>7,556</b>	<b>3,986</b>	<b>6,156</b>	<b>2,986</b>
<b>Cash and cash equivalents</b>				
Consist of:				
Cash on hand	116	107	107	107
Cash at banks - current accounts	5,285	1,923	5,280	1,923
Cash at banks - savings accounts	1,947	877	561	877
Others	208	1,079	208	79
	<b>7,556</b>	<b>3,986</b>	<b>6,156</b>	<b>2,986</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

**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**

**2.1 Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2012) Interim Financial Reporting; Regulations of the Stock Exchange of Thailand, prepared to provide an update on the financial statements for the year ended December 31, 2013 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 December 31, 2013.

**2.2 Significant accounting policies**

The Company prepared the interim financial statements for the three month and nine-month period ended September 30, 2014 with same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2013, except as described below.

Effective from January 1, 2014 the interim financial statements are prepared on new and revised TFRS issued by FAP in year 2013 as:

TAS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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TAS	Topic	Year effective
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements – Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

**Thai Financial Reporting Standards (TFRS) not yet adopted**

TAS	Topic	Year effective
TFRS 4	Insurance Contracts	2016

Management expects to adopt and apply these new interpretations in accordance with the FAP’s announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new interpretations and expects that there will be no material impact on the financial statements in the period of initial application.

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**2.3 Presentation currency**

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand or million unless otherwise stated.

**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 the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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, 2013. Except for the applying of new and revised TFRS effective for accounting periods beginning on or after January 1, 2014 as mentioned above.

**3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, in which the Company has authority to control or holds more than 50% of the subsidiaries shares.

The preparation of the consolidated financial statements has been based on the same accounting policies for the same or similar accounting transactions or account events.

The significant intercompany transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as follows:

Company Name	Nature of Business	Rate of Shareholding	
		2014 (%)	2013 (%)
<b><u>Operating subsidiaries</u></b>			
1. TFI Power Co., Ltd.	Involving in renewable energy	99.99	99.99
2. TFI Power (Korat 1) Co., Ltd.	Involving in renewable energy	99.96	99.96
3. TFI Power (Korat 2) Co., Ltd.	Involving in renewable energy	99.96	99.96
4. TFI Power (Korat 3) Co., Ltd.	Involving in renewable energy	99.96	99.96
5. TFI Power (Korat 4) Co., Ltd.	Involving in renewable energy	99.96	99.96

The significant accounting transaction between the Company and the subsidiaries were eliminated from the consolidated financial statements.

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**4. TRANSACTIONS WITH RELATED PARTIES**

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Significant related parties transactions can be summarized as follows:

Related parties	Type of relation
TFI Power Co., Ltd.	Subsidiary company
TFI Power (Korat 1) Co., Ltd.	Subsidiary company
TFI Power (Korat 2) Co., Ltd.	Subsidiary company
TFI Power (Korat 3) Co., Ltd.	Subsidiary company
TFI Power (Korat 4) Co., Ltd.	Subsidiary company
Thai Film Bangladesh Co., Ltd.	Related company
PM Group Co., Ltd.	The same shareholders and directors
Quality Coffee Product Co., Ltd.	The same shareholders and directors
Thoresen Thai Agencies Pcl.	The same shareholders and directors
PM Riverside Juristic Person	Mutual directors
Riverside Tower Co., Ltd.	Ex - Subsidiary company
Mr. Prayudh Mahagitsiri	Chairman
Mr. Chalermchai Mahagitsiri	Director
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group Company

**4.1 Inter-Assets and Liabilities**

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Loan receivable and advance to subsidiary companies</b>				
TFI Power Co., Ltd.	-	-	-	23
TFI Power (Korat 1) Co., Ltd.	-	-	2,067	3,865
TFI Power (Korat 2) Co., Ltd.	-	-	2,067	3,865
TFI Power (Korat 3) Co., Ltd.	-	-	2,067	3,865
TFI Power (Korat 4) Co., Ltd.	-	-	2,067	3,865
<b>Total</b>	-	-	8,268	15,483

