

Independent Auditor's Report

To the Shareholders of Thai Film Industries Public Company Limited

Opinion

I have audited the financial statements of Thai Film Industries Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Thai Film Industries Public Company Limited and its subsidiaries as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of assets for non-operations

Risk

The Company recorded a loss on impairment of assets for non-operations, amounting to Baht 72.95 million as discussed in Note 15. Since the Company does not use such assets in operation. The test for impairment is significant to determine the value of property, plant and equipment for non-operations – net as at December 31, 2016, amounting to Baht 60.69 million, and is significant to the financial statements.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- reviewed the use of estimates by discretion in analyzing the reasonableness of the projected for future earnings and includes information on expenditure.
- evaluated the assumptions used in the assessment and evaluation of experts including the assessment of the ability of professional experts.
- based on the estimated book value as at the date of assessment depreciation is calculated based on the remaining items evaluated and then compared to the carrying value balance at end of the period. It found that the difference outcome was not material to the financial statements.

However, the Company has already considered the amount of value expected to be recovered of plant and equipment for non-operation, based on the independent appraisal and also recorded a loss on impairment of property, plant and equipment for non-operations as at December 31, 2016, amounting Baht 72.95 million, in the consolidated statement.

Deferred Tax Assets

Risk

The Company has not recorded deferred tax assets, amounting to Baht 654.18 million as discussed in Note 18 to the financial statements due to the recognition of deferred tax assets are based on this opportunity by implementing that relies on the discretion of the administration. The expectation for utilization of the asset is dependent on many factors, including the appropriateness of the temporary differences of tax and the adequacy of future taxable income to support such recognition.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- considered management's assessment of the adequacy of future taxable profits to support the recording of deferred tax assets ,based on considering the estimated future cash flows and assumptions of the management process.
- tested the reliability of the calculated and compared with the last budget approved by the Board of Directors.
- asked the executives about key assumptions regarding the estimated long-term growth rate as compared to the performance in the past ,economic condition, and forecasts of industry trends.

The results of the above tests that cause to believe that the Company should not recognize deferred tax assets because there is no opportunity to take advantage of future tax manifest.

Emphasis of Matter

Without qualifying my opinion, I draw attention in

- (1) Note 25.4(1) that on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court and the court dismissed the Company but the plaintiff has filed an appeal and now the Company is in process to filling and answer to the appeal and (2) on September 30, 2009, the Company was sued by the same bank as the third defendant in the Central Intellectual Property and International Trade Court and is awaiting judgment. In both cases the company is a defendant of contractual pledge Baht 600 million for principal and interest and the Company's lawyers give opinion that the pledging of shares as collateral for a period of four years had ended, the Company is not responsible in the end.
- (2) As discussed in Note 2 describing the effect of the Company's change in accounting policy from January 1, 2016. The prior period financial statements, presented as comparative information, were adjusted as explained in Note 2.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr.Jirote Sirirorote

Mr.Jirote Sirirorote

Certified Public Accountant (Thailand) No. 5113

Karin Audit Company Limited

February 20, 2017

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016
AND
AUDITOR'S REPORT

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(Unit : Baht)

