

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

To the Board of Directors of TFI Corporation Public Company Limited

(Former "Thai Film Industries Public Company Limited")

I have reviewed the accompanying separate statements of financial position of TFI Corporation Public Company Limited as at June 30, 2012, the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2012 and 2011, the consolidated and separate changes in equity and cash flows for the six-month periods ended June 30, 2012 and 2011, and condensed notes of TFI Corporation Public Company Limited and its subsidiary, and of TFI Corporation Public Company Limited, respectively. 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 reviews.

### **Scope of Review**

I conducted my reviews 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 reviews, 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".

### **Other matter**

Without qualifying my review on the Company's financial statements, I draw attention to the matters discussed in Note no.24.4 to the interim 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. On October 12, 2010 and December 3, 2010, the Court has asked for investigation witness of the plaintiff, four of the defendants' lawyers reported to the Court that the Plaintiff and the first defendant (An Associated Company) are in the negotiation process and have positive progress. The Court, therefore, approved to postpone the appointment at the Court to be held on March 14, 2011. On that day the court determined that both parties agreed to continue the negotiation process. However the negotiation process consumes time and involves to many parties and details. Therefore the Court agreed to temporarily suspend the filing until the conclusion of negotiation shall be made. Furthermore, on September 30, 2009, the Company was sued by

such bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Kor 202/2552 under the pledging the shares of an associated company (the first defendant) as for totaling amount approximately to Baht 902.30 million which was consisted of principal amount of Baht 600 million together with interest calculated upto the filing date (September 30, 2009) amount of Baht 302.30 million. The Company requested to extend the filing of testimony from February 1, 2010 to be March 2, 2010. And the settlement at court including the investigation filing case will be held at the court on March 8, 2010. Hence on March 8, 2010, the Company has filed a complaint request to the President of the Appeal Court to consider whether the case is a consumer case and the plaintiff's lawyer has filed an argument on such request. The Court acknowledged the request however the Court has no authority to judge the request and to reject the request. Therefore on April 27, 2010, the Court forwarded the request to the President of the Appeal Court for the judgement. Presently, the President of the Appeal Court made the judgement that the plaintiff's case was not a consumer case. Therefore the Central Intellectual Property and International Trade Court has authorize to judge the case. The Court ordered to arrange the settlement at Court on September 20, 2012. 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.

**The comparative consolidated and separate statement of financial position as at 31 December 2011**

I have previously audited the consolidated and separate financial statements of TFI Corporation Public Company Limited and its subsidiary, and of TFI Corporation Public Company Limited, respectively, for the year ended December 31, 2011 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those financial statements in my report dated February 24, 2012. but I draw attention to the matters that 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 and separate statements of financial position as at December 31, 2011, which are included in the accompanying interim financial information for comparative purposes, are components of those financial statements. I have not performed any auditing procedures since the date of my audit report.

(Ms.Wimolsri Jongudomsombut)

Certified Public Accountant

Registration No. 3899

Karin Audit Company Limited

Bangkok

August 7, 2012

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**  
**INTERIM FINANCIAL STATEMENTS**  
**AND REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2012 AND DECEMBER,31 2011**

		(Unit :Thousand Baht)		
		Consolidated	Separate	
		As at	As at	As at
		31 December 2011	30 June 2012	31 December 2011
		"AUDITED"	"UNAUDITED"	"AUDITED"
Notes			"REVIEWED"	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
	Cash and cash equivalents	15,097	1,115	8,719
6	Trade accounts receivable and other receivable - net	319,147	404,983	319,147
5.1	Other receivable - related companies	-	-	5,929
7	Inventories - net	249,164	292,005	249,164
	Spare parts and supplies - net	52,695	56,715	52,695
	Finished condominium units - net	360,095	-	-
8	Advance for Investment - net	-	-	-
	Other current assets	22,227	30,287	22,222
	<b>TOTAL CURRENT ASSETS</b>	<b>1,018,425</b>	<b>785,105</b>	<b>657,876</b>
<b>NON-CURRENT ASSETS</b>				
9	Investments in subsidiary and associated companies - net	-	-	317,880
	Other long-term investments			
10	Related companies - net	44,250	-	44,250
	Other company	2,000	2,000	2,000
	Loans receivable, advance payments - subsidiary, associated and related companies - net	-	-	205,582
11	Investment property - net	70,840	-	70,840
12	Land used in operation - at appraised value	456,057	456,057	456,057
13	Plant and equipment used in operation - net	2,130,088	2,001,006	2,130,088
14	Property, plant and equipment not used in operation - net	114,136	42,903	114,136
	Cost of property to be developed - net	124,625	-	-
	Other non-current assets	2,196	2,616	1,184
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,944,192</b>	<b>2,504,582</b>	<b>3,342,017</b>
	<b>TOTAL ASSETS</b>	<b>3,962,617</b>	<b>3,289,687</b>	<b>3,999,893</b>

