

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 subsidiary, and of Thai Film Industries Public Company Limited of which comprising the separate statement of financial position as at December 31, 2012, 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

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. I conducted our 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 explanatory information.

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 our audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial performance and cash flows for the year ended December 31, 2012 of Thai Film Industries Public Company Limited and its subsidiary and the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Thai Film Industries Public Company Limited in accordance with Thai Financial Reporting Standards.

Other matter

Without qualifying my opinion, I draw attention to the matters discussed in Note no.28.4 to the financial statements, that on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral for totaling amount approximately to Baht 839.42 million which was consisted of principal amount of Baht 600 million and interest calculated upto the filing date totaling Baht 239.42 million. On December 24, 2012, the Court ordered to temporarily suspend the filing and submission the filing to the Supreme Court for consideration a petition to revoke a temporary restraining order of the Appeal Court. Furthermore, on September 30, 2009, the Company was sued by such bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Kor 202/2552 under the pledging the shares of an associated company (the first defendant) as for totaling amount approximately to Baht 902.30 million which was consisted of principal amount of Baht 600 million together with interest calculated upto the filing date (September 30, 2009) amount of Baht 302.30 million. The Court ordered to extend the settlement at Court to be held on March 18, 2013. The Company's lawyer opined that the Company does not have any liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired. The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil Court case number black case file 3210/2550 seeking the payment for alleged breach of the pledge of shares agreement of an associated company of Baht 369.60 million, including the request for releasing the pledged shares of the mentioned associated company totaling 60 million shares to the Company. As the fact that the Company sued against the bank, the Company pledged the shares as collateral for the period of 4 years and it was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. The Civil Court passed judgment that the mentioned litigation case should be dismissed and the Appeals Court upholds the judgment of the Civil Court is to dismiss. Later, on November 21, 2012, the Company has filed a petition against the ordered of Appeal Court which the Supreme Court has already filed.

(Wimolsri Jongudomsombut)

Certified Public Accountant

Registration No. 3899

Karin Audit Company Limited

Bangkok

February 22, 2013

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012
AND
AUDITOR'S REPORT

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

(Unit : Baht)

	Notes	Consolidated		Separate	
		2011	2012	2011	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		15,097,135	1,254,454	8,718,978	
Trade accounts receivable and other receivable - net	7	319,146,642	351,177,749	319,146,642	
Other receivable - related companies	6.1	-	-	5,928,855	
Inventories - net	8	249,163,676	364,149,962	249,163,676	
Spare parts and supplies - net		52,694,853	53,583,022	52,694,853	
Finished condominium units - net	9	360,095,189	-	-	
Advance for Investment - net	10	-	-	-	
Other current assets		22,227,445	40,929,244	22,223,198	
TOTAL CURRENT ASSETS		1,018,424,940	811,094,431	657,876,202	
NON-CURRENT ASSETS					
Investments in subsidiary and associated companies - net	11	-	-	317,879,930	
Other long-term investments				-	
Related companies - net	12	44,250,000	-	44,250,000	
Other company		2,000,000	2,000,000	2,000,000	
Loans receivable, advance payments - subsidiary, associated and related companies - net	6.1	-	-	205,581,800	
Investment property - net	13	70,840,000	-	70,840,000	
Land used in operation - at appraised value	14	456,057,000	456,057,000	456,057,000	
Plant and equipment used in operation - net	15	2,130,088,409	1,878,412,717	2,130,088,318	
Property, plant and equipment not used in operation - net	16	114,136,091	42,505,635	114,136,091	
Cost of property to be developed - net	17	124,625,000	-	-	
Other non-current assets		2,196,010	3,607,102	1,184,088	
TOTAL NON-CURRENT ASSETS		2,944,192,510	2,382,582,454	3,342,017,227	
TOTAL ASSETS		3,962,617,450	3,193,676,885	3,999,893,429	

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

(Unit : Baht)

	Notes	Consolidated	Separate	
		2011	2012	2011
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	18	511,497,905	645,519,583	511,497,905
Trade accounts payable and other payable - other		413,154,912	445,581,715	412,752,856
Other payable - related person	6.1	1,424,657	-	1,424,657
Current portion of long-term loans	19	199,743,447	200,086,362	199,743,447
Other current liabilities	20	18,203,877	884,958	18,188,795
TOTAL CURRENT LIABILITIES		1,144,024,798	1,292,072,618	1,143,607,660
NON-CURRENT LIABILITIES				
Loans from related person	6.1	500,000,000	-	500,000,000
Long-term loans - net	19	798,564,338	596,549,754	798,564,338
Other non - current liabilities	21	53,415,460	61,336,176	53,415,460
TOTAL NON-CURRENT LIABILITIES		1,351,979,798	657,885,930	1,351,979,798
TOTAL LIABILITIES		2,496,004,596	1,949,958,548	2,495,587,458
EQUITY				
SHARE CAPITAL				
Authorized share capital				
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000,000	1,365,000,000	1,365,000,000
Issued and paid-up share capital				
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000,000	1,365,000,000	1,365,000,000
Discount on common shares		(88,750,000)	(88,750,000)	(88,750,000)
Retained earnings (Deficits)				
Unappropriated		(898,398,099)	(932,190,956)	(860,704,982)
Other components of equity		1,088,760,953	899,659,293	1,088,760,953
TOTAL EQUITY		1,466,612,854	1,243,718,337	1,504,305,971
TOTAL LIABILITIES AND EQUITY		3,962,617,450	3,193,676,885	3,999,893,429

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(Unit : Baht)

	Notes	Consolidated		Separate	
		2012	2011	2012	2011
REVENUES					
Sales		3,680,733,231	4,003,001,351	3,680,733,231	4,003,001,351
Sales condominium		-	24,800,000	-	-
Total sales		3,680,733,231	4,027,801,351	3,680,733,231	4,003,001,351
Costs of sales		(3,460,078,532)	(3,580,860,481)	(3,460,078,532)	(3,580,860,481)
Costs of sales condominium		-	(19,438,633)	-	-
Gross profit margin		220,654,699	427,502,237	220,654,699	422,140,870
Other income	6.2 , 22	128,409,939	36,018,537	89,462,054	47,292,147
Profit before expenses		349,064,638	463,520,774	310,116,753	469,433,017
Selling expenses		(124,457,391)	(116,769,750)	(124,457,391)	(116,769,750)
Administrative expenses	6.2	(73,189,882)	(81,754,458)	(71,958,206)	(87,829,068)
Management benefit expenses		(64,013,658)	(68,645,390)	(64,013,658)	(68,645,390)
Total expenses		(261,660,931)	(267,169,598)	(260,429,255)	(273,244,208)
Profit (loss) before finance costs		87,403,707	196,351,176	49,687,498	196,188,809
Finance costs	6.2	(121,196,564)	(135,726,768)	(121,173,472)	(135,722,926)
Profit (loss) and total comprehensive income for the years		(33,792,857)	60,624,408	(71,485,974)	60,465,883
Total Profit (loss) and comprehensive income attributable to:					
Owner of the Company		(33,792,857)	60,624,408	(71,485,974)	60,465,883
Non-controlling interests		-	-	-	-
Total comprehensive income for the years		(33,792,857)	60,624,408	(71,485,974)	60,465,883
Earnings (loss) per Share (Unit : Baht)					
	24				
Basic earnings (loss) per share (Unit : Baht)		(0.025)	0.044	(0.052)	0.044
The number of ordinary shares weighted average (Unit : Shares)		1,365,000,000	1,365,000,000	1,365,000,000	1,365,000,000

