

Independent Auditor's Report on Review of Interim Financial

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

I have reviewed the accompanying separate statements of financial position of Thai Film Industries Public Company Limited as at September 30, 2012, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2012 and 2011, the consolidated and separate changes in equity and cash flows for the nine-month periods ended September 30, 2012 and 2011, and condensed notes of Thai Film Industries Public Company Limited and its subsidiary, and of Thai Film Industries 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. By the case, the Court appointed at the Court to be held on December 24, 2012. 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 extend the settlement at Court to be held on December 14, 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. Subsequently, on September 25, 2012, the Appeals Court upholds the judgment of the Civil Court is to dismiss. And on October 17, 2012, the Company has filed a requesting to extend the filing the petition to the Supreme Court on November 23, 2012.

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 Thai Film Industries Public Company Limited and its subsidiary, and of Thai Film Industries 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

November 7, 2012

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT OF CERTIFIED PUBLIC ACCOUNTANT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2012 AND DECEMBER,31 2011

		(Unit :Thousand Baht)		
		Consolidated	Separate	
		As at	As at	As at
		31 December 2011	30 September 2012	31 December 2011
		"AUDITED"	"UNAUDITED"	"AUDITED"
Notes			"REVIEWED"	
ASSETS				
CURRENT ASSETS				
	Cash and cash equivalents	15,097	1,257	8,719
6	Trade accounts receivable and other receivable - net	319,147	415,416	319,147
5.1	Other receivable - related companies	-	-	5,929
7	Inventories - net	249,164	382,422	249,164
	Spare parts and supplies - net	52,695	59,117	52,695
	Finished condominium units - net	360,095	-	-
8	Advance for Investment - net	-	-	-
	Other current assets	22,227	42,649	22,222
	TOTAL CURRENT ASSETS	1,018,425	900,861	657,876
NON-CURRENT ASSETS				
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	1,942,640	2,130,088
14	Property, plant and equipment not used in operation - net	114,136	42,704	114,136
	Cost of property to be developed - net	124,625	-	-
	Other non-current assets	2,196	2,616	1,184
	TOTAL NON-CURRENT ASSETS	2,944,192	2,446,017	3,342,017
	TOTAL ASSETS	3,962,617	3,346,878	3,999,893

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2012 AND DECEMBER,31 2011

		(Unit :Thousand Baht)			
		Consolidated	Separate		
		As at	As at	As at	
		31 December 2011	30 September 2012	31 December 2011	
		"AUDITED"	"UNAUDITED"	"AUDITED"	
Notes			"REVIEWED"		
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
	Bank overdrafts and short-term loans from financial institutions	15	511,498	593,081	511,498
	Trade accounts payable and other payable - other		414,579	522,824	412,752
	Other payable - related person	5.1	-	-	1,425
	Current portion of long-term loans	16	199,744	200,044	199,744
	Other current liabilities	17	18,204	4,796	18,189
	TOTAL CURRENT LIABILITIES		1,144,025	1,320,745	1,143,608
NON-CURRENT LIABILITIES					
	Loans from related person	5.1	500,000	-	500,000
	Long-term loans - net	16	798,564	612,896	798,564
	Other non - current liabilities	18	53,415	60,025	53,415
	TOTAL NON-CURRENT LIABILITIES		1,351,979	672,921	1,351,979
	TOTAL LIABILITIES		2,496,004	1,993,666	2,495,587
EQUITY					
SHARE CAPITAL					
	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)	(870,309)	(860,705)
	Other components of equity		1,088,761	947,271	1,088,761
	TOTAL EQUITY		1,466,613	1,353,212	1,504,306
	TOTAL LIABILITIES AND EQUITY		3,962,617	3,346,878	3,999,893