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2012 AND DECEMBER,31 2011**

		(Unit :Thousand Baht)		
		Consolidated	Separate	
		As at	As at	As at
		31 December 2011	30 June 2012	31 December 2011
		"AUDITED"	"UNAUDITED"	"AUDITED"
Notes			"REVIEWED"	
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdrafts and short-term loans from financial institutions	15	511,498	460,737	511,498
Trade accounts payable and other payable - other		414,579	453,170	412,752
Other payable - related person	5.1	-	-	1,425
Current portion of long-term loans	16	199,744	200,002	199,744
Other current liabilities	17	18,204	9,253	18,189
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,144,025</b>	<b>1,123,162</b>	<b>1,143,608</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans from related person	5.1	500,000	-	500,000
Long-term loans - net	16	798,564	696,600	798,564
Other non - current liabilities	18	53,415	58,243	53,415
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,351,979</b>	<b>754,843</b>	<b>1,351,979</b>
<b>TOTAL LIABILITIES</b>		<b>2,496,004</b>	<b>1,878,005</b>	<b>2,495,587</b>
<b>EQUITY</b>				
<b>SHARE CAPITAL</b>				
Authorized share capital				
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000	1,365,000	1,365,000
Issued and paid-up share capital				
1,365,000,000 ordinary shares : Baht 1 per share		1,365,000	1,365,000	1,365,000
Discount on common shares		(88,750)	(88,750)	(88,750)
Retained earnings (Deficits)				
Unappropriated		(898,398)	(859,347)	(860,705)
Other components of equity		1,088,761	994,779	1,088,761
<b>TOTAL EQUITY</b>		<b>1,466,613</b>	<b>1,411,682</b>	<b>1,504,306</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,962,617</b>	<b>3,289,687</b>	<b>3,999,893</b>

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**"UNAUDITED"**

**"REVIEWED"**

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THREE MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit :Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2011	2012	2011
<b>REVENUES</b>					
Sales		941,994	1,223,611	941,994	1,223,611
Sales condominium		-	12,300	-	-
<b>Total sales</b>		<b>941,994</b>	<b>1,235,911</b>	<b>941,994</b>	<b>1,223,611</b>
Costs of sales		(858,672)	(1,072,607)	(858,672)	(1,072,607)
Costs of sales condominium		-	(9,719)	-	-
<b>Gross profit margin</b>		<b>83,322</b>	<b>153,585</b>	<b>83,322</b>	<b>151,004</b>
Other income	5.2 , 19	11,198	11,528	11,198	13,870
<b>Profit before expenses</b>		<b>94,520</b>	<b>165,113</b>	<b>94,520</b>	<b>164,874</b>
Selling expenses		(33,930)	(31,174)	(33,930)	(31,174)
Administrative expenses	5.2	(27,468)	(22,069)	(27,468)	(21,893)
Management benefit expenses		(18,390)	(15,522)	(18,390)	(15,522)
<b>Total expenses</b>		<b>(79,788)</b>	<b>(68,765)</b>	<b>(79,788)</b>	<b>(68,589)</b>
<b>Profit (loss) before finance costs</b>		<b>14,732</b>	<b>96,348</b>	<b>14,732</b>	<b>96,285</b>
Finance costs	5.2	(26,439)	(33,326)	(26,439)	(33,323)
<b>Profit (loss) and total comprehensive income for the period</b>		<b>(11,707)</b>	<b>63,022</b>	<b>(11,707)</b>	<b>62,962</b>
<b>Total Profit (loss) and comprehensive income attributable to:</b>					
Owner of the Company		(11,707)	63,022	(11,707)	62,962
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(11,707)</b>	<b>63,022</b>	<b>(11,707)</b>	<b>62,962</b>
<b>Earnings (loss) per Share (Unit : Baht)</b>					
Basic earnings (loss) per share (Unit : Baht)	21	(0.009)	0.046	(0.009)	0.046
The number of ordinary shares weighted average (Unit : Thousand Shares)		1,365,000	1,365,000	1,365,000	1,365,000

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**"UNAUDITED"**

**"REVIEWED"**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit :Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2011	2012	2011
<b>REVENUES</b>					
Sales		1,865,477	2,265,847	1,865,477	2,265,847
Sales condominium		-	12,300	-	-
<b>Total sales</b>		<b>1,865,477</b>	<b>2,278,147</b>	<b>1,865,477</b>	<b>2,265,847</b>
Costs of sales		(1,722,629)	(1,961,974)	(1,722,629)	(1,961,974)
Costs of sales condominium		-	(9,719)	-	-
<b>Gross profit margin</b>		<b>142,848</b>	<b>306,454</b>	<b>142,848</b>	<b>303,873</b>
Other income	5.2 , 19	102,948	18,287	64,000	23,507
<b>Profit before expenses</b>		<b>245,796</b>	<b>324,741</b>	<b>206,848</b>	<b>327,380</b>
Selling expenses		(66,347)	(60,837)	(66,347)	(60,837)
Administrative expenses	5.2	(39,050)	(37,172)	(37,818)	(39,886)
Management benefit expenses		(37,641)	(30,693)	(37,641)	(30,693)
<b>Total expenses</b>		<b>(143,038)</b>	<b>(128,702)</b>	<b>(141,806)</b>	<b>(131,416)</b>
<b>Profit (loss) before finance costs</b>		<b>102,758</b>	<b>196,039</b>	<b>65,042</b>	<b>195,964</b>
Finance costs	5.2	(63,707)	(65,562)	(63,684)	(65,559)
<b>Profit (loss) and total comprehensive income for the period</b>		<b>39,051</b>	<b>130,477</b>	<b>1,358</b>	<b>130,405</b>
<b>Total Profit (loss) and comprehensive income attributable to:</b>					
Owner of the Company		39,051	130,477	1,358	130,405
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>39,051</b>	<b>130,477</b>	<b>1,358</b>	<b>130,405</b>
<b>Earnings (loss) per Share (Unit : Baht)</b>					
Basic earnings (loss) per share (Unit : Baht)	21	0.029	0.096	0.001	0.096
The number of ordinary shares weighted average (Unit : Thousand Shares)		1,365,000	1,365,000	1,365,000	1,365,000