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(Unit : Baht)

		Consolidated									
		Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity attributable to Equity of owner the Company	Non - Controlling interests	Total
Notes	Appropriated			Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity				
	Beginning balance as at January 1, 2011	1,365,000,000	(88,750,000)	-	(959,022,507)	218,469,847	1,058,255,911	1,276,725,758	1,593,953,251	-	1,593,953,251
	Comprehensive income for the year :										
	Net Profit (loss) for the year	-	-	-	60,624,408	-	-	-	60,624,408	-	60,624,408
	Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	60,624,408	-	-	-	60,624,408	-	60,624,408
	Depreciation for capital surplus from machinery revaluation	15	-	-	-	-	(187,964,805)	(187,964,805)	(187,964,805)	-	(187,964,805)
	Ending balance as at December 31, 2011	1,365,000,000	(88,750,000)	-	(898,398,099)	218,469,847	870,291,106	1,088,760,953	1,466,612,854	-	1,466,612,854
	Comprehensive income for the year :										
	Net Profit (loss) for the year	-	-	-	(33,792,857)	-	-	-	(33,792,857)	-	(33,792,857)
	Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	(33,792,857)	-	-	-	(33,792,857)	-	(33,792,857)
	Depreciation for capital surplus from machinery revaluation	15	-	-	-	-	(189,101,660)	(189,101,660)	(189,101,660)	-	(189,101,660)
	Ending balance as at December 31, 2012	1,365,000,000	(88,750,000)	-	(932,190,956)	218,469,847	681,189,446	899,659,293	1,243,718,337	-	1,243,718,337

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(Unit : Baht)

	Notes	Separate							Total
		Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	
				Appropriated	Unappropriated				
Begining balance as at January 1, 2011		1,365,000,000	(88,750,000)	-	(921,170,865)	218,469,847	1,058,255,911	1,276,725,758	1,631,804,893
Comprehensive income for the year :									
Net Profit (loss) for the year		-	-	-	60,465,883	-	-	-	60,465,883
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	60,465,883	-	-	-	60,465,883
Depreciation for capital surplus from machinery revaluation	15	-	-	-	-	-	(187,964,805)	(187,964,805)	(187,964,805)
Ending balance as at December 31, 2011		1,365,000,000	(88,750,000)	-	(860,704,982)	218,469,847	870,291,106	1,088,760,953	1,504,305,971
Net Profit (loss) for the year		-	-	-	(71,485,974)	-	-	-	(71,485,974)
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(71,485,974)	-	-	-	(71,485,974)
Depreciation for capital surplus from machinery revaluation	15	-	-	-	-	-	(189,101,660)	(189,101,660)	(189,101,660)
Ending balance as at December 31, 2012		1,365,000,000	(88,750,000)	-	(932,190,956)	218,469,847	681,189,446	899,659,293	1,243,718,337

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	(Unit : Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	(33,792,857)	60,624,408	(71,485,974)	60,465,883
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				
Allowance for obsoleted stock (Reversal) Increase	(5,234,794)	(2,772,023)	(5,234,794)	(2,772,023)
Depreciation	100,716,717	86,019,798	100,716,717	86,019,798
(Profit) from sales assets	(65,104,371)	-	(23,251,384)	-
Allowance for trade account receivable (reverse)	742,816	-	742,816	-
Amortization expenses	29,607,660	31,623,555	29,607,660	31,623,555
Provision for employee benefits	8,530,855	4,623,514	8,530,855	4,623,514
Unclaimed withholding tax	234,410	112,027	234,410	112,027
Unrealized (gain) loss on exchange rate	(1,826,453)	20,715,429	(1,826,453)	20,715,429
Reversal impairment of finished condominium units	-	(930,465)	-	-
Loss on written off assets and supplies	43,736	61,882	43,736	61,882
Loss on impairment of investment in subsidiary company	-	-	-	11,380,000
Revenue from adjust non-movement more than 2 year account	(255,348)	(922,702)	(255,348)	(922,702)
Interest expenses	104,291,696	119,730,748	104,269,754	119,730,748
Interest incomes	(1,193)	(51,161)	(3,506,852)	(14,752,197)
Profit from operating activities before changes in operating assets and liabilities	137,952,874	318,835,010	138,585,143	316,285,914
(Increase) Decrease in Trade accounts receivable and other receivable	(32,115,798)	20,514,026	(32,115,683)	20,511,685
(Increase) Decrease in Inventories	(109,843,673)	(31,474,632)	(109,843,673)	(31,474,632)
(Increase) Decrease in Finished condominium units	-	19,438,633	-	-
(Increase) Decrease in Spare parts and supplies	194,887	(12,536,417)	194,887	(12,536,417)
(Increase) Decrease in Other current assets	(48,313,591)	(17,840,669)	(48,313,706)	(17,838,328)
(Increase) Decrease in Other non-current assets	(1,666,519)	546,565	(1,666,519)	(304,899)
Increase (Decrease) in Trade accounts payable and other payable	29,360,034	(18,521,505)	29,303,032	(18,230,302)
Increase (Decrease) in Other current liabilities	(18,054,476)	(16,044,396)	(18,039,394)	(15,833,740)
Cash paid for employee benefits	(2,196,501)	(516,345)	(2,196,501)	(516,345)
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	(44,682,763)	262,400,270	(44,092,414)	240,062,936

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	(Unit : Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from interest incomes	1,310	48,814	9,435,708	17,881,356
Cash received from loan receivable - subsidiary company	-	-	205,581,801	14,558,878
Cash received from debt settlement	215,016,334	-	-	-
Cash received from sales assets	521,295,323	-	527,061,324	-
Purchase of property, plant and equipment	(38,386,940)	(19,932,880)	(38,386,940)	(19,932,880)
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	697,926,027	(19,884,066)	703,691,893	12,507,354
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	134,795,188	(428,812,007)	134,795,188	(428,812,007)
Repayment of long - term loans	(201,671,669)	(198,538,345)	(201,671,669)	(198,538,345)
Repayment of director loans	(500,000,000)	500,000,000	(500,000,000)	500,000,000
Cash paid for interest expenses	(100,209,464)	(118,758,858)	(100,187,522)	(118,758,858)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	(667,085,945)	(246,109,210)	(667,064,003)	(246,109,210)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	(13,842,681)	(3,593,006)	(7,464,524)	6,461,080
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF YEAR	15,097,135	18,690,141	8,718,978	2,257,898
CASH AND CASH EQUIVALENTS AS AT THE END OF YEAR	1,254,454	15,097,135	1,254,454	8,718,978