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Loan to related company</b>				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful debt	(37,965)	(37,965)	(37,965)	(37,965)
Net	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,268</b>	<b>15,483</b>
<b>Accrued interest receivable</b>				
TFI Power Co., Ltd.	-	-	-	-
TFI Power (Korat 1) Co., Ltd.	-	-	6	97
TFI Power (Korat 2) Co., Ltd.	-	-	6	97
TFI Power (Korat 3) Co., Ltd.	-	-	6	97
TFI Power (Korat 4) Co., Ltd.	-	-	6	97
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>388</b>
<b>Movement of Loan receivable and advance payment</b>				
<b>Beginning</b>	-	-	15,483	-
Increase during in the years	-	-	1,455	15,483
Paid during in the years	-	-	(8,670)	-
<b>Ending</b>	<b>-</b>	<b>-</b>	<b>8,268</b>	<b>15,483</b>
<b>Loan from related company</b>				
PM Group Co., Ltd.				
<b>Beginning</b>	-	-	-	-
Increase during in the years	-	300,000	-	300,000
Paid during in the years	-	(300,000)	-	(300,000)
<b>Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has loan to its subsidiaries as promissory notes which call on demand at interest rate MOR% per annum.

Short-term loan form related company consisted 2 credit line as follow:

Credit line 1 Short-term loan under promissory note, with the maximum principal amount of Baht 100 million, due at call without any collateral and interest rate at MOR-1% per annum.

Credit Line 2 Short term loan under promissory note with the maximum principal amount of Baht 200 million, due at call without any collateral and interest rate at MOR-1% per annum.



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4.2 Revenue and expense

for the three-month period ended September 30, 2014 and 2013 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
<b>Interest income</b>				
TFI Power Co., Ltd.	-	-	-	-
TFI Power (Korat 1) Co., Ltd.	-	-	66	-
TFI Power (Korat 2) Co., Ltd.	-	-	66	-
TFI Power (Korat 3) Co., Ltd.	-	-	67	-
TFI Power (Korat 4) Co., Ltd.	-	-	66	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>265</b>	<b>-</b>
<b>Interest expense</b>				
PM Group Co., Ltd.	-	3,563	-	3,563
<b>Total</b>	<b>-</b>	<b>3,563</b>	<b>-</b>	<b>3,563</b>
<b>Key management personnel compensation</b>				
Short-term employee benefit	11,939	11,126	11,939	11,126
Long-term employee benefit	667	754	667	754
<b>Total</b>	<b>12,606</b>	<b>11,880</b>	<b>12,606</b>	<b>11,880</b>

for the nine-month period ended September 30, 2014 and 2013 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
<b>Interest income</b>				
TFI Power Co., Ltd.	-	-	1	-
TFI Power (Korat 1) Co., Ltd.	-	-	216	-
TFI Power (Korat 2) Co., Ltd.	-	-	216	-
TFI Power (Korat 3) Co., Ltd.	-	-	217	-
TFI Power (Korat 4) Co., Ltd.	-	-	216	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>-</b>
<b>Interest expense</b>				
PM Group Co., Ltd.	-	5,152	-	5,152
<b>Total</b>	<b>-</b>	<b>5,152</b>	<b>-</b>	<b>5,152</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
<b>Key management personnel compensation</b>				
Short-term employee benefit	34,323	35,510	34,323	35,510
Long-term employee benefit	2,019	2,618	2,019	2,618
<b>Total</b>	<u>36,342</u>	<u>38,128</u>	<u>36,342</u>	<u>38,128</u>

**5. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE RECEIVALBE - Net**

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Trade accounts receivable and other receivable				
- Trade accounts receivable	412,241	520,342	412,241	520,342
- Other receivable	11,090	8,902	11,090	8,733
Total trade accounts receivable and other receivable	<u>423,331</u>	<u>529,244</u>	<u>423,331</u>	<u>529,075</u>

