

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Film Industries Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thai Film Industries Public Company Limited and its subsidiaries, and of Thai Film Industries Public Company Limited, respectively, which comprising the consolidated and separate statements of financial position as at December 31, 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2014 and the financial performance and cash flows for the year then ended of Thai Film Industries Public Company Limited and its subsidiaries and of Thai Film Industries Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my conclusion, I draw attention in note 27.4 (1) 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. Furthermore, (2) 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 temporarily suspend the filing and waiting for results of negotiations and both parties shall declare to the court about the progress every 3 months and (3) The Company 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. The issue of pledged shares to be finalized cause the defendant fails to file a petition. And lawyers are of the opinion that the defendant does not file a petition in the case above. Will be applied to the case of (1) and (2) above, the Company will not be responsible in the end.

Other matter

The financial statements of Thai Film Industries Public Company Limited and its subsidiaries and of Thai Film Industries Public Company Limited for the year ended December 31, 2013, were audited by another auditor who expressed an unqualified opinion in her report dated February 21, 2014.

(Mr.Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

February 27, 2015

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014
AND
AUDITOR'S REPORT

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

(Unit : Baht)

	Notes	Consolidated		Separate	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		7,321,457	10,784,310	5,916,570	8,784,310
Trade accounts receivable and other receivable - net	6	413,813,885	529,244,392	413,813,805	529,075,075
Other receivable - related companies	5.1	-	-	178,738	386,880
Inventories - net	7	275,394,252	288,137,574	275,394,252	288,137,574
Spare parts and supplies - net		57,442,704	55,075,284	57,442,704	55,075,284
Advance for Investment - net	8	-	-	-	-
Other current assets		30,576,861	58,218,206	30,576,861	51,018,206
TOTAL CURRENT ASSETS		784,549,159	941,459,766	783,322,930	932,477,329
NON-CURRENT ASSETS					
Restricted bank deposits	9	2,003,244	-	2,003,244	-
Investments in subsidiary and associated companies - net	10 , 11	-	-	3,999,600	1,999,500
Other long-term investments					
Related companies - net	12	-	-	-	-
Other company		2,000,000	2,000,000	2,000,000	2,000,000
Loans receivable, advance payments - subsidiary, associated and related companies - net	5.1	-	-	8,267,288	15,482,940
Land used in operation - at appraised value	13	456,057,000	456,057,000	456,057,000	456,057,000
Plant and equipment used in operation - net	14	1,411,321,752	1,534,464,135	1,411,321,752	1,534,464,135
Property, plant and equipment not used in operation - net	15	117,187,776	174,157,518	117,187,776	174,157,518
Other non-current assets		2,021,357	2,422,359	2,021,357	2,422,359
TOTAL NON-CURRENT ASSETS		1,990,591,129	2,169,101,012	2,002,858,017	2,186,583,452
TOTAL ASSETS		2,775,140,288	3,110,560,778	2,786,180,947	3,119,060,781

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

(Unit : Baht)

	Notes	Consolidated		Separate	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	16	672,932,471	169,658,105	672,932,471	169,658,105
Trade accounts payable and other payable - other		505,962,203	725,709,361	505,812,204	724,211,226
Other payable - related person	5.1	-	-	-	-
Current portion of long-term loans	17	177,960,862	197,960,862	177,960,862	197,960,862
Other current liabilities		1,129,565	8,477,284	1,127,565	8,476,784
TOTAL CURRENT LIABILITIES		1,357,985,101	1,101,805,612	1,357,833,102	1,100,306,977
NON-CURRENT LIABILITIES					
Loans from related person	5.1	-	-	-	-
Long-term loans - net	17	197,960,893	395,921,755	197,960,893	395,921,755
Deferred tax liabilities	18	204,312,149	242,611,628	204,312,149	242,611,628
Employee benefit obligations	19	35,305,226	30,130,989	35,305,226	30,130,989
TOTAL NON-CURRENT LIABILITIES		437,578,268	668,664,372	437,578,268	668,664,372
TOTAL LIABILITIES		1,795,563,369	1,770,469,984	1,795,411,370	1,768,971,349
EQUITY					
SHARE CAPITAL					
Authorized share capital	20				
2,847,500,000 ordinary shares : Baht 1 per share		2,847,500,000	2,847,500,000	2,847,500,000	2,847,500,000
Issued and paid-up share capital	20				
2,047,500,000 ordinary shares : Baht 1 per share		2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000
Discount on common shares		(88,750,000)	(88,750,000)	(88,750,000)	(88,750,000)
Retained earnings (Deficits) -Unappropriated		(1,397,405,052)	(1,187,629,421)	(1,386,212,394)	(1,177,630,783)
Other components of equity		418,231,971	568,970,215	418,231,971	568,970,215
TOTAL EQUITY		979,576,919	1,340,090,794	990,769,577	1,350,089,432
TOTAL LIABILITIES AND EQUITY		2,775,140,288	3,110,560,778	2,786,180,947	3,119,060,781

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014

(Unit : Baht)