Supplemental Disclosure of Cash Flow Information

- The Extraordinary General Meeting of Shareholders no. 1/2555 held on 27 March 2012, approved to the Company sold certain assets not related to core business operations as
 - All investment in Riverside Tower Co., Ltd.
 - Investment in Lakewood land Co., Ltd.
 - Investment in Lakewood Country Club Co., Ltd.,
 - Land not used in operation and Investment property.
- to Mr. Chalermchai Mahagitsiri. The Company received cash proceeds from sales on such 4 assets totaling amount Baht 530 million and also received the repayment of loan and accrued interest at amount of Baht 205.58 million and Baht 9.43 million from Riverside Tower Co., Ltd. on March 29, 2012 (See note 6).

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Proceeds from sales of assets was as follows:

	In Baht
Cash receivable from sales of assets to related person net of selling expenses	523,821,137
<u>(Less)</u> Investment in Lakewood Land Co.,Ltd.	(43,500,000)
Investment in Lakewood Country Club Co.,Ltd.	(750,000)
Land not used in operation	(70,840,000)
Investment property	(70,840,000)
Cash and deposits at financial institutions	(5,766,000)
Net	332,125,137
<u>(Less)</u> Finished condominium units	(360,095,189)
Other current assets	(4,133)
Land Plant and equipment - net	(91)
Cost of property to be developed - net	(124,625,000)
Other non-current assets	(1,011,921)
<u>(Plus)</u> Other payable - other person	323,915
Other payable - related	21,941
Other current liabilities	113,201
Accrued interest - ex -Parent Company	9,434,533
Loan from ex-Parent Company	205,581,801
Profit from sales assets to related person	61,864,194
<u>Add</u> Profit from sales fixed assets	3,240,177
Total Profit from sales assets	65,104,371
 Net cash inflow from sales of assets ;	
Cash receivable from sales of assets net of selling expenses	523,821,137
<u>(Less)</u> Cash and deposits at financial institutions	(5,766,000)
(a) Net cash inflow from sales of assets to related person	518,055,137
(b) Cash inflow from sales fixed assets	3,240,186
Total	521,295,323

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. General

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

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

2. Basis of Financial Statement Preparation

2.1 Statement of compliance

The 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; and with generally accepted accounting principles in Thailand.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements.

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory, but the Company has not early adopted them.

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Effective for the periods beginning on or after 1 January 2014

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

The Company's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented, except for TAS 12 Income Taxes which the management is currently assessing the impact of applying this standard.

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 21 Discount rate, salary increase rate, employee turnover rate and mortality rate

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-subsiary company have significant accounting policies as follows:-

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
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3.1 Cash and cash equivalents comprise cash balances, tax coupons and bank deposits in the types of savings account, current account and fixed-deposit not exceeding 3 months maturity period with no obligation.

3.2 Revenue and Cost of Sales Recognition

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED

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.

RIVERSIDE TOWER COMPANY LIMITED

Revenue and Cost of Sales Recognition

Revenues from sales of condominium units are recognised when the ownership has been transferred to buyer. Revenues are the contract value which ownership is transferred to buyer.

Cost of sales of condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to units already sold on the basis of the salable value and area, and is recognised as cost of sales in accordance with the revenue recognition.

3.3 Other income and other expenses is recognized as it accrues.

3.4 Allowance for doubtful debt was estimated from the consideration of each debtor anticipated of non-payments.

3.5 Inventories are stated at the lower of cost and net realizable value. The methods used 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)

3.6 Finished condominium units and cost in Property development is shown at the lower of cost or net realizable value and less impairment lost whenever circumstances indicate that the recoverable amount of assets is lower than the carrying, amount. Cost of finished condominium units and cost in property development consist of land cost, design expense, public utility fee, construction expense and related interest.

3.7 Investments in ex-subsiary and associated companies are recorded by using the equity method within the consolidated financial statement.

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3.8 Investment in ex-subsiary 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.

3.9 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.

3.10 Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

3.11 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 mechineries 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.

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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 shall be transferred to retained earning and for the capital surplus from asset revaluation that considered realized shall be transferred directly to retained earning without passing through statements of comprehensive income.

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

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

3.13 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 Corporate income tax accounted for the amount paid and the accrued amount for the entire year.

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

3.16 The financial assets consisted of cash and deposits at banks, trade account receivable, and loans receivable. The financial liabilities consisted of bank overdraft, trade account payable and loans payable. The accounting policy for each caption is disclosed in the related heading.

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3.17 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.

3.18 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.

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.

3.19 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 .

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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.

4. Basis of Preparation of the Consolidated Financial Statements

4.1 The consolidated financial statements have been prepared by including the financial statements of Thai Film Industries Public Company Limited and the subsidiary company as follows : -

<u>Company name</u>	<u>Investment Ratio</u>		<u>Type of Business</u>	<u>Incorporated in</u>
	<u>As at</u>	<u>As at</u>		
	<u>December 31, 2012</u>	<u>December 31, 2011</u>		
- Riverside Tower Co., Ltd.	-	99.99%	Property development and sales of condominium units	Thailand

*** During the first quarter of 2012, the Ex-Subsidiary was sold (See note no. 6).

The outstanding balances and material inter-company transactions of the Company and the ex-subsubsidiary company including the investment in the ex-subsubsidiary company in the Company account and the share capital of the ex-subsubsidiary company have been already eliminated from the consolidated financial statements.

5. Reclassification

Certain amounts in the financial statements for the year ended December 31, 2011 have been reclassified to conform to the current year's classifications, with no effect on previously reported net profit (loss) or equity.

