

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED  
AND IT'S SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIOD  
ENDED JUNE 30, 2016  
AND REVIEW REPORT OF INDEPENDENT'S AUDITOR**

## **Independent Auditor's Report on Review of Interim Financial**

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

I have reviewed accompanying consolidated and separate statements of financial position of Thai Film Industries Public Company Limited and its subsidiaries, and of Thai Film Industries Public Company Limited, respectively, as at June 30, 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the six-month period ended June 30, 2016, and condensed notes ("Interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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

### **Emphasis of Matter**

Without qualifying my conclusion, I draw attention in

(1) note 20.4 (1) that 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.

(2) As discussed in notes 2 describing the effect of the Company's change in accounting policy from 1 January 2016. The prior period financial statements, presented as comparative information, were adjusted as explained in Note 2.

(Mr.Jirote Sirirrote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

August 5, 2016

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2016**

(Unit : Thousand Baht)

	Notes	Consolidated			Separate		
		June 30, 2016	December 31, 2015	January 1, 2015	June 30, 2016	December 31, 2015	January 1, 2015
		"UNAUDITED"	"AUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"	"AUDITED"
		"REVIEWED"	"RESTATED"	"RESTATED"	"REVIEWED"	"RESTATED"	"RESTATED"
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents		28,523	5,554	7,321	27,439	4,314	5,917
Trade accounts receivable and other receivable - net	5	256,021	304,861	413,814	256,021	304,861	413,814
Other receivable - related companies	4.1	-	-	-	-	828	180
Inventories - net	6	277,738	270,316	275,394	277,738	270,316	275,394
Spare parts and supplies - net		63,553	57,593	57,443	63,553	57,593	57,443
Advance for Investment - net	7	-	-	-	-	-	-
Other current assets		30,081	29,859	30,577	30,080	29,858	30,576
<b>TOTAL CURRENT ASSETS</b>		<b>655,916</b>	<b>668,183</b>	<b>784,549</b>	<b>654,831</b>	<b>667,770</b>	<b>783,324</b>
<b>NON-CURRENT ASSETS</b>							
Restricted bank deposits	8	1,029	1,018	2,003	1,029	1,018	2,003
Investments in subsidiary and associated companies - net	9, 10	-	-	-	-	4,000	4,000
Other long-term investments							
Related companies - net	11	-	-	-	-	-	-
Other company		2,000	2,000	2,000	2,000	2,000	2,000
Loans receivable, advance payments - subsidiary, associated and related companies - net	4.1	-	-	-	-	8,268	8,268
Land used in operation - at appraised value	12	474,877	474,877	456,057	474,877	474,877	456,057
Plant and equipment used in operation - net	13	1,037,011	1,073,451	1,162,974	1,037,011	1,073,451	1,162,974
Property, plant and equipment not used in operation - net	14	61,385	62,071	61,216	61,385	62,070	61,215
Other non-current assets		553	2,032	2,021	552	2,032	2,021
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,576,855</b>	<b>1,615,449</b>	<b>1,686,271</b>	<b>1,576,854</b>	<b>1,627,716</b>	<b>1,698,538</b>
<b>TOTAL ASSETS</b>		<b>2,232,771</b>	<b>2,283,632</b>	<b>2,470,820</b>	<b>2,231,685</b>	<b>2,295,486</b>	<b>2,481,862</b>

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

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2016**

(Unit : Thousand Baht)