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2011	2012	2011
REVENUES					
Sales		985,654	942,535	985,654	942,535
Sales condominium		-	12,500	-	-
Total sales		985,654	955,035	985,654	942,535
Costs of sales		(918,049)	(874,790)	(918,049)	(874,790)
Costs of sales condominium		-	(9,719)	-	-
Gross profit margin		67,605	70,526	67,605	67,745
Other income	5.2 , 19	13,482	9,646	13,482	12,611
Profit before expenses		81,087	80,172	81,087	80,356
Selling expenses		(31,476)	(32,190)	(31,476)	(32,190)
Administrative expenses	5.2	(16,414)	(21,618)	(16,414)	(21,864)
Management benefit expenses		(16,255)	(17,445)	(16,255)	(17,445)
Total expenses		(64,145)	(71,253)	(64,145)	(71,499)
Profit (loss) before finance costs		16,942	8,919	16,942	8,857
Finance costs	5.2	(27,904)	(35,478)	(27,904)	(35,477)
Profit (loss) and total comprehensive income for the period		(10,962)	(26,559)	(10,962)	(26,620)
Total Profit (loss) and comprehensive income attributable to:					
Owner of the Company		(10,962)	(26,559)	(10,962)	(26,620)
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(10,962)	(26,559)	(10,962)	(26,620)
Earnings (loss) per Share (Unit : Baht)					
Basic earnings (loss) per share (Unit : Baht)	21	(0.008)	(0.019)	(0.008)	(0.020)
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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Notes	Consolidated		Separate	
		2012	2011	2012	2011
REVENUES					
Sales		2,851,132	3,208,382	2,851,132	3,208,382
Sales condominium		-	24,800	-	-
Total sales		2,851,132	3,233,182	2,851,132	3,208,382
Costs of sales		(2,640,678)	(2,836,764)	(2,640,678)	(2,836,764)
Costs of sales condominium		-	(19,439)	-	-
Gross profit margin		210,454	376,979	210,454	371,618
Other income	5.2 , 19	116,429	27,933	77,482	36,118
Profit before expenses		326,883	404,912	287,936	407,736
Selling expenses		(97,823)	(93,027)	(97,823)	(93,027)
Administrative expenses	5.2	(55,464)	(58,790)	(54,233)	(61,750)
Management benefit expenses		(53,896)	(48,138)	(53,896)	(48,138)
Total expenses		(207,183)	(199,955)	(205,952)	(202,915)
Profit (loss) before finance costs		119,700	204,957	81,984	204,821
Finance costs	5.2	(91,611)	(101,039)	(91,588)	(101,036)
Profit (loss) and total comprehensive income for the period		28,089	103,918	(9,604)	103,785
Total Profit (loss) and comprehensive income attributable to:					
Owner of the Company		28,089	103,918	(9,604)	103,785
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		28,089	103,918	(9,604)	103,785
Earnings (loss) per Share (Unit : Baht)					
Basic earnings (loss) per share (Unit : Baht)	21	0.021	0.076	(0.007)	0.076
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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"Unaudited"
"Reviewed"

(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	
Beginning balance as at January 01, 2012		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	-	-	-	-	-	(141,490)	(141,490)	(141,490)		
Net Loss for the period		-	-	-	(9,604)	-	-	-	(9,604)		
Ending balance as at September 30, 2012		1,365,000	(88,750)	-	(870,309)	218,470	728,801	947,271	1,353,212		
Beginning balance as at January 1, 2011		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		-	-	-	-	-	(140,457)	(140,457)	(140,457)		
Net Profit for the period		-	-	-	103,785	-	-	-	103,785		
Ending balance as at September 30, 2011		1,365,000	(88,750)	-	(817,386)	218,470	917,799	1,136,269	1,595,133		

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	28,089	103,918	(9,604)	103,785
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				-
Allowance for obsoleted stock (Reversal) Increase	(7,320)	5,569	(7,320)	5,569
Depreciation	74,818	63,307	74,818	63,307
(Profit) from sales assets	(64,238)	-	(22,385)	-
Allowance for trade account receivable (reverse)	(153)	-	(153)	-
Amortization expenses	20,635	24,625	20,635	24,625
Provision for employee benefits	6,403	4,456	6,403	4,456
Unclaimed withholding tax	234	112	234	112
Unrealized (gain) loss on exchange rate	(1,573)	17,550	(1,573)	17,550
Reversal impairment of finished condominium units	-	(931)	-	-
Loss on written off assets	12	21	12	21
Loss on impairment of investment in subsidiary company	-	-	-	7,290
Interest expenses	78,967	88,239	78,945	88,239
Interest incomes	-	(14)	(3,506)	(11,008)
Profit from operating activities before changes in operating assets and liabilities	135,874	306,852	136,506	303,946
(Increase) Decrease in Trade accounts receivable and other receivable	(96,654)	11,357	(96,654)	11,359
(Increase) Decrease in Inventories	(126,074)	(37,327)	(126,074)	(37,327)
(Increase) Decrease in Finished condominium units	-	19,439	-	-
(Increase) Decrease in Spare parts and supplies	(5,990)	(10,881)	(5,990)	(10,881)
(Increase) Decrease in Other current assets	(41,061)	(23,564)	(41,061)	(23,566)
(Increase) Decrease in Other non-current assets	(1,666)	582	(1,666)	(270)
Increase (Decrease) in Trade accounts payable and other payable	108,462	165,757	108,404	165,743
Increase (Decrease) in Other current liabilities	(13,291)	(12,704)	(13,275)	(12,102)
Cash paid for employee benefits	(1,022)	(105)	(1,022)	(105)
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	(41,422)	419,406	(40,832)	396,797