6. Inter – Transactions between Related Companies

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

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6.1 Inter-Assets and Liabilities

<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	(Unit : Thousand Baht)		
		<u>Consolidated</u> As at <u>December 31,</u> <u>2011</u>	<u>Separate</u> As at <u>December 31,</u> <u>2012</u>	
			<u>As at</u> <u>December 31,</u> <u>2011</u>	<u>As at</u> <u>December 31,</u> <u>2011</u>
Loan receivable and advance payment				
Riverside Tower Co., Ltd.	Ex - Subsidiary company			
Beginning		-	205,582	220,141
<u>Add Loans during the year</u>		-	-	-
<u>Less Received repayment during the year</u>		-	(205,582)	(14,559)
Ending		-	-	205,582
Thai Film Bangladesh Co., Ltd.	Related company			
Beginning		37,965	37,965	37,965
<u>Add Loans during the year</u>		-	-	-
<u>Less Received repayment during the year</u>		-	-	-
Ending		37,965	37,965	37,965
<u>Less Allowance for doubtful debt</u>		(37,965)	(37,965)	(37,965)
Net		-	-	-
Total		-	-	205,582
Loan from related person				
Mr. Chalermchai Mahagitsiri	Director			
Beginning		-	500,000	-
<u>Add Loans during the year</u>		500,000	-	500,000
<u>Less Payment during the year</u>		-	(500,000)	-
Ending		500,000	-	500,000
<u>Accrued Interest Expense</u>				
Mr. Chalermchai Mahagitsiri	Director	1,425	-	1,425
Total		1,425	-	1,425
<u>Accrued Interest Revenue</u>				
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	5,929
Total		-	-	5,929

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The Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved to the Company sold certain assets not related to core business operations to Mr. Chalermchai Mahagitsiri at totaling amount of Baht 530 million and shall arrange Riverside Tower Co., Ltd. to repay outstanding debts to the Company. The Company would use the proceeds from sales to repay loan to such related person amount of Baht 500 million and the remaining will be used for working capital. The following assets were sold:

		(Unit : Thousand Baht)
1	All investment in Riverside Tower Co., Ltd.	317,880
2	All investment in Lakewood Land Co., Ltd.	43,500
3	All investment in Lakewood Country Club., Ltd.	750
4	Investment property	70,840
5	Land not used in Operation	70,840
Total		503,810

On March 29, 2012, the Company has transferred the shares of Riverside Tower Co., Ltd., Lakewood Country Club., Ltd. and Lakewood Land Co., Ltd. And on March 30, 2012 the Company has already transferred ownership of Investment property and land not used in operation to such related person.

Therefore, the Company had profit from sales assets net from selling expenses at amount of Baht 20.01 million, which was recognized as "other income" in the statement of comprehensive income for the year ended December 31, 2012.

During the year 2011 short term loan from related person for the total facility amount not exceed Baht 500 million by issuance promissory notes for the period of six months which interest rate of 6.5% per annum. This loan has no collateral.

During the year 2009 loan receivable from ex-subsiary company promissory note due at call on demand with interest rate at 5.875% per annum.

6.2 Inter-Revenue and Expense

		(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>For the years ended December 31,</u>			
<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Income from Rental of land</u>					
Quality Coffee Product Co., Ltd.	The same shareholders and directors	605	2,421	605	2,421

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(Unit : Thousand Baht)

<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>For the years ended December 31,</u>					
<u>Income from Rental of condominium units</u>					
Mr. Prayudh Mahagitsiri	Chairman	617	2,467	-	-
<u>Common Area Expense</u>					
PM Riverside Juristic Person	Mutual directors	646	2,657	-	-
<u>Interest income</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	3,506	14,749
<u>Interest expense</u>					
Mr. Chalermchai Mahagitsiri	Director	7,858	1,425	7,836	1,425

The revenue from rental fee is the lease agreements for some pieces of investment property entered into with a related company. As at July 30, 2009, the Company has extended the lease agreements that the lessee has to pay monthly rental fee at Baht 201,740 per month (The rental fee is higher than the appraised fee by independent Appraisal). The said agreement is for a period of 3 years commencing from December 1, 2009 until November 30, 2012 where the lessee can extend the agreement's period by informing the Company at least one month prior to the expired date of the lease agreement. During the first quarter of 2012, the Company has sold this land to related person.

The revenue from rental of condominium units with Chairman was mutually agreed. Tenor of these contracts is 1 year (monthly rental fee at Baht 55,000 and 55,000 per unit in 2012 and in 2011, respectively). The Company sold investment in Riverside Tower Co., Ltd who owns such finished condominium units in the first quarter of 2012.

7. Trade Accounts Receivable and Other Receivable - Net

Consist of :-

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Trade accounts receivable and other receivable		
- Trade accounts receivable	347,182,987	317,002,210
- other receivable	3,994,762	2,144,432
Total trade accounts receivable and other receivable	351,177,749	319,146,642

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

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
<u>Domestic Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	142,372,678	170,353,613
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	72,701,930	91,073,304
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	895,916	895,916
Total	215,970,524	262,322,833
<u>Foreign Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	65,855,761	36,845,088
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	6,799,447	2,314,106
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	-	4,584,457
Total	72,655,208	43,743,651
Notes Receivable	59,453,171	15,520,183
<u>Less</u> Allowance for doubtful accounts	(895,916)	(4,584,457)
Net	347,182,987	317,002,210

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

	(Unit : Baht)	
	Separate	Consolidated/Separate
	As at December 31, 2012	As at December 31, 2011
Beginning balance	4,584,457	4,584,457
Increase	895,916	-
Decrease	(4,584,457)	-
Ending balance	895,916	4,584,457

During the year, the Company has written off a foreign trade account receivable amount of Baht 4.58 million which was provided full allowance for doubtful accounts.

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8. Inventories - Net

Consist of :-

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Finished goods	137,418,780	98,567,840
Work in process	16,988,603	10,490,602
Raw materials	196,919,565	103,642,846
Packaging	14,086,542	13,456,276
Raw materials in transit	5,353,493	34,765,745
Total	370,766,983	260,923,309
<u>Less</u> Allowance for obsolete stock	(6,617,021)	(11,759,633)
Net	364,149,962	249,163,676

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

	(Unit : Baht)	
	Separate	Consolidated/Separate
	As at December 31, 2012	As at December 31, 2011
Beginning balance	11,759,633	14,525,157
Increase	-	-
Decrease	(5,142,612)	(2,765,524)
Ending balance	6,617,021	11,759,633

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9. Finished Condominium Units – Net

Consist of :-

	(Unit : Baht)		
	Consolidated	Separate	
	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
Finished Condominium Units	375,936,522	-	-
<u>Less</u> Allowance loss for Impairment	(15,841,333)	-	-
Net	360,095,189	-	-

As at December 31, 2011, 4 condominium units with book value of Baht 36.55 million were used for rent. The rental contracts have a tenor of 1 year, the management of ex-subsiary intended to sell such finished condominium units, accordingly, the asset were presented as inventories.

As at December 31, 2011, the ex-subsiary values its finished condominium units at the lower of cost or net realizable value. Net realizable value is based on the appraisal report (The Valuation & Consultants Co., Ltd.) dated December 24, 2010 which appraisal date was December 13, 2010 by market approach.

As the Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved the Company to sell all investment in shares in Riverside Tower Co.,Ltd. (RVS) to one related person (See note 6).

10. Advance for Investment - Net

Consist of :-

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Advance payment for investment	45,593,886	45,593,886
<u>Less</u> Allowance for Doubtful debt	(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.

