

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, 2015, 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, 2015 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 in my conclusion, I draw attention in note 26.4 (1) on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court and (2) on September 30, 2009, the Company was sued by the same bank as the third defendant in the Central Intellectual Property and International Trade Court. In both cases the company is a defendant of contractual pledge Baht 600 million for principal and interest. And the company's lawyers give opinion that the pledging of shares as collateral for a period of four years had ended. So the Company is not responsible in the end.

(Mr.Jirote Sirirrote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

February 23, 2016

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015
AND
AUDITOR'S REPORT

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

(Unit : Baht)

	Notes	Consolidated		Separate	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		5,554,358	7,321,457	4,314,384	5,916,570
Trade accounts receivable and other receivable - net	6	304,861,210	413,813,885	304,861,210	413,813,805
Other receivable - related companies	5.1	-	-	827,408	178,738
Inventories - net	7	270,315,909	275,394,252	270,315,909	275,394,252
Spare parts and supplies - net		57,593,346	57,442,704	57,593,346	57,442,704
Advance for Investment - net	8	-	-	-	-
Other current assets		29,858,927	30,576,861	29,858,927	30,576,861
TOTAL CURRENT ASSETS		668,183,750	784,549,159	667,771,184	783,322,930
NON-CURRENT ASSETS					
Restricted bank deposits	9	1,017,665	2,003,244	1,017,665	2,003,244
Investments in subsidiary and associated companies - net	10 , 11	-	-	3,999,600	3,999,600
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	8,267,288
Land used in operation - at appraised value	13	474,877,000	456,057,000	474,877,000	456,057,000
Plant and equipment used in operation - net	14	1,703,653,649	1,411,321,752	1,703,653,649	1,411,321,752
Property, plant and equipment not used in operation - net	15	62,974,988	117,187,776	62,974,988	117,187,776
Other non-current assets		2,032,137	2,021,357	2,032,001	2,021,357
TOTAL NON-CURRENT ASSETS		2,246,555,439	1,990,591,129	2,258,822,191	2,002,858,017
TOTAL ASSETS		2,914,739,189	2,775,140,288	2,926,593,375	2,786,180,947

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

(Unit : Baht)

	Notes	Consolidated		Separate	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	16	833,164,495	672,932,471	833,164,495	672,932,471
Trade accounts payable and other payable - other		294,261,280	505,962,203	294,111,280	505,812,204
Current portion of long-term loans	17	197,960,893	177,960,862	197,960,893	177,960,862
Other current liabilities		859,211	1,129,565	857,211	1,127,565
TOTAL CURRENT LIABILITIES		1,326,245,879	1,357,985,101	1,326,093,879	1,357,833,102
NON-CURRENT LIABILITIES					
Long-term loans - net	17	-	197,960,893	-	197,960,893
Deferred tax liabilities	18	272,679,199	204,312,149	272,679,199	204,312,149
Employee benefit obligations	19	39,617,699	35,305,226	39,617,699	35,305,226
TOTAL NON-CURRENT LIABILITIES		312,296,898	437,578,268	312,296,898	437,578,268
TOTAL LIABILITIES		1,638,542,777	1,795,563,369	1,638,390,777	1,795,411,370
EQUITY					
SHARE CAPITAL					
Authorized share capital	20				
2,661,750,000 ordinary shares : Baht 1 per share					
(2014 : 2,847,500,000 ordinary shares : Baht 1 per share)		2,661,750,000	2,847,500,000	2,661,750,000	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		(1,377,271,707)	(1,397,405,052)	(1,365,265,521)	(1,386,212,394)
Other components of equity		694,718,119	418,231,971	694,718,119	418,231,971
TOTAL EQUITY		1,276,196,412	979,576,919	1,288,202,598	990,769,577
TOTAL LIABILITIES AND EQUITY		2,914,739,189	2,775,140,288	2,926,593,375	2,786,180,947

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015

		(Unit : Baht)			
		Consolidated		Separate	
	Notes	2015	2014	2015	2014
Sales	24	2,868,236,092	3,674,463,985	2,868,236,092	3,674,463,985
Costs of sales	5.2	(2,598,470,854)	(3,622,831,006)	(2,598,470,854)	(3,622,831,006)
Gross profit margin		269,765,238	51,632,979	269,765,238	51,632,979
Other income	5.2 , 21	16,315,383	37,292,617	16,958,561	38,303,927
Profit before expenses		286,080,621	88,925,596	286,723,799	89,936,906
Selling expenses	5.2	(81,393,640)	(112,955,225)	(81,393,640)	(112,955,225)
Administrative expenses	5.2	(105,507,987)	(108,365,687)	(105,338,437)	(108,185,137)
Total expenses		(186,901,627)	(221,320,912)	(186,732,077)	(221,140,362)
Profit (loss) before finance costs		99,178,994	(132,395,316)	99,991,722	(131,203,456)
Finance costs		(79,800,136)	(77,995,233)	(79,799,336)	(77,993,073)
Profit (loss) before income tax		19,378,858	(210,390,549)	20,192,386	(209,196,529)
Revenue income tax (expense)	22	754,487	614,918	754,487	614,918
Profit (loss) for the years		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Other comprehensive income		-	-	-	-
Total profit (loss) and comprehensive income for the year		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Profit (loss) attributable to:					
Owners of the Company		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Non-controlling interests		-	-	-	-
Profit (loss) for the year		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Total profit (loss) and comprehensive income attributable to:					
Owner of the Company		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Non-controlling interests		-	-	-	-
Total profit (loss) and comprehensive income for the years		20,133,345	(209,775,631)	20,946,873	(208,581,611)
Earnings (loss) per Share (Unit : Baht)	23				
Basic earnings (loss) per share (Unit : Baht)		0.010	(0.102)	0.010	(0.102)
The number of ordinary shares weighted average (Unit : Shares)		2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015