	Notes	Consolidated			Separate		
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	January 1, 2015
			"AUDITED"	"AUDITED"		"AUDITED"	"AUDITED"
			"RESTATED"	"RESTATED"		"RESTATED"	"RESTATED"
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents		72,689,997	5,554,358	7,321,457	71,604,107	4,314,384	5,916,570
Trade accounts receivable and other receivable - net	6	252,845,662	304,861,210	413,813,885	252,845,662	304,861,210	413,813,805
Other receivable - related companies	5.1	-	-	-	-	827,408	178,738
Inventories - net	7	224,145,346	270,315,909	275,394,252	224,145,346	270,315,909	275,394,252
Spare parts and supplies - net		60,180,705	57,593,346	57,442,704	60,180,705	57,593,346	57,442,704
Advance for Investment - net	8	-	-	-	-	-	-
Other current assets		23,125,897	29,858,927	30,576,861	23,125,897	29,858,927	30,576,861
TOTAL CURRENT ASSETS		632,987,607	668,183,750	784,549,159	631,901,717	667,771,184	783,322,930
NON-CURRENT ASSETS							
Restricted bank deposits	9	1,029,274	1,017,665	2,003,244	1,029,274	1,017,665	2,003,244
Investments in subsidiary and associated companies - net	10 , 11	-	-	-	-	3,999,600	3,999,600
Other long-term investments							
Related companies - net	12	-	-	-	-	-	-
Other company		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Loans receivable, advance payments - subsidiary, associated and related companies - net	5.1	-	-	-	-	8,267,288	8,267,288
Land used in operation - at appraised value	13	474,877,000	474,877,000	456,057,000	474,877,000	474,877,000	456,057,000
Plant and equipment used in operation - net	14	989,259,009	1,073,450,460	1,162,973,652	989,259,009	1,073,450,460	1,162,973,652
Property, plant and equipment not used in operation - net	15	60,692,908	62,070,375	61,215,759	60,692,908	62,070,375	61,215,759
Other non-current assets		4,482,760	2,032,137	2,021,357	4,482,760	2,032,001	2,021,357
TOTAL NON-CURRENT ASSETS		1,532,340,951	1,615,447,637	1,686,271,012	1,532,340,951	1,627,714,389	1,698,537,900
TOTAL ASSETS		2,165,328,558	2,283,631,387	2,470,820,171	2,164,242,668	2,295,485,573	2,481,860,830

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(Unit : Baht)

	Notes	Consolidated			Separate		
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	January 1, 2015
			"AUDITED"	"AUDITED"		"AUDITED"	"AUDITED"
			"RESTATED"	"RESTATED"		"RESTATED"	"RESTATED"
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Bank overdrafts and short-term loans from financial institutions	16	983,626,929	833,164,495	672,932,471	983,626,929	833,164,495	672,932,471
Trade accounts payable and other payable - other		219,423,954	294,261,280	505,962,203	219,273,955	294,111,280	505,812,204
Long-term loans due for payment	17	130,591,796	197,960,893	177,960,862	130,591,796	197,960,893	177,960,862
Other current liabilities		639,582	859,211	1,129,565	637,582	857,211	1,127,565
TOTAL CURRENT LIABILITIES		1,334,282,261	1,326,245,879	1,357,985,101	1,334,130,262	1,326,093,879	1,357,833,102
NON-CURRENT LIABILITIES							
Long-term loans - net	17	-	-	197,960,893	-	-	197,960,893
Deferred tax liabilities	18	147,763,276	146,457,639	143,448,126	147,763,276	146,457,639	143,448,126
Employee benefit obligations	19	35,184,448	39,617,699	35,305,226	35,184,448	39,617,699	35,305,226
TOTAL NON-CURRENT LIABILITIES		182,947,724	186,075,338	376,714,245	182,947,724	186,075,338	376,714,245
TOTAL LIABILITIES		1,517,229,985	1,512,321,217	1,734,699,346	1,517,077,986	1,512,169,217	1,734,547,347
EQUITY							
SHARE CAPITAL							
Authorized share capital							
2,661,750,000 ordinary shares as at December 31, 2016 and 2015 : Baht 1 per share							
and 2,847,500,000 ordinary shares as at January 1, 2015 : Baht 1 per share		2,661,750,000	2,661,750,000	2,847,500,000	2,661,750,000	2,661,750,000	2,847,500,000
Issued and paid-up share capital							
2,047,500,000 ordinary shares : Baht 1 per share		2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000
Discount on common shares		(88,750,000)	(88,750,000)	(88,750,000)	(88,750,000)	(88,750,000)	(88,750,000)
Retained earnings (Deficits) -Unappropriated		(1,500,483,304)	(1,377,271,707)	(1,397,405,052)	(1,501,417,195)	(1,365,265,521)	(1,386,212,394)
Other components of equity		189,831,877	189,831,877	174,775,877	189,831,877	189,831,877	174,775,877
TOTAL EQUITY		648,098,573	771,310,170	736,120,825	647,164,682	783,316,356	747,313,483
TOTAL LIABILITIES AND EQUITY		2,165,328,558	2,283,631,387	2,470,820,171	2,164,242,668	2,295,485,573	2,481,860,830