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	175,080	166,872	175,080	166,872
Aging of Trade Accounts Receivable :-				
Less than 3 Months	83,994	104,914	83,994	104,914
Over 3 Months to 6 Months	484	-	484	-
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	896	898	896	898
Total	260,454	272,684	260,454	272,684
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	69,844	149,928	69,844	149,928
Aging of Trade Accounts Receivable :-				
Less than 3 Months	7,211	36,863	7,211	36,863
Over 3 Months to 6 Months	46	-	46	-
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	93	-	93	-
Total	77,194	186,791	77,194	186,791
Notes Receivable	75,489	61,763	75,489	61,763
<u>Less allowance for doubtful accounts</u>	(896)	(896)	(896)	(896)
Net	412,241	520,342	412,241	520,342

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Beginning balance	896	896	896	896
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	896	896	896	896

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**6. INVENTORIES - Net**

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Beginning balance	6,922	6,617	6,922	6,617
Increase	1,520	305	1,520	305
Ending balance	8,442	6,922	8,442	6,922

**7. ADVANCE FOR INVESTMENT – Net**

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Advance payment for investment	45,594	45,594	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	(45,594)	(45,594)	(45,594)	(45,594)
Net	-	-	-	-

**8. RESTRICTED BANK DEPOSITS**

As at September 30, 2014 the restricted bank deposit of 12.34 million baht are bank deposits that the company have placed with banks to secure letters of guarantees for Customs Department used and to secure credit facility obtained as described in Note 24.1 and 24.2

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**9. INVESTMENTS IN SUBSIDIARY COMPANIES**

Investments in subsidiary companies which recorded by the cost method in the separate financial statements as at September 30, 2014 and December 31, 2013 consisted of:

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
TFI Power Co., Ltd.	Thailand	Renewable energy	4,000	1,000	99.99	99.99	4,000	1,000
TFI Power (Korat 1) Co., Ltd.	Thailand	Renewable energy	1,000	250	99.96	99.96	-	250
TFI Power (Korat 2) Co., Ltd.	Thailand	Renewable energy	1,000	250	99.96	99.96	-	250
TFI Power (Korat 3) Co., Ltd.	Thailand	Renewable energy	1,000	250	99.96	99.96	-	250
TFI Power (Korat 4) Co., Ltd.	Thailand	Renewable energy	1,000	250	99.96	99.96	-	250
Total							4,000	2,000

The Board’s meeting No.5/2013 held on July 29, 2013, approved an establishment of new subsidiaries in total 4 companies TFI Power (Korat 1) Co., Ltd., TFI Power (Korat 2) Co., Ltd., TFI Power (Korat 3) Co.,Ltd. and TFI Power (Korat 4) Co.,Ltd. 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. The registration of new subsidiaries with the Ministry of Commerce has been completed in July 2013 and is studying about the project with expected period for 1-2 years.

The Board’s meeting No.7/2013 held on November 12, 2013, approved an establishment of new subsidiary in 1 company TFI Power Co., Ltd.to support business growth in the future, at the share holding structure of Company holds 99.99 percent stake of each subsidiary register capital of each company is Baht 4,000,000 for expanding the business of the Company Restructuring the business related the energy production, By transfer of all securities of four subsidiaries of the Company as above to such new subsidiary, for internal restructuring of the Company’s group, to be increasing the potential in business operations of the Company’s group. On April 30, 2014, the Company had successfully transferred all four subsidiaries such as TFI Power Co. Ltd. etc.

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**10. INVESTMENTS IN ASSOCIATED COMPANIES - Net**

Investments in associated companies in the separate financial statements as at September 30, 2014 and December 31, 2013, consisted of:

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
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	-	49.20	-	159,836
Total							1,518,981	1,678,817
Less Allowance for impairment in investment							(1,518,981)	(1,678,817)
Net							-	-

Thai Copper Industries Pcl. - TCI

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.

TFM Packaging Film Co., Ltd.

The Company has ceased to calculate the equity loss in TFM Packaging Film Co., Ltd. and 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).

On June 3, 2013, the Court has ordered to close the file. Accordingly, the company write off such investment since the date of acknowledge the report of the court.

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**11. OTHER LONG-TERM INVESTMENTS-RELATED COMPANIES– Net**

Consist of :-

Company	Country of Business	Type of business	Capital paid-up	Consolidated/ Separate			
				Percentage of Investments		Value of Investment (Unit : Thousand Baht)	
				September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
						(37,487)	(37,487)
						-	-

**12. LAND USED IN OPERATION – AT APPRAISED VALUE**

As at September 30, 2014 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.