(Unit : Baht)

	Consolidated										
	Notes	Share capital issued and paid-up	Discount on share capital	Deficit			Other components of equity			Equity	
				Appropriated	Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	attributable to		
									Equity of owner the Company	Non - Controlling interests	Total
Ending balance as at January 1, 2014		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		-	-	-	-	-	(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
Comprehensive income for the year :											
Net Profit (loss) for the year		-	-	-	20,133,345	-	-	-	20,133,345	-	20,133,345
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	20,133,345	-	-	-	20,133,345	-	20,133,345
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	-	(188,416,065)	(188,416,065)	(188,416,065)	-	(188,416,065)
Income tax on other components of equity		-	-	-	-	-	37,683,213	37,683,213	37,683,213	-	37,683,213
Capital surplus from land revaluation and machinery revaluation		-	-	-	-	18,820,000	515,914,203	534,734,203	534,734,203	-	534,734,203
Reversal impairment of surplus from machinery		-	-	-	-	-	(710,453)	(710,453)	(710,453)	-	(710,453)
Income tax on other components of equity from revaluation		-	-	-	-	(3,764,000)	(103,182,841)	(106,946,841)	(106,946,841)	-	(106,946,841)
Income tax on other components of equity from reversal impairment of surplus from machinery		-	-	-	-	-	142,091	142,091	142,091	-	142,091
Ending balance as at December 31, 2015		2,047,500,000	(88,750,000)	-	(1,377,271,707)	189,831,877	504,886,242	694,718,119	1,276,196,412	-	1,276,196,412

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, 2015

(Unit : Baht)

	Separate							
	Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	Total
			Appropriated	Unappropriated				
Notes								
Ending balance as at January 1, 2014	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	-	-	-	-	-	(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
Comprehensive income for the year :								
Net Profit (loss) for the year	-	-	-	20,946,873	-	-	-	20,946,873
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	20,946,873	-	-	-	20,946,873
Depreciation for capital surplus from machinery revaluation	14 , 15	-	-	-	-	(188,416,065)	(188,416,065)	(188,416,065)
Income tax on other components of equity	-	-	-	-	-	37,683,213	37,683,213	37,683,213
Capital surplus from land revaluation and machinery revaluation	-	-	-	-	18,820,000	515,914,203	534,734,203	534,734,203
Reversal impairment of surplus from machinery	-	-	-	-	-	(710,453)	(710,453)	(710,453)
Income tax on other components of equity from revaluation	-	-	-	-	(3,764,000)	(103,182,841)	(106,946,841)	(106,946,841)
Income tax on other components of equity from reversal impairment of surplus from machinery	-	-	-	-	-	142,091	142,091	142,091
Ending balance as at December 31, 2015	2,047,500,000	(88,750,000)	-	(1,365,265,521)	189,831,877	504,886,242	694,718,119	1,288,202,598

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, 2015

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	20,133,345	(209,775,631)	20,946,873	(208,581,611)
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				
Allowance for obsoleted stock (Reversal) Increase	(438,333)	522,172	(438,333)	522,172
Depreciation	111,478,942	106,158,983	111,478,942	106,158,983
(Profit) from sales assets	(3,286,119)	-	(3,286,119)	-
Reversal impairment of asset	(2,337,000)	-	(2,337,000)	-
Loss on impairment of assets	378,926	-	378,926	-
Allowance for trade account receivable (Reversal)	-	(159,836,492)	-	(159,836,492)
Bad Debt	-	159,836,492	-	159,836,492
Amortization expenses	28,621,104	32,495,406	28,621,104	32,495,406
Provision for employee benefits	7,502,773	6,841,507	7,502,773	6,841,507
Unclaimed withholding tax	304,899	423,150	304,899	423,150
Unrealized (gain) loss on exchange rate	5,002,168	10,068,937	5,002,168	10,068,937
Loss on written off assets and supplies	57,968	166,517	57,968	166,517
Revenue from adjust non-movement	(59,803)	(784,920)	(59,803)	(784,920)
Interest expenses	65,025,113	57,888,310	65,025,113	57,888,310
Interest incomes	(25,561)	(275,074)	(668,740)	(1,286,385)
Revenue income tax (expense)	(754,487)	(614,918)	(754,487)	(614,918)
Profit from operating activities before changes in operating assets and liabilities	231,603,935	3,114,439	231,774,284	3,297,148
(Increase) Decrease in Trade accounts receivable and other receivable	109,799,818	115,763,150	109,799,738	115,593,914
(Increase) Decrease in Inventories	5,516,676	12,187,331	5,516,676	12,187,331
(Increase) Decrease in Spare parts and supplies	(150,642)	(1,936,020)	(150,642)	(1,936,020)
(Increase) Decrease in Other current assets	(27,903,170)	(4,854,060)	(27,903,170)	(12,054,060)
(Increase) Decrease in Other non-current assets	(315,680)	(22,148)	(315,544)	(22,148)
Increase (Decrease) in Trade accounts payable and other payable	(213,290,812)	(223,660,541)	(213,290,812)	(222,312,405)
Increase (Decrease) in Other current liabilities	(270,354)	(7,347,718)	(270,354)	(7,349,219)
Cash paid for employee benefits	(3,190,300)	(1,667,270)	(3,190,300)	(1,667,270)
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	101,799,471	(108,422,837)	101,969,876	(114,262,729)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted bank deposit	985,580	(2,003,244)	985,580	(2,003,244)
(Increase) Decrease Loans receivable and Advances to subsidiary companies	-	-	-	7,215,652
Cash received from sales investment in subsidiary companies	-	-	-	999,600
Increase in investment in subsidiary companies	-	-	-	(2,999,700)
Cash received from interest incomes	29,179	262,507	23,687	1,481,960
Cash received from sales assets	3,736,130	94,260	3,736,130	94,260
Purchase of property, plant and equipment	(21,360,270)	(115,128,022)	(21,360,270)	(115,128,022)
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	(16,609,381)	(116,774,499)	(16,614,873)	(110,339,494)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	155,629,378	495,776,142	155,629,378	495,776,142
Repayment of long - term loans	(177,960,862)	(217,960,862)	(177,960,862)	(217,960,862)
Cash paid for interest expenses	(64,625,705)	(56,080,797)	(64,625,705)	(56,080,797)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	(86,957,189)	221,734,483	(86,957,189)	221,734,483
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	(1,767,099)	(3,462,853)	(1,602,186)	(2,867,740)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF YEAR	7,321,457	10,784,310	5,916,570	8,784,310
CASH AND CASH EQUIVALENTS AS AT THE END OF YEAR	5,554,358	7,321,457	4,314,384	5,916,570
Cash and cash equivalents				
Consist of:				
Cash on hand	130,305	116,603	110,241	107,189
Cash at banks - current accounts	3,879,962	5,399,059	3,874,962	5,394,059
Cash at banks - savings accounts	1,544,091	1,714,497	329,181	324,024
Others	-	91,298	-	91,298
	5,554,358	7,321,457	4,314,384	5,916,570