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016

		(Unit : Baht)			
		Consolidated		Separate	
		2016	2015	2016	2015
			"RESTATED"		"RESTATED"
	Notes				
Sales	23	1,921,127,338	2,868,236,092	1,921,127,338	2,868,236,092
Costs of sales	5.2	(1,710,209,563)	(2,598,470,854)	(1,710,209,563)	(2,598,470,854)
Gross profit margin		210,917,775	269,765,238	210,917,775	269,765,238
Other income	5.2 , 20	19,175,743	16,315,383	19,530,624	16,958,561
Profit before expenses		230,093,518	286,080,621	230,448,399	286,723,799
Selling expenses	5.2	(58,939,673)	(81,393,640)	(58,939,673)	(81,393,640)
Administrative expenses	5.2	(180,474,150)	(105,507,987)	(193,769,848)	(105,338,437)
Total expenses		(239,413,823)	(186,901,627)	(252,709,521)	(186,732,077)
Profit (loss) before finance costs		(9,320,305)	99,178,994	(22,261,122)	99,991,722
Finance costs		(121,413,317)	(79,800,136)	(121,412,577)	(79,799,336)
Profit (loss) before income tax		(130,733,622)	19,378,858	(143,673,699)	20,192,386
Revenue income tax (expense)	21	(1,305,637)	754,487	(1,305,637)	754,487
Profit (loss) for the years		(132,039,259)	20,133,345	(144,979,336)	20,946,873
Other comprehensive income					
Defined employee benefit plan actuarial gains (losses)		8,827,662	-	8,827,662	-
Other comprehensive income for the year		8,827,662	-	8,827,662	-
Total profit (loss) and comprehensive income for the year		(123,211,597)	20,133,345	(136,151,674)	20,946,873
Profit (loss) attributable to:					
Owners of the Company		(132,039,259)	20,133,345	(144,979,336)	20,946,873
Non-controlling interests		-	-	-	-
Profit (loss) for the year		(132,039,259)	20,133,345	(144,979,336)	20,946,873
Total profit (loss) and comprehensive income attributable to:					
Owner of the Company		(123,211,597)	20,133,345	(136,151,674)	20,946,873
Non-controlling interests		-	-	-	-
Total profit (loss) and comprehensive income for the years		(123,211,597)	20,133,345	(136,151,674)	20,946,873
Earnings (loss) per Share (Unit : Baht)	22				
Basic earnings (loss) per share (Unit : Baht)		(0.064)	0.010	(0.071)	0.010
The number of ordinary shares weighted average (Unit : Shares)		2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated										
	Note	Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity		
				Appropriated	Unappropriated	Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other components of equity	attributable to Equity of owner the Company	Non - Controlling interests	Total
Balance as at January 1, 2015		2,047,500,000	(88,750,000)	-	(1,397,405,052)	174,775,877	243,456,094	418,231,971	979,576,919	-	979,576,919
Adjustment		-	-	-	-	-	(243,456,094)	(243,456,094)	(243,456,094)	-	(243,456,094)
Balance as at January 1, 2015 (as adjusted)		2,047,500,000	(88,750,000)	-	(1,397,405,052)	174,775,877	-	174,775,877	736,120,825	-	736,120,825
Net Profit (loss) for the periods		-	-	-	20,133,345	-	-	-	20,133,345	-	20,133,345
Capital surplus from land revaluation		-	-	-	-	18,820,000	-	18,820,000	18,820,000	-	18,820,000
Income tax on other components of equity from revaluation		-	-	-	-	(3,764,000)	-	(3,764,000)	(3,764,000)	-	(3,764,000)
Ending balance as at December 31, 2015		2,047,500,000	(88,750,000)	-	(1,377,271,707)	189,831,877	-	189,831,877	771,310,170	-	771,310,170
Net Profit (loss) for the periods		-	-	-	(132,039,259)	-	-	-	(132,039,259)	-	(132,039,259)
Other comprehensive income for the year		-	-	-	8,827,662	-	-	-	8,827,662	-	8,827,662
Ending balance as at December 31, 2016		2,047,500,000	(88,750,000)	-	(1,500,483,304)	189,831,877	-	189,831,877	648,098,573	-	648,098,573