**13. PLANT AND EQUIPMENT USED IN OPERATION – Net**

Consist of :-

	(Unit : Thousand Baht)	
	Consolidated	Separate
<b>Cost :-</b>		
Net Book Value as at January 1, 2014	1,152,782	1,152,782
Purchase	99,841	99,841
Disposals	(124)	(124)
Sales	(94)	(94)
Transfer to unused assets	(109)	(109)
Depreciation for the period	(77,115)	(77,115)
Net Book Value as at September 30, 2014	1,175,181	1,175,181
<b>Capital Surplus from Revaluation :-</b>		
Net Book Value as at January 1, 2014	381,682	381,682
Transferred from unused assets	162	162
Depreciation for the period	(99,841)	(99,841)
Net Book Value as at September 30, 2014	282,003	282,003
Net Book Value as at September 30, 2014	1,457,184	1,457,184

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Depreciation for nine month periods ended September 30, 2014 and 2013, amounted to Baht 75.26 million and Baht 74.98 million, respectively, are included in cost of sales, and Baht 1.86 million and Baht 1.47 million, respectively, are included in selling and administrative expenses.

As at September 30, 2014 and December 31, 2013, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 862.74 Million and Baht 858.93 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 nine month periods ended September 30, 2014 and 2013, in the financial statements is lower stated by Baht 99.84 million and Baht 140.69 million, respectively, and net loss for the nine month periods ended September 30, 2014 and 2013, in the financial statements is lower stated by Baht 99.84 million and Baht 140.69 million, respectively, (Loss per share is lower stated by Baht 0.05 per share and Baht 0.10 per share, respectively).

During the periods, The Company transferred certain machineries to be machineries not used in operation which carrying net value amount of Baht 0.11 million and transferred certain machineries from unused assets back to operation which carrying surplus on revaluation of assets of Baht 0.51 million and accumulated depreciation of Baht 0.35 million.

**14. PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATION - Net**

As at September 30, 2014, the lands and machineries not used in operation, which cost of Baht 74 million and Baht 808.87 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. However on February 6, 2014 the Company hired an independent appraiser (UK Valuations and Agency co., ltd.) to re-appraise the unused machineries transferred in year 2013 which carrying value amount of Baht 132.44 million using replacement cost new less depreciation method found that these machineries are not impaired.



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**15. BANK OVERDRAFTS AND SHORT-TERM LOANS DUE TO FINANCIAL INSTITUTIONS**

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Bank overdrafts	3,952	-	3,952	-
Packing credits	41,360	-	41,360	-
Liabilities under trust receipts	361,652	-	361,652	-
Promissory notes	266,837	169,658	266,837	169,658
Total	<u>673,801</u>	<u>169,658</u>	<u>673,801</u>	<u>169,658</u>

As at September 30, 2014 and December 31, 2013, 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 :-

Currency	September 30, 2014	Bank charge and Interest rate Per annum		December 31, 2013	Bank charge and Interest rate Per annum	
Baht	1,310.00	1.50 – 7.375		1,327.00	1.50 – 7.425	

These credit facilities are secured by assets guarantee as mentioned in the note to financial statements No.16.

As at September 30, 2014 and December 31, 2013, the Company had unutilized credit facility balances by approximately Baht 229.80 million and Baht 370.32 million, respectively.

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**16. LONG-TERM LOANS**

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Beginning	593,883	796,636	593,883	796,636
<u>Less</u> Payment during the period	(182,155)	(202,753)	(182,155)	(202,753)
Total	411,728	593,883	411,728	593,883
<u>Less</u> Current portion of long-term loans	(197,961)	(197,961)	(197,961)	(197,961)
Net	<u>213,767</u>	<u>395,922</u>	<u>213,767</u>	<u>395,922</u>

As at September 30, 2014 and December 31, 2013, interest rates of long term loans at MLR per annum and MLR per annum, respectively.