	Notes	Consolidated		Separate	
		2014	2013	2014	2013
Sales	25	3,674,463,985	4,299,275,445	3,674,463,985	4,299,275,445
Costs of sales	5.2	(3,622,831,006)	(4,151,179,799)	(3,622,831,006)	(4,151,179,799)
Gross profit margin		51,632,979	148,095,646	51,632,979	148,095,646
Other income	5.2 , 21	37,292,617	24,637,380	38,303,927	25,024,260
Profit before expenses		88,925,596	172,733,026	89,936,906	173,119,906
Selling expenses	5.2	(112,955,225)	(130,556,092)	(112,955,225)	(130,556,092)
Administrative expenses	5.2	(108,365,687)	(118,129,759)	(108,185,137)	(108,518,081)
Total expenses		(221,320,912)	(248,685,851)	(221,140,362)	(239,074,173)
Profit (loss) before finance costs		(132,395,316)	(75,952,825)	(131,203,456)	(65,954,267)
Finance costs	5.2	(77,995,233)	(112,970,173)	(77,993,073)	(112,970,093)
Profit (loss) before income tax		(210,390,549)	(188,922,998)	(209,196,529)	(178,924,360)
Revenue income tax (expense)	22	614,918	1,087,712	614,918	1,087,712
Profit (loss) for the years		(209,775,631)	(187,835,286)	(208,581,611)	(177,836,648)
Other comprehensive income					
Defined employee benefit plan actuarial gains (losses)		-	33,853,608	-	33,853,608
net of income tax		-	33,853,608	-	33,853,608
Total profit (loss) and comprehensive income for the year		(209,775,631)	(153,981,678)	(208,581,611)	(143,983,040)
Profit (loss) attributable to:					
Owners of the Company		(209,775,631)	(187,835,286)	(208,581,611)	(177,836,648)
Non-controlling interests		-	-	-	-
Profit (loss) for the year		(209,775,631)	(187,835,286)	(208,581,611)	(177,836,648)
Total profit (loss) and comprehensive income attributable to:					
Owner of the Company		(209,775,631)	(153,981,678)	(208,581,611)	(143,983,040)
Non-controlling interests		-	-	-	-
Total profit (loss) and comprehensive income for the years		(209,775,631)	(153,981,678)	(208,581,611)	(143,983,040)
Earnings (loss) per Share (Unit : Baht)					
	23				
Basic earnings (loss) per share (Unit : Baht)		(0.102)	(0.137)	(0.102)	(0.129)
The number of ordinary shares weighted average (Unit : Shares)		2,047,500,000	1,374,349,315	2,047,500,000	1,374,349,315

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated										
	Notes	Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity		Total
				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	
Ending balance as at December 31, 2012		1,365,000,000	(88,750,000)	-	(1,033,647,743)	174,775,877	544,951,557	719,727,434	962,329,691	-	962,329,691
Increase in ordinary shares	20	682,500,000	-	-	-	-	-	-	682,500,000	-	682,500,000
Comprehensive income for the year :											
Net Profit (loss) for the year		-	-	-	(187,835,286)	-	-	-	(187,835,286)	-	(187,835,286)
Other comprehensive income for the year		-	-	-	33,853,608	-	-	-	33,853,608	-	33,853,608
Total comprehensive income for the year		-	-	-	(153,981,678)	-	-	-	(153,981,678)	-	(153,981,678)
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	-	(188,446,524)	(188,446,524)	(188,446,524)	-	(188,446,524)
Income tax on other components of equity		-	-	-	-	-	37,689,305	37,689,305	37,689,305	-	37,689,305
Ending balance as at December 31, 2013		2,047,500,000	(88,750,000)	-	(1,187,629,421)	174,775,877	394,194,338	568,970,215	1,340,090,794	-	1,340,090,794
Comprehensive income for the year :											
Net Profit (loss) for the year		-	-	-	(209,775,631)	-	-	-	(209,775,631)	-	(209,775,631)
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(209,775,631)	-	-	-	(209,775,631)	-	(209,775,631)
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	-	(188,422,805)	(188,422,805)	(188,422,805)	-	(188,422,805)
Income tax on other components of equity		-	-	-	-	-	37,684,561	37,684,561	37,684,561	-	37,684,561
Ending balance as at December 31, 2014		2,047,500,000	(88,750,000)	-	(1,397,405,052)	174,775,877	243,456,094	418,231,971	979,576,919	-	979,576,919

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014

(Unit : 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	
Ending balance as at December 31, 2012		1,365,000,000	(88,750,000)	-	(1,033,647,743)	174,775,877	544,951,557	719,727,434	962,329,691
Increase in ordinary shares	20	682,500,000	-	-	-	-	-	-	682,500,000
Comprehensive income for the year :									
Net Profit (loss) for the year		-	-	-	(177,836,648)	-	-	-	(177,836,648)
Other comprehensive income for the year		-	-	-	33,853,608	-	-	-	33,853,608
Total comprehensive income for the year		-	-	-	(143,983,040)	-	-	-	(143,983,040)
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	-	(188,446,524)	(188,446,524)	(188,446,524)
Income tax on other components of equity		-	-	-	-	-	37,689,305	37,689,305	37,689,305
Ending balance as at December 31, 2013		2,047,500,000	(88,750,000)	-	(1,177,630,783)	174,775,877	394,194,338	568,970,215	1,350,089,432
Comprehensive income for the year :									
Net Profit (loss) for the year		-	-	-	(208,581,611)	-	-	-	(208,581,611)
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(208,581,611)	-	-	-	(208,581,611)
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	-	(188,422,805)	(188,422,805)	(188,422,805)
Income tax on other components of equity		-	-	-	-	-	37,684,561	37,684,561	37,684,561
Ending balance as at December 31, 2014		2,047,500,000	(88,750,000)	-	(1,386,212,394)	174,775,877	243,456,094	418,231,971	990,769,577

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014

	(Unit : Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	(209,775,631)	(187,835,286)	(208,581,611)	(177,836,648)
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				
Allowance for obsoleted stock (Reversal) Increase	522,172	305,029	522,172	305,029
Depreciation	106,158,983	102,470,896	106,158,983	102,470,896
(Profit) from sales assets	-	(4,893,447)	-	(4,893,447)
Allowance for trade account receivable (reverse)	(159,836,492)	-	(159,836,492)	-
Bad Debt	159,836,492	-	159,836,492	-
Amortization expenses	32,495,406	42,067,730	32,495,406	42,067,730
Provision for employee benefits	6,841,507	6,074,821	6,841,507	6,074,821
Unclaimed withholding tax	423,150	190,130	423,150	190,130
Unrealized (gain) loss on exchange rate	10,068,937	11,001,068	10,068,937	11,001,068
Loss on written off assets and supplies	166,517	161,498	166,517	161,498
Revenue from adjust non-movement more than 2 year account	(784,920)	(137,192)	(784,920)	(137,192)
Interest expenses	57,888,310	88,988,679	57,888,310	88,988,679
Interest incomes	(275,074)	(29,172)	(1,286,385)	(416,051)
Revenue income tax (expense)	(614,918)	(1,087,712)	(614,918)	(1,087,712)
Profit from operating activities before changes in operating assets and liabilities	3,114,439	57,277,042	3,297,148	66,888,801
(Increase) Decrease in Trade accounts receivable and other receivable	115,763,150	(173,426,593)	115,593,914	(173,257,276)
(Increase) Decrease in Inventories	12,187,331	75,707,258	12,187,331	75,707,258
(Increase) Decrease in Spare parts and supplies	(1,936,020)	(1,492,162)	(1,936,020)	(1,492,162)
(Increase) Decrease in Other current assets	(4,854,060)	(59,356,692)	(12,054,060)	(52,156,692)
(Increase) Decrease in Other non-current assets	(22,148)	994,614	(22,148)	994,614
Increase (Decrease) in Trade accounts payable and other payable	(223,660,541)	267,724,479	(222,312,405)	266,226,344
Increase (Decrease) in Other current liabilities	(7,347,718)	7,592,327	(7,349,219)	7,591,826
Cash paid for employee benefits	(1,667,270)	(3,426,400)	(1,667,270)	(3,426,400)
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	(108,422,837)	171,593,873	(114,262,729)	187,076,313