Supplemental Disclosure of Cash Flow Information:

During the year 2015, the Company transferred certain machineries to be machineries not used in operation which carrying net book value amount of Baht 1.85 million.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015

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, Nakhompathana 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.

2.2 New financial reporting standards

Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015

TFRS 13 Fair Value Measurement

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group, except for disclosures.

2.3 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

2.4 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.

2.5 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 Taxes and Deferred Income Tax
Note 19	Measurement of defined benefit obligations

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Fair value estimation

The company estimates fair value for land and machineries, investment property and long-term borrowings from financial institutions. The different levels of fair value estimation have been defined as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Using other quoted prices that are observable for the asset or liability, either directly or indirectly
- Level 3 Inputs for the asset or liability that are not based on observable market data such as estimated future cash flow from the company.

The company discloses the fair value measurement of above items in related notes to financial statement.

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.

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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.

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 recognised in the statements of

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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 recognised 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.

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

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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.

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.

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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.

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 recognised in the statement of comprehensive income when the significant risks and rewards of ownerships have been transferred to the buyer. No revenue is recognised 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 recognised 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

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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.

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.

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

The significant intercompany transactions and balances between the Company and the subsidiaries have been eliminated. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as follows:

Company Name	Nature of Business	Rate of Shareholding	
		2015 (%)	2014 (%)
<u>Operating subsidiaries</u>			
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
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, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Loan receivable and advance to subsidiary companies				
TFI Power Co., Ltd.	-	-	-	-
TFI Power (Korat 1) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 2) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 3) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 4) Co., Ltd.	-	-	2,067	2,067
	-	-	8,268	8,268
Loan to related company				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful debt	(37,965)	(37,965)	(37,965)	(37,965)
Net	-	-	-	-
Total	-	-	8,268	8,268
Accrued interest receivable				
TFI Power (Korat 1) Co., Ltd.	-	-	207	45
TFI Power (Korat 2) Co., Ltd.	-	-	207	45
TFI Power (Korat 3) Co., Ltd.	-	-	207	45
TFI Power (Korat 4) Co., Ltd.	-	-	207	45
Total	-	-	828	180
Movement of Loan receivable and advance payment				
Beginning	-	-	8,268	15,483
Increase during in the years	-	-	-	1,455
Paid during in the years	-	-	-	(8,670)
Ending	-	-	8,268	8,268

As at December 31, 2015 and 2014, the Company has loan to its subsidiaries as promissory notes which call on demand at interest rate MOR+0.50% per annum and MOR% per annum, respectively.

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5.2 Inter-Revenue and expense

for the years ended December 31, 2015 and 2014 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Interest income				
TFI Power Co., Ltd.	-	-	-	1
TFI Power (Korat 1) Co., Ltd.	-	-	162	255
TFI Power (Korat 2) Co., Ltd.	-	-	162	255
TFI Power (Korat 3) Co., Ltd.	-	-	162	255
TFI Power (Korat 4) Co., Ltd.	-	-	162	255
	-	-	648	1,021
Key management personnel compensation				
Short-term employee benefit	47,342	43,696	47,342	43,696
Long-term employee benefit	2,877	2,687	2,877	2,687
	50,219	46,383	50,219	46,383

Key management personnel compensation expenses for the years ended December 31, 2015 and 2014 consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	2015	2014
Present in costs of sales	4,179	4,610
Present in selling and administrative expenses	46,040	41,773
Total	50,219	46,383

6. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE RECEIVALBE - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Trade accounts receivable and other receivable				
- Trade accounts receivable	295,751,757	408,269,203	295,751,757	408,269,203
- Other receivable	9,109,453	5,544,682	9,109,453	5,544,602
Total trade accounts receivable and other receivable	304,861,210	413,813,885	304,861,210	413,813,805

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	126,271,979	165,836,196	126,271,979	165,836,196
Aging of Trade Accounts Receivable :-				
Less than 3 Months	64,634,022	97,262,488	64,634,022	97,262,488
Over 3 Months to 6 Months	1,579,098	1,696	1,579,098	1,696
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	895,916	895,916	895,916	895,916
Total	<u>193,381,015</u>	<u>263,996,296</u>	<u>193,381,015</u>	<u>263,996,296</u>
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	81,234,291	79,051,972	81,234,291	79,051,972
Aging of Trade Accounts Receivable :-				
Less than 3 Months	6,067,831	14,283,792	6,067,831	14,283,792
Over 3 Months to 6 Months	-	-	-	-
Over 6 Months to 9 Months	-	47,063	-	47,063
Over 9 Months	114	94,024	114	94,024
Total	<u>87,302,236</u>	<u>93,476,851</u>	<u>87,302,236</u>	<u>93,476,851</u>
Notes Receivable	15,964,422	51,691,972	15,964,422	51,691,972
<u>Less</u> allowance for doubtful accounts	<u>(895,916)</u>	<u>(895,916)</u>	<u>(895,916)</u>	<u>(895,916)</u>
Net	<u><u>295,751,757</u></u>	<u><u>408,269,203</u></u>	<u><u>295,751,757</u></u>	<u><u>408,269,203</u></u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Beginning balance	895,916	895,916	895,916	895,916
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u>895,916</u>	<u>895,916</u>	<u>895,916</u>	<u>895,916</u>

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7. INVENTORIES - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Finished goods	120,866,069	131,246,398	120,866,069	131,246,398
Work in process	12,653,619	10,943,441	12,653,619	10,943,441
Raw materials	115,029,178	112,171,141	115,029,178	112,171,141
Packaging	7,285,639	9,250,699	7,285,639	9,250,699
Raw materials in transit	21,521,212	19,260,714	21,521,212	19,260,714
Total	277,355,717	282,872,393	277,355,717	282,872,393
<u>Less</u> Allowance for obsolete stock	(7,039,808)	(7,478,141)	(7,039,808)	(7,478,141)
Net	270,315,909	275,394,252	270,315,909	275,394,252

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Beginning balance	7,478,141	6,922,149	7,478,141	6,922,149
Increase	-	555,992	-	555,992
Decrease	(438,333)	-	(438,333)	-
Ending balance	7,039,808	7,478,141	7,039,808	7,478,141

8. ADVANCE FOR INVESTMENT – Net

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
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, 2015 the restricted bank deposit Baht 1 million are bank deposits that the company have placed with banks to secure letters of guarantees for Customs Department used as described in Note 26.1

10. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies which recorded by the cost method in the separate financial statements as at December 31, 2015 and 2014 consisted of:

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
TFI Power Co., Ltd.	Thailand	Renewable energy	4,000	4,000	99.99	99.99	4,000	4,000

11. INVESTMENTS IN ASSOCIATED COMPANIES - Net

Investments in associated companies in the separate financial statements as at December 31, 2015 and 2014 consisted of:

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Million Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
<u>Less Allowance for impairment in investment</u>							<u>(1,518.98)</u>	<u>(1,518.98)</u>
Net							<u>-</u>	<u>-</u>

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Thai Copper Industries Pcl. - TCI

The Company has ceased to calculate the equity loss in Thai Copper Industries Pcl. because such associated company has lack in working capital and TCI stopped its operation and lay-off its employees. The Company's equity recognised 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, 2015 and 2014, present the same amount and presentation as the separate financial statements for the same period.

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	
				December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Thai Film Bangladesh Co., Ltd.	Bangladesh	Packaging Film	Taka 112 million				
(Bangladesh Taka currency)				53.57	53.57	37,487	37,487
<u>Less Allowance for impairment of investment</u>						<u>(37,487)</u>	<u>(37,487)</u>
Net						<u>-</u>	<u>-</u>

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13. LAND USED IN OPERATION – AT APPRAISED VALUE

As at December 31, 2015 the land used in operation was re-appraised according to the report of independent appraiser (K.K. Valuation Co., Ltd.) at Market Approach value date January 6, 11, 2015 which appraisal date was December 28 - 29, 2015. The appraised value of the land, the price increase from the same amount by Baht 18.82 million, which was shown to be part of "Share Capital" in the statements of financial position.

As at December 31, 2014 the land used in operation was re-appraised according to the report of independent appraiser (Bangkok Property Appraisal Co., Ltd.) in the month of December 2010 and January 2011 according to Market value method.