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Consolidated		Separate	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from interest incomes	-	13	9,435	17,880
Cash received from loan receivable - subsidiary company	-	-	205,582	14,559
Cash received from debt settlement	215,017	-	-	-
Cash received from sales assets	520,429	-	526,195	-
Purchase of property, plant and equipment	(28,577)	(14,143)	(28,577)	(14,143)
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	706,869	(14,130)	712,635	18,296
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	81,583	(182,320)	81,583	(182,320)
Repayment of long - term loans	(185,368)	(148,919)	(185,368)	(148,919)
Repayment of director loans	(500,000)	-	(500,000)	-
Cash paid for interest expenses	(75,502)	(84,712)	(75,480)	(84,712)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	(679,287)	(415,951)	(679,265)	(415,951)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	(13,840)	(10,675)	(7,462)	(858)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIOD	15,097	18,690	8,719	2,258
CASH AND CASH EQUIVALENTS AS AT THE END OF PERIOD	1,257	8,015	1,257	1,400

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)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2012 AND 2011

"UNAUDITED"
"REVIEWED"

Proceeds from sales of assets was as follows:

	In Thousand Baht
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	332,125
<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 person	458
Accrued interest - ex -Parent Company	9,435
Loan from ex-Parent Company	205,582
Profit from sales assets	61,864
Net cash inflow from sales of assets ;	
Cash receivable from sales of assets net of selling expenses	523,821
<u>(Less)</u> Cash and deposits at financial institutions	(5,766)
Net cash inflow from sales of assets	518,055

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

1. General

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

- a) Head Office and Factory : 73/3 Moo 4, Bangna - Trad Road, Bangchalong, Bangplee, Sumutprakam.
- 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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 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>September 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 nine-month period ended September 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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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>Consolidated</u>		<u>Separate</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
<u>Type of Transaction/Company’s Name</u>	<u>Relationship</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Loan receivable and advance					
payment					
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”

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Loan from related person					
Mr. Chalermchai Mahagitsiri	Director				
Beginning		500,000	-	500,000	-
<u>Add</u> Loans during the year		-	500,000	-	500,000
<u>Less</u> 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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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
	Total	<u>503,810</u>

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 nine-month period ended September 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% **per annum**. 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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 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	-	606	-	606
<u>Income from Rental of condominium units</u>					
Mr. Prayudh Mahagitsiri	Chairman	-	617	-	-
<u>Common Area Expense</u>					
PM Riverside Juristic Person	Mutual directors	-	653	-	-
<u>Interest income</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	-	3,756

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 nine-month periods ended September 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	1,816	605	1,816
<u>Income from Rental of condominium units</u>					
Mr. Prayudh Mahagitsiri	Chairman	617	1,851	-	-
<u>Common Area Expense</u>					
PM Riverside Juristic Person	Mutual directors	646	2,011	-	-
<u>Interest income</u>					
Riverside Tower Co., Ltd.	Ex - Subsidiary company	-	-	3,506	11,006
<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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

6. Trade Accounts Receivable and Other Receivable - Net

Consist of:-

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at September 30, 2012	As at December 31, 2011
Trade accounts receivable and other receivable		
- Trade accounts receivable	407,063	317,002
- other receivable	8,353	2,145
Total trade accounts receivable and other receivable	415,416	319,147

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

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at September 30, 2012	As at December 31, 2011
<u>Domestic Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	192,868	170,354
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	78,306	91,073
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	896	896
Total	272,070	262,323

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at September 30, 2012	As at December 31, 2011
<u>Foreign Trade Accounts Receivable</u>		
Trade Accounts Receivable within Credit Term	71,921	36,845
Aging of Trade Accounts Receivable :-		
- Less than 3 Months	14,853	2,314
- Over 3 Months to 6 Months	-	-
- Over 6 Months to 9 Months	-	-
- Over 9 Months	-	4,584
Total	86,774	43,743
Notes Receivable	48,219	15,520
<u>Less</u> Allowance for doubtful accounts	-	(4,584)
Net	407,063	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 September 30, 2012	As at December 31, 2011
Beginning balance	11,760	14,525
Increase	-	-
Decrease	(7,185)	(2,765)
Ending balance	4,575	11,760

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

8. Advance for Investment - Net

Consist of:-

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at September 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”

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**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012**