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014

	(Unit : Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted bank deposit	(2,003,244)	-	(2,003,244)	-
(Increase) Decrease Loans receivable and Advances to subsidiary companies	-	-	7,215,652	(15,482,940)
Cash received from sales investment in subsidiary companies	-	-	999,600	-
Increase in investment in subsidiary companies	-	-	(2,999,700)	(1,999,500)
Cash received from interest incomes	262,507	29,166	1,481,960	29,166
Cash received from sales assets	94,260	4,893,458	94,260	4,893,458
Purchase of property, plant and equipment	(115,128,022)	(78,782,231)	(115,128,022)	(78,782,231)
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	(116,774,499)	(73,859,607)	(110,339,494)	(91,342,047)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	495,776,142	(475,861,478)	495,776,142	(475,861,478)
Cash received for increase in ordinary shares	-	682,500,000	-	682,500,000
Repayment of long - term loans	(217,960,862)	(202,753,500)	(217,960,862)	(202,753,500)
Cash received from loan from related company	-	300,000,000	-	300,000,000
Repayment of loan from related company	-	(300,000,000)	-	(300,000,000)
Cash paid for interest expenses	(56,080,797)	(92,089,432)	(56,080,797)	(92,089,432)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	221,734,483	(88,204,410)	221,734,483	(88,204,410)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	(3,462,853)	9,529,856	(2,867,740)	7,529,856
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF YEAR	10,784,310	1,254,454	8,784,310	1,254,454
CASH AND CASH EQUIVALENTS AS AT THE END OF YEAR	7,321,457	10,784,310	5,916,570	8,784,310
Cash and cash equivalents				
Consist of:				
Cash on hand	116,603	109,517	107,189	109,017
Cash at banks - current accounts	5,399,059	7,247,122	5,394,059	7,247,122
Cash at banks - savings accounts	1,714,497	996,780	324,024	996,780
Others	91,298	2,430,891	91,298	431,391
	7,321,457	10,784,310	5,916,570	8,784,310

Supplemental Disclosure of Cash Flow Information:

During the year 2013, the Company transferred certain machineries to be machineries not used in operation which carrying value amount of Baht 132.44 million.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 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, Nakhomphattana District, Rayong.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

Thai Financial Reporting Standards (TFRS) new effective

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

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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TAS	Topic	Year effective
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
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

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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.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after January 1, 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after January 1 in the year indicated, are set out below. The Company does not plan to adopt these TFRS early.

TAS	Topic	Year effective
TFRS 2(revised 2014)	Share-based Payment	2015
TFRS 3(revised 2014)	Business Combinations	2015
TFRS 4	Insurance Contracts	2016
TFRS 5(revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6(revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8(revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015

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TAS	Topic	Year effective
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TSIC 10 (revised 2014)	Government Assistance—No Specific Relation to Operating Activities	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs	2015
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4(revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5(revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7(revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	2015
TFRIC10(revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC12(revised 2014)	Service Concession Arrangements	2015
TFRIC13(revised 2014)	Customer Loyalty Programmes	2015

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TAS	Topic	Year effective
TFRIC 14	TAS 19 (revised 2014) -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC15(revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC17(revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC18(revised 2014)	Transfers of Assets from Customers	2015
TFRIC20(revised 2014)	Stripping Costs in the Production Phase of a Surface Mine	2015

The Company has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Investment properties are measured at fair value;
- Land and machinery are measured at appraisal value

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 judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following note:

Note 18	Income Tax and Deferred Income Tax
Note 19	Discount rate, salary increase rate, employee turnover rate and mortality rate

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3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company and its ex-subsidiary company have significant accounting policies as follows:-

3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid short-term investments that are readily convertible to known amount or that are subject to an insignificant risk of change in value, but not include time deposits with maturity exceed three-month period (fixed deposits).

3.2 Trade account receivables

Trade account receivables are presented at realizable value. The Company provides allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable

3.3 Inventories

Inventories are presented at the lower of cost or net realizable value (NRV.). Cost of inventories is recorded under the basis as follows:

- Finished goods and work-in-process - at standard cost which approximates to actual average cost
- Raw materials and factory supplies - at cost (first-in, first-out method)

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

3.4 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are recorded by using the equity method within the consolidated financial statement.

Investment in subsidiary and associated companies under the Company only financial statements are recorded using cost method adjusted by the allowance for impairment when the value of the investment permanently decreased.

Investment in other companies is investment in non-marketable equity fund, which the Company regards as general investment. This is shown at cost adjusted by the allowance for impairment when the value of the investment is permanently decreased.

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3.5 Property, plant and equipment

At the beginning date of transaction, land was recorded at costs while plant and equipment were recorded at cost net of accumulated depreciation and allowance for impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

However the Company chose to show value of land and mechaneries in appraised value (revaluation) which were appraised by independent appraiser. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are performed by independent appraiser with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the statements of financial position date. The Company has a policy to appraise assets every three (3) to five (5) years or whenever the fair value of the appraised assets materially change from the book value.