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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, 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
Purchase	-	250,000	1,812,606	1,586,480	-	-	15,795,155	1,916,029	21,360,270
Disposals	-	-	-	-	(4,895,964)	-	-	-	(4,895,964)
Transferred to unused assets	-	(9,291,354)	-	-	-	-	-	-	(9,291,354)
Transfer in (out)	-	4,316,028	1,048,500	-	-	-	-	(5,364,528)	-
Amortized	-	-	(535,981)	(321,252)	-	-	(24,917,578)	-	(25,774,811)
As at December 31, 2015	<u>453,199,913</u>	<u>3,355,434,578</u>	<u>112,033,630</u>	<u>29,606,062</u>	<u>24,653,978</u>	<u>-</u>	<u>134,574,924</u>	<u>-</u>	<u>4,109,503,085</u>
Capital Surplus from Revaluation									
As at December 31, 2014	-	2,205,745,290	-	-	-	-	-	-	2,205,745,290
Transferred to unused assets	-	(2,909,211)	-	-	-	-	-	-	(2,909,211)
Revaluation	-	515,914,203	-	-	-	-	-	-	515,914,203
Reversal impairment	-	(38,002)	-	-	-	-	-	-	(38,002)
As at December 31, 2015	<u>-</u>	<u>2,718,712,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,718,712,280</u>

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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, 2014	(323,486,287)	(2,466,803,506)	(99,079,233)	(23,448,815)	(29,549,901)	-	(22,365,968)	-	(2,964,733,710)
Depreciation for the year	(8,236,280)	(77,467,462)	(2,641,172)	(1,686,800)	-	-	(19,459,890)	-	(109,491,604)
Disposal	-	-	-	-	4,895,953	-	-	-	4,895,953
Transferred to unused assets	-	7,957,475	-	-	-	-	-	-	7,957,475
Amortized	-	-	514,867	318,120	-	-	24,883,856	-	25,716,843
As at December 31, 2015	<u>(331,722,567)</u>	<u>(2,536,313,493)</u>	<u>(101,205,538)</u>	<u>(24,817,495)</u>	<u>(24,653,948)</u>	<u>-</u>	<u>(16,942,002)</u>	<u>-</u>	<u>(3,035,655,043)</u>
Accumulated Depreciation from Capital Surplus from Revaluation									
As at December 31, 2014	-	(1,957,397,190)	-	-	-	-	-	-	(1,957,397,190)
Depreciation for the year	-	(133,522,306)	-	-	-	-	-	-	(133,522,306)
Transferred to unused assets	-	2,397,398	-	-	-	-	-	-	2,397,398
Reversal impairment	-	13,007	-	-	-	-	-	-	13,007
As at December 31, 2015	<u>-</u>	<u>(2,088,509,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,088,509,091)</u>

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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, 2014	-	-	-	-	-	-	(397,582)	-	(397,582)
(Increase) / Decrease	-	-	-	-	-	-	-	-	-
As at December 31, 2015	-	-	-	-	-	-	(397,582)	-	(397,582)
Net Book Value									
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
As at December 31, 2015	121,477,346	1,449,324,274	10,828,092	4,788,567	30	-	117,235,340	-	1,703,653,649
Depreciation in the statement of comprehensive income									
December 31, 2014	8,236,280	71,431,847	1,503,793	1,308,453	-	-	21,688,984	-	104,169,357
December 31, 2015	8,236,280	77,467,462	2,641,172	1,686,800	-	-	19,459,890	-	109,491,604

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In the consolidated financial statements, depreciation for years ended December 31, 2015 and 2014, amounted to Baht 106.93 million and Baht 101.65 million, respectively, are included in cost of sales, and Baht 2.56 million and Baht 2.52 million, respectively, are included in selling and administrative expenses.

In the separate financial statement, depreciation for the years ended December 31, 2015 and 2014, amounted to Baht 106.93 million and Baht 101.65 million, respectively, are included in cost of sales, and Baht 2.56 million and Baht 2.52 million, respectively, are included in selling and administrative expenses.

As at December 31, 2015 and 2014, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 857.89 million and Baht 862.55 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, 2015 and 2014 in the financial statements is lower stated by Baht 133.52 million and Baht 133.50 million, respectively and net loss for the year ended December 31, 2015 and 2014 in the financial statements is lower stated by Baht 133.52 million and Baht 133.50 million, respectively (Loss per share in the financial statements for the year ended December 31, 2015 and 2014 is lower stated by Baht 0.07 per share and Baht 0.07 per share, respectively).

During the year 2015, The Company transferred certain machineries to be machineries not used in operation which carrying net book value amount of Baht 1.85 million and 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.

In 2015, the machineries used in operation was re-appraised according to the report of independent appraiser (UK Valuations and Agency Co., Ltd.) at depreciated replacement cost method date December 30, 2015 which appraisal date was December 29, 2015. The appraised value of the machineries had increased from the previous appraisal in net amount of Baht 515.91 million, which was reported as a part of "Share Capital" in the statements of financial position.