11. Investments in Subsidiary and Associated Companies - Net

Consist of :-

Company	Country of business	Type of business	Paid up Capital (Million Baht)		Percentage of Investment		(Unit : Thousand Baht)			
			December 31,2012	December 31,2011	December 31,2012	December 31,2011	Equity Method		Cost Method	
			December 31,2012	December 31,2011	December 31,2012	December 31,2011	December 31,2012	December 31,2011	December 31,2012	December 31,2011
Ex - Subsidiary Company										
Riverside Tower Co.,Ltd.	Thailand	Real Estate	-	1,300	-	99.99	-	-	-	1,300,000
Associated Companies										
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	-	-	1,518,981	1,518,981
TFM Packaging Film Co., Ltd.	Thailand	Packaging Film	324.90	324.90	49.20	49.20	-	-	159,836	159,836
Total							-	-	1,678,817	2,978,817
<u>Less</u> Allowance for impairment in investment									(1,678,817)	(2,660,937)
Net							-	-	-	317,880

As the Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved the Company to sell all investment in shares in Riverside Tower Co.,Ltd. (RVS) to one related person (See note 6).

The consolidated financial statements has included RVS's operation results until March 29, 2012 (the date of investments disposal).

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 and one executive management in the board of directors of TCI totaling 5 directors). Accordingly, the Company has still significant influence.

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, 2012 and 2011 present the same amount and presentation as the separate financial statements for the same periods.

The Consolidated Financial Statement

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).

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12. Other long-term investments - related companies – Net

Consist of :-

Company	Country of Business	Type of business	Capital paid-up	Percentage of Investments		Value of Investment (Unit : Thousand Baht)	
				As at December 31, 2012	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
Lakewood Land Co., Ltd.	Thailand	Real Estate	Baht 290 million	-	10.00	-	43,500
Lakewood Country Club., Ltd.	Thailand	Golf Course	Baht 10 million	-	5.00	-	750
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
Total						37,487	81,737
Less Allowance for impairment of investment						(37,487)	(37,487)
Net						-	44,250

As discussed in Note 6 the Company sold all investment in shares in Lakewood Land Co., Ltd and Lakewood Country Club., Ltd. to related person

13. Investment property

Fair value of investment property as at December 31, 2012 and 2011 as follow :-

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Investment property	-	70,840,000

As discussed in Note 6 the Company sold investment property which net book value amount of Baht 70.84 million to related person.

14. Land used in operation - at appraised value

As at December 31, 2012, and 2011, 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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15. Plant and equipment used in operation – net

Consist of :-

	Consolidated								(Unit : Baht)
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Other	Spare parts and supplies	Machinery and Equipment Under installation	
Cost									
As at December 31, 2010	452,849,913	3,936,016,594	101,558,655	24,373,646	60,489,170	1,163,834	104,069,212	64,789,410	4,745,310,434
Purchase	-	2,965,000	1,826,117	1,826,635	-	-	13,315,128	-	19,932,880
Due to wrongly classification	-	-	-	-	-	-	130,545	-	130,545
Amortized	-	-	(2,904,820)	(707,876)	(2,563,290)	-	-	-	(6,175,986)
As at December 31, 2011	452,849,913	3,938,981,594	100,479,952	25,492,405	57,925,880	1,163,834	117,514,885	64,789,410	4,759,197,873
Capital Surplus from Revaluation									
As at December 31, 2010	-	2,479,826,985	-	-	-	-	-	-	2,479,826,985
Increase in value from revaluation	-	-	-	-	-	-	-	-	-
Decrease in value from devaluation	-	-	-	-	-	-	-	-	-
Amortized	-	-	-	-	-	-	-	-	-
As at December 31, 2011	-	2,479,826,985	-	-	-	-	-	-	2,479,826,985
Accumulated Depreciation									
As at December 31, 2010	(290,547,609)	(2,952,893,793)	(94,933,021)	(20,434,501)	(58,486,898)	(1,163,829)	-	-	(3,418,459,651)
Depreciation for the year	(8,218,780)	(67,664,798)	(3,163,982)	(1,844,071)	(950,530)	-	(3,736,719)	-	(85,578,880)

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	Consolidated							Total
	Buildings and improvements	Machineries	Equipment and tools	Furniture, fixtures and office equipments	Vehicles	Other	Spare parts and supplies	
Amortized	-	-	2,860,022	690,794	2,563,288	-	-	6,114,104
As at December 31, 2011	(298,766,389)	(3,020,558,591)	(95,236,981)	(21,587,778)	(56,874,140)	(1,163,829)	(3,736,719)	(3,497,924,427)
Accumulated Depreciation from Capital Surplus from Revaluation								
As at December 31, 2010	-	(1,423,307,963)	-	-	-	-	-	(1,423,307,963)
Depreciation for the year	-	(187,618,379)	-	-	-	-	-	(187,618,379)
Increase in value from revaluation	-	-	-	-	-	-	-	-
Amortized	-	-	-	-	-	-	-	-
As at December 31, 2011	-	(1,610,926,342)	-	-	-	-	-	(1,610,926,342)
Allowance for impairment								
As at December 31, 2010	-	-	-	-	-	-	(85,680)	(85,680)
Increase/Decrease	-	-	-	-	-	-	-	-
As at December 31, 2011	-	-	-	-	-	-	(85,680)	(85,680)
Net Book Value								
As at December 31, 2011	154,083,524	1,787,323,646	5,242,971	3,904,627	1,051,740	5	113,692,486	2,130,088,409
Depreciation for the years ended								
December 31, 2011	8,218,780	67,664,798	3,163,982	1,844,071	950,530	-	3,736,719	85,578,880

(Unit : Baht)

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	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				
Cost												
As at December 31, 2011	452,849,913	3,938,981,594	100,347,571	23,937,980	57,925,880	-	117,514,885	64,789,410				4,756,347,233
Purchase	350,000	-	775,996	1,546,140	-	-	27,875,098	7,839,706				38,386,940
Disposal	-	-	-	-	(17,988,542)	-	-	-				(17,988,542)
Transfer in (out)	-	54,309,417	-	-	-	-	-	(54,309,417)				-
Adjust (Reverse)	-	-	-	-	-	-	(1,090,739)	-				(1,090,739)
Amortized	-	(418,220)	(713,346)	(143,704)	(204,981)	-	-	-				(1,480,251)
As at December 31, 2012	453,199,913	3,992,872,791	100,410,221	25,340,416	39,732,357	-	144,299,244	18,319,699				4,774,174,642
Capital Surplus from Revaluation												
As at December 31, 2011	-	2,479,826,985	-	-	-	-	-	-				2,479,826,985
Increase in value from revaluation	-	-	-	-	-	-	-	-				-
Decrease in value from devaluation	-	-	-	-	-	-	-	-				-
Amortized	-	(173,417)	-	-	-	-	-	-				(173,417)
As at December 31, 2012	-	2,479,653,568	-	-	-	-	-	-				2,479,653,568
Accumulated Depreciation												
As at December 31, 2011	(298,766,389)	(3,020,558,591)	(95,104,607)	(20,033,432)	(56,874,140)	-	(3,736,719)	-				(3,495,073,878)
Depreciation for the year	(8,247,338)	(70,977,770)	(2,811,045)	(1,742,306)	(953,134)	-	(15,542,998)	-				(100,274,591)
Depreciation for disposal assets	-	-	-	-	17,988,532	-	-	-				17,988,532
Amortized	-	412,895	709,761	123,068	204,977	-	-	-				1,450,701
As at December 31, 2012	(307,013,727)	(3,091,123,466)	(97,205,891)	(21,652,670)	(39,633,765)	-	(19,279,717)	-				(3,575,909,236)