	Notes	Consolidated			Separate		
		June 30, 2016	December 31, 2015	January 1, 2015	June 30, 2016	December 31, 2015	January 1, 2015
		"UNAUDITED"	"AUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"	"AUDITED"
		"REVIEWED"	"RESTATED"	"RESTATED"	"REVIEWED"	"RESTATED"	"RESTATED"
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Bank overdrafts and short-term loans from financial institutions	15	973,984	833,165	672,932	973,984	833,165	672,933
Trade accounts payable and other payable - other		183,517	294,261	505,962	183,441	294,111	505,812
Current portion of long-term loans	16	130,592	197,961	177,961	130,592	197,961	177,961
Other current liabilities		897	859	1,130	895	857	1,128
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,288,990</b>	<b>1,326,246</b>	<b>1,357,985</b>	<b>1,288,912</b>	<b>1,326,094</b>	<b>1,357,834</b>
<b>NON-CURRENT LIABILITIES</b>							
Long-term loans - net	16	-	-	197,961	-	-	197,961
Deferred tax liabilities		147,696	146,458	143,448	147,696	146,458	143,448
Employee benefit obligations		42,084	39,618	35,305	42,084	39,618	35,305
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>189,780</b>	<b>186,076</b>	<b>376,714</b>	<b>189,780</b>	<b>186,076</b>	<b>376,714</b>
<b>TOTAL LIABILITIES</b>		<b>1,478,770</b>	<b>1,512,322</b>	<b>1,734,699</b>	<b>1,478,692</b>	<b>1,512,170</b>	<b>1,734,548</b>
<b>EQUITY</b>							
<b>SHARE CAPITAL</b>							
Authorized share capital							
2,661,750,000 ordinary shares as at June 30, 2016 and December 31, 2015 : Baht 1 per share							
and 2,847,500,000 ordinary shares as at January 1, 2015 : Baht 1 per share		2,661,750	2,661,750	2,847,500	2,661,750	2,661,750	2,847,500
Issued and paid-up share capital							
2,047,500,000 ordinary shares : Baht 1 per share		2,047,500	2,047,500	2,047,500	2,047,500	2,047,500	2,047,500
Discount on common shares		(88,750)	(88,750)	(88,750)	(88,750)	(88,750)	(88,750)
Retained earnings (Deficits) -Unappropriated		(1,394,581)	(1,377,272)	(1,397,405)	(1,395,589)	(1,365,266)	(1,386,212)
Other components of equity		189,832	189,832	174,776	189,832	189,832	174,776
<b>TOTAL EQUITY</b>		<b>754,001</b>	<b>771,310</b>	<b>736,121</b>	<b>752,993</b>	<b>783,316</b>	<b>747,314</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,232,771</b>	<b>2,283,632</b>	<b>2,470,820</b>	<b>2,231,685</b>	<b>2,295,486</b>	<b>2,481,862</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2016

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2016	2015	2016	2015
			"Restated"		"Restated"
Sales	19	474,619	717,810	474,619	717,810
Costs of sales	4.2	(401,404)	(626,740)	(401,404)	(626,740)
<b>Gross profit margin</b>		73,215	91,070	73,215	91,070
Other income	4.2 , 17	5,417	4,394	5,594	4,553
<b>Profit before expenses</b>		78,632	95,464	78,809	95,623
Selling expenses	4.2	(13,542)	(19,512)	(13,542)	(19,512)
Administrative expenses	4.2	(50,267)	(28,301)	(63,679)	(28,246)
<b>Total expenses</b>		(63,809)	(47,813)	(77,221)	(47,758)
<b>Profit (loss) before finance costs</b>		14,823	47,651	1,588	47,865
Finance costs		(20,895)	(21,655)	(20,894)	(21,654)
<b>Profit (loss) before income tax</b>		(6,072)	25,996	(19,306)	26,211
Revenue income tax (expense)		(433)	(124)	(433)	(124)
<b>Profit (loss) for the periods</b>		(6,505)	25,872	(19,739)	26,087
<b>Profit (loss) attributable to:</b>					
Owner of the Company		(6,505)	25,872	(19,739)	26,087
Non-controlling interests		-	-	-	-
<b>Total profit (loss) for the periods</b>		(6,505)	25,872	(19,739)	26,087
<b>Earnings (loss) per Share (Unit : Baht)</b>	18				
Basic earnings (loss) per share (Unit : Baht)		(0.003)	0.013	(0.010)	0.013
The number of ordinary shares weighted average (Unit :Thousand Shares)		2,047,500	2,047,500	2,047,500	2,047,500

## STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2016	2015	2016	2015
			"Restated"		"Restated"
Sales	19	1,072,853	1,462,896	1,072,853	1,462,896
Costs of sales	4.2	(953,233)	(1,315,311)	(953,233)	(1,315,311)
<b>Gross profit margin</b>		119,620	147,585	119,620	147,585
Other income	4.2 , 17	14,769	15,617	15,126	15,934
<b>Profit before expenses</b>		134,389	163,202	134,746	163,519
Selling expenses	4.2	(32,374)	(41,191)	(32,374)	(41,191)
Administrative expenses	4.2	(78,574)	(52,726)	(91,946)	(52,632)
<b>Total expenses</b>		(110,948)	(93,917)	(124,320)	(93,823)
<b>Profit (loss) before finance costs</b>		23,441	69,285	10,426	69,696
Finance costs		(39,512)	(40,252)	(39,511)	(40,251)
<b>Profit (loss) before income tax</b>		(16,071)	29,033	(29,085)	29,445
Revenue income tax (expense)		(1,238)	167	(1,238)	167
<b>Profit (loss) for the periods</b>		(17,309)	29,200	(30,323)	29,612
<b>Profit (loss) attributable to:</b>					
Owner of the Company		(17,309)	29,200	(30,323)	29,612
Non-controlling interests		-	-	-	-
<b>Total profit (loss) for the periods</b>		(17,309)	29,200	(30,323)	29,612
<b>Earnings (loss) per Share (Unit : Baht)</b>	18				
Basic earnings (loss) per share (Unit : Baht)		(0.008)	0.014	(0.015)	0.014
The number of ordinary shares weighted average (Unit :Thousand Shares)		2,047,500	2,047,500	2,047,500	2,047,500

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

"UNAUDITED"

"REVIEWED"

(Unit : Thousand Baht)

	Consolidated										
	Notes	Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity		Total
				Appropriated	Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	attributable to Equity of owner the Company	Non Controlling interests	
<b>Balance as at January 1, 2015</b>		2,047,500	(88,750)	-	(1,397,405)	174,776	243,456	418,232	979,577	-	979,577
<b>Adjustment</b>		-	-	-	-	-	(243,456)	(243,456)	(243,456)	-	(243,456)
<b>Balance as at January 1, 2015 (as adjusted)</b>		2,047,500	(88,750)	-	(1,397,405)	174,776	-	174,776	736,121	-	736,121
Net Profit (loss) for the periods		-	-	-	29,200	-	-	-	29,200	-	29,200
<b>Ending balance as at June 30, 2015</b>		2,047,500	(88,750)	-	(1,368,205)	174,776	-	174,776	765,321	-	765,321
<b>Balance as at January 1, 2016</b>		2,047,500	(88,750)	-	(1,377,272)	189,832	504,886	694,718	1,276,196	-	1,276,196
<b>Adjustment</b>		-	-	-	-	-	(504,886)	(504,886)	(504,886)	-	(504,886)
<b>Balance as at January 1, 2016 (as adjusted)</b>		2,047,500	(88,750)	-	(1,377,272)	189,832	-	189,832	771,310	-	771,310
Net Profit (loss) for the periods		-	-	-	(17,309)	-	-	-	(17,309)	-	(17,309)
<b>Ending balance as at June 30, 2016</b>		2,047,500	(88,750)	-	(1,394,581)	189,832	-	189,832	754,001	-	754,001



## THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

## STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

(Unit : Thousand Baht)

	Separate							Total
	Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus	Other components of equity		
			Appropriated	Unappropriated	from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	
Notes								
<b>Balance as at January 1, 2015</b>	2,047,500	(88,750)	-	(1,386,212)	174,776	243,456	418,232	990,770
<b>Adjustment</b>	-	-	-	-	-	(243,456)	(243,456)	(243,456)
<b>Balance as at January 1, 2015 (as adjusted)</b>	2,047,500	(88,750)	-	(1,386,212)	174,776	-	174,776	747,314
Net Profit (loss) for the periods	-	-	-	29,612	-	-	-	29,612
<b>Ending balance as at June 30, 2015</b>	2,047,500	(88,750)	-	(1,356,600)	174,776	-	174,776	776,926
<b>Balance as at January 1, 2016</b>	2,047,500	(88,750)	-	(1,365,266)	189,832	504,886	694,718	1,288,202
<b>Adjustment</b>	-	-	-	-	-	(504,886)	(504,886)	(504,886)
<b>Balance as at January 1, 2016 (as adjusted)</b>	2,047,500	(88,750)	-	(1,365,266)	189,832	-	189,832	783,316
Net Profit (loss) for the periods	-	-	-	(30,323)	-	-	-	(30,323)
<b>Ending balance as at June 30, 2016</b>	2,047,500	(88,750)	-	(1,395,589)	189,832	-	189,832	752,993