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER "THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED")**  
**STATEMENTS OF CHANGES IN EQUITY**

"Unaudited"

"Reviewed"

**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit : Thousand Baht)

	Notes	Consolidated										Total
		Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total of equity other components		Equity attributable to the Company	Non - Controlling interests	
				Appropriated	Unappropriated			of equity	to Equity of owner			
<b>Beginning balance as at January 01, 2012</b>		1,365,000	(88,750)	-	(898,398)	218,470	870,291	1,088,761	1,466,613	-	-	1,466,613
Depreciation for capital surplus from machinery revaluation	13	-	-	-	-	-	(93,982)	(93,982)	(93,982)	-	-	(93,982)
Net Profit for the period		-	-	-	39,051	-	-	-	39,051	-	-	39,051
<b>Ending balance as at June 30, 2012</b>		1,365,000	(88,750)	-	(859,347)	218,470	776,309	994,779	1,411,682	-	-	1,411,682
<b>Beginning balance as at January 1, 2011</b>		1,365,000	(88,750)	-	(959,023)	218,470	1,058,256	1,276,726	1,593,953	-	-	1,593,953
Depreciation for capital surplus from machinery revaluation	13	-	-	-	-	-	(92,950)	(92,950)	(92,950)	-	-	(92,950)
Net Profit for the period		-	-	-	130,477	-	-	-	130,477	-	-	130,477
<b>Ending balance as at June 30, 2011</b>		1,365,000	(88,750)	-	(828,546)	218,470	965,306	1,183,776	1,631,480	-	-	1,631,480

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



**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**(FORMER "THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED")**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit :Thousand Baht)

	Notes	Separate									
		Share capital issued and paid-up		Discount on share capital	Deficit		Other components of equity				Total
					Appropriated	Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	other components of equity	Total	
<b>Beginning balance as at January 01, 2012</b>		1,365,000	(88,750)	-	(860,705)	218,470	870,291	1,088,761	1,504,306		
Depreciation for capital surplus from machinery revaluation	13	-	-	-	-	-	(93,982)	(93,982)	(93,982)		
Net Profit for the period		-	-	-	1,358	-	-	-	1,358		
<b>Ending balance as at June 30, 2012</b>		1,365,000	(88,750)	-	(859,347)	218,470	776,309	994,779	1,411,682		
<b>Beginning balance as at January 1, 2011</b>		1,365,000	(88,750)	-	(921,171)	218,470	1,058,256	1,276,726	1,631,805		
Depreciation for capital surplus from machinery revaluation	13	-	-	-	-	-	(92,950)	(92,950)	(92,950)		
Net Profit for the period		-	-	-	130,405	-	-	-	130,405		
<b>Ending balance as at June 30, 2011</b>		1,365,000	(88,750)	-	(790,766)	218,470	965,306	1,183,776	1,669,260		

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**"UNAUDITED"**

**"REVIEWED"**

**STATEMENTS OF CASH FLOWS**

**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit :Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit (loss)	39,051	130,477	1,358	130,405
Adjustments to reconcile net profit(loss) to cash received (used ) operating activities				
Allowance for obsoleted stock (Reversal) Increase	(5,816)	10,312	(5,816)	10,312
Depreciation	48,742	41,230	48,742	41,230
(Profit) from sales assets	(63,733)	-	(21,880)	-
Allowance for trade account receivable (reverse)	(153)	-	(153)	-
Amortization expenses	13,026	17,226	13,026	17,226
Provision for employee benefits	4,215	2,973	4,215	2,973
Unclaimed withholding tax	234	112	234	112
Unrealized loss on exchange rate	7,824	9,000	7,824	9,000
Reversal impairment of finished condominium units	-	(757)	-	-
Loss on written off assets	11	20	11	20
Loss on impairment of investment in subsidiary company	-	-	-	5,590
Interest expenses	55,781	56,664	55,759	56,664
Interest incomes	-	(13)	(3,506)	(7,252)
Profit from operating activities before changes in operating assets and liabilities	99,182	267,244	99,814	266,280
(Increase) Decrease in Trade accounts receivable and other receivable	(85,044)	(64,538)	(85,044)	(64,536)
(Increase) Decrease in Inventories	(37,161)	(54,342)	(37,161)	(54,342)
(Increase) Decrease in Finished condominium units	-	9,719	-	-
(Increase) Decrease in Spare parts and supplies	(3,588)	(4,173)	(3,588)	(4,173)
(Increase) Decrease in Other current assets	(21,089)	(17,156)	(21,089)	(17,158)
(Increase) Decrease in Other non-current assets	(1,666)	(203)	(1,666)	(153)
Increase (Decrease) in Trade account payable and other payable	35,307	59,380	35,250	59,726
Increase (Decrease) in Other current liabilities	(8,799)	(7,133)	(8,784)	(7,931)
Increase (Decrease) in Other non-current liabilities	(286)	-	(286)	-
<b>NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES</b>	<b>(23,144)</b>	<b>188,798</b>	<b>(22,554)</b>	<b>177,713</b>