(Unit : Baht)

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	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 from Capital Surplus from Revaluation									
As at December 31, 2011	-	(1,610,926,342)	-	-	-	-	-	-	(1,610,926,342)
Depreciation for the year	-	(188,642,967)	-	-	-	-	-	-	(188,642,967)
Amortized	-	63,053	-	-	-	-	-	-	63,053
As at December 31, 2012	-	(1,799,506,256)	-	-	-	-	-	-	(1,799,506,256)

Allowance for impairment									
As at December 31, 2011	-	-	-	-	-	-	(85,680)	-	(85,680)
Increase/Decrease	-	-	-	-	-	-	85,680	-	85,680
As at December 31, 2012	-	-	-	-	-	-	-	-	-

Net Book Value									
As at December 31, 2011	154,083,524	1,787,323,646	5,242,964	3,904,548	1,051,740	-	113,692,486	64,789,410	2,130,088,318
As at December 31, 2012	146,186,186	1,581,896,637	3,204,330	3,687,746	98,592	-	125,019,527	18,319,699	1,878,412,717

Depreciation for the years ended									
December 31, 2011	8,218,780	67,664,798	3,163,982	1,844,071	950,530	-	3,736,719	-	85,578,880
December 31, 2012	8,247,338	70,977,770	2,811,045	1,742,306	953,134	-	15,542,998	-	100,274,591

(Unit : Baht)

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	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	
Cost									
As at December 31, 2010	452,849,913	3,936,016,594	101,426,274	22,819,221	60,489,170	-	104,069,212	64,789,410	4,742,459,794
Purchase	-	2,965,000	1,826,117	1,826,635	-	-	13,315,128	-	19,932,880
Due to wrongly classification	-	-	-	-	-	-	130,545	-	130,545
Amortized	-	-	(2,904,820)	(707,876)	(2,563,290)	-	-	-	(6,175,986)
As at December 31, 2011	452,849,913	3,938,981,594	100,347,571	23,937,980	57,925,880	-	117,514,885	64,789,410	4,756,347,233
Capital Surplus from Revaluation									
As at December 31, 2010	-	2,479,826,985	-	-	-	-	-	-	2,479,826,985
Increase in value from revaluation	-	-	-	-	-	-	-	-	-
Decrease in value from devaluation	-	-	-	-	-	-	-	-	-
Amortized	-	-	-	-	-	-	-	-	-
As at December 31, 2011	-	2,479,826,985	-	-	-	-	-	-	2,479,826,985
Accumulated Depreciation									
As at December 31, 2010	(290,547,609)	(2,952,893,793)	(94,800,647)	(18,880,155)	(58,486,898)	-	-	-	(3,415,609,102)
Depreciation for the year	(8,218,780)	(67,664,798)	(3,163,982)	(1,844,071)	(950,530)	-	(3,736,719)	-	(85,578,880)
Amortized	-	-	2,860,022	690,794	2,563,288	-	-	-	6,114,104
As at December 31, 2011	(298,766,389)	(3,020,558,591)	(95,104,607)	(20,033,432)	(56,874,140)	-	(3,736,719)	-	(3,495,073,878)

(Unit : Baht)

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	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 from Capital Surplus from Revaluation									
As at December 31, 2010	-	(1,423,307,963)	-	-	-	-	-	(1,423,307,963)	
Depreciation for the year	-	(187,618,379)	-	-	-	-	-	(187,618,379)	
Increase in value from revaluation	-	-	-	-	-	-	-	-	
Amortized	-	-	-	-	-	-	-	-	
As at December 31, 2011	-	(1,610,926,342)	-	-	-	-	-	(1,610,926,342)	
Allowance for impairment									
As at December 31, 2010	-	-	-	-	-	-	(85,680)	(85,680)	
Increase/Decrease	-	-	-	-	-	-	-	-	
As at December 31, 2011	-	-	-	-	-	-	(85,680)	(85,680)	
Net Book Value									
As at December 31, 2010	162,302,304	2,039,641,823	6,625,627	3,939,066	2,002,272	-	103,983,532	64,789,410	2,383,284,034
As at December 31, 2011	154,083,524	1,787,323,646	5,242,964	3,904,548	1,051,740	-	113,692,486	64,789,410	2,130,088,318
Depreciation for the years ended									
December 31, 2010	8,218,780	96,574,819	3,756,873	2,067,403	965,852	-	-	-	111,583,727
December 31, 2011	8,218,780	67,664,798	3,163,982	1,844,071	950,530	-	3,736,719	-	85,578,880

(Unit : Baht)

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In the consolidated financial statements, depreciation for years ended December 31, 2011, amounted to Baht 81.79 million, is included in cost of sales, Baht 3.79 million is included in selling and administrative expenses.

In the separate financial statement, depreciation for the years ended December 31, 2012 and 2011, amounted to Baht 96.82 million and Baht 81.79 million, respectively, are included in cost of sales, and Baht 3.45 million and Baht 3.79 million, respectively, are included in selling and administrative expenses.

As at December 31, 2012 and 2011, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 1,580.27 Million and Baht 1,566.01 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, 2012 in the financial statements is lower stated by Baht 189.10 million and net loss for the year ended December 31, 2012 in the financial statements is lower stated by Baht 189.10 million (Loss per share in the financial statements is lower stated by Baht 0.14 per share).

16. Property, Plant and Equipment not used in Operation - Net

As discussed in note No. 6, the Company has sold land not used in operation which net book value amount of Baht 70.84 million to related person.

As at December 31, 2012, the lands and machineries not used in operation, which cost of Baht 74 million and Baht 44.98 million, respectively, were re-appraised according to reports of independent appraiser (Bangkok Property Appraisal co., ltd. and UK Valuations and Agency co., ltd., respectively) date January 6, 2011 (for land) and date January 17, 2011 (for machineries) which appraisal date was December 16, 2010 (for land) and December 15, 2010 (for machineries). That using market value method and depreciated replacement cost method, respectively. And allowance for impairment of such lands and machineries were amount of Baht 37.39 million and Baht 37.51 million, respectively.