The loans including credit facilities from the banks as mentioned in note to financial statement No.15 are guaranteed by pledging :-

- a) The Company’s land and machinery totaling Baht 1,477.08 million.
- b) New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

**17. DEFERRED TAX LIABILITIES**

As at September 30, 2014 and December 31, 2013, the components of deferred tax liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Amortization Expenses	2,801	3,617	2,801	3,617
Plant and equipment	96,648	96,752	96,648	96,752
Capital surplus form land revaluation	43,694	43,694	43,694	43,694
Capital surplus form machinery revaluation	70,362	98,549	70,362	98,549
Total	<u>213,505</u>	<u>242,612</u>	<u>213,505</u>	<u>242,612</u>

As at September 30, 2014 and December 31, 2013, the Company have deductible temporary differences and unused tax losses totaling Baht 678.88 million and 650.75 million respectively, As the operation results in the period of 2014, incurred loss.

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**18. EMPLOYEES BENEFIT OBLIGATIONS**

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)			
	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Provision for employee benefit - beginning	30,131	61,336	30,131	61,336
<u>Add</u> recognized amount	5,220	6,075	5,220	6,075
<u>Less</u> liability decrease from actual paid	(730)	(3,426)	(730)	(3,426)
Actuarial gains in other comprehensive income	-	(33,854)	-	(33,854)
Provision for employee benefits - ending	<u>34,621</u>	<u>30,131</u>	<u>34,621</u>	<u>30,131</u>

**19. AUTHORIZED SHARE CAPITAL, ISSUED AND PAID-UP SHARE CAPITAL**

The Extraordinary General Meeting of Shareholders No.1/2013 held on December 16, 2013, Approved the increase of the registered capital of the Company by Baht 1,482,500,000 from the current registered capital Baht 1,365,000,000 to Baht 2,847,500,000 by issuing 1,482,500,000 new ordinary shares at a par value of Baht 1. The Company registered the increasing of registered capital with the Ministry of Commerce on December 27, 2013 as follow.

19.1 To offer and allocate up to 682,500,000 newly issued shares at a par value of Baht 1 per share to existing shareholders whose names appear in the Company’s share register book on November 26, 2013 at the ratio of one newly issued share for two existing shares. The offering price is at Baht 1 per share. The registered and paid-up share capital was Baht 682,500,000. The Company registered with the Ministry of Commerce on December 27, 2013.

19.2 To offer and allocate up to 800,000,000 newly issued shares at a par value of Baht 1 per share for private placement. Application and approval for newly issued shares (included its amendment) who is not connected person of the Company. In this regard, the offering price for the newly issued ordinary shares for the private placement shall not be lower than 90 percent of market price. Up to present there is no allocation to private placement.

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**20. OTHER INCOME**

For the three-month period ended September 30, 2014 and 2013 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Gain on exchange rate	3,979	-	3,979	-
Interest income	157	1	422	1
Gain from disposal of assets	-	2,407	-	2,407
Other income	3,003	11,547	3,003	11,547
<b>Total</b>	<b>7,139</b>	<b>13,955</b>	<b>7,404</b>	<b>13,955</b>

For the nine-month period ended September 30, 2014 and 2013 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Gain on exchange rate	16,771	2,886	16,771	2,886
Interest income	383	1	1,246	1
Gain from disposal of assets	94	4,893	94	4,893
Other income	14,893	15,628	14,893	15,628
<b>Total</b>	<b>32,141</b>	<b>23,408</b>	<b>33,004</b>	<b>23,408</b>

**21. INCOME TAX**

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the profit before tax of the interim period. The Company’s consolidated effective tax rate in respect of continuing operations for the nine-months ended September 30, 2014 was -0.63% in the consolidated financial statement and -0.63% in the separate financial statement (September 30, 2013: -0.76% in consolidated financial statement and -0.80% in the separate financial statement).