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

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

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

**STATEMENTS OF CASH FLOWS**

**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

(Unit :Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash received from accrued interest - loan to ex-subsidiary company	-	13	9,435	9,211
Cash received from loan receivable - ex-subsidiary company	-	-	205,582	1,141
Cash received from debt settlement	215,017	-	-	-
Cash received from sales assets - net	519,924	-	525,690	-
Purchase of property, plant and equipment	(13,557)	(4,092)	(13,557)	(4,092)
<b>NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES</b>	<b>721,384</b>	<b>(4,079)</b>	<b>727,150</b>	<b>6,260</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	(55,448)	(25,045)	(55,448)	(25,045)
Repayment of long - term loans	(101,706)	(99,301)	(101,706)	(99,301)
Repayment loan from related person	(500,000)	-	(500,000)	-
Cash paid for interest expenses	(55,068)	(55,779)	(55,046)	(55,779)
<b>NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES</b>	<b>(712,222)</b>	<b>(180,125)</b>	<b>(712,200)</b>	<b>(180,125)</b>
<b>CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET</b>	<b>(13,982)</b>	<b>4,594</b>	<b>(7,604)</b>	<b>3,848</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIOD</b>	<b>15,097</b>	<b>18,690</b>	<b>8,719</b>	<b>2,258</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF PERIOD</b>	<b>1,115</b>	<b>23,284</b>	<b>1,115</b>	<b>6,106</b>

**Supplemental Disclosure of Cash Flow Information**

- The Extraordinary General Meeting of Shareholders no. 1/2555 held on 27 March 2012, approved to the Company sold certain assets not related to core business operations as
  - All investment in Riverside Tower Co., Ltd.
  - Investment in Lakewood land Co., Ltd.
  - Investment in Lakewood Country Club Co.,Ltd.,
  - Land not used in operation and Investment property
- to Mr. Chalermchai Mahagitsiri. The Company received cash proceeds from sales on such 4 assets totaling amount Baht 530 million and also received the repayment of loan and accrued interest at amount of Baht 205.58 million and Baht 9.43 million from Riverside Tower Co., Ltd.on March 29, 2012 (See note 5)

**TFI CORPORATION PUBLIC COMPANY LIMITED**  
**( FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**  
**STATEMENTS OF CASH FLOWS**  
**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2012 AND 2011**

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

**Proceeds from sales of assets was as follows:**

	In Thousand
	Baht
	<u>                    </u>
Cash receivable from sales of assets net of selling expenses	523,821
<u>(Less)</u> Investment in Lakewood Land Co.,Ltd.	(43,500)
Investment in Lakewood Country Club Co.,Ltd.	(750)
Land not used in operation	(70,840)
Investment property	(70,840)
Cash and deposits at financial institutions	(5,766)
Net	<u>332,125</u>
<u>(Less)</u> Finished condominium units	(360,095)
Other current assets	(4)
Cost of property to be developed - net	(124,625)
Other non-current assets	(1,012)
<u>(Plus)</u> Other payable - other	458
Accrued interest - ex -Parent Company	9,435
Loan from ex-Parent Company	205,582
<b>Profit from sales assets</b>	<b><u><u>61,864</u></u></b>
<b>Net cash inflow from sale of assets ;</b>	
Cash receivable from sales of assets net of selling expenses	523,821
<u>(Less)</u> Cash and deposits at financial institutions	(5,766)
<b>Net cash inflow from sales</b>	<b><u><u>518,055</u></u></b>

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

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**1. General**

TFI Corporation Public Company Limited has registered to change its title name from “Thai Film Industries Public Company Limited” on May 8, 2012, 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 major shareholders is Mahagitsiri family. The Company is engaged in manufacturing of packaging film. Presently, the Company has offices located at the following addresses:

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

**2. Basis of preparation of the interim financial statements**

**2.1 Statement of compliance**

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

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); 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 2011. 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 for the year ended 31 December 2011.

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

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these financial statements in the following table.

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

<u>TFRS</u>	<u>Topic</u>	<u>Year effective</u>
TAS 12	Income Taxes	January 1, 2013
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	January 1, 2013

Management is presently considering the potential impact of adopting and initially applying these news and revised TFRS on the Company’s financial statements.