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016

(Unit : Baht)

	Separate								
	Note	Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus	Capital surplus	Total other	Total
				Appropriated	Unappropriated	from land revaluation	from machinery revaluation	of equity components	
Balance as at January 1, 2015		2,047,500,000	(88,750,000)	-	(1,386,212,394)	174,775,877	243,456,094	418,231,971	990,769,577
Adjustment		-	-	-	-	-	(243,456,094)	(243,456,094)	(243,456,094)
Balance as at January 1, 2015 (as adjusted)		2,047,500,000	(88,750,000)	-	(1,386,212,394)	174,775,877	-	174,775,877	747,313,483
Net Profit (loss) for the periods		-	-	-	20,946,873	-	-	-	20,946,873
Capital surplus from land revaluation and machinery revaluation		-	-	-	-	18,820,000	-	18,820,000	18,820,000
Income tax on other components of equity from revaluation		-	-	-	-	(3,764,000)	-	(3,764,000)	(3,764,000)
Ending balance as at December 31, 2015		2,047,500,000	(88,750,000)	-	(1,365,265,521)	189,831,877	-	189,831,877	783,316,356
Net Profit (loss) for the periods		-	-	-	(144,979,336)	-	-	-	(144,979,336)
Other comprehensive income for the year		-	-	-	8,827,662	-	-	-	8,827,662
Ending balance as at December 31, 2016		2,047,500,000	(88,750,000)	-	(1,501,417,195)	189,831,877	-	189,831,877	647,164,682

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016

	(Unit : Baht)			
	Consolidated		Separate	
	2016	2015 "RESTATED"	2016	2015 "RESTATED"
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	(132,039,259)	20,133,345	(144,979,336)	20,946,873
Adjustments to reconcile net profit(loss) to cash received (used) operating activities				
Increase (Decrease) in allowance for obsoleted stock	2,293,122	(438,333)	2,293,122	(438,333)
Depreciation	102,719,044	111,478,942	102,719,044	111,478,942
Profit from sales assets	(1,444,691)	(3,286,119)	(1,444,691)	(3,286,119)
Reversal impairment of asset	-	(2,337,000)	-	(2,337,000)
Loss on impairment of assets	-	378,926	-	378,926
Amortization expenses	20,653,049	28,621,104	20,653,049	28,621,104
Provision for employee benefits	6,972,211	7,502,773	6,972,211	7,502,773
Unclaimed withholding tax	1,890,883	304,899	1,890,701	304,899
Unrealized (gain) loss on exchange rate	221,487	5,002,168	221,487	5,002,168
Loss on written off assets and supplies	20,186	57,968	20,186	57,968
Revenue from adjust non-movement	(147,722)	(59,803)	(147,722)	(59,803)
Impairment - investment in subsidiaries	-	-	3,999,600	-
Allowance for loan receivable and accrued interest receivable to subsidiaries	-	-	9,454,080	-
Interest expenses	115,207,448	65,025,113	115,207,448	65,025,113
Interest incomes	(179,896)	(25,561)	(534,778)	(668,740)
Revenue income tax (expense)	1,305,637	(754,487)	1,305,637	(754,487)
Profit from operating activities before changes in operating assets and liabilities	117,471,499	231,603,935	117,630,038	231,774,284
(Increase) Decrease in Trade accounts receivable and other receivable	52,207,456	109,799,818	52,207,456	109,799,738
(Increase) Decrease in Inventories	50,182,099	5,516,676	50,182,099	5,516,676
(Increase) Decrease in Spare parts and supplies	(4,217,132)	(150,642)	(4,217,132)	(150,642)
(Increase) Decrease in Other current assets	(13,924,111)	(27,903,170)	(13,924,111)	(27,903,170)
(Increase) Decrease in Other non-current assets	(4,341,504)	(315,680)	(4,341,459)	(315,544)
Increase (Decrease) in Trade accounts payable and other payable	(147,408,272)	(213,290,812)	(147,408,272)	(213,290,812)
Increase (Decrease) in Other current liabilities	(219,629)	(270,354)	(219,629)	(270,354)
Cash paid for employee benefits	(2,577,800)	(3,190,300)	(2,577,800)	(3,190,300)
NET CASH RECEIVED (USED) FROM OPERATING ACTIVITIES	47,172,606	101,799,471	47,331,190	101,969,876