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

Consist of :-

	(Unit : Baht)		
	Land	Consolidated/Separate Machineries and others	Total
Cost :			
As at December 31, 2014	74,005,000	808,868,635	882,873,635
Transfer in (out)	-	9,291,354	9,291,354
Disposals	-	(450,000)	(450,000)
As at December 31, 2015	74,005,000	817,709,989	891,714,989
Capital Surplus from Revaluation:			
As at December 31, 2014	-	276,763,895	276,763,895
Transfer in (out)	-	2,909,211	2,909,211
Reversal of impairment	-	(1,801,159)	(1,801,159)
As at December 31, 2015	-	277,871,947	277,871,947
Accumulated Depreciation:			
As at December 31, 2014	-	(746,752,602)	(746,752,602)
Depreciation for the year	-	(1,987,338)	(1,987,338)
Transfer in (out)	-	(7,957,475)	(7,957,475)
As at December 31, 2015	-	(756,697,415)	(756,697,415)
Accumulated Depreciation from Capital Surplus from Revaluation :			
As at December 31, 2014	-	(220,791,879)	(220,791,879)
Depreciation for the year	-	(54,893,759)	(54,893,759)
Transfer in (out)	-	(2,397,398)	(2,397,398)
Reversal of impairment	-	1,115,702	1,115,702
As at December 31, 2015	-	(276,967,334)	(276,967,334)
Allowance for impairment:			
As at December 31, 2014	(37,392,000)	(37,513,273)	(74,905,273)
(Increase) / Decrease	2,337,000	(378,926)	1,958,074
As at December 31, 2015	(35,055,000)	(37,892,199)	(72,947,199)
Net Book Value :			
As at December 31, 2014	36,613,000	80,574,776	117,187,776
As at December 31, 2015	38,950,000	24,024,988	62,974,988
Depreciation in the statement of comprehensive income:			
December 31, 2014	-	1,989,625	1,989,625
December 31, 2015	-	1,987,338	1,987,338

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As at December 31, 2015 the lands and machineries not used in operation, which cost of Baht 74 million and Baht 817.71 million, respectively, were re-appraised according to reports of independent appraiser (K.K. Valuation Co., Ltd. and UK Valuations and Agency Co., Ltd., respectively) date January 6, 2016 (for land) and date December 30, 2015 (for machineries) which appraisal date was December 28, 2015 (for land) and December 29, 2015 (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 35.05 million and Baht 37.89 million, respectively.

As a December 31, 2014 the lands and machineries not used in operation were re-appraised according to report of independent appraiser (Bangkok Property Appraisal Co., Ltd. and K.K. Valuation Co., Ltd.) in January 2011(for land) and December 2010 (for machineries)

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

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Bank overdrafts	25,847,679	11,970,364	25,847,679	11,970,364
Packing credits	78,397,000	57,089,000	78,397,000	57,089,000
Liabilities under trust receipts	313,938,541	294,782,217	313,938,541	294,782,217
Promissory notes	414,981,275	309,090,890	414,981,275	309,090,890
Total	<u>833,164,495</u>	<u>672,932,471</u>	<u>833,164,495</u>	<u>672,932,471</u>

As at December 31, 2015 and 2014, 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, 2015	Bank charge and	December 31, 2014	Bank charge and
		Interest rate Per annum		Interest rate Per annum
Baht	1,310	2.00 – 7.875	1,310.00	1.50 – 7.375

These credit facilities are secured by assets guarantee as mentioned in the note to financial statements No.17.

As at December 31, 2015 and 2014, the Company had unutilized credit facility balances by approximately Baht 254.78 million and Baht 214.52 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, 2015	As at December 31, 2014
<p>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.</p> <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>	MLR	134,738,206	249,476,400
<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 1st -2nd year at the rate of MLR-1 per annum and the 3rd year at the rate of MLR per annum).</p>	MLR	13,222,687	26,445,355

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	Interest rate Per annum	(Unit : Baht)	
		Consolidated/ Separate	Separate
		As at December 31, 2015	As at December 31, 2014
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.			
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.			
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.			
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	50,000,000	100,000,000
Total		197,960,893	375,921,755
<u>Less</u> Current Portion of Long - Term Loans		(197,960,893)	(177,960,862)
Net		-	197,960,893

As at December 31, 2015 and 2014, 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 :-

- The Company's land and machinery as at December 31, 2015 and 2014 totaling Baht 1,696.39 million (Machinery valued at original cost Baht 638.87 million) and Baht 1,422.87 million, respectively.
- 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, 2015 and 2014, the components of deferred tax liabilities are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Amortization Expenses	1,871,675	3,245,738	1,871,675	3,245,738
Plant and equipment	97,127,995	96,508,418	97,127,995	96,508,418
Capital surplus from land revaluation	47,457,969	43,693,969	47,457,969	43,693,969
Capital surplus from machinery revaluation	126,221,560	60,864,024	126,221,560	60,864,024
Total	272,679,199	204,312,149	272,679,199	204,312,149

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

	(Unit : Thousand Baht)				
	Consolidated / Separate				
	Charged / (credited) to:				
	January 1,	Other		December 31,	
2015	(Profit) or loss	comprehensive income	Equity	2015	
<i>Deferred tax liabilities</i>					
Amortization Expenses	3,246	(1,374)	-	-	1,872
Plant and equipment	96,508	620	-	-	97,128
Capital surplus from land revaluation	43,694	-	-	3,764	47,458
Capital surplus from machinery revaluation	60,864	-	-	65,357	126,221
Total	204,312	(754)	-	69,121	272,679

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(Unit : Thousand Baht)

	Consolidated / Separate				December 31, 2014
	Charged / (credited) to:				
	January 1, 2014	Other comprehensive income		Equity	
		(Profit) or loss			
<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

As at December 31, 2015 and 2014, the Company did not recognise deferred tax assets on some deductible temporary differences and unused tax losses totaling Baht 628.84 million and Baht 671.41 million respectively. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Provision for impairment of investment	328,005,463	328,005,463	328,005,463	328,005,463
Provision for impairment of fixed asset	14,668,956	15,060,571	14,668,956	15,060,571
Provision for employees benefits	7,923,540	7,061,045	7,923,540	7,061,045
Provision for impairment of other asset	2,997,012	3,023,698	2,997,012	3,023,698
Loss carry forward	275,247,775	318,258,601	275,247,775	318,258,601
Total	628,842,746	671,409,378	628,842,746	671,409,378

The tax losses will be expired in 2015-2020. 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 loss carry forward.