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17. Cost of property to be developed - Net

Consist of :-

	(Unit : Baht)		
	Consolidated	Separate	
	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
Land	127,875,000	-	-
Foundation Cost	51,637,417	-	-
Total	179,512,417	-	-
<u>Less</u> Allowance for loss from impairment	(54,887,417)	-	-
Net	124,625,000	-	-

The whole amount of the cost of property to be developed was the construction cost of office for rent, its project commencing from 1995 but as a result of the economic condition at that time the project had to be delayed and the ex-subsiary company needed to concentrate on managing and selling of all condominium unit in PM Riverside Project first.

As at December 31, 2011, the ex-subsiary recorded cost of property to be developed as per independent appraisal (UK Valuations and Agency co., ltd.) report dated January 19, 2011 which appraisal date was December 13, 2010 using fair market value for cost of land and depreciation replacement cost for foundation cost.

As the Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved the Company to sell all investment in shares in Riverside Tower Co.,Ltd. (RVS) to one related person (See note 6).

18. Bank Overdrafts and Short – Term Loans due to Financial Institutions

Consist of :-

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Bank overdrafts	18,592,871	24,240,358
Packing credits	35,473,000	45,046,300
Liabilities under trust receipts	197,002,547	312,297,773
Promissory notes	394,451,165	129,913,474
Total	645,519,583	511,497,905

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As at December 31, 2012 and 2011, the Company has bank overdrafts, packing credits, liabilities under trust receipts, promissory notes, letters of credit and letters of guarantee which were credit facilities received from many local banks as follows :-

(Unit : Million)				
Currency	Separate		Consolidated / Separate	
	As at December 31,	Bank charge and	As at December 31,	Bank charge and Interest
	<u>2012</u>	<u>Interest rate Per annum</u>	<u>2011</u>	<u>rate Per annum</u>
Baht	1,327.00	1.50 – 7.425	1,466.42	1.50 – 9.25

These credit facilities are secured by assets and personal guarantee as mentioned in the note to financial statements No.19.

As at December 31, 2012 and 2011, the Company had unutilized credit facility balances by approximately Baht 270.02 million and Baht 546.69 million, respectively.

As per the memorandum of amendment from the Bank dated January 27, 2011, the Company got an approval to convert bank overdrafts including accrued interest amount of Baht 9.08 million to be long-term loan, which principle amount (as specified in the agreement) and interest shall be repayable within 60 months installments commencing in January 2011 to December 2015.

19. Long-Term Loans

Consist of :-

		(Unit : Baht)	
		Separate	Consolidated/ Separate
		As at December	As at December
		31, 2012	31, 2011
		Interest rate	
		Per annum	
19.1	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	538,952,788
			673,690,982

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.

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		(Unit : Baht)	
		Separate	Consolidated/ Separate
		As at December 31, 2012	As at December 31, 2011
<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>	<p>Interest rate Per annum</p>		
<p>19.2 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> <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>	<p>MLR</p>	<p>52,890,691</p>	<p>66,113,359</p>

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	Interest rate Per annum	(Unit : Baht)	
		Separate	Consolidated/ Separate
		As at December 31, 2012	As at December 31, 2011
19.3 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	200,000,000	250,000,000
19.4 As per the memorandum of amendment from the Bank dated January 27, 2011, the Company got an approval to convert bank overdrafts including accrued interest amount of Baht 9.08 million to be long-term loan, which principle amount (as specified in the agreement) and interest shall be repayable within 60 months installments commencing in January 2011 to December 2015.	MOR	4,792,637	8,503,444
Total		796,636,116	998,307,785
<u>Less</u> Current Portion of Long - Term Loans		(200,086,362)	(199,743,447)
Net		596,549,754	798,564,338

As at December 31, 2012 and 2011, interest rates of long term loans at MLR to MOR per annum and MLR to MOR per annum, respectively.

The loans including credit facilities from the banks (as mentioned in note to financial statement No.18) are guaranteed by pledging :-

- The Company's land and machinery totaling Baht 1,943.09 million.
- New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.
- A director of the Company offers his/her personal guarantee.

20. Other current liabilities

Consist of:

	(Unit : Baht)		
	Consolidated	Separate	
	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
Other payable for purchasing assets	17,742,685	-	17,742,685
Other current liabilities	461,192	884,958	446,110
Total	18,203,877	884,958	18,188,795

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21. Provision for employees benefits

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

	(Unit : Baht)	
	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Provision for employee benefits - beginning	53,415,460	48,016,568
<u>Add</u> recognized amount	10,551,016	6,000,242
<u>Less</u> liability decrease from actual paid	(2,630,300)	(601,350)
Provision for employee benefits – ending	<u>61,336,176</u>	<u>53,415,460</u>

	(Unit : Baht)
	Separate
Present value of unfunded obligation as at December 31, 2012	<u>61,336,176</u>
Expense recognised in profit or loss	
Current service cost	8,530,855
Interest cost	2,020,161
Total	<u>10,551,016</u>

Principal actuarial assumptions

	Separate	Consolidated / Separate
	As at December 31, 2012	As at December 31, 2011
Discount rate (%)	3.75	3.75
Future salary increase (%)	5	5
Retirement age (year old)	55	55

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22. Other income

For the years ended December 31, 2012 and 2011 details of financial information shown other income

Consist of:-

	(Unit : Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
Gain on exchange rate	29,910,435	-	29,910,435	-
Interest income	1,193	51,161	3,506,852	14,752,197
Income from sales scrap	12,832,714	19,824,120	12,832,714	19,824,120
Gain from disposal of assets	65,104,371	-	23,251,384	-
Reversal impairment of finished condominium units	-	930,465	-	-
Other income	20,561,226	15,212,791	19,960,669	12,715,830
Total	128,409,939	36,018,537	89,462,054	47,292,147

23. Corporate Income Tax

The Company has no income tax payable for the year because of the utilization of tax from deficit of the previous years.

24. 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, 2012 and 2011 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, 2012 and 2011.

Net Profit (loss) for the years

	(Unit : Million Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
For the years ended December 31,	(34)	61	(71)	60

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Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)	
	Separate	Consolidated / Separate
	December 31, 2012	December 31, 2011
Number of ordinary shares outstanding at the beginning of the years	1,365	1,330
Effect of ordinary shares issued during the years	-	35
Weighted average number of ordinary shares outstanding during the years (Basic)	<u>1,365</u>	<u>1,365</u>

25. Promotional Privileges

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

Results of the Company's operations for the years ended December 31, 2012 and 2011, classified into promoted and non-promoted are as follows :-

	(Unit : Baht)		
	2012		Total
	Promoted Business	Non-promoted Business	
Revenues			
- Export Sales	-	1,857,306,953	1,857,306,953
- Local Sales	-	1,823,426,278	1,823,426,278
- Other Income	-	89,462,054	89,462,054
Total	-	3,770,195,285	3,770,195,285
Costs and Expenses	-	(3,841,681,259)	(3,841,681,259)
Net Loss	-	(71,485,974)	(71,485,974)

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(Unit : Baht)

	2011		
	Promoted	Non-promoted	Total
	Business	Business	
Revenues			
- Export Sales	-	2,198,550,781	2,198,550,781
- Local Sales	-	1,804,450,570	1,804,450,570
- Other Income	-	47,292,147	47,292,147
Total	-	4,050,293,498	4,050,293,498
Costs and Expenses	-	(3,989,827,615)	(3,989,827,615)
Net Profit	-	60,465,883	60,465,883

Direct costs and expenses are charged to the related business as incurred, while indirect expenses are allocated to each business based on each business revenues.