9. Investments in Subsidiary and Associated Companies - Net

Consist of:

<u>Company</u>	<u>Country</u> of <u>business</u>	<u>Type of</u> <u>business</u>	<u>Paid up Capital</u> <u>(Million Baht)</u>		<u>Percentage of</u> <u>Investment</u>		<u>consolidated</u>		<u>Separate</u>	
			<u>September</u> <u>30,2012</u>	<u>December</u> <u>31,2011</u>	<u>September</u> <u>30,2012</u>	<u>December</u> <u>31,2011</u>	<u>September</u> <u>30,2012</u>	<u>December</u> <u>31,2011</u>	<u>September</u> <u>30,2012</u>	<u>December</u> <u>31,2011</u>
(Unit : Thousand Baht)										
							<u>Equity Method</u>		<u>Cost Method</u>	
							<u>September</u>	<u>December</u>	<u>September</u>	<u>December</u>
							<u>30,2012</u>	<u>31,2011</u>	<u>30,2012</u>	<u>31,2011</u>
Ex - Subsidiary Company										
Riverside Tower Co.,Ltd.	Thailand	Real Estate	-	1,300	-	99.99	-	-	-	1,300,000
Associated Companies										
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	-	-	1,518,981	1,518,981
TFM Packaging Film Co., Ltd.	Thailand	Packaging Film	324.90	324.90	49.20	49.20	-	-	159,836	159,836
Total							-	-	1,678,817	2,978,817
<u>Less</u> Allowance for impairment in investment							-	-	(1,678,817)	(2,660,937)
Net							-	-	-	317,880

As the Extraordinary General Meeting of Shareholders no. 1/2555 held on March 27, 2012 approved the Company to sell all investment in shares in Riverside Tower Co.,Ltd. (RVS) to one related person (See note 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% of the share capital. On June 29, 2007, TCI changed in the board of directors and a director of Company, acts as

“UNAUDITED”

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

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 nine-month periods ended September 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”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

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

Consist of:-

<u>Company</u>	<u>Country of</u> <u>Business</u>	<u>Type of</u> <u>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>September 30,</u>	<u>December 31,</u>	<u>September 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
Less 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 September 30, 2012 and December 31, 2011 as follow:

	<u>(Unit : Thousand Baht)</u>	
	<u>Separate</u>	<u>Consolidated / Separate</u>
	<u>As at September 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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

12. Land used in operation - at appraised value

As at September 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	28,577
Transferred in (out)	-
Amortized	(12)
Adjusted	(296)
Depreciation for the period	(74,487)
Net Book Value as at September 30, 2012	<u>1,214,969</u>
Capital Surplus from Revaluation :-	
Net Book Value as at January 1, 2012	868,901
Depreciation for the period	(141,230)
Net Book Value as at September 30, 2012	<u>727,671</u>
Net Book Value as at September 30, 2012	<u><u>1,942,640</u></u>

Depreciation for the nine-month periods ended September 30, 2012 and 2011, amounted to Baht 71.84 million and Baht 60.17 million, respectively, are included in cost of sales, and Baht 2.65 million and Baht 2.81 million, respectively, are included in selling and administrative expenses.

As at September 30, 2012 and December 31, 2011, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 1,570.68 Million and Baht 1,566.01 million, respectively.

The Company has applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

comprehensive income until the accounting period beginning before January 1, 2016 . The Company chose this alternative thus depreciation expenses for the nine-month period ended September 30, 2012 in the interim financial statements is lower stated by Baht 141.49 million and net profit for the nine-month period ended September 30, 2012 in the interim financial statements is over stated by Baht 141.49 million (Earning per share in the consolidated and the separate financial statements is over stated by Baht 0.10 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 September 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 September 30, 2012	As at December 31, 2011
Bank overdrafts	18,931	24,240
Packing credits	106,053	45,046
Liabilities under trust receipts	-	312,298
Promissory notes	468,097	129,914
Total	593,081	511,498

“UNAUDITED”

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

As at September 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 September 30,</u>	<u>Bank charge and</u>	<u>As at December 31,</u>	<u>Bank charge and Interest</u>
	<u>2012</u>	<u>Interest rate Per annum</u>	<u>2011</u>	<u>rate Per annum</u>
Baht	1,446.46	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 September 30, 2012 and December 31, 2011, the Company had unutilized credit facility balances by approximately Baht 401.93 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”

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

16. Long-Term Loans

Consist of:

	(Unit : Thousand Baht)	
	Separate	Consolidated / Separate
	As at September 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	(185,368)	(198,538)
Total	812,940	998,308
<u>Less</u> Current portion of long - term loans	(200,044)	(199,744)
Net	<u>612,896</u>	<u>798,564</u>