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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, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Provision for employee benefits - beginning	35,305,226	30,130,989	35,305,226	30,130,989
<u>Add</u> recognised amount	7,502,773	6,841,507	7,502,773	6,841,507
<u>Less</u> liability decrease from actual paid	(3,190,300)	(1,667,270)	(3,190,300)	(1,667,270)
Provision for employee benefits - ending	<u>39,617,699</u>	<u>35,305,226</u>	<u>39,617,699</u>	<u>35,305,226</u>
Present value of unfunded obligation as at December 31	<u>39,617,699</u>	<u>35,305,226</u>	<u>39,617,699</u>	<u>35,305,226</u>

Provision for employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2015 and 2014 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Recognised in profit or loss:				
Current service cost	6,179,040	5,705,368	6,179,040	5,705,368
Interest cost	1,323,733	1,136,139	1,323,733	1,136,139
Total	<u>7,502,773</u>	<u>6,841,507</u>	<u>7,502,773</u>	<u>6,841,507</u>

Principal actuarial assumptions (Actuarial basis)

	Consolidated / Separate	
	As at December 31, 2015	As at December 31, 2014
	Discount rate (%)	3.92
Future salary increase (%)	3	3
Retirement age (year old)	55	55

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20. AUTHORIZED SHARE CAPITAL, ISSUED AND PAID-UP SHARE CAPITAL

The 2015 Annual General Meeting of Shareholders, which was approved on April 30, 2015, the shareholders resolved as follows.

20.1 To approve the reduction of the registered capital of the Company from Baht 2,847.50 million to Baht 2,047.50 million by cancelling 800 million authorized but unissued ordinary shares, with a par value of Baht 1 each. The Company registered to reduce authorized share capital with the Ministry of Commerce on June 8, 2015.

20.2 To approve the increase of the registered capital of the Company, as a General Mandate, in an amount of Baht 614.25 million, from the existing registered capital of the Company of Baht 2,047.50 million to Baht 2,661.75 million, by mean of issuance of newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the allotment of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering) and to Private Placement Subscribers and the company registered authorized share capital with the Ministry of Commerce on June 8, 2015.

20.3 To approve the allotment of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering), detailed as follows:

- To allocate up to 614.25 million newly issued ordinary shares, each having a par value of Baht 1 for offering to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering). In this regard, the number of the newly issued ordinary shares represents 30 per cent of the paid-up capital of the Company as of the date on which the board of directors of the Company passed a resolution to approve an increase of the registered capital of the Company as a general mandate, which is equivalent to Baht 2,047.50 million.
- If there are remaining newly issued shares after the first allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding percentage, the Company shall allocate the remaining unsubscribed shares to the shareholders who have expressed their intentions to subscribe for shares in excess of their existing shareholding percentage ("Oversubscribing Shareholders") proportionately to their respective shareholding (Pro Rata Basis) at the same price as the price of shares in the first allotment, except the cases where the Company is unable to allocate the unsubscribed shares because such shares are in decimal number or no shareholder has expressed his/ her intention to subscribe the unsubscribed shares.
- The remaining shares after the allocation to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering) above will be allocated to a Private Placement Subscriber who is not a connected person of the Company. In this regard, the number of the newly issued ordinary shares to be allotted to Private Placement Subscribers must not exceed 204.75 million shares, representing 10 per cent of the paid-up capital of the company as of the date on which the board of directors of the Company passed a resolution to approve an increase of the registered capital of the Company as a general mandate, which is equivalent to Baht 2,047.50 million. The offering price for the Private Placement shall not be lower than the price offered to the existing shareholders in proportion to their current shareholding percentage (Right Offering) and shall not be lower than 90 percent of the market price determined pursuant to the Notification of the Capital Market Supervisory Board.

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21. OTHER INCOME

For the years ended December 31, 2015 and 2014 details of financial information shown other income consist of:-

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Gain on exchange rate	1,888,769	12,072,070	1,888,769	12,072,070
Interest income	25,562	275,075	668,740	1,286,385
Gain from disposal of assets	3,286,119	-	3,286,119	-
Reversal impairment of assets	2,337,000	-	2,337,000	-
Other income	8,777,933	24,945,472	8,777,933	24,945,472
Total	16,315,383	37,292,617	16,958,561	38,303,927

22. INCOME TAX

Income tax recognised directly in equity

	(Unit : Million Baht)					
	Consolidated/Separate					
	2015			2014		
	Tax (expense)			Tax (expense)		
Before Tax	benefit	Net of tax	Before Tax	benefit	Net of tax	
Depreciation for capital surplus from machinery revaluation	(188)	38	150	(188)	37	(151)
Capital surplus from land revaluation and machinery revaluation	535	(107)	428	-	-	-

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Income tax (expenses) revenue for the year ended December 31, 2015 and 2014 are made up as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Current Income tax:				
Income tax	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	754,487	614,918	754,487	614,918
Income tax (expense) revenue reported in the statements of comprehensive income	<u>754,487</u>	<u>614,918</u>	<u>754,487</u>	<u>614,918</u>

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

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, 2015 and 2014 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, 2015 and 2014.