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015 "Restated"	2016	2015 "Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit (loss)	(17,309)	29,200	(30,323)	29,612
Adjustments to reconcile net profit(loss) to cash received (used ) operating activities				
Increase (Decrease) in allowance for obsoleted stock	(157)	1,016	(157)	1,016
Depreciation	51,165	55,748	51,165	55,748
Profit from sales assets	(1,177)	(2,982)	(1,177)	(2,982)
Amortization expenses	10,819	15,720	10,819	15,720
Provision for employee benefits	3,968	3,755	3,968	3,755
Unclaimed withholding tax	1,560	305	1,560	305
Unrealized (gain) loss on exchange rate	(3,053)	3,757	(3,053)	3,757
Loss on written off assets	7	18	7	18
Impairment - investment in subsidiaries	-	-	4,000	-
Allowance for loan receivable and accrued interest receivable to subsidiaries	-	-	9,454	-
Interest expenses	34,916	32,123	34,916	32,123
Interest incomes	(26)	(15)	(383)	(333)
Income tax expense (income)	1,238	(167)	1,238	(167)
Profit from operating activities before changes in operating assets and liabilities	81,951	138,478	82,034	138,572
(Increase) Decrease in Trade accounts receivable and other receivable	48,476	57,278	48,476	57,278
(Increase) Decrease in Inventories	(7,265)	(11,295)	(7,265)	(11,295)
(Increase) Decrease in Spare parts and supplies	(5,959)	1,054	(5,959)	1,054
(Increase) Decrease in Other current assets	(11,040)	(17,610)	(11,040)	(17,610)
(Increase) Decrease in Non-current assets	(80)	(123)	(80)	(123)
Increase (Decrease) in Trade accounts payable and other payable	(120,165)	(194,623)	(120,090)	(194,548)
Increase (Decrease) in Other current liabilities	38	(291)	38	(291)
Cash paid for employee benefits	(1,502)	(1,243)	(1,502)	(1,243)
<b>NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES</b>	<b>(15,546)</b>	<b>(28,375)</b>	<b>(15,388)</b>	<b>(28,206)</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015 "Restated"	2016	2015 "Restated"
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Increase) Decrease in restricted bank deposits	(12)	(20)	(12)	(20)
Interest received	31	24	29	21
Cash received from sales assets	1,177	3,432	1,177	3,432
Purchase of property, plant and equipment	(14,047)	(15,664)	(14,047)	(15,664)
<b>NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES</b>	<b>(12,851)</b>	<b>(12,228)</b>	<b>(12,853)</b>	<b>(12,231)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in bank overdrafts and short-term loans from financial Institutions	147,347	151,816	147,347	151,816
Repayment of long - term loans	(67,369)	(78,981)	(67,369)	(78,981)
Cash paid for interest expenses	(28,612)	(29,866)	(28,612)	(29,866)
<b>NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES</b>	<b>51,366</b>	<b>42,969</b>	<b>51,366</b>	<b>42,969</b>
<b>CASH AND CASH EQUIVALENTS INCREASE - NET</b>	<b>22,969</b>	<b>2,366</b>	<b>23,125</b>	<b>2,532</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIOD</b>	<b>5,554</b>	<b>7,321</b>	<b>4,314</b>	<b>5,917</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF PERIOD</b>	<b>28,523</b>	<b>9,687</b>	<b>27,439</b>	<b>8,449</b>
<b>Cash and cash equivalents</b>				
Consist of:				
Cash on hand	123	129	109	108
Cash at banks - current accounts	1,146	7,987	1,141	7,982
Cash at banks - savings accounts	27,254	1,531	26,189	319
Others	-	40	-	40
	<b>28,523</b>	<b>9,687</b>	<b>27,439</b>	<b>8,449</b>

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2016**

**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 KM.13, Bangchalong, Bangplee, Sumutprakarn.
- b) Factory : 327 Moo 8, Mabkha, Nihompattana District, Rayong.

**2. BASIS OF FINANCIAL STATEMENT PREPARATION**

**2.1 Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group. Except for the Revaluation of assets as follow

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

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2016**

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	
	As at January 1, 2016	As at January 1, 2015
<b>Statements of financial position</b>		
Fixed asset revaluation decrease	631	304
Deferred tax liabilities decrease	126	61
Capital surplus from machinery revaluation decrease	505	243

**2.2 Functional and presentation currency**

The interim financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand or million in the notes unless otherwise stated.