26. Disclosure of Segment Business Operation

The Company and Ex-subsiidiary company engaged in mainly in manufacturing of packaging film and business activity in real estate development and sale condominium units.

For the years ended December 31, 2012 and 2011 details of financial information shown separately for the business segments are as follows :-

(Unit : Million Baht)

	Consolidated					
	Film		Condominium		Total	
	2012	2011	2012	2011	2012	2011
Revenue From Sales - Local	1,824	1,804	-	25	1,824	1,829
Revenue From Sales - Foreign	1,857	2,199	-	-	1,857	2,199
Total	3,681	4,003	-	25	3,681	4,028
Gross Profit	221	422	-	6	221	428
Profit (loss) of comprehensive income	(34)	61	-	-	(34)	61

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For the years ended December 31, 2012 and 2011 details of financial information shown separately for the geographical segments are as follows :-

	(Unit : Million Baht)				
	Bopp.	Polyester	Cpp.	Metallized	Total
Year 2012					
Revenue from sales - Local	1,692	9	118	5	1,824
Revenue from sales - Foreign					
Asia	1,222	1	6	-	1,229
Europe	214	-	-	-	214
American	68	-	-	-	68
Other	341	-	1	4	346
Total	3,537	10	125	9	3,681
Year 2011					
Revenue from sales - Local	1,564	91	140	9	1,804
Revenue from sales - Foreign					
Asia	1,333	56	11	2	1,402
Europe	348	2	2	2	354
American	47	-	-	-	47
Other	384	4	6	2	396
Total	3,676	153	159	15	4,003

27. Expenses by nature

For the years ended December 31, 2012 and 2011 details of significant expenses by nature are as follows :-

	(Unit : Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
Salary and wages and other employee benefits	264,884,550	256,633,103	264,777,840	256,168,770
Depreciation	100,716,717	86,019,798	100,716,717	86,019,798
Amortization	29,607,660	31,623,555	29,607,660	31,623,555
Shut down expenses	58,960,018	83,557,274	58,960,018	83,557,274
Raw materials and consumables used	2,962,510,179	3,031,484,608	2,962,510,179	3,031,484,608
Changes in inventories of finished goods and work in process	(50,493,204)	(40,154,366)	(50,493,204)	(40,154,366)
Loss on impairment of investment in subsidiary company	-	-	-	11,380,000
Loss on written-off assets and supplies	43,736	61,882	43,736	61,882
Loss on exchange rate	-	10,229,586	-	10,229,586

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28. Commitments and Contingent Liabilities

As at December 31, 2012 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: -

28.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department, Metropolitan Electricity Authority and the Provincial Electricity Authority amounting to approximately Baht 14.35 million.

28.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 10.51 million.

28.3 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 15.22 million.

28.4 On May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral for totaling amount approximately to Baht 839.42 million which was consisted of principal amount of Baht 600 million and interest calculated upto the filing date totaling Baht 239.42 million. As the negotiation at the court on November 3, 2008 and on December 15, 2008 and on February 27, 2009 and on June 19, 2009 between the plaintiff and the defendants. And the settlement at court including the investigation filing case was held at the Court on June 26, 2009 and on August 18, 2009. On October 12, 2010 and December 3, 2010, the Court has asked for investigation witness of the plaintiff, four of the defendants' lawyers reported to the Court that the Plaintiff and the first defendant (An Associated Company) are in the negotiation process and have positive progress. The Court, therefore, approved to postpone the appointment at the Court to be held on March 14, 2011. On that day the court determined that both parties agreed to continue the negotiation process. However the negotiation process consumes time and involves to many parties and details. Therefore the Court agreed to temporarily suspend the filing until the conclusion of negotiation shall be made. On December 24, 2012, the Court ordered to temporarily suspend the filing and submission the filing to the Supreme Court for consideration a petition to revoke a temporary restraining order of the Appeal Court. Furthermore, on September 30, 2009, the Company was sued by such bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Kor 202/2552 under the pledging the shares of an associated company (the first defendant) as for totaling amount approximately to Baht 902.30 million which was consisted of principal amount of Baht 600 million together with interest calculated upto the filing date (September 30, 2009) amount of Baht 302.30 million. The Company requested to extend the filing of testimony from February 1, 2010 to be March 2, 2010. And the settlement at court including the investigation filing case will be held at the court on March 8, 2010. Hence on March 8, 2010, the Company has filed a complaint request to the President of the Appeal Court to consider whether the case is a consumer case and the plaintiff's lawyer has filed an argument on such request. The Court acknowledged the request however the Court has no authority to judge the request and to reject the request. Therefore on April 27, 2010, the Court forwarded the request to the President of the Appeal Court for the judgement. Presently, the President of the Appeal Court made the judgement that the plaintiff's case was not a consumer case. Therefore the Central Intellectual Property and International Trade Court has authority to

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judge the case. The Court ordered to extend the settlement at Court to be held on March 18, 2013. The Company's lawyer opined that the Company does not have any liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired. The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil

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

29. 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, 2012 and 2011 the Company possessed material assets and liabilities in foreign currencies as follows :-

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		(Unit : Thousand)	
	Foreign Currency	As at December 31, 2012	As at December 31, 2011
Assets	US Dollar	1,702	980
	EURO	537	233
	GBP	-	30
Liabilities	US Dollar	11,483	15,623
	EURO	45	30
	GBP	-	1
	JPY	-	43,217

As at December 31, 2012, there were forward contracts sold amount of USD 1.80 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.

30. 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, 2012 and 2011, debt to equity ratio in the consolidated financial statements is - and 1.70, respectively (the separate financial statements: debt to equity ratio is 1.57 and 1.66, respectively).

31. Subsequent Events

On April 26, 2012, the Annual General Shareholders' meeting has approved to change the Company name from "Thai Film Industries Public Company Limited" to "TFI Corporation Public Company Limited". The Company registered the changing with the Ministry of Commerce on May 8, 2012. Later, The Extraordinary General Meeting No.2/2012, on June 27, 2012, had a special resolution to change of the Company's name from TFI Corporation Public Company Limited to "Thai Film Industries Public Company Limited" The Company registered the changing with the Ministry of Commerce on July 10, 2012.

32. Approval of Financial Statements

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on February 22, 2013.