Any increase in value due to appraisal, such increase shall be recorded as capital surplus from asset revaluation by netting from the value that was decreased by appraisal and was already recognized in the statements of comprehensive income and if it is the case that the asset's value decreases due to appraisal, it will be recorded in the statements of comprehensive income for the value only the part that decrease more than capital surplus from asset revaluation that was previously appraised. In case of any sale of asset that was revalued, the capital surplus from the selling asset revaluation that considered realized shall be transferred directly to retained earnings and shall not recognized as profit or loss from sales assets..

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Buildings and improvements	30-50	years
Machinery, equipment and tools	5-20	years
Furniture, fixtures and office equipment	5-10	years
Vehicle	5	years
Other assets	5	years

3.6 Land, building and machinery not used in operations

Land, building and machinery not used in operations are stated at cost net of accumulated depreciation and allowance for loss from impairment of asset.

3.7 Impairment of assets.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.9 Employee benefits.

Provision for post benefits and long – term benefits employees

The Group's net obligation in respect of long-term employee benefits (Legal Severance Payment and other long-term benefits) is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds. The calculation is performed by the independent actuarial using the projected unit credit method .

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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3.10 Revenue and Cost of Sales Recognition

Revenue Recognition

Revenue excludes value added taxes and is shown at after deduction of trade discounts.

Revenue from the sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownerships have been transferred to the buyer. No revenue is recognized if there are significant uncertainties in advantage receiving from accounting transaction which it can't measure reliable in value of revenue and occurred cost, the probable return of goods or the continuing management involvement with the goods.

Other income and other expenses is recognized as it accrues.

3.11 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Basic earnings per share

Earnings (Loss) per share is determined by dividing the net profit (loss) by the weighted average number of shares outstanding during the year.

3.13 Foreign currencies

The Foreign Currency transactions in foreign currencies are translated at the rates of the foreign exchange ruling at the date of transaction. The remaining balance of assets and liabilities in foreign currency at the year end date are translated to Baht at the foreign exchange rates ruling at the date. The profit or loss incurred from the translation is regard as revenue or expense in the statements of comprehensive income.

3.14 Use of estimates and judgements

For accounting estimates required for preparation of financial statements to conform with generally accepted accounting principles, the management has to use various estimates and assumptions which would affect amounts relating to incomes, expenses, assets, liabilities and disclosure of data relating to contingent assets and liabilities. The actual result may differ from amounts already estimated.

4. 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.

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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.

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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 (%)
Operating subsidiaries			
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.

5. 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

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5.1 Inter-Assets and Liabilities

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Loan receivable and advance to subsidiary companies				
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
	<u>-</u>	<u>-</u>	<u>8,268</u>	<u>15,483</u>
Loan to related company				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful debt	<u>(37,965)</u>	<u>(37,965)</u>	<u>(37,965)</u>	<u>(37,965)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>8,268</u>	<u>15,483</u>
Accrued interest receivable				
TFI Power (Korat 1) Co., Ltd.	-	-	45	97
TFI Power (Korat 2) Co., Ltd.	-	-	45	97
TFI Power (Korat 3) Co., Ltd.	-	-	45	97
TFI Power (Korat 4) Co., Ltd.	-	-	45	97
Total	<u>-</u>	<u>-</u>	<u>180</u>	<u>388</u>
Movement of Loan receivable and advance payment				
Beginning	-	-	15,483	-
Increase during in the years	-	-	1,455	15,483
Paid during in the years	-	-	(8,670)	-
Ending	<u>-</u>	<u>-</u>	<u>8,268</u>	<u>15,483</u>

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Loan from related person				
PM Group Co., Ltd.				
Beginning	-	-	-	-
Increase during in the years	-	300,000	-	300,000
Paid during in the years	-	(300,000)	-	(300,000)
Ending	-	-	-	-

In 2013 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.

5.2 Revenue and expense

for the years ended December 31, 2014 and 2013 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Interest income				
TFI Power Co., Ltd.	-	-	1	-
TFI Power (Korat 1) Co., Ltd.	-	-	255	97
TFI Power (Korat 2) Co., Ltd.	-	-	255	97
TFI Power (Korat 3) Co., Ltd.	-	-	255	97
TFI Power (Korat 4) Co., Ltd.	-	-	255	97
	-	-	1,021	388
Interest expenses				
PM Group Co., Ltd.	-	9,606	-	9,606

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	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Key management personnel compensation				
Short-term employee benefit	43,696	44,070	43,696	44,070
Long-term employee benefit	2,687	2,268	2,687	2,268
	<u>46,383</u>	<u>46,338</u>	<u>46,383</u>	<u>46,338</u>

Key management personnel compensation expenses for the years ended December 31, 2014 and 2013 consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	2014	2013
Present in costs of sales	4,610	4,840
Present in statements of comprehensive income	41,773	41,498
Total	<u>46,383</u>	<u>46,338</u>

6. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE RECEIVABLE - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade accounts receivable and other receivable				
- Trade accounts receivable	408,269,203	520,341,509	408,269,203	520,341,509
- Other receivable	5,544,682	8,902,883	5,544,602	8,733,566
Total trade accounts receivable and other receivable	<u>413,813,885</u>	<u>529,244,392</u>	<u>413,813,805</u>	<u>529,075,075</u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	165,836,196	166,872,457	165,836,196	166,872,457
Aging of Trade Accounts Receivable :-				
Less than 3 Months	97,262,488	104,913,925	97,262,488	104,913,925
Over 3 Months to 6 Months	1,696	-	1,696	-
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	895,916	897,609	895,916	897,609
Total	<u>263,996,296</u>	<u>272,683,991</u>	<u>263,996,296</u>	<u>272,683,991</u>
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	79,051,972	149,928,171	79,051,972	149,928,171
Aging of Trade Accounts Receivable :-				
Less than 3 Months	14,283,792	36,863,090	14,283,792	36,863,090
Over 3 Months to 6 Months	-	-	-	-
Over 6 Months to 9 Months	47,063	-	47,063	-
Over 9 Months	94,024	-	94,024	-
Total	<u>93,476,851</u>	<u>186,791,261</u>	<u>93,476,851</u>	<u>186,791,261</u>
Notes Receivable	51,691,972	61,762,173	51,691,972	61,762,173
<u>Less</u> allowance for doubtful accounts	(895,916)	(895,916)	(895,916)	(895,916)
Net	<u><u>408,269,203</u></u>	<u><u>520,341,509</u></u>	<u><u>408,269,203</u></u>	<u><u>520,341,509</u></u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Beginning balance	895,916	895,916	895,916	895,916
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u><u>895,916</u></u>	<u><u>895,916</u></u>	<u><u>895,916</u></u>	<u><u>895,916</u></u>