Net Profit (loss) for the years

	(Unit : Million Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
For the years ended December 31,	20	(210)	21	(209)

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Weighted average number of ordinary shares (Basic)

	(Unit : Million Shares)			
	Consolidated		Separate	
	2015	2014	2015	2014
Number of ordinary shares outstanding at the beginning of the years	2,047	2,047	2,047	2,047
Effect of ordinary shares issued during the years	-	-	-	-
Weighted average number of ordinary shares outstanding during the years (Basic)	2,047	2,047	2,047	2,047
Basic earnings (loss) per share (Unit : Baht)	0.010	(0.102)	0.010	(0.102)

24. 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, 2015 and 2014 details of financial information shown separately by geographical are as follows :-

	(Unit : Million Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Revenue from sales - Local	1,616	1,991	1,616	1,991
Revenue from sales - Foreign				
Asia	940	1,222	940	1,222
Europe	76	204	76	204
American	37	75	37	75
Other	199	182	199	182
Total	2,868	3,674	2,868	3,674

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25. EXPENSES BY NATURE

For the years ended December 31, 2015 and 2014 details of significant expenses by nature are as follows :-

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Salary and wages and other employee benefits	225,723,954	232,181,072	225,723,954	232,181,072
Depreciation	111,478,942	106,158,983	111,478,942	106,158,983
Amortization	28,621,104	32,495,406	28,621,104	32,495,406
Shut down expenses	67,832,522	60,457,304	67,832,522	60,457,304
Raw materials and consumables used	2,042,557,818	2,979,553,792	2,042,557,818	2,979,553,792
Changes in inventories of finished goods and work in process	8,231,819	67,677,401	8,231,819	67,677,401
Loss on written-off assets and supplies	57,968	166,517	57,968	166,517
Loss on impairment of unused machineries	378,926	-	378,926	-

26. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2015 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: -

- 26.1 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 13.33 million. The Company used fixed deposit as collateral for amount of Baht 1 million. (See note 9.)
- 26.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 111.84 million.
- 26.3 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 29.16 million.

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26.4 (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. On November 23, 2015, the court will appoint simultaneously on April 19-22 and 29, 2016. (2) On September 30, 2009, the Company was sued by the same bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Khor 202/2552 under the pledging the shared of an associated company (the first defendant). On March 31, 2015, the Court set a new appointment date the company witnesses be on August 26 30 31, 2016. In both cases the company is a defendant of contractual pledge Baht 600 million for principal and interest. And the company's lawyers give opinion that the pledging of shares as collateral for a period of four years had ended. So the Company is not responsible in the end.

27. FINANCIAL INSTRUMENTS

Policy to manage financial risk

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

Risk on Interest Rate

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

Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and imports of raw material because of business transaction are foreign currencies. As at December 31, 2015 and 2014, the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit : Thousand)	
Foreign Currency		December 31, 2015	December 31, 2014
Assets	US Dollar	2,097	2,654
	EURO	261	20
	YEN	569	15,473
Liabilities	US Dollar	11,748	19,203
	EURO	25	1
	YEN	25,414	12,786

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As at December 31, 2015, there are forward contracts bought amount of USD 0.70 million and EUR 0.10 million and forward contracts sold amount of USD 2.58 million.

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

Credit Risk

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

Fair Value

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

28. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

The company based on market value in measuring the fair value of assets and liabilities for financial reporting standards that require fair value measurements. Except for the absence of market liquidity. Or cannot find the trading price on the market with liquidity. The Company will apply cost or replacement value method to measure the value of assets and liabilities instead.

As at December 31, 2015 and 2014 the company valued the land and the machinery used in the fair value Baht 1,924.28 million and Baht 1,597.76 million respectively, and land and machinery that is not used in the fair value of Baht 62.97 million and Baht 117.19 million respectively, which is calculated based on the fair value method based on market valuation and net replacement value (level 2).

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, 2015 and 2014, debt to equity ratio in the consolidated financial statement is 1.28: 1.00 and 1.83: 1.00, respectively (the separate financial statements as at December 31, 2015 and 2014, debt to equity ratio is 1.27:1 and 1.81:1, respectively).

30. THAI FINANCIAL REPORTING STANDARD (TFRS) NOT YET ADOPTED

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Bank and its subsidiaries' operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

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TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Cost
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Consolidated and Separate Financial Statements
TAS 28 (revised 2015)	Investment in Associates
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segment
TFRS 10 (revised 2015)	Consolidated Financial Statements

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TFRS	Topic
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds □
TFRIC 7 (revised 2015)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2015)	Levies

The Group has made a preliminary assessment of the potential initial impact on the consolidated and the Bank only 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.

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31. SUBSEQUENT EVENT

The Board of Directors of the Company No. 6/2015 held on 24 December 2015. The Company would like to disclose the BOD resolution for the change in accounting policy regarding method of the valuation of fixed assets for machinery from the revaluation basis to cost basis effective date 1 January 2016. Based on the Company's opinion, the cost basis is more appropriate since it represents the Company's actual operating results than revaluation basis. Accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allows 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 change in accounting policy will have an impact on the statement of financial position as at January 1, 2016 as follows:

	(Unit : Million Baht)
	Consolidated / Separate
	Estimates as of January 1, 2016
Statements of financial position	
Fixed asset revaluation decrease	631
Deferred tax liabilities decrease	126
Capital surplus from machinery revaluation decrease	505

32. APPROVAL OF FINANCIAL STATEMENTS

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on February 23, 2016.