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Income tax (expenses) revenue for the three-month period ended September 30, 2014 and 2013 are made up as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Current Income tax:</b>				
Income tax	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(132)	(1,099)	(132)	(1,099)
<b>Income tax (expense) revenue reported in the statements of comprehensive income</b>	<u>(132)</u>	<u>(1,099)</u>	<u>(132)</u>	<u>(1,099)</u>

Income tax (expenses) revenue for the nine-month period ended September 30, 2014 and 2013 are made up as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Current Income tax:</b>				
Income tax	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	920	968	920	968
<b>Income tax (expense) revenue reported in the statements of comprehensive income</b>	<u>920</u>	<u>968</u>	<u>920</u>	<u>968</u>

**22. EARNINGS (LOSS) PER SHARE**

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the three-month and nine-month period ended September 30, 2014 and 2013 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 nine-month period ended September 30, 2014 and 2013.

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Net Profit (loss) for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
For the three month periods ended September 30,	(57)	(19)	(56)	(14)
For the nine month periods ended September 30,	(146)	(126)	(145)	(120)

Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)			
	Consolidated		Separate	
	2014	2013	2014	2013
<b>Weighted average number of ordinary shares outstanding during the periods (Basic)</b>	<u>2,047</u>	<u>1,365</u>	<u>2,047</u>	<u>1,365</u>

**23. 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. Details of financial information shown separately by geographical are as follows:-

For the three-month period ended September 30, 2014 and 2013

	(Unit : Million Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Revenue from sales - Local	485	516	485	516
Revenue from sales - Foreign				
Asia	234	561	234	561
Europe	24	48	24	48
American	23	7	23	7
Other	45	71	45	71
<b>Total</b>	<u>811</u>	<u>1,203</u>	<u>811</u>	<u>1,203</u>

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For the nine-month period ended September 30, 2014 and 2013

	(Unit : Million Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Revenue from sales - Local	1,517	1,451	1,517	1,451
Revenue from sales - Foreign				
Asia	946	1,385	946	1,385
Europe	180	124	180	124
American	59	21	59	21
Other	149	207	149	207
Total	2,851	3,188	2,851	3,188

**24. COMMITMENTS AND CONTINGENT LIABILITIES**

As at September 30, 2014 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: -

- 24.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department, Thailand Tobacco Monopoly, Metropolitan Electricity Authority and the Provincial Electricity Authority amounting to approximately Baht 14.73 million. The Company used fixed deposit as collateral for amount of Baht 2 million. (See note 8.)
- 24.2 The Company pledged fixed deposit as collateral in the amount of Baht 10.34 million with a local bank to secure credit facility obtained from such bank. (See note 8.)
- 24.3 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 11.40 million.
- 24.4 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 35.72 million.
- 24.5 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 up to 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

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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.

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 judgment 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 December 16, 2014. 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. 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 judged that the period of pledging shares in share agreement is ended as appeal. However the Appeal Court upholds the judgment of the Civil Court for the payment for breaching contract 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 has already filed.

24.6 The Company has committed to pay for financial advisory fee and legal fee for seeking fund amount of Baht 5.60 million.

24.7 Presently, all 4 subsidiaries are have intended to obtain license for providing and sales electricity to Provincial Electricity Authority, therefore all 4 subsidiaries entered into memorandum agreements with the landlords who have ownership on land and allow the subsidiaries to use land. The subsidiaries intend to use such land to make feasibility study on making electricity from wind energy for the period of 1-2 years. The subsidiaries also have right to cancel such memorandum agreements in case that the feasibility study is not appropriate.



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**25. 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 September 30, 2014 and December 31, 2013, the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit: Thousand)	
	<u>Foreign Currency</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Assets	US Dollar	2,195	5,557
	EURO	82	73
Liabilities	US Dollar	22,485	12,620
	EURO	165	3
	YEN	164	590

As at September 30, 2014 and December 31, 2013, there were forward contracts sold amount of USD 2.26 million and USD 3.50 million respectively and there were forward contracts bought of USD 1.22 million.

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.

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**26. 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 September 30, 2014 and December 31, 2013, debt to equity ratio in the consolidated financial statement is 1.71 : 1.00 and 1.32:1.00, respectively (the separate financial statements as at September 30, 2014 and December 31, 2013, debt to equity ratio is 1.70:1 and 1.31:1, respectively).

**27. APPROVAL OF FINANCIAL STATEMENTS**

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on November 13, 2014.