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7. INVENTORIES - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Finished goods	131,246,398	187,169,241	131,246,398	187,169,241
Work in process	10,943,441	22,084,618	10,943,441	22,084,618
Raw materials	112,171,141	57,533,302	112,171,141	57,533,302
Packaging	9,250,699	15,694,852	9,250,699	15,694,852
Raw materials in transit	19,260,714	12,577,710	19,260,714	12,577,710
Total	282,872,393	295,059,723	282,872,393	295,059,723
<u>Less</u> Allowance for obsolete stock	(7,478,141)	(6,922,149)	(7,478,141)	(6,922,149)
Net	275,394,252	288,137,574	275,394,252	288,137,574

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2012
Beginning balance	6,922,149	6,617,021	6,922,149	6,617,021
Increase	555,992	305,128	555,992	305,128
Decrease	-	-	-	-
Ending balance	7,478,141	6,922,149	7,478,141	6,922,149

8. ADVANCE FOR INVESTMENT – Net

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Advance payment for investment	45,593,886	45,593,886	45,593,886	45,593,886
<u>Less</u> Allowance for Doubtful debt	(45,593,886)	(45,593,886)	(45,593,886)	(45,593,886)
Net	-	-	-	-

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As required by the expansion of the manufacturing base to foreign country, the Company has to establish joint venture with local investor in foreign country. To start with the project, the Company had made cash advance for the purchase of land in the preparation for the site for the construction of the plant. However, before the construction of the plant, there was a dispute among the joint venture investors. The Company therefore, negotiated and took a litigation to claim for the refund of cash advance because of the breach of the investment agreement. The Company had already made full provision for non refund of the cash advance.

Subsequently, the Company hired a local legal advisory firm in the foreign country to replace the former legal firm to follow up the progress of the claim, and realized the fact that the joint venture entity referred to above had already registered its juristic entity. The cash advance of the Company had already been considered as the payment for capital and used for the purchase of land in the name of the joint venture entity. However, such joint venture entity had been declared as bankrupt entity by the local court in the foreign country. Such entity is in the process of liquidation.

9. RESTRICTED BANK DEPOSITS

As at December 31, 2014 the restricted bank deposit Baht 2 million are bank deposits that the company have placed with banks to secure letters of guarantees for Customs Department used as described in Note 27.1

10. INVESTMENTS IN SUBSIDIARY COMPANIES

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

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 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

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energy. The registration of new subsidiaries with the Ministry of Commerce has been completed in July 2013 and are 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.

11. INVESTMENTS IN ASSOCIATED COMPANIES - Net

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

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Million Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
TFM Packaging Film Co., Ltd.	Thailand	Packaging Film	-	324.90	-	49.20	-	159.84
Total							1,518.98	1,678.82
<u>Less Allowance for impairment in investment</u>							<u>(1,518.98)</u>	<u>(1,678.82)</u>
Net							-	-

Thai Copper Industries Pcl. - TCI

In 2007, the Company recorded the allowance for impairment of investment in associated company in Thai Copper Industries Public Company Limited – TCI of Baht 1,518.98 million in the Company only statement of comprehensive income because such associated company has lack in working capital and TCI stopped its operation and lay-off its employees. The allowance for impairment in investment TCI by based on the appraisal report of independent value dated on September 28, 2007.

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Since August 7, 2006, the Company has invested in TCI at 19.98% of the share capital. The Company has 3 directors in the board of directors of TCI totaling 13 directors, TCI is in operation under the debt restructuring agreements and was performed cash monitoring by external auditor, no material transactions between the Company and TCI, on February 15, 2007, the Company submitted the bank creditor of TCI the letter to request for release of pledge of shares of TCI which the Company held as specified in the loan agreements, and on November 19, 2006, the Company did not invest in the increase in share capital of TCI, accordingly, the portion of the Company in TCI has reduced to be 18.96% of the share capital. On June 29, 2007, TCI changed in the board of directors and a director of Company, acts as financial controller of the Company, is a new director of TCI and the Company has 3 directors in the board of directors of TCI totaling 8 directors (Presently, the Company has 2 directors in the board of directors of TCI totaling 5 directors). Accordingly, the Company has still significant influence.

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.

Up to present TCI has not yet operated, therefore the mentioned company did not prepare the interim financial statements and the financial statements since year 2009, and did not obtain the audited financial statements for the year 2008. However the management of the Company believes that there is no any effects to the book value of investment as it states at zero amount.

Net book value of investment in associated company in which the equity method is applied is zero. The financial statements in which the equity method is applied for the years ended December 31, 2014 and 2013, present the same amount and presentation as the separate financial statements for the same period.

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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).

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.

12. 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)	
				December 31, 2014	December 31, 2013	December 31, 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)
						-	-

13. LAND USED IN OPERATION – AT APPRAISED VALUE

As at December 31, 2014 and 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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14. PLANT AND EQUIPMENT USED IN OPERATION – Net

Consist of :-

	(Unit : Baht)								
	Consolidated /Separate								
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Other	Spare parts and supplies	Machinery and Equipment Under installation	Total
Cost									
As at December 31, 2013	453,199,913	3,245,824,068	100,557,539	26,139,586	29,549,942	-	142,560,144	31,907,229	4,029,738,421
Purchase	-	850,000	1,675,956	1,043,211	-	-	18,203,495	93,355,360	115,128,022
Disposals	-	-	-	-	-	-	(94,260)	-	(94,260)
Transferred form unused assets	-	1,373,758	-	-	-	-	-	-	1,373,758
Transfer in (out)	-	112,227,078	7,861,012	1,726,000	-	-	-	(121,814,090)	-
Amortized	-	(115,000)	(386,002)	(567,963)	-	-	(16,972,032)	-	(18,040,997)
As at December 31, 2014	453,199,913	3,360,159,904	109,708,505	28,340,834	29,549,942	-	143,697,347	3,448,499	4,128,104,944
Capital Surplus from Revaluation									
As at December 31, 2013	-	2,205,231,015	-	-	-	-	-	-	2,205,231,015
Transferred form unused assets	-	514,275	-	-	-	-	-	-	514,275
Amortized	-	-	-	-	-	-	-	-	-
As at December 31, 2014	-	2,205,745,290	-	-	-	-	-	-	2,205,745,290