2.2 Use of estimates and judgments

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

**3. Basis of Preparation of the Interim Consolidated Financial Statements**

3.1 The interim consolidated financial statements have been prepared by including the interim financial statements of TFI Corporation 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>June 30, 2012</u>	<u>December 31, 2011</u>		
- Riverside Tower Co., Ltd.	-	99.99%	Property development and sales of condominium units	Thailand

\*\*\* During the first quarter of 2012, the Subsidiary was sold (See note no. 5).

**4. Reclassification**

Certain amounts in the financial statements for the three – month and six-month period ended June 30, 2011 have been reclassified to conform to the current year’s classifications, with no effect on previously reported net profit (loss) or equity.

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**5. Inter – Transactions between Related Companies**

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

5.1. Inter-Assets and Liabilities

(Unit : Thousand Baht)

<u>Type of Transaction/Company’s Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Loan receivable and advance</b>					
<b>payment</b>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company				
Beginning		-	-	205,582	220,141
<u>Add</u> Loans during the year		-	-	-	-
<u>Less</u> Received repayment during the year		-	-	(205,582)	(14,559)
Ending		-	-	-	205,582
Thai Film Bangladesh Co., Ltd.	Related company				
Beginning		37,965	37,965	37,965	37,965
<u>Add</u> Loans during the year		-	-	-	-
<u>Less</u> Received repayment during the year		-	-	-	-
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		-	-	-	205,582

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

(Unit : Thousand Baht)

<u>Type of Transaction/Company’s Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Loan from related person</b>					
Mr. Chalermchai Mahagitsiri	Director				
Beginning		500,000	-	500,000	-
Add Loans during the year		-	500,000	-	500,000
Less Payment during the year		(500,000)	-	(500,000)	-
Ending		-	500,000	-	500,000
<u>Accrued Interest Expense</u>					
Mr. Chalermchai Mahagitsiri	Director				
Total		-	1,425	-	1,425
<u>Accrued Interest Revenue</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company				
Total		-	-	-	5,929

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



“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

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

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

Therefore, the Company had profit from sales assets net from selling expenses at amount of Baht 20.01 million, which was recognized as "other income" in the statement of comprehensive income for the six-month period ended June 30, 2012.

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

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

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

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 June 30,</u>			
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Income from Rental of land</u>					
Quality Coffee Product Co., Ltd.	The same shareholders and directors	-	605	-	605
<u>Income from Rental of condominium units</u>					
Mr. Prayudh Mahagitsiri	Chairman	-	617	-	-
<u>Common Area Expense</u>					
PM Riverside Juristic Person	Mutual directors	-	679	-	-
<u>Interest income</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	-	3,728
<u>Interest expense</u>					
Mr. Chalermchai Mahagitsiri	Director	-	-	-	-

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

(Unit : Thousand Baht)

<u>Type of Transaction/Company’s Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>For the six-month periods ended June 30,</u>			
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Income from Rental of land</u>					
Quality Coffee Product Co., Ltd.	The same shareholders and directors	605	1,210	605	1,210
<u>Income from Rental of condominium units</u>					
Mr. Prayudh Mahagitsiri	Chairman	617	1,234	-	-
<u>Common Area Expense</u>					
PM Riverside Juristic Person	Mutual directors	646	1,358	-	-
<u>Interest income</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	3,506	7,250
<u>Interest expense</u>					
Mr. Chalermchai Mahagitsiri	Director	7,858	-	7,836	-

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

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

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**6. Trade Accounts Receivable and Other Receivable - Net**

Consist of:-

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Trade accounts receivable and other receivable		
- Trade accounts receivable	391,611	317,002
- other receivable	13,372	2,145
Total trade accounts receivable and other receivable	<u>404,983</u>	<u>319,147</u>

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

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
<u>Domestic Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	176,736	170,354
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	81,063	91,073
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	896	896
Total	<u>258,695</u>	<u>262,323</u>

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
<u>Foreign Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	93,889	36,845
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	4,352	2,314
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	-	4,584
Total	98,241	43,743
Notes Receivable	34,675	15,520
<u>Less Allowance for doubtful accounts</u>	-	(4,584)
Net	391,611	317,002

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

**7. Inventories - Net**

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

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Beginning balance	11,760	14,525
Increase	-	-
Decrease	(5,680)	(2,765)
Ending balance	6,080	11,760

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**8. Advance for Investment - Net**

Consist of:-

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Advance payment for investment	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	(45,594)	(45,594)
Net	-	-

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

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

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**9. 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	
			June	December	June	December	June	December	June	December
			30,2012	31,2011	30,2012	31,2011	30,2012	31,2011	30,2012	31,2011
(Unit : Thousand Baht)										
							Equity Method		Cost Method	
			June	December	June	December	June	December	June	December
			30,2012	31,2011	30,2012	31,2011	30,2012	31,2011	30,2012	31,2011
<b>Ex - Subsidiary Company</b>										
Riverside Tower Co.,Ltd.	Thailand	Real Estate	-	1,300	-	99.99	-	-	-	1,300,000
<b>Associated Companies</b>										
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
<b>Total</b>							-	-	1,678,817	2,978,817
<b>Less Allowance for impairment in investment</b>							-	-	(1,678,817)	(2,660,937)
<b>Net</b>							-	-	-	317,880