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016

(Unit : Baht)

	Consolidated		Separate	
	2016	2015 "RESTATED"	2016	2015 "RESTATED"
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted bank deposit	(11,610)	985,580	(11,610)	985,580
Cash received from interest incomes	180,071	29,179	175,571	23,687
Cash received from sales assets	1,487,103	3,736,130	1,487,103	3,736,130
Purchase of property, plant and equipment	(21,887,609)	(21,360,270)	(21,887,609)	(21,360,270)
NET CASH RECEIVED (USED) FROM INVESTING ACTIVITIES	(20,232,045)	(16,609,381)	(20,236,545)	(16,614,873)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions	150,462,433	155,629,378	150,462,433	155,629,378
Repayment of long - term loans	(67,369,097)	(177,960,862)	(67,369,097)	(177,960,862)
Cash paid for interest expenses	(42,898,258)	(64,625,705)	(42,898,258)	(64,625,705)
NET CASH RECEIVED (USED) FROM FINANCING ACTIVITIES	40,195,078	(86,957,189)	40,195,078	(86,957,189)
CASH AND CASH EQUIVALENTS INCREASE(DECREASE) - NET	67,135,639	(1,767,099)	67,289,723	(1,602,186)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF YEAR	5,554,358	7,321,457	4,314,384	5,916,570
CASH AND CASH EQUIVALENTS AS AT THE END OF YEAR	72,689,997	5,554,358	71,604,107	4,314,384
Cash and cash equivalents				
Consist of:				
Cash on hand	94,218	130,305	81,454	110,241
Cash at banks - current accounts	4,664,095	3,879,962	4,659,095	3,874,962
Cash at banks - savings accounts	67,931,684	1,544,091	66,863,558	329,181
	72,689,997	5,554,358	71,604,107	4,314,384

Supplemental Disclosure of Cash Flow Information:

During the year 2015, the Company transferred certain machineries to be machineries not used in operation which carrying net book value amount of Baht 1.85 million.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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1. GENERAL

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

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

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“ TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

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

2.2 Financial reporting standard

a) Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The management of the Group believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

c) Changes in accounting policies

According to the board of directors meeting No. 6/2015 held on December 24, 2015, the board of directors passed a resolution to change an accounting policy regarding method of recording fixed assets, machinery, from the revaluation basis to cost basis, effective since January 1, 2016. Based on the Company's opinion, the cost basis is more appropriate since it represents the Company's actual operating results than revaluation basis. Accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allows the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016. The change in accounting policy will have an impact on the statement of financial position as at January 1, 2016 as follows:

	(Unit : Million Baht)	
	Consolidated / Separate	
	As at January 1, 2016	As at January 1, 2015
Statements of financial position		
Fixed asset revaluation decrease	631	304
Deferred tax liabilities decrease	126	61
Capital surplus from machinery revaluation decrease	505	243

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Investment properties are measured at fair value;
- Land is measured at appraisal value

2.4 Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand or million unless otherwise stated.