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(Unit : Baht)

	Consolidated /Separate								Total
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Other	Spare parts and supplies	Machinery and Equipment Under installation	
Accumulated Depreciation									
As at December 31, 2013	(315,250,007)	(2,393,908,895)	(97,924,417)	(22,686,714)	(29,549,901)	-	(17,635,927)	-	(2,876,955,861)
Depreciation for the year	(8,236,280)	(71,431,847)	(1,503,793)	(1,308,453)	-	-	(21,688,984)	-	(104,169,357)
Disposal	-	-	-	-	-	-	-	-	-
Transferred form unused assets	-	(1,482,972)	-	-	-	-	-	-	(1,482,972)
Amortized	-	20,208	348,977	546,352	-	-	16,958,943	-	17,874,480
As at December 31, 2014	(323,486,287)	(2,466,803,506)	(99,079,233)	(23,448,815)	(29,549,901)	-	(22,365,968)	-	(2,964,733,710)
Accumulated Depreciation from Capital Surplus from Revaluation									
As at December 31, 2013	-	(1,823,549,440)	-	-	-	-	-	-	(1,823,549,440)
Depreciation for the year	-	(133,495,558)	-	-	-	-	-	-	(133,495,558)
Transferred form unused assets	-	(352,192)	-	-	-	-	-	-	(352,192)
Amortized	-	-	-	-	-	-	-	-	-
As at December 31, 2014	-	(1,957,397,190)	-	-	-	-	-	-	(1,957,397,190)

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(Unit : Baht)

	Consolidated /Separate								Total
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Other	Spare parts and supplies	Machinery and Equipment Under installation	
Allowance for impairment									
As at December 31, 2013	-	-	-	-	-	-	-	-	-
(Increase) / Decrease	-	-	-	-	-	-	(397,582)	-	(397,582)
As at December 31, 2014	-	-	-	-	-	-	(397,582)	-	(397,582)
Net Book Value									
As at December 31, 2013	137,949,906	1,233,596,748	2,633,122	3,452,872	41	-	124,924,217	31,907,229	1,534,464,135
As at December 31, 2014	129,713,626	1,141,704,498	10,629,272	4,892,019	41	-	120,933,797	3,448,499	1,411,321,752
Depreciation for the years ended									
December 31, 2013	8,236,280	68,920,564	1,526,417	1,308,523	98,540	-	21,939,654	-	102,029,978
December 31, 2014	8,236,280	71,431,847	1,503,793	1,308,453	-	-	21,688,984	-	104,169,357

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In the consolidated financial statements, depreciation for years ended December 31, 2014 and 2013, amounted to Baht 101.65 million and Baht 100.13 million, respectively, are included in cost of sales, and Baht 2.52 million and Baht 1.90 million, respectively, are included in selling and administrative expenses.

In the separate financial statement, depreciation for the years ended December 31, 2014 and 2013, amounted to Baht 101.65 million and Baht 100.13 million, respectively, are included in cost of sales, and Baht 2.52 million and Baht 1.90 million, respectively, are included in selling and administrative expenses.

As at December 31, 2014 and 2013, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 862.55 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 year ended December 31, 2014 and 2013 in the financial statements is lower stated by Baht 133.50 million and Baht 188.10 million, respectively and net loss for the year ended December 31, 2014 and 2013 in the financial statements is lower stated by Baht 133.50 million and Baht 188.10 million, respectively (Loss per share in the financial statements for the year ended December 31, 2014 and 2013 is lower stated by Baht 0.07 per share and Baht 0.14 per share, respectively).

During the year 2014, 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.

During the year 2013, the Company transferred certain machineries to be machineries not used in operation which carrying value amount of Baht 132.44 million.

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

As at December 31, 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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Property, plant and equipment not used for operation consist of:

	(Unit : Baht)		
	Consolidated/Separate		
	Land	Machineries and others	Total
Cost :			
As at December 31, 2013	74,005,000	810,242,393	884,247,393
Transfer in (out)	-	(1,373,758)	(1,373,758)
As at December 31, 2014	74,005,000	808,868,635	882,873,635
Capital Surplus from Revaluation:			
As at December 31, 2013	-	277,278,170	277,278,170
Transfer in (out)	-	(514,275)	(514,275)
Amortized	-	-	-
As at December 31, 2014	-	276,763,895	276,763,895
Accumulated Depreciation:			
As at December 31, 2013	-	(746,245,948)	(746,245,948)
Depreciation for the year	-	(1,989,626)	(1,989,626)
Transfer in (out)	-	1,482,972	1,482,972
As at December 31, 2014	-	(746,752,602)	(746,752,602)
Accumulated Depreciation from Capital Surplus from Revaluation :			
As at December 31, 2013	-	(166,216,824)	(166,216,824)
Depreciation for the year	-	(54,927,247)	(54,927,247)
Transfer in (out)	-	352,192	352,192
Amortized	-	-	-
As at December 31, 2014	-	(220,791,879)	(220,791,879)
Allowance for impairment:			
As at December 31, 2013	(37,392,000)	(37,513,273)	(74,905,273)
(Increase) / Decrease	-	-	-
As at December 31, 2014	(37,392,000)	(37,513,273)	(74,905,273)
Net Book Value :			
As at December 31, 2013	36,613,000	137,544,518	174,157,518
As at December 31, 2014	36,613,000	80,574,776	117,187,776
Depreciation for the years ended			
December 31, 2013	-	440,918	440,918
December 31, 2014	-	1,989,625	1,989,625

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

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Bank overdrafts	11,970,364	-	11,970,364	-
Packing credits	57,089,000	-	57,089,000	-
Liabilities under trust receipts	294,782,217	-	294,782,217	-
Promissory notes	309,090,890	169,658,105	309,090,890	169,658,105
Total	<u>672,932,471</u>	<u>169,658,105</u>	<u>672,932,471</u>	<u>169,658,105</u>

As at December 31, 2014 and 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	December 31, 2014	Bank charge and	December 31, 2013	Bank charge and
		Interest rate Per annum		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.17.