As the Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved the Company to sell all investment in shares in Riverside Tower Co.,Ltd. (RVS) to one related person ( See note 5)

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

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

Since August 7, 2006, the Company has invested in TCI at 19.98% of the share capital. The Company has 3 directors in the board of directors of TCI totaling 13 directors, TCI is in operation under the debt restructuring agreements and was performed cash monitoring by external auditor, no material transactions between the Company and TCI, on February 15, 2007, the Company submitted the bank creditor of TCI the letter to request for release of pledge of shares of TCI which the Company held as specified in the loan agreements, and on November 19, 2006, the Company did not invest in the increase in share capital of TCI, accordingly, the portion of the Company in TCI has reduced to be 18.96%

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

of the share capital. On June 29, 2007, TCI changed in the board of directors and a director of Company, acts as financial controller of the Company, is a new director of TCI and the Company has 3 directors in the board of directors of TCI totaling 8 directors (Presently, the Company has 2 directors and one executive management in the board of directors of TCI totaling 5 directors). Accordingly, the Company has still significant influence.

The latest significant financial data of TCI are as follows:

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

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

Up to present TCI has not yet operated, therefore the mentioned company did not prepare the interim financial statements and the financial statements for the years 2011 and 2010, and did not obtain the audited financial statements for the year 2008. However the management of the Company believes that there is no any effects to the book value of investment as it states at zero amount.

Net book value of investment in associated company in which the equity method is applied is zero. The financial statements in which the equity method is applied for the three-month and six-month periods ended June 30, 2012 and 2011 present the same amount and presentation as the separate financial statements for the same periods.

The Consolidated Financial Statement

The Company has ceased to calculate the equity loss in TFM Packaging Film Co., Ltd. which in the process of being liquidated. The Company’s equity recognized equally to their investment (zero). In the cost method, the Company set up an allowance for impairment of the investment in full (Baht 160 million).



“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**10. 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>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
				<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Lakewood Land Co., Ltd.	Thailand	Real Estate	Baht 290 million	-	10.00	-	43,500
Lakewood Country Club., Ltd.	Thailand	Golf Course	Baht 10 million	-	5.00	-	750
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
Total						37,487	81,737
<u>Less</u> Allowance for impairment of investment						(37,487)	(37,487)
Net						-	44,250

As discussed in Note 5 the Company sold all investment in shares in Lakewood Land Co., Ltd and Lakewood Country Club., Ltd. to related person

**11. Investment property**

Fair value of investment property as at June 30, 2012 and December 31, 2011 as follow:

	<u>(Unit : Thousand Baht)</u>	
	<u>Separate</u>	<u>Consolidated / Separate</u>
	<u>As at June 30, 2012</u>	<u>As at December 31, 2011</u>
Investment property	-	70,840

As discussed in Note 5 the Company sold investment property which net book value amount of Baht 70.84 million to related person.

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**12. Land used in operation - at appraised value**

As at June 30, 2012, and December 31, 2011, the land used in operation was re-appraised according to the report of independent appraiser (Bangkok Property Appraisal Co., Ltd.) at fair market value date December 24, 27, 2010 and January 6, 2011, respectively, which appraisal date was December 16 - 17, 2010.

**13. Plant and equipment used in operation – net**

Consist of :

	(Unit : Thousand Baht)
	Separate
Cost :-	
Net Book Value as at January 1, 2012	1,261,187
Purchase	13,557
Transferred in (out)	-
Amortized	(11)
Adjusted	(296)
Depreciation for the period	(48,522)
Net Book Value as at June 30, 2012	<u>1,225,915</u>
Capital Surplus from Revaluation :-	
Net Book Value as at January 1, 2012	868,901
Depreciation for the period	(93,810)
Net Book Value as at June 30, 2012	<u>775,091</u>
Net Book Value as at June 30, 2012	<u>2,001,006</u>

Depreciation for the six-month periods ended June 30, 2012 and 2011, amounted to Baht 46.72 million and Baht 39.17 million, respectively, are included in cost of sales, and Baht 1.81 million and Baht 1.84 million, respectively, are included in selling and administrative expenses.

As at June 30, 2012 and December 31, 2011, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 1,559.33 Million and Baht 1,566.01 million, respectively.

The Company has applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016 . The Company chose this alternative thus depreciation expenses for the six-month period ended June 30, 2012 in the interim financial statements is lower stated by Baht 93.98 million and net profit for the six-month period ended June 30, 2012 in the interim financial statements is over stated by Baht 93.98 million (Earning per share in the consolidated and the separate financial statements is over stated by Baht 0.07 per share).

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

As discussed in note No. 5, the Company has sold land not used in operation which net book value amount of Baht 70.84 million to related person.

As at June 30, 2012, the lands and machineries not used in operation, which cost of Baht 74 million and Baht 44.98 million, respectively, were re-appraised according to reports of independent appraiser (Bangkok Property Appraisal co., ltd. and UK Valuations and Agency co., ltd., respectively) date January 6, 2011 (for land) and date January 17, 2011 (for machineries) which appraisal date was December 16, 2010 (for land) and December 15, 2010 (for machineries). That using market value method and depreciated replacement cost method, respectively. And allowance for impairment of such lands and machineries were amount of Baht 37.39 million and Baht 37.51 million, respectively.