2.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following note:

- | | |
|---------|--|
| Note 18 | Income Taxes and Deferred Income Tax |
| Note 19 | Measurement of defined benefit obligations |

Fair value estimation

The company estimates fair value for land and machineries, investment property and long-term borrowings from financial institutions. The different levels of fair value estimation have been defined as follows:

- | | |
|---------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities |
| Level 2 | Using other quoted prices that are observable for the asset or liability, either directly or indirectly |
| Level 3 | Inputs for the asset or liability that are not based on observable market data such as estimated future cash flow from the company. |

The company discloses the fair value measurement of above items in related notes to financial statement.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company and its ex-subsidiary company have significant accounting policies as follows:-

3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid short-term investments that are readily convertible to known amount or that are subject to an insignificant risk of change in value, but not include time deposits with maturity exceed three-month period (fixed deposits).

3.2 Trade account receivables

Trade account receivables are presented at realizable value. The Company provides allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable

3.3 Inventories

Inventories are presented at the lower of cost or net realizable value (NRV.). Cost of inventories is recorded under the basis as follows:

- | | | |
|------------------------------------|---|--|
| Finished goods and work-in-process | - | at standard cost which approximates to actual average cost |
| Raw materials and factory supplies | - | at cost (first-in, first-out method) |

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

3.4 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are recorded by using the equity method within the consolidated financial statement.

Investment in subsidiary and associated companies under the Company only financial statements are recorded using cost method adjusted by the allowance for impairment when the value of the investment permanently decreased.

Investment in other companies is investment in non-marketable equity fund, which the Company regards as general investment. This is shown at cost adjusted by the allowance for impairment when the value of the investment is permanently decreased.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016

3.5 Property, plant and equipment

At the beginning date of transaction, land was recorded at costs while plant and equipment were recorded at cost net of accumulated depreciation and allowance for impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

However the Company chose to show value of land in appraised value (revaluation) which were appraised by independent appraiser. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less impairment losses.

Revaluations are performed by independent appraiser with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the statements of financial position date. The Company has a policy to appraise assets every three (3) to five (5) years or whenever the fair value of the appraised assets materially change from the book value.

Any increase in value due to appraisal, such increase shall be recorded as capital surplus from asset revaluation by netting from the value that was decreased by appraisal and was already recognised in the statements of comprehensive income and if it is the case that the asset's value decreases due to appraisal, it will be recorded in the statements of comprehensive income for the value only the part that decrease more than capital surplus from asset revaluation that was previously appraised. In case of any sale of asset that was revalued, the capital surplus from the selling asset revaluation that considered realized shall be transferred directly to retained earnings and shall not recognised as profit or loss from sales assets..

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment as follows:

Buildings and improvements	30-50	years
Machinery, equipment and tools	5-20	years
Furniture, fixtures and office equipment	5-10	years
Vehicle	5	years
Other assets	5	years

3.6 Land, building and machinery not used in operations

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

3.7 Impairment of assets.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.9 Employee benefits.

Provision for post benefits and long – term benefits employees

The Group's net obligation in respect of long-term employee benefits (Legal Severance Payment and other long-term benefits) is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds. The calculation is performed by the independent actuarial using the projected unit credit method .

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016

3.10 Revenue and Cost of Sales Recognition

Revenue Recognition

Revenue excludes value added taxes and is shown at after deduction of trade discounts.

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownerships have been transferred to the buyer. No revenue is recognised if there are significant uncertainties in advantage receiving from accounting transaction which it can't measure reliable in value of revenue and occurred cost, the probable return of goods or the continuing management involvement with the goods.

Other income and other expenses is recognised as it accrues.

3.11 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Basic earnings per share

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

3.13 Foreign currencies

The Foreign Currency transactions in foreign currencies are translated at the rates of the foreign exchange ruling at the date of transaction. The remaining balance of assets and liabilities in foreign currency at the year end date are translated to Baht at the foