

REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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

I have reviewed the accompanying consolidated balance sheets of Thai Film Industries Public Company Limited and its subsidiaries as at March 31, 2010 and the related consolidated statements of income, the consolidated statements of changes in shareholders' equity and the consolidated cash flows statements for three-month periods ended March 31, 2010 and 2009, of Thai Film Industries Public Company Limited and its subsidiary and reviewed the financial statements of Thai Film Industries Public Company Limited. These interim financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. Those standards require that I plan and perform a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the matters as discussed in Note no.27.4 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. 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 the Court has asked for investigation witness of the plaintiff during October 12-15, and 19, 2010 and investigation witness of the Defendant during October 21, 22, and 26-28, 2010. 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 Central Intellectual Property and International Trade Court to forward the 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. The Company's lawyer opined that the Company do not have any liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired. The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil Court case number black case file 3210/2550 seeking the payment for alleged breach of the pledge of shares agreement of an associated company of Baht 369.60 million, including the request for releasing the pledged shares of the mentioned associated company totaling 60 million shares to the Company. As the fact that the Company sued against the bank, the Company pledged the shares as collateral for the period of 4 years and it was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. On September 16, 2008, the Civil Court passed judgment that the mentioned litigation case should be dismissed, the Company, therefore has appealed the Court's decision on October 30, 2008. Presently, the case is in the hearing process of the Appeal Court. And on April 5, 2010, the Company has filed the request to the Appeal Court to expedite the judgment. The Company's lawyer opined that the outcome of the appeal shall be advantage to the Company.

I have previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements for the year ended December 31, 2009 of Thai Film Industries Public Company Limited and subsidiaries and the financial statements for the year ended December 31, 2009 of Thai Film Industries Public Company Limited; and in my report dated February 24, 2010, I expressed an unqualifying opinion on those financial statements but I draw attention to the matters discussed as the Company was sued by a bank as the third defendant in the Civil Court and the Central Intellectual Property and International Trade Court under the contract pledging the shares of an associated company as collateral for loan and interest of an associated company. The consolidated balance sheet and balance sheet as at December 31, 2009 presented herewith for comparative purposes only, were a part of the audited financial statements and I have already reported. I have not performed any audit procedure since that date.

(Mr. Jadesada Hungsapruerk)
Certified Public Accountant
Registration No. 3759

Karin Audit Company Limited
Bangkok
May 14, 2010

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
INTERIM FINANCIAL STATEMENTS
MARCH 31, 2010
AND AUDITOR'S REPORT

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT MARCH 31, 2010 AND DECEMBER 31, 2009

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
		"Unaudited" "Reviewed"	"Audited"	"Unaudited" "Reviewed"	"Audited"
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		35,384	6,687	9,274	3,570
Trade accounts receivable - net	6	381,515	316,811	381,515	316,811
Inventories - net	7	259,749	171,661	259,749	171,661
Spare parts and supplies - net		148,778	151,810	148,778	151,810
Finished condominium units - net	8	397,749	415,889	-	-
Advance for Investment - net	9	-	-	-	-
Other current assets	5.1	72,536	68,415	101,577	94,152
TOTAL CURRENT ASSETS		1,295,711	1,131,273	900,893	738,004
NON-CURRENT ASSETS					
Investments in subsidiary and associated companies - net	10	-	-	341,460	341,460
Other long-term investments					
Related companies - net	11	44,250	44,250	44,250	44,250
Other company		2,000	2,000	2,000	2,000
Loans receivable, advance payments - subsidiary, associated and related companies - net	5.1	-	-	220,141	220,141
Advance for purchase assets		74,065	73,771	74,065	73,771
Land used in operation - at appraised value	12	500,002	500,002	500,002	500,002
Plant and equipment used in operation - net	13	2,207,875	2,267,084	2,207,868	2,267,072
Land, plant and equipment not used in operation - net	14	110,882	110,882	110,882	110,882
Cost of property to be developed - net	15	131,175	131,175	-	-
Other non-current assets		2,313	5,782	601	4,200
TOTAL NON-CURRENT ASSETS		3,072,562	3,134,946	3,501,269	3,563,778
TOTAL ASSETS		4,368,273	4,266,219	4,402,162	4,301,782

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT MARCH 31, 2010 AND DECEMBER 31, 2009