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

Consist of:

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Bank overdrafts	11,529	24,240
Packing credits	62,967	45,046
Liabilities under trust receipts	134,290	312,298
Promissory notes	251,951	129,914
<b>Total</b>	<b>460,737</b>	<b>511,498</b>

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

As at June 30, 2012 and December 31, 2011, the Company has bank overdrafts, packing credits, liabilities under trust receipts, promissory notes, letters of credit and letters of guarantee which were credit facilities received from many local banks as follows :-

(Unit : Million)

<u>Currency</u>	<u>Separate</u>		<u>Consolidated / Separate</u>	
	<u>As at June 30,</u> <u>2012</u>	<u>Bank charge and</u> <u>Interest rate Per annum</u>	<u>As at December 31,</u> <u>2011</u>	<u>Bank charge and Interest</u> <u>rate Per annum</u>
Baht	1,461.46	1.50 – 9.125	1,466.42	1.50 – 9.25

These credit facilities are secured by assets and personal guarantee as mentioned in the note to interim financial statements No.16.

As at June 30, 2012 and December 31, 2011, the Company had unutilized credit facility balances by approximately Baht 608.41 million and Baht 546.69 million, respectively.

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

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**16. Long-Term Loans**

Consist of:

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Beginning	998,308	1,187,765
<u>Add</u> Loans during the period	-	-
<u>Add</u> Represent refinancing some portion of short term loan to long term loan	-	9,081
<u>Less</u> Payment during the period	(101,706)	(198,538)
Total	896,602	998,308
<u>Less</u> Current portion of long - term loans	(200,002)	(199,744)
Net	<u>696,600</u>	<u>798,564</u>

As at June 30, 2012 and December 31, 2011, interest rates of long term loans at MLR to MOR per annum and MLR to MOR per annum, respectively.

The loans including credit facilities from the banks (as mentioned in note to interim financial statement No.15) are guaranteed by pledging :-

- a) The Company’s land and machinery totaling Baht 2,060.05 million
- b) The Company’s new machinery acquired after the date of the loan agreements.
- c) A director of the Company offers his/her personal guarantee.

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**17. Other current liabilities**

Consist of:

(Unit : Thousand Baht)

	Consolidated		Separate	
	As at December 31, 2011	As at June 30, 2012	As at June 30, 2012	As at December 31, 2011
Other payable for purchasing assets	17,743	8,719		17,743
Other current liabilities	461	534		446
Total	18,204	9,253		18,189

**18. Provision for employees benefits**

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

(Unit : Thousand Baht)

	Separate	Consolidated / Separate
	As at June 30, 2012	As at December 31, 2011
Provision for employee benefits - beginning	53,415	48,016
Add recognized amount	5,212	6,000
<u>Less</u> liability decrease from actual paid	(384)	(601)
Provision for employee benefits – ending	58,243	53,415

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**19. Other income**

For the three-month periods ended June 30, 2012 and 2011 details of financial information shown other income

Consist of:-

(Unit : Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
Interest income	-	12	-	3,729
Income from sales scrap	7,040	6,907	7,040	6,907
Gain from disposal of assets	1,869	-	1,869	-
Reversal impairment of finished condominium units	-	757	-	-
Other income	2,289	3,852	2,289	3,234
Total	11,198	11,528	11,198	13,870

For the six-month periods ended June 30, 2012 and 2011 details of financial information shown other income

Consist of:-

(Unit : Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
Gain on exchange rate	15,953	-	15,953	-
Interest income	-	13	3,506	7,252
Income from sales scrap	9,758	9,639	9,758	9,639
Gain from disposal of assets	63,733	-	21,880	-
Reversal impairment of finished condominium units	-	757	-	-
Other income	13,504	7,878	12,903	6,616
Total	102,948	18,287	64,000	23,507

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**20. 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.

**21. Earnings (Loss) per Share**

**Basic Earnings (Loss) per Share**

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the three-month and six - month periods ended June 30, 2012 and 2011 was based on the profit (loss) for the periods attributable to equity holders of the Company and weighted average number of ordinary shares (Basic) issued during for the three-month and six-month periods ended June 30, 2012 and 2011.

Net Profit (loss) for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2012	2011	2012	2011
For the three-month periods ended June 30,	(12)	63	(12)	63
For the six-month periods ended June 30,	39	130	1	130

Weighted average number of ordinary shares (Basic)

	(Unit : Million Baht)	
	Consolidated/Separate	
	For the three-month period ended As at June 30,2012	For the six-month period ended As at June 30, 2011
Weighted average number of ordinary shares Outstanding during the period (Basic)	1,365	1,365



**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**22. Promotional Privileges**

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

Results of the Company’s operations for the six – month periods ended June 30, 2012 and 2011, classified into promoted and non-promoted are as follows :-

	(Unit : Million Baht)		
	2012		
	Promoted Business	Non-promoted Business	Total
Revenues			
- Export Sales	-	970	970
- Local Sales	-	895	895
- Other Income	-	64	64
Total	-	1,929	1,929
Costs and Expenses	-	(1,928)	(1,928)
Net Profit	-	1	1

	(Unit : Million Baht)		
	2011		
	Promoted Business	Non-promoted Business	Total
Revenues			
- Export Sales	-	1,255	1,255
- Local Sales	-	1,011	1,011
- Other Income	-	23	23
Total	-	2,289	2,289
Costs and Expenses	-	(2,159)	(2,159)
Net Profit	-	130	130

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

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.

**23. 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 six – month periods ended June 30, 2012 and 2011 details of financial information shown separately for the business segments are as follows:-

	(Unit : Million Baht)					
	Consolidated					
	Film		Condominium		Total	
	2012	2011	2012	2011	2012	2011
Revenue From Sales - Local	970	1,011	-	12	970	1,023
Revenue From Sales - Foreign	895	1,255	-	-	895	1,255
Total	1,865	2,266	-	12	1,865	2,278
Gross Profit	143	304	-	2	143	306
Profit (loss) of comprehensive income	1	130	-	-	1	130

“UNAUDITED”

“REVIEWED”

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

For the six – month periods ended June 30, 2012 and 2011 details of financial information shown separately for the geographical segments are as follows:-

	(Unit : Million Baht)				
	Bopp.	Polyester	Cpp.	Metallized	Total
Year 2012					
Revenue from sales - Local	820	4	69	2	895
Revenue from sales - Foreign					
Asia	593	1	4	-	598
Europe	131	-	-	-	131
American	39	-	-	-	39
Other	199	-	-	3	202
Total	1,782	5	73	5	1,865
Year 2011					
Revenue from sales - Local	860	72	75	4	1,011
Revenue from sales - Foreign					
Asia	777	51	6	1	835
Europe	170	1	2	1	174
American	16	-	-	-	16
Other	222	4	2	2	230
Total	2,045	128	85	8	2,266

**24. Commitments and Contingent Liabilities**

As at June 30, 2012 in addition to the liabilities reflected in the statements of financial position, TFI Corporation Public Company Limited still have of obligations and contingent liabilities as follows: -

24.1 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 12.68 million.

24.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 326.70 million.

24.3 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 32.22 million.

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

24.4 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 up to the filing date totaling Baht 239.42 million. As the negotiation at the Court on November 3, 2008 and on December 15, 2008 and on February 27, 2009 and on June 19, 2009 between the plaintiff and the defendants. And the settlement at court including the investigation filing case was held at the Court on June 26, 2009 and on August 18, 2009. On October 12, 2010 and December 3, 2010, the Court has asked for investigation witness of the plaintiff, all of the defendants’ lawyers reported to the Court that the Plaintiff and the first defendant (An Associated Company) are in the negotiation process and have positive progress. The Court, therefore, approved to postpone the appointment at the Court to be held on March 14, 2011. On that day the court determined that both parties agreed to continue the negotiation process. However the negotiation process consumes time and involves to many parties and details. Therefore the Court agreed to temporarily suspend the filing until the conclusion of negotiation shall be made.

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 up to the filing date (September 30, 2009) amount of Baht 302.30 million. The Company requested to extend the filing of testimony from February 1, 2010 to be March 2, 2010. And the settlement at court including the investigation filing case will be held at the court on March 8, 2010. Hence on March 8, 2010, the Company has filed a complaint request to the President of the Appeal Court to consider whether the case is a consumer case and the plaintiff’s lawyer has filed an argument on such request. The Court acknowledged the request however the Court has no authority to judge the request and to reject the request. Therefore on April 27, 2010, the Court forwarded the request to the President of the Appeal Court for the judgment. Presently, the President of the Appeal Court made the judgement that the plaintiff’s case was not a consumer case. Therefore the Central Intellectual Property and International Trade Court has authorize to judge the case. The Court ordered to arrange the settlement at Court on September 20, 2012.

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

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

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.

**25. Financial Instruments**

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, 2012 and December 31, 2011 the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit : Thousand)	
	Foreign Currency	As at June 30, 2012	As at December 31, 2011
Assets	US Dollar	2,767	980
	EURO	157	233
	GBP	58	30
Liabilities	US Dollar	11,501	15,623
	EURO	66	30
	GBP	1	1
	JPY	21,903	43,217

As at July 4, 2012, there were forward contracts sold amount of USD 1.50 million.

**TFI CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
(FORMER “THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED”)  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012**

**26. 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, 2012 and December 31, 2011, debt to equity ratio in the consolidated financial statements is - and 1.70, respectively (the separate financial statements: debt to equity ratio is 1.33 and 1.66, respectively).

**27. Other Event**

The Extraordinary General Meeting No.2/2012, on June 27, 2012, had a special resolution to change of the Company’s name from TFI Corporation Public Company Limited to “Thai Film Industries Public Company Limited”  
The Company registered the changing with the Ministry of Commerce on July 10, 2012.

**28. Approval of Financial Statements**

Board of Directors of the TFI Corporation Public Company Limited has approved these financial statements on August 7, 2012.