As at December 30, 2014 and 2013, the Company had unutilized credit facility balances by approximately Baht 214.52 million and Baht 370.32 million, respectively.

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17. LONG-TERM LOANS

Consist of :-

	Interest rate Per annum	(Unit : Baht)	
		Consolidated/ Separate	Separate
		As at December 31, 2014	As at December 31, 2013
17.1 Loans from refinancing with a local bank at USD 54 million, repayable semi – annually for 12 installments at the same amount for each installment and commencing on September 30, 2003. As at March 25, 2005, the whole amount of the remaining debt was translated from USD currency into Baht currency. For the remaining outstanding balance prior to June 30, 2006, the Company has to repay according to the amended agreement dated June 30, 2006.	MLR	249,476,400	404,214,594
<p>On December 16, 2008, the Company got an approval to postpone the repayment schedule for the periods December 2008 to December 2010 to be the periods March 2009 to March 2011.</p> <p>On February 16, 2009, the Company got an approval to postpone the repayment schedule for the periods March 2009 to March 2011 to be the periods March 2010 to September 2012.</p> <p>On December 29, 2009, the Company got an approval to postpone the repayment schedule for the periods March 2010 to September 2012 to be the periods January 2011 to July 2016.</p> <p>On January 25, 2011 the Company got an approval to revise repayment installment in 2011. And total amount of repayment is maintained as previously agreed.</p>			
17.2 Loans from a local bank at Baht 500 million, repayable in 16 quarterly installments at the same amount for each installment, commencing on August 31, 2005. As at November 16, 2005, the credit limit has been decreased by Baht 77 million thus the credit limit remained at Baht 423 million. (Interest rate of 1 st -2 nd year at the rate of MLR-1 per annum and the 3 rd year at the rate of MLR per annum).	MLR	26,445,355	39,668,023

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		(Unit : Baht)		
		Consolidated/ Separate	Separate	
	Interest rate Per annum	As at December 31, 2014	As at December 31, 2013	
<p>On December 16, 2008, the Company got an approval to postpone the repayment schedule for the periods November 2008 to May 2009 to be the periods February 2009 to August 2009.</p> <p>On February 16, 2009, the Company got an approval to postpone the repayment schedule for the periods February 2009 to August 2009 to be the periods February 2010 to August 2010.</p> <p>On December 29, 2009, the Company got an approval to postpone the repayment schedule for the periods February 2010 to August 2010 to be the periods February 2011 to November 2016.</p>				
17.3	The long term loan from a local bank represent refinancing some portion of short term loan at amount not exceeding to Baht 300 million, repayable in 24 quarterly installments at the amount of Baht 12.50 million for each installment commencing in February 2011 to November 2016.	MLR	100,000,000	150,000,000
Total			375,921,755	593,882,617
<u>Less</u> Current Portion of Long - Term Loans			(177,960,862)	(197,960,862)
Net			197,960,893	395,921,755

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

The loans including credit facilities from the banks as mentioned in note to financial statement No.16 are guaranteed by pledging :-

- a) The Company's land and machinery as at December 31, 2014 and 2013 totaling Baht 1,422.87 million and Baht 1,758.02 million, respectively.
- b) New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

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18. DEFERRED TAX LIABILITIES

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Amortization Expenses	3,245,738	3,617,497	3,245,738	3,617,497
Plant and equipment	96,508,418	96,751,578	96,508,418	96,751,578
Capital surplus from land revaluation	43,693,969	43,693,969	43,693,969	43,693,969
Capital surplus from machinery revaluation	60,864,024	98,548,584	60,864,024	98,548,584
Total	204,312,149	242,611,628	204,312,149	242,611,628

Movements in total deferred tax assets and liabilities during the year were as follows:

	(Unit : Thousand Baht)				
	Consolidated / Separate				
	Charged / (credited) to:				
	January 1, 2014	(Profit) or loss	Other comprehens ive income	Equity	December 31, 2014
<i>Deferred tax liabilities</i>					
Amortization Expenses	3,617	(371)	-	-	3,246
Plant and equipment	96,752	(244)	-	-	96,508
Capital surplus from land revaluation	43,694	-	-	-	43,694
Capital surplus from machinery revaluation	98,549	-	-	(37,685)	60,864
Total	242,612	(615)	-	(37,685)	204,312

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(Unit : Thousand Baht)

	Consolidated / Separate				
	Charged / (credited) to:				
	January 1, 2013	(Profit) or loss	Other comprehens ive income	Equity	December 31, 2013
<i>Deferred tax liabilities</i>					
Amortization Expenses	5,530	(1,913)	-	-	3,617
Plant and equipment	95,927	825	-	-	96,752
Capital surplus from land revaluation	43,694	-	-	-	43,694
Capital surplus from machinery revaluation	136,238	-	-	(37,689)	98,549
Total	281,389	(1,088)	-	(37,689)	242,612

As at December 31, 2014 and 2013, the Company did not recognize deferred tax assets on some deductible temporary differences and unused tax losses totaling Baht 691.71 million and Baht 650.75 million respectively, As the operation results in the year of 2014, incurred loss as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for impairment of investment	328,005,463	359,972,762	328,005,463	359,972,762
Provision for impairment of fixed asset	15,060,571	14,981,055	15,060,571	14,981,055
Provision for employees benefits	7,061,045	6,026,198	7,061,045	6,026,198
Provision for impairment of other asset	3,023,698	2,914,150	3,023,698	2,914,150
Loss carry forward	338,554,589	266,855,652	338,554,589	266,855,652
Total	691,705,366	650,749,817	691,705,366	650,749,817

The tax losses will be expired in 2014-2019. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because the Company had incurred loss in year 2014

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19. 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 : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for employee benefits - beginning	30,130,989	61,336,176	30,130,989	61,336,176
<u>Add</u> recognized amount	6,841,507	6,074,821	6,841,507	6,074,821
<u>Less</u> liability decrease from actual paid	(1,667,270)	(3,426,400)	(1,667,270)	(3,426,400)
Actuarial gains in other comprehensive income	-	(33,853,608)	-	(33,853,608)
Provision for employee benefits - ending	<u>35,305,226</u>	<u>30,130,989</u>	<u>35,305,226</u>	<u>30,130,989</u>
Present value of unfunded obligation as at December 31	<u>35,305,226</u>	<u>30,130,989</u>	<u>35,305,226</u>	<u>30,130,989</u>

Provision for employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2014 and 2013 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Recognised in profit or loss:				
Current service cost	5,705,368	5,099,653	5,705,368	5,099,653
Interest cost	1,136,139	975,168	1,136,139	975,168
Total	<u>6,841,507</u>	<u>6,074,821</u>	<u>6,841,507</u>	<u>6,074,821</u>
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	-	(33,853,608)	-	(33,853,608)

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Principal actuarial assumptions (Actuarial basis)

	Consolidated / Separate	
	As at December	As at December
	31, 2014	31, 2013
Discount rate (%)	3.92	3.92
Future salary increase (%)	3	3
Retirement age (year old)	55	55

20. 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.

20.1 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.

20.2 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.

21. OTHER INCOME

For the years ended December 31, 2014 and 2013 details of financial information shown other income consist of:-

	(Unit : Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Gain on exchange rate	12,072,070	1,993,445	12,072,070	1,993,445
Interest income	275,075	29,171	1,286,385	416,051
Gain from disposal of assets	-	4,893,447	-	4,893,447
Other income	24,945,472	17,721,317	24,945,472	17,721,317
Total	37,292,617	24,637,380	38,303,927	25,024,260

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22. INCOME TAX

Income tax recognised directly in equity

(Unit : Million Baht)

	Consolidated/Separate					
	2014			2013		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Depreciation for capital surplus from machinery revaluation	(188)	37	(151)	(188)	37	(151)

Income tax (expenses) revenue for the year ended December 31, 2014 and 2013 are made up as follows:

(Unit : Baht)

	Consolidated		Separate	
	2014	2013	2014	2013
Current Income tax:				
Income tax	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	614,918	1,087,712	614,918	1,087,712
Income tax (expense) revenue reported in the statements of comprehensive income	<u>614,918</u>	<u>1,087,712</u>	<u>614,918</u>	<u>1,087,712</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group/Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

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23. EARNINGS (LOSS) PER SHARE

Basic Earnings (Loss) per Share

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the years ended December 31, 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 years ended December 31, 2014 and 2013.

Net Profit (loss) for the years

	(Unit : Million Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
For the years ended December 31,	(210)	(188)	(209)	(178)

Weighted average number of ordinary shares (Basic)

	(Unit : Million Shares)			
	Consolidated		Separate	
	2014	2013	2014	2013
Number of ordinary shares outstanding at the beginning of the years	2,047	1,365	2,047	1,365
Effect of ordinary shares issued during the years	-	9	-	9
Weighted average number of ordinary shares outstanding during the years (Basic)	2,047	1,374	2,047	1,374
Basic earnings (loss) per share (Unit : Baht)	(0.102)	(0.137)	(0.102)	(0.129)

24. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 1977 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 year ended December 31, 2014 and 2013, classified into non-promoted.

In 2013, The Board of Investment approved the withdrawal of investment promotion certificate as the company has requested.

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25. 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 year ended December 31, 2014 and 2013 details of financial information shown separately by geographical are as follows :-

	(Unit : Million Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Revenue from sales - Local	1,991	1,920	1,991	1,920
Revenue from sales - Foreign				
Asia	1,222	1,901	1,222	1,901
Europe	204	162	204	162
American	75	27	75	27
Other	182	289	182	289
Total	<u>3,674</u>	<u>4,299</u>	<u>3,674</u>	<u>4,299</u>

26. EXPENSES BY NATURE

For the years ended December 31, 2014 and 2013 details of significant expenses by nature are as follows :-

	(Unit : Baht)			
	Consolidated		Separate	
	2014	2013	2014	2013
Salary and wages and other employee benefits	232,181,072	244,697,786	232,181,072	244,697,786
Depreciation	106,158,983	102,470,896	106,158,983	102,470,896
Amortization	32,495,406	42,067,730	32,495,406	42,067,730
Shut down expenses	60,457,304	18,547,335	60,457,304	18,547,335
Raw materials and consumables used	2,979,553,792	3,525,880,716	2,979,553,792	3,525,880,716
Changes in inventories of finished goods and work in process	67,677,401	(54,541,347)	67,677,401	(54,541,347)
Loss on written-off assets and supplies	166,517	161,498	166,517	161,498

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27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 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: -

- 27.1 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 15.79 million. The Company used fixed deposit as collateral for amount of Baht 2 million. (See note 9.)
- 27.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 36.46 million.
- 27.3 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 40.72 million.
- 27.4 (1) 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. (2) 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 temporarily suspend the filing and waiting for results of negotiations and both parties shall declare to the court about the progress

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every 3 months and (3) The Company 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. The issue of pledged shares to be finalized cause the defendant fails to file a petition. And lawyers are of the opinion that the defendant does not file a petition in the case above. Will be applied to the case of (1) and (2) above, the Company will not be responsible in the end.

27.5 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.

28. 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.

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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 December 31, 2014 and 2013, the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit : Thousand)	
	Foreign Currency	December 31, 2014	December 31, 2013
Assets	US Dollar	2,654	5,557
	EURO	20	73
	YEN	15,473	-
Liabilities	US Dollar	19,203	12,620
	EURO	1	3
	YEN	12,786	590

As at December 31, 2014 and 2013, there were forward contracts bought amount of USD 1.69 million and forward contracts sold amount of USD 3.50 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.

29. 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 December 31, 2014 and 2013, debt to equity ratio in the consolidated financial statement is 1.83: 1.00 and 1.32:1.00, respectively (the separate financial statements as at December 31, 2014 and 2013, debt to equity ratio is 1.81:1 and 1.31:1, respectively).

30. APPROVAL OF FINANCIAL STATEMENTS

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on February 27, 2015.