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
		"Unaudited" "Reviewed"	"Audited"	"Unaudited" "Reviewed"	"Audited"
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	16	746,646	899,278	746,646	899,278
Trade accounts payable		735,959	565,820	735,959	565,820
Advance received from related person	5.1	-	-	-	-
Current portion of long-term loans	17	145,607	78,100	145,607	78,100
Other current liabilities	18	84,390	112,357	81,967	110,678
TOTAL CURRENT LIABILITIES		1,712,602	1,655,555	1,710,179	1,653,876
NON-CURRENT LIABILITIES					
Loans from related companies and related person	5.1	-	100,000	-	100,000
Long-term loans - net	17	1,104,590	1,187,765	1,104,590	1,187,765
Other non-current liabilities		40,916	40,988	40,916	40,988
TOTAL NON-CURRENT LIABILITIES		1,145,506	1,328,753	1,145,506	1,328,753
TOTAL LIABILITIES		2,858,108	2,984,308	2,855,685	2,982,629
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital	19				
1,065,000,000 ordinary shares : Baht 1 per share			1,065,000		1,065,000
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000		1,365,000	
Issued and paid-up share capital					
1,065,000,000 ordinary shares : Baht 1 per share		-	1,065,000	-	1,065,000
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000	-	1,365,000	-
Discount on common shares		(88,750)	(88,750)	(88,750)	(88,750)
Capital surplus from land revaluation	12	191,575	191,575	191,575	191,575
Capital surplus from machinery revaluation - net	13	980,647	1,012,426	980,647	1,012,426
Deficit earning					
Unappropriated		(938,307)	(898,340)	(901,995)	(861,098)
TOTAL SHAREHOLDERS' EQUITY		1,510,165	1,281,911	1,546,477	1,319,153
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,368,273	4,266,219	4,402,162	4,301,782

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

"UNAUDITED"

"REVIEWED"

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

		(Unit : Thousand Baht)			
		Consolidated		Separate	
Notes		2010	2009	2010	2009
REVENUES					
	Sales	908,189	905,083	908,189	905,083
	Sales condominium	24,400	-	-	-
	Total sales	932,589	905,083	908,189	905,083
	Costs of sales	(884,204)	(834,914)	(884,204)	(834,914)
	Costs of sales condominium	(19,439)	-	-	-
	Gross profit (loss) margin	28,946	70,169	23,985	70,169
	Other income	32,984	17,390	34,287	19,784
	Profit (loss) before expenses	61,930	87,559	58,272	89,953
	Selling expenses	(39,572)	(38,416)	(39,272)	(38,416)
	Administrative expenses	(16,167)	(25,175)	(13,743)	(31,306)
	Management benefit expenses	(12,997)	(17,935)	(12,997)	(17,935)
	Total expenses	(68,736)	(81,526)	(66,012)	(87,657)
	Profit (loss) before finance costs	(6,806)	6,033	(7,740)	2,296
	Finance costs	(33,161)	(40,415)	(33,157)	(40,414)
	NET LOSS	(39,967)	(34,382)	(40,897)	(38,118)
Attributable to :					
	Equity holders of the parent	(39,967)	(34,382)	(40,897)	(38,118)
	Minority interests	-	-	-	-
		(39,967)	(34,382)	(40,897)	(38,118)
Earnings loss per Share					
	Basic earnings loss per share (Unit : Baht)	(0.03)	(0.03)	(0.03)	(0.04)
	The number of ordinary shares weighted average (Unit : Thousand Shares)	1,225,000	1,065,000	1,225,000	1,065,000

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

(Unit : Thousand Baht)

Notes	Consolidated								
	Share capital	Premium	Discount	Capital surplus	Capital surplus	Deficit		Minority	Total
	issued and paid-up	on share capital	on share capital	from land revaluation	from machinery revaluation	Appropriated	Unappropriated	interest	
Ending Balance as at January 1, 2010	1,065,000	-	(88,750)	191,575	1,012,426	-	(898,340)	-	1,281,911
Increase in ordinary shares	300,000	-	-	-	-	-	-	-	300,000
Depreciation for capital surplus from machinery revaluation	-	-	-	-	(31,779)	-	-	-	(31,779)
Net loss for the period	-	-	-	-	-	-	(39,967)	-	(39,967)
Ending Balance as at March 31, 2010	1,365,000	-	(88,750)	191,575	980,647	-	(938,307)	-	1,510,165
Beginning balance as at January 1, 2009	1,065,000	-	(88,750)	191,575	1,139,010	-	(759,570)	-	1,547,265
Depreciation for capital surplus from machinery revaluation	-	-	-	-	(31,509)	-	-	-	(31,509)
Net loss for the period	-	-	-	-	-	-	(34,382)	-	(34,382)
Ending Balance as at March 31, 2009	1,065,000	-	(88,750)	191,575	1,107,501	-	(793,952)	-	1,481,374

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

"UNAUDITED"

"REVIEWED"

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

(Unit : Thousand Baht)

Notes	Separate							Total
	Share capital	Premium	Discount	Capital surplus	Capital surplus	Deficit		
	issued and paid-up	on share capital	on share capital	from land revaluation	from machinery revaluation	Appropriated	Unappropriated	
Ending Balance as at January 1, 2010	1,065,000	-	(88,750)	191,575	1,012,426	-	(861,098)	1,319,153
Increase in ordinary shares	300,000	-	-	-	-	-	-	300,000
Depreciation for capital surplus from machinery revaluation	-	-	-	-	(31,779)	-	-	(31,779)
Net loss for the period	-	-	-	-	-	-	(40,897)	(40,897)
Ending Balance as at March 31, 2010	1,365,000	-	(88,750)	191,575	980,647	-	(901,995)	1,546,477
Beginning balance as at January 1, 2009	1,065,000	-	(88,750)	191,575	1,139,010	-	(719,415)	1,587,420
Depreciation for capital surplus from machinery revaluation	-	-	-	-	(31,509)	-	-	(31,509)
Net loss for the period	-	-	-	-	-	-	(38,118)	(38,118)
Ending Balance as at March 31, 2009	1,065,000	-	(88,750)	191,575	1,107,501	-	(757,533)	1,517,793

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2009

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	(39,967)	(34,382)	(40,897)	(38,118)
Adjustments to reconcile net profit(loss) to cash received (used) operating activitie:				
Obsolete stock (Decrease) Increase	(2,461)	-	(2,461)	-
Depreciation	27,635	27,278	27,631	27,195
Amortization expenses	17,192	21,644	17,192	21,644
Unrealized (gain) loss on exchange rate	(8,605)	4,701	(8,605)	4,701
Compensation for the claim	-	1,154	-	-
Reversal impairment of finished condominium units	(1,299)	-	-	-
Loss on impairment of investment in subsidiary company	-	-	-	9,000
Interest expenses	29,031	37,726	29,031	37,726
Interest incomes	(9)	(7)	(3,312)	(3,102)
Profit from operating activities before changes in operating assets and liabilities:	21,517	58,114	18,579	59,046
(Increase) Decrease in Trade accounts receivable	(66,337)	(103,727)	(66,337)	(103,727)
(Increase) Decrease in Inventories	(85,626)	14,303	(85,626)	14,303
(Increase) Decrease in Finished condominium units	19,439	19,012	-	-
(Increase) Decrease in Spare parts and supplies	3,032	3,934	3,032	3,934
(Increase) Decrease in Accounts receivable - Revenue Department	(398)	(10,768)	(398)	(10,768)
(Increase) Decrease in Other current assets	(20,907)	(17,089)	(20,907)	(17,089)
(Increase) Decrease in Other non-current assets	3,470	(43)	3,599	(36)
Increase (Decrease) in Account payable	176,279	252,535	176,279	252,535
Increase (Decrease) in Accrued expenses	(21,142)	14,454	(22,962)	14,399
Increase (Decrease) in Other current liabilities	(2,575)	20,423	(1,500)	20,442
Increase(Decrease) in Estimation liability	-	(19,012)	-	-
Increase (Decrease) in Other non - current liabilities	(72)	2,177	(72)	2,177
NET CASH RECEIVED FROM OPERATING ACTIVITIES	26,680	234,313	3,687	235,216
CASH FLOWS FROM INVESTING ACTIVITIES				
Advance for purchase assets	(294)	15,223	(294)	15,223
Purchase of property, plant and equipment	(206)	(27,149)	(206)	(27,149)
NET CASH USED FROM INVESTING ACTIVITIES	(500)	(11,926)	(500)	(11,926)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institution:	(148,750)	(177,304)	(148,750)	(177,304)
Cash received for increase in ordinary shares	300,000	-	300,000	-
Repayment of long - term loans	(15,668)	(7,954)	(15,668)	(7,954)
Repayment of loans from related companies and related persor	(100,000)	-	(100,000)	-
Cash paid for interest expenses	(33,065)	(37,697)	(33,065)	(37,697)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	2,517	(222,955)	2,517	(222,955)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	28,697	(568)	5,704	335
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIODS	6,687	19,732	3,570	18,104
CASH AND CASH EQUIVALENTS AS AT THE END OF PERIODS	35,384	19,164	9,274	18,439

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
MARCH 31, 2010

1. General

Thai Film Industries Public Company Limited, the “Company”, 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 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 Sub-District, Rayong.

The Company and subsidiary have expenses regarding its employees for the three-month periods ended March 31, 2010 and 2009 as follows :-

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Employee expenses	54.92	66.26	54.79	66.16

Employee expenses consisted of salary, overtime, bonuses, accommodation, etc.

2. Basis of Financial Statement Preparation

2.1. The Consolidated and the Company only financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543 which implied the accounting standard set by the Federation of Accounting Professions established in accordance with the Accounting Professions Act B.E. 2547 which is presently in effect.

2.2. The Company prepared its statutory financial statements in the Thai language in accordance with the generally accepted accounting principles as applied in Thailand which the accounting principles used may be different, in certain aspects, from generally accepted accounting principles applied in other countries. For the convenience of the readers, the financial statements were translated into English from the statutory financial statements in Thai which are issued for the domestic reporting purpose.

2.3. Basis of Financial Statement Preparation

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The accompanying financial statements are prepared in Thai Baht and show unit amounts at Thousand Baht, except that identify the other unit.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
MARCH 31, 2010

Revised Accounting Standards, New Accounting Standards.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after January 1, 2011 and January 1, 2012 and which were not early adopted by the Company are as follows:

Effective on January 1, 2011

TAS 24 (revised 2007)	Related Party Disclosures (the former No.TAS 47)
TAS 40	Investment Property

Effective on January 1, 2012

TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
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The Company management has determined that the Accounting Standards will not significantly impact the financial statements being presented.

2.4. Significant accounting policies.

The Company prepared the interim financial statements with same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2009. As a result, these interim financial statements should be simultaneously read in conjunction with the financial statements for the accounting year of 2009.

2.5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
MARCH 31, 2010**

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

3. Basis of Preparation of the Consolidated Financial Statements

3.1 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>March 31, 2010</u>	<u>December 31, 2009</u>		
- Riverside Tower Co., Ltd.	99.99%	99.99%	Property development and sales of condominium units	Thailand

The accounting period of the subsidiary company ends on the same date as the accounting period of Thai Film Industries Public Company Limited. The investment in the subsidiary company that the Company holds more than 99% of shares are considered as 100%.

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

4. Reclassification

Certain amounts in the financial statements for the three-month period ended March 31, 2009 have been reclassified to conform to the current year’s classifications, with no effect on previously reported net income or shareholders' equity.

5. Inter – Transactions between Related Companies

The Company has accounting transactions to occur with the 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 subsidiary company, related companies and persons could be summarized as follows: -

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
MARCH 31, 2010

5.1 Inter-Assets and Liabilities

		(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>
<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Loan receivable and advance payment					
Consist of:-					
Riverside Tower Co., Ltd.	Subsidiary company				
Beginning		-	-	220,141	185,141
<u>Add</u> Loans during the period		-	-	-	35,000
<u>Less</u> Received repayment during the period		-	-	-	-
Ending		-	-	220,141	220,141
<hr/>					
Thai Film Bangladesh Co., Ltd.	Related company				
Beginning		37,965	37,965	37,965	37,965
<u>Add</u> Loans during the period		-	-	-	-
<u>Less</u> Received repayment during the period		-	-	-	-
Ending		37,965	37,965	37,965	37,965
<u>Less</u> Allowance for doubtful debt		(37,965)	(37,965)	(37,965)	(37,965)
Net		-	-	-	-
Total		-	-	220,141	220,141
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- Other Receivable					
Quality Coffee Product Co., Ltd.	The same shareholders and directors				
		-	202	-	202
Total		-	202	-	202
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- Advance received from related person					
Mrs. Suvimol Mahagitsiri	Vice chairman				
Beginning		-	-	-	-
<u>Add</u> Advance during the period		-	1,450	-	-
<u>Less</u> Payment during the period		-	(1,450)	-	-
Ending		-	-	-	-
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		(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>
<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Loan from related company and related					
Mr. Prayut Mahagitsiri	Chairman				
Beginning		100,000	-	100,000	-
Add Loans during the period		-	100,000	-	100,000
Less Payment during the period		(100,000)	-	(100,000)	-
Ending		-	100,000	-	100,000
- Accrued Interest Revenue					
Riverside Tower Co., Ltd.	Subsidiary company	-	-	29,042	25,739
Total		-	-	29,042	25,739
- Accrued Interest Expense					
Mr. Prayut Mahagitsiri	Chairman	-	2,060	-	2,060
Total		-	2,060	-	2,060

During the year 2009 the Company loaned to the subsidiary company as promissory notes which payment term was due at call on demand with the interest rates at 5.875% per annum.

During the year 2009 loan from related person represented promissory note due at call on demand with interest rate at 5.875% per annum.

During the year 2009 the subsidiary company received advance from related person with no specific repayment term and no interest charge.

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5.2 Inter-Revenue and Expense

(Unit : Thousand Baht)

<u>Type of Transaction/Company's Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>For the three-month periods ended March 31,</u>			
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Income from Rental of land					
Quality Coffee Product Co., Ltd.	The same shareholders and directors	605	605	605	605
- Income from Rental of condominium units					
Lakewood Land Co., Ltd.	Related company	140	140	-	-
Mr. Prayut Mahagitsiri	Chairman	561	561	-	-
- Common Area Expense					
PM Riverside Juristic Person	Mutual directors	741	781	-	-
- Interest income					
Riverside Tower Co., Ltd.	Subsidiary company	-	-	3,303	3,095
- Interest expense					
Mr. Prayut Mahagitsiri	Chairman	644	-	644	-

The revenue from rental fee is the lease agreements for some pieces of lands not in operation entered into with a related company. The lessee has to pay monthly rental fee at Baht 201,740 per month. The said agreement is for a period of 2 years commencing from December 1, 2007 until November 30, 2009 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.

At as 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.

The revenue from rental of condominium units with the related company and Chairman was mutually agreed. Tenor of these contracts is 1 year (monthly rental fee at Baht 50,000 per unit in 2010 and in 2009).

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6. Trade Accounts Receivable - Net

Consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	As at March 31, 2010	As at December 31, 2009
<u>Domestic Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	157,492	106,812
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	56,148	20,492
- Over 3 Months to 6 Months	-	97
- Over 6 Months to 9 Months	-	-
- Over 9 Months	937	946
Total	214,577	128,347
<u>Foreign Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	128,214	149,605
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	6,366	6,653
- Over 3 Months to 6 Months	-	4
- Over 6 Months to 9 Months	-	-
- Over 9 Months	4,585	4,585
Total	139,165	160,847
Notes Receivable	32,358	32,202
<u>Less</u> Allowance for doubtful accounts	(4,585)	(4,585)
Net	381,515	316,811

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7. Inventories - Net

Consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	As at March 31, 2010	As at December 31, 2009
Finished goods	63,885	52,267
Work in process	15,801	18,925
Raw materials	99,357	79,913
Packaging	12,264	12,564
Raw materials in transit	69,097	11,108
Total	260,404	174,777
<u>Less</u> Allowance for obsolete stock	(655)	(3,116)
Net	259,749	171,661

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

	(Unit : Thousand Baht)	
	Consolidated/Separate	
	As at March 31, 2010	As at December 31, 2009
Beginning balance	3,116	-
Increase	-	3,116
Decrease	(2,461)	-
Ending balance	655	3,116

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8. Finished Condominium Units – Net

Consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Finished Condominium Units	414,600	434,039	-	-
<u>Less</u> Allowance loss for Impairment	<u>(16,851)</u>	<u>(18,150)</u>	<u>-</u>	<u>-</u>
Net	<u>397,749</u>	<u>415,889</u>	<u>-</u>	<u>-</u>

As at March 31, 2010 and December 31, 2009, 5 condominium units with book value of Baht 46.07 million, respectively were used for rent. The rental contracts have a tenor of 1 year, the management of subsidiary intended to sell such finished condominium units, accordingly, the asset were presented as inventories.

As at March 31, 2010, the subsidiary 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 August 14, 2008 by market approach. The appraiser values compared to the previous report dated September 28, 2007 by the same appraisal company was shown immaterial difference.

9. Advance for Investment - Net

Consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	As at March 31, 2010	As at December 31, 2009
Advance payment for investment	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	<u>(45,594)</u>	<u>(45,594)</u>
Net	<u>-</u>	<u>-</u>

This account represents an advance payment of approximately Baht 46 million to purchase land for construction of a factory to enable the Company to expand its production base in a foreign country. The management of the Company is in the process of negotiation and filing for a legal case for the refund of the advance as a result of the breach of the investment agreement. The Company has fully recorded an allowance for doubtful debt in respect of this advance.

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10. Investments in Subsidiary and Associated Companies - Net

Consist of:

Company	Country of business	Type of business	Paid up Capital (Million Baht)		Percentage of Investment		consolidated		Separate	
			March	December	March	December	March	December	March	December
			31, 2010	31, 2009	31, 2010	31, 2009	31, 2010	31, 2009	31, 2010	31, 2009
(Unit : Thousand Baht)										
							Equity Method		Cost Method	
							March	December	March	December
			31, 2010	31, 2009	31, 2010	31, 2009	31, 2010	31, 2009	31, 2010	31, 2009
Subsidiary Company										
Riverside Tower Co., Ltd.	Thailand	Real Estate	1,300	1,300	99.99	99.99	-	-	1,300,000	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							-	-	2,978,817	2,978,817
<u>Less Allowance for Impairment in investment</u>							-	-	(2,637,357)	(2,637,357)
Net							-	-	341,460	341,460

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 statements of 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.

Since August 7, 2006, the Company has invested in Thai Copper Industries Public Company Limited (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 4 directors in the board of directors of TCI totaling 5 directors). Accordingly, the auditor of the Company considered that the Company has still significant influence.

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The latest significant financial data of TCI are as follows :

	(Unit : Million Baht)
	As at December 31, 2007
	<u>“audited”</u>
Total Assets*	23,937
Total liabilities	20,684
Total shareholders’ 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 shareholders’ 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 financial statements for the years 2010 and 2009. 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.

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) and allowance for doubtful account on the loan, interest receivables and advance in full (Baht 25 million). At present, the liquidation process has not yet been completed.