As at September 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 2,001.80 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”

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

17. Other current liabilities

Consist of:

(Unit : Thousand Baht)

	Consolidated	Consolidated/Separate	
	As at December 31, 2011	As at September 30, 2012	As at December 31, 2011
Other payable for purchasing assets	17,743	4,319	17,743
Other current liabilities	461	477	446
Total	18,204	4,796	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 September 30, 2012	As at December 31, 2011
Provision for employee benefits - beginning	53,415	48,016
<u>Add</u> recognized amount	7,920	6,000
<u>Less</u> liability decrease from actual paid	(1,310)	(601)
Provision for employee benefits – ending	60,025	53,415

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

19. Other income

For the three-month periods ended September 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	9,720	-	9,720	-
Interest income	-	1	-	3,756
Income from sales scrap	1,313	6,124	1,313	6,124
Gain from disposal of assets	505	-	505	-
Reversal impairment of finished condominium units	-	174	-	-
Other income	1,944	3,347	1,944	2,731
Total	13,482	9,646	13,482	12,611

For the nine-month periods ended September 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	25,673	-	25,673	-
Interest income	-	14	3,507	11,008
Income from sales scrap	11,071	15,763	11,071	15,763
Gain from disposal of assets	64,238	-	22,385	-
Reversal impairment of finished condominium units	-	931	-	-
Other income	15,447	11,225	14,846	9,347
Total	116,429	27,933	77,482	36,118

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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

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 nine - month periods ended September 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 nine-month periods ended September 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 September 30,	(11)	(27)	(11)	(27)
For the nine-month periods ended September 30,	28	104	(10)	104

Weighted average number of ordinary shares (Basic)

	(Unit : Million Shares)	
	Separate	Consolidated/Separate
	As at September 30,2012	As at September 30, 2011
Weighted average number of ordinary shares		
Outstanding during the period (Basic)	1,365	1,365

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 nine – month periods ended September 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	-	1,485	1,485
- Local Sales	-	1,366	1,366
- Other Income	-	78	78
Total	-	2,929	2,929
Costs and Expenses	-	(2,939)	(2,939)
Net Loss	-	(10)	(10)

	(Unit : Million Baht)		
	2011		
	Promoted Business	Non-promoted Business	Total
Revenues			
- Export Sales	-	1,824	1,824
- Local Sales	-	1,384	1,384
- Other Income	-	36	36
Total	-	3,244	3,244
Costs and Expenses	-	(3,140)	(3,140)
Net Profit	-	104	104

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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

23. Disclosure of Segment Business Operation

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

For the nine – month periods ended September 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	1,366	1,384	-	25	1,366	1,409
Revenue From Sales - Foreign	1,485	1,824	-	-	1,485	1,824
Total	2,851	3,208	-	25	2,851	3,233
Gross Profit	210	372	-	5	210	377
Profit (loss) of comprehensive income	28	104	-	-	28	104

24. Commitments and Contingent Liabilities

As at September 30, 2012 in addition to the liabilities reflected in the statements of financial position, Thai Film Industries Public Company Limited still have of obligations and contingent liabilities as follows: -

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 13.36 million.

24.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 185.75 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 25.97 million.

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

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. By the case, the Court appointed at the Court to be held on December 24, 2012.

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 extend the settlement at Court to be held on December 14, 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 was not a guarantor of loan. The loan repayment period was 10 years which the grace period for 3.5 years and the loan will be paid within 6.5 years. On September 16, 2008, the Civil Court passed judgement that the mentioned litigation case should be dismissed, the Company, therefore has appealed the Court's decision on October 30, 2008. Subsequently, on September 25, 2012, the Appeals Court upholds the judgment of the Civil Court is to dismiss. And on October 17, 2012, the Company has filed a requesting to extend the filing the petition to the Supreme Court on November 23, 2012.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012

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 September 30, 2012 and December 31, 2011 the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit : Thousand)	
	Foreign Currency	As at September 30, 2012	As at December 31, 2011
Assets	US Dollar	2,372	980
	EURO	187	233
	GBP	-	30
Liabilities	US Dollar	8,608	15,623
	EURO	75	30
	GBP	-	1
	JPY	10,756	43,217

As at September 30, 2012, there were forward contracts sold amount of USD 2.01 million.

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 September 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 1.47 and 1.66, respectively).

27. Subsequent Events

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

“UNAUDITED”

“REVIEWED”

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012**

28. Approval of Financial Statements

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on November 7, 2012.