**2.3 Judgements and estimates**

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

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

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

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

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

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

Company Name	Nature of Business	Rate of Shareholding	
		June 30 2016 (%)	December 31 2015 (%)
<b><u>Operating subsidiaries</u></b>			
1. TFI Trading Co., Ltd. (Formerly: 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.

**4. TRANSACTIONS WITH RELATED PARTIES**

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

Related parties	Type of relation
TFI Trading Co., Ltd. (Formerly: 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

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4.1 Inter-Assets and Liabilities

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
<b>Loan receivable and advance to subsidiary companies</b>				
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
<b>Total</b>	-	-	8,268	8,268
Less allowance for doubtful debt			(8,268)	-
Net	-	-	-	8,268
<b>Loan to related company</b>				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful debt	(37,965)	(37,965)	(37,965)	(37,965)
Net	-	-	-	-
<b>Total</b>	-	-	-	8,268
<b>Accrued interest receivable</b>				
TFI Power (Korat 1) Co., Ltd.	-	-	297	207
TFI Power (Korat 2) Co., Ltd.	-	-	297	207
TFI Power (Korat 3) Co., Ltd.	-	-	297	207
TFI Power (Korat 4) Co., Ltd.	-	-	297	207
<b>Total</b>	-	-	1,188	828
Less allowance for doubtful debt	-	-	(1,188)	-
Net	-	-	-	828
<b>Movement of Loan receivable and advance payment</b>				
<b>Beginning</b>	-	-	8,268	8,268
Increase during in the periods	-	-	-	-
Paid during in the periods	-	-	-	-
<b>Ending</b>	-	-	8,268	8,268

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As at June 30, 2016 and December 31, 2015, the Company has loan to its subsidiaries as promissory notes which call on demand at interest rate MOR+1.50% per annum and MOR+0.50% per annum, respectively.

4.2 Revenue and expense

for the three-month period ended June 30, 2016 and 2015 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
<b>Interest income</b>				
TFI Power (Korat 1) Co., Ltd.	-	-	45	40
TFI Power (Korat 2) Co., Ltd.	-	-	45	40
TFI Power (Korat 3) Co., Ltd.	-	-	45	40
TFI Power (Korat 4) Co., Ltd.	-	-	45	40
	<u>-</u>	<u>-</u>	<u>180</u>	<u>160</u>
<b>Key management personnel compensation</b>				
Short-term employee benefit	11,308	12,134	11,308	12,134
Long-term employee benefit	768	714	768	714
Total	<u>12,076</u>	<u>12,848</u>	<u>12,076</u>	<u>12,848</u>

for the six-month period ended June 30, 2016 and 2015 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
<b>Interest income</b>				
TFI Power (Korat 1) Co., Ltd.	-	-	90	80
TFI Power (Korat 2) Co., Ltd.	-	-	90	80
TFI Power (Korat 3) Co., Ltd.	-	-	90	80
TFI Power (Korat 4) Co., Ltd.	-	-	90	80
	<u>-</u>	<u>-</u>	<u>360</u>	<u>320</u>
<b>Key management personnel compensation</b>				
Short-term employee benefit	23,270	24,440	23,270	24,440
Long-term employee benefit	1,547	1,449	1,547	1,449
Total	<u>24,817</u>	<u>25,889</u>	<u>24,817</u>	<u>25,889</u>



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

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Trade accounts receivable and other receivable				
- Trade accounts receivable	242,646	295,752	242,646	295,752
- Other receivable	13,375	9,109	13,375	9,109
<b>Total trade accounts receivable and other receivable</b>	<b>256,021</b>	<b>304,861</b>	<b>256,021</b>	<b>304,861</b>

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	119,194	126,272	119,194	126,272
Aging of Trade Accounts Receivable :-				
Less than 3 Months	38,773	64,634	38,773	64,634
Over 3 Months to 6 Months	103	1,579	103	1,579
Over 6 Months to 9 Months	119	-	119	-
Over 9 Months	896	896	896	896
Total	159,085	193,381	159,085	193,381
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	43,019	81,234	43,019	81,234
Aging of Trade Accounts Receivable :-				
Less than 3 Months	31,018	6,068	31,018	6,068
Over 3 Months to 6 Months	-	-	-	-
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	-	-	-	-
Total	74,037	87,302	74,037	87,302
Notes Receivable	10,420	15,965	10,420	15,965
<u>Less allowance for doubtful accounts</u>	(896)	(896)	(896)	(896)
Net	242,646	295,752	242,646	295,752

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Beginning balance	896	896	896	896
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u>896</u>	<u>896</u>	<u>896</u>	<u>896</u>

**6. INVENTORIES - Net**

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Beginning balance	7,040	7,478	7,040	7,478
Increase	-	-	-	-
Decrease	(157)	(438)	(157)	(438)
Ending balance	<u>6,883</u>	<u>7,040</u>	<u>6,883</u>	<u>7,040</u>

**7. ADVANCE FOR INVESTMENT – Net**

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Advance payment for investment	45,594	45,594	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	(45,594)	(45,594)	(45,594)	(45,594)
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**8. RESTRICTED BANK DEPOSITS**

As at June 30, 2016 the restricted bank deposit of 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 20.1

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**9. INVESTMENTS IN SUBSIDIARY COMPANIES**

Investments in subsidiary companies which recorded by the cost method in the separate financial statements as at June 30, 2016 and December 31, 2015 consisted of:

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
TFI Trading Co., Ltd. (Formerly: TFI Power Co., Ltd.)	Thailand	Renewable energy	4,000	4,000	99.99	99.99	4,000	4,000
<u>Less</u> Allowance for impairment in investment							(4,000)	-
Net							-	4,000

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

Investments in associated companies in the separate financial statements as at June 30, 2016 and December 31, 2015, consisted of:

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Million Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
<u>Less</u> Allowance for impairment in investment							(1,518.98)	(1,518.98)
Net							-	-

Thai Copper Industries Pcl. - TCI

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

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

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

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

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

Consist of :-

Company	Country of Business	Type of business	Capital paid-up	Consolidated/ Separate			
				Percentage of Investments		Value of Investment (Unit : Thousand Baht)	
				June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
						(37,487)	(37,487)
						-	-

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

As at June 30, 2016 and 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, 2016 which appraisal date was December 28 - 29, 2015.

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

Consist of :-

	(Unit : Thousand Baht)	
	Consolidated	Separate
<b>Cost :-</b>		
Net Book Value as at January 1, 2016 (Adjusted)	1,073,451	1,073,451
Purchase	14,047	14,047
Written off	(7)	(7)
Depreciation for the period	(50,480)	(50,480)
Net Book Value as at June 30, 2016	1,037,011	1,037,011

Depreciation for six month periods ended June 30, 2016 and 2015, amounted to Baht 49.24 million and Baht 53.48 million, respectively, are included in cost of sales, and Baht 1.24 million and Baht 1.28 million, respectively, are included in selling and administrative expenses.

As at June 30, 2016 and December 31, 2015, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 887.27 Million and Baht 857.89 million, respectively.

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

As at June 30, 2016 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.

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

As at June 30, 2016 and December 31, 2015, the Company has bank overdrafts, packing credits, liabilities under trust receipts, promissory notes, letters of credit and letters of guarantee which were credit facilities received from many local banks as follows :-

	(Unit : Million Baht)			
Currency	June 30, 2016	Bank charge and Interest rate Per annum	December 31, 2015	Bank charge and Interest rate Per annum
Baht	1,040	2.00 – 8.620	1,310	2.00 – 7.875

In 2016, to increase liquidity of the business, the company has to postpone repayment deadlines and exceptional delayed interest, which is currently awaiting approval from financial institutions.

Furthermore, as at June 30, 2016, the Company had notes payable to a securities company of Baht 120 million, interest at 5.5% p.a. and 6.5% p.a.

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Bill of exchange	120,000	-	120,000	-
Less prepaid interest	(2,560)	-	(2,560)	-
<b>Total</b>	<b>117,440</b>	<b>-</b>	<b>117,440</b>	<b>-</b>

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**16. LONG-TERM LOANS**

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Beginning	197,961	375,922	197,961	375,922
<u>Less</u> Payment during the period	67,369	177,961	67,369	177,961
Total	130,952	197,961	130,952	197,961
<u>Less</u> Current portion of long-term loans	130,952	197,961	130,952	197,961
Net	-	-	-	-

As at June 30, 2016 and December 31, 2015, 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.15 are guaranteed by pledging :-

- a) The Company’s land and machinery totaling Baht 1,096.99 million
- b) New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

In 2016, to increase liquidity of the business, the company has to postpone repayment deadlines and exceptional delayed interest, which is currently awaiting approval from financial institutions.

**17. OTHER INCOME**

For the three-month period ended June 30, 2016 and 2015 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Gain on exchange rate	755	-	755	-
Interest income	21	8	198	168
Gain from disposal of assets	1,144	2,515	1,144	2,515
Other income	3,497	1,871	3,497	1,870
Total	5,417	4,394	5,594	4,553

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For the six-month period ended June 30, 2016 and 2015 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Gain on exchange rate	7,552	9,115	7,552	9,115
Interest income	26	15	383	333
Gain from disposal of assets	1,177	2,982	1,177	2,982
Other income	6,014	3,505	6,014	3,504
<b>Total</b>	<b>14,769</b>	<b>15,617</b>	<b>15,126</b>	<b>15,934</b>

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

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the three-month and six month period ended June 30, 2016 and 2015 was based on the profit (loss) for the periods attributable to equity holders of the Company and weighted average number of ordinary shares (Basic) issued during for the three-month and six-month period ended June 30, 2016 and 2015.

Net Profit (loss) for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
For the three month periods ended June 30,	(7)	26	(20)	26
For the six month periods ended June 30,	(17)	29	(30)	30

Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)			
	Consolidated		Separate	
	2016	2015	2016	2015
<b>Weighted average number of ordinary shares outstanding during the periods (Basic)</b>	<b>2,048</b>	<b>2,048</b>	<b>2,048</b>	<b>2,048</b>

**19. DISCLOSURE OF SEGMENT BUSINESS OPERATION**

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

The one main reportable operating segment of the Company is engaged in mainly in manufacturing of packaging film and the several geographical regions area of their operations is Thailand, Asia, Europe, America and other. Details of financial information shown separately by geographical are as follows :-

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For the three-month period ended June 30, 2016 and 2015

	(Unit : Million Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Revenue from sales - Local	294	398	294	398
Revenue from sales - Foreign				
Asia	102	255	102	255
Europe	23	9	23	9
American	7	3	7	3
Other	49	53	49	53
<b>Total</b>	<b>475</b>	<b>718</b>	<b>475</b>	<b>718</b>

For the six-month period ended June 30, 2016 and 2015

	(Unit : Million Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Revenue from sales - Local	610	867	610	867
Revenue from sales - Foreign				
Asia	319	469	319	469
Europe	44	20	44	20
American	15	16	15	16
Other	85	91	85	91
<b>Total</b>	<b>1,073</b>	<b>1,463</b>	<b>1,073</b>	<b>1,463</b>

**20. COMMITMENTS AND CONTINGENT LIABILITIES**

As at June 30, 2016, 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: -

20.1 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 16.13 million. The Company used fixed deposit as collateral for amount of Baht 1 million. (See note 8.)

20.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 104.50 million.

20.3 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 47.69 million.



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20.4 (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 June 27, 2016, the court will appoint simultaneously on September 6, 7 and 14, 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 June 29, 2016, The Central Intellectual Property and International Trade Court has scheduled an appointment with litigant for the proceedings that will occur on August 8, 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.

## **21. FINANCIAL INSTRUMENTS**

### Policy to manage financial risk

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

### Risk on Interest Rate

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

### Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and imports of raw material because of business transaction are foreign currencies. As at June 30, 2016 and December 31, 2015, the Company possessed material assets and liabilities in foreign currencies as follows:-

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		(Unit : Thousand)	
	Foreign Currency	June 30, 2016	December 31, 2015
Assets	US Dollar	2,007	2,097
	EURO	66	261
	YEN	-	569
Liabilities	US Dollar	3,452	11,748
	EURO	4	25
	YEN	7	25,414

As at June 30, 2016, there are forward contracts sold amount of USD 6.8 million.

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.

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.

**22. 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 June 30, 2016 and December 31, 2015, the company valued the land used in the fair value Baht 475 million which is calculated based on the fair value method based on market valuation and net replacement value (level 2).

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2016**

**23. CAPITAL MANAGEMENT**

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

As at June 30, 2016 and December 31, 2015, debt to equity ratio in the consolidated financial statement is 1.96 : 1.00 and 1.96:1.00, respectively (the separate financial statements as at June 30, 2016 and December 31, 2015, debt to equity ratio is 1.96:1.00 and 1.93:1.00, respectively).

**24. APPROVAL OF FINANCIAL STATEMENTS**

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on August 5, 2016.