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

Consist of:-

<u>Company</u>	<u>Country of Business</u>	<u>Type of business</u>	<u>Capital paid-up</u>	<u>Consolidated / Separate</u>			
				<u>Percentage of Investments</u>		<u>Value of Investment</u>	
				<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
				<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>
			<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Lakewood Land Co., Ltd.	Thailand	Real Estate	Baht 290 million	10.00	10.00	43,500	43,500
Lakewood Country Club., Ltd.	Thailand	Golf Course	Baht 10 million	5.00	5.00	750	750
Thai Film Bangladesh Co., Ltd.	Bangladesh	Packaging Film	Taka 112 million				
(Bangladesh Taka currency)				53.57	53.57	37,487	37,487
Total						81,737	81,737
<u>Less</u> Allowance for impairment of investment						(37,487)	(37,487)
Net						44,250	44,250

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12. Land used in operation - at appraised value

As at March 31, 2010 and December 31, 2009, the lands used in operation were represented as appraise value. According to the report of independent appraiser dated in December 2006 using market value method.

13. Plant and Equipment - Net

Consist of:-

	(Unit : Thousand Baht)	
	Consolidated	Separate
Cost :-		
Net Book Value as at January 1, 2010	1,254,657	1,254,646
Purchase	206	206
Transfer from work in process	-	-
Amortized	-	-
Depreciation for the period	(27,635)	(27,631)
Net Book Value as at March 31, 2010	<u>1,227,228</u>	<u>1,227,221</u>
Capital Surplus from Revaluation :-		
Net Book Value as at January 1, 2010	1,012,426	1,012,426
Depreciation for the period	(31,779)	(31,779)
Net Book Value as at March 31, 2010	<u>980,647</u>	<u>980,647</u>
Net Book Value as at March 31, 2010	<u><u>2,207,875</u></u>	<u><u>2,207,868</u></u>

In consolidated financial statements, depreciation for the three-month periods ended March 31, 2010 and 2009, amounted to Baht 26.64 million and Baht 25.65 million, respectively, are included in cost of sales, and Baht 0.99 million and Baht 1.63 million, respectively, are included in selling and administrative expenses.

In The Separate Financial Statement, depreciation for the three-month periods ended March 31, 2010 and 2009, amounted to Baht 26.64 million and Baht 25.65 million, respectively, are included in cost of sales, and Baht 0.99 million and Baht 1.55 million, respectively, are included in selling and administrative expenses.

In the year 2006, the machinery used in operation was re-appraised. According to the report of independent appraiser using replacement cost method, the appraised value of the machinery had increased from the previous appraisal in amount of Baht 1,037.91 million which was reported as a part of “shareholder’s equity” in the balance sheet.

As at March 31, 2010 and December 31, 2009, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 810.91 Million and Baht 800.28 million, respectively.

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14. Property, Plant and Equipment not use in Operation - Net

All the lands and machinery not used in operation, which cost of Baht 144.85 million and Baht 43.03 million, respectively, were re-appraised. According to reports of independent appraiser using the market value method and replacement cost method respectively. And allowance for impairment of such land and machinery were amount of Baht 41.29 million and Baht 35.71 million, respectively.

15. Cost of property to be developed - Net

Consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	As at March 31, 2010	As at December 31, 2009	As at March 31, 2010	As at December 31, 2009
Land	127,875	127,875	-	-
Foundation Cost	51,637	51,637	-	-
Total	179,512	179,512	-	-
<u>Less</u> Allowance for loss from impairment	(48,337)	(48,337)	-	-
Net	<u>131,175</u>	<u>131,175</u>	<u>-</u>	<u>-</u>

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 subsidiary company needed to concentrate on managing and selling of all condominium unit in PM Riverside Project first.

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

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated / Separate</u>	
	<u>As at March 31, 2010</u>	<u>As at December 31, 2009</u>
Bank overdrafts	55,777	75,096
Packing credits	141,767	148,917
Liabilities under trust receipts	99,445	158,635
Promissory notes	382,729	403,551
Short – term loans	66,928	113,079
Total	<u>746,646</u>	<u>899,278</u>

As at March 31, 2010 and December 31, 2009, 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)

<u>Currency</u>	<u>As at March 31,</u> <u>2010</u>	<u>Consolidated / Separate</u>		<u>Bank charge and</u> <u>Interest rate</u> <u>Per annum</u>
		<u>Bank charge and</u> <u>Interest rate</u> <u>Per annum</u>	<u>As at December 31,</u> <u>2009</u>	
Baht	1,624.13	1.00 – 8.75	1,669.13	1.00 – 8.75
US Dollar	1.16	SIBOR+4.50	1.16	SIBOR+4.50

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

As at March 31, 2010 and December 31, 2009, the Company had unutilized credit facility balances by approximately Baht 238.21 million and Baht 309.33 million, respectively.

Under the trust receipts contract, The Company has received that import goods under credit of bank without any payment. However the company has liabilities with the bank for goods.

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17. Long-Term Loans

Consist of:

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	As at March 31, 2010	As at December 31, 2009
Beginning	1,265,865	1,013,110
<u>Add</u> Loans during the period	-	-
<u>Add</u> Represent refinancing some portion of short term loan to long term loan	-	300,000
<u>Less</u> Payment during the period	(15,668)	(47,245)
Total	1,250,197	1,265,865
<u>Less</u> Current Portion of Long - Term Loans	(145,607)	(78,100)
Net	1,104,590	1,187,765

As at March 31, 2010 and December 31, 2009, interest rates of long term loans at MLR-1 to MLR per annum.

Under the terms of the loans agreements, the Company must comply with the terms and conditions in the agreements such as default payment, creation of additional debt obligations, dividend payment, and maintaining of debt to equity ratio, etc.

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

- a) The Company's land and machinery totaling Baht 2,494.16 million
- b) The Company's new machinery acquired after the date of the loan agreements.
- c) Shares capital in other company
- d) A director of the Company offers his/her personal guarantee.

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18. Other current liabilities

Consist of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	As at March	As at December	As at March	As at December
	31, 2010	31, 2009	31, 2010	31, 2009
Accrued interest	2,673	6,706	2,673	6,706
Accrued expense	57,959	79,240	56,019	79,119
Other current liabilities	23,758	26,411	23,275	24,853
Total	84,390	112,357	81,967	110,678

19. Share Capital

The Annual Ordinary General Meeting of Shareholder No.1 for the year 2010 held on January 8, 2010, unanimously approved a resolution to increase its registered capital by issuance of 300 million ordinary shares at a price of Bath 1 per share. The Company will allot new shares to existing shareholders at a ratio 3.55 existing shares to 1 new share at Bath 1 per share. The Company amended its registered capital from Bath 1,065,000,000 to Bath 1,365,000,000 and registered the increasing of registered share capital with the Ministry of Commerce on January 19, 2010. At the present, the Company has already received cash from increase in share capital of Bath 300 million. The Company registered the increasing of issue and paid-up share capital with the Ministry of Commerce on February 12, 2010.

20. Other income

For the three-month periods ended March 31, 2010 and 2009 details of financial information shown other income

Consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2010	2009	2010	2009
Gain on exchange rate	9,882	-	9,882	-
Interest income	9	7	3,312	3,102
Income from sales scrap	18,237	14,000	18,237	14,000
Reversal impairment of finished condominium units	1,299	-	-	-
Other income	3,557	3,383	2,856	2,682
Total	32,984	17,390	34,287	19,784

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21. Management benefit expenses

Management benefit expenses represent benefit expenses that management obtained from the Company such as compensation paid in cash and other benefits as stocks, debentures or other privileges including employee stocks option plan or any incentive, etc. For the listed company, the management represents the management as described in according to Securities and Exchange Law.

Management benefit expenses for the three month periods ended March 31, 2010 and 2009 consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	2010	2009
Management benefit expenses present in costs of sales	1,156	1,555
Management benefit expenses present in statements of income	12,997	17,935
Total	<u>14,153</u>	<u>19,490</u>

22. Corporate Income Tax

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

23. Earnings (Loss) per Share

Basic (Loss) earnings per Share

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the three-month periods ended March 31, 2010 and 2009 was based on the loss for the periods attributable to equity holders of the company.

Net loss for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2010	2009	2010	2009
For the three-month periods ended March 31,	(40)	(34)	(41)	(38)

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Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)	
	Consolidated / Separate	
	March 31,	
	2010	2009
Number of ordinary shares outstanding at the beginning of the period	1,065	1,065
Effect of ordinary shares issued during the period	160	-
Weighted average number of ordinary shares outstanding during the period (Basic)	1,225	1,065

24. 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 three month periods ended March 31, 2010 and 2009, classified into promoted and non-promoted are as follows :-

	(Unit : Million Baht)		
	2010		
	Promoted	Non-promoted	Total
	Business	Business	
Revenues			
- Export Sales	-	459	459
- Local Sales	-	449	449
- Other Income	-	34	34
Total	-	942	942
Costs and Expenses	-	(983)	(983)
Net Loss	-	(41)	(41)

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	(Unit : Million Baht)		
	2009		
	Promoted Business	Non-promoted Business	Total
Revenues			
- Export Sales	-	595	595
- Local Sales	-	310	310
- Other Income	-	20	20
Total	-	925	925
Costs and Expenses	-	(963)	(963)
Net Loss	-	(38)	(38)

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.

25. Disclosure of Segment Business Operation

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

For the three-month periods ended March 31, 2010 and 2009 details of financial information shown separately for the business segments are as follows:-

	(Unit: Million Baht)					
	Consolidated					
	Film		Condominium		Total	
	2010	2009	2010	2009	2010	2009
Revenue From Sales - Local	449	310	24	-	473	310
Revenue From Sales - Foreign	459	595	-	-	459	595
Total	908	905	24	-	932	905
Gross Profit	24	70	5	-	29	70
Profit (loss) before share of loss from investment	(41)	(29)	1	(5)	(40)	(34)
share of loss from investment recorded using the						
Gain on sale investment in Associated Company	-	-	-	-	-	-
Net Profit (loss)	(41)	(29)	1	(5)	(40)	(34)

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For the three-month periods ended March 31, 2010 and 2009 details of financial information shown separately for the geographical segments are as follows:-

	(Unit: Million Baht)				
	Bopp.	Polyester	Cpp.	Metallized	Total
Year 2010					
Revenue from sales - Local	386	30	31	2	449
Revenue from sales - Foreign					
Asia	149	18	2	1	170
Europe	97	-	-	-	97
American	71	-	-	-	71
Other	115	-	6	-	121
Total	818	48	39	3	908
Year 2009					
Revenue from sales - Local	262	18	26	4	310
Revenue from sales - Foreign					
Asia	392	17	1	9	419
Europe	58	-	-	2	60
American	80	-	-	-	80
Other	33	1	1	1	36
Total	825	36	28	16	905

26. Expenses by nature

For the three-month periods ended March 31, 2010 and 2009 details of significant expenses by nature are as follows:-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Salary and wages and other employee benefits	54,917	66,260	54,788	66,158
Depreciation	27,635	27,278	27,631	27,195
Amortization	17,192	21,644	17,192	21,644
Shut down expenses	20,319	14,668	20,319	14,668
Raw materials and consumables used	686,269	637,059	686,269	637,059
Changes in inventories of finished goods and work in process	(10,954)	11,854	(10,954)	11,854
Loss on impairment of investment in subsidiary company	-	-	-	9,000
Compensation for the claim	-	1,154	-	-
Loss on exchange rate	-	3,432	-	3,432

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27. Commitments and Contingent Liabilities

As at March 31, 2010 in addition to the liabilities reflected in the balance sheets, Thai Film Industries Public Company Limited and its subsidiary companies still have of obligations and contingent liabilities as follows: -

- THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED

27.1 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 11.05 million.

27.2 Had unused letters of credit, liabilities under trust receipts and Promissory notes in amount of approximately Baht 24.62 million.

27.3 The Company has export guaranteed entered into with a commercial bank to guarantee against the risk in receiving the payment of exporting goods for leave from the purchaser or the purchaser's bank overseas. The Company holds the right to the export guaranteed at Baht 44.36 million.

27.4 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 the Court has asked for investigation witness of the plaintiff during October 12-15, and 19, 2010 and investigation witness of the Defendant during October 21, 22, and 26-28, 2010.

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 Central Intellectual Property and International Trade Court to forward the 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

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President of the Appeal Court for the judgment. The Company’s lawyer opined that the Company does not have any liability with such bank as the third defendant as the contract pledging the shares of an associated company was already expired.

The Company however has sued against the mentioned bank and an Asset Management Corporation in the Civil Court case number black case file 3210/2550 seeking the payment for alleged breach of the pledge of shares agreement of an associated company of Baht 369.60 million, including the request for releasing the pledged shares of the mentioned associated company totaling 60 million shares to the Company. As the fact that the Company sued against the bank, the Company pledged the shares as collateral for the period of 4 years and it was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. On September 16, 2008, the Civil Court passed judgement that the mentioned litigation case should be dismissed, the Company, therefore has appealed the Court’s decision on October 30, 2008. Presently, the case is in the hearing process of the Appeal Court. And on April 5, 2010, the Company has filed the request to the Appeal Court to expedite the judgment. The Company’s lawyer opined that the outcome of the appeal shall be advantage to the Company

- RIVERSIDE TOWER COMPANY LIMITED

27.5 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Metropolitan Electricity Authority in amount of Baht 0.02 million.

28. Financial Instruments

Policy to manage financial risk

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

Risk on Interest Rate

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

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 March 31, 2010 and December 31, 2009 the Company possessed material assets and liabilities in foreign currencies as follows:-

“UNAUDITED”

“REVIEWED”

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		(Unit: Thousand)	
	Foreign Currency	As at March 31, 2010	As at December 31, 2009
Assets	US Dollar	3,770	4,270
	EURO	465	508
	GBP	104	52
Liabilities	US Dollar	14,712	9,717
	EURO	57	48
	GBP	16	15
	JPY	88,713	89,150

As at March 31, 2010 the Company did not have any outstanding of forward contract.

Credit Risk

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

Fair Value

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

29. Capital management

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

As at March 31, 2010 and December 31, 2009, debt to equity ratio in the consolidated financial statements is 1.89 and 2.33, respectively (the separate financial statements: debt to equity ratio is 1.85 and 2.26, respectively).

30. Approval of Financial Statements

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on May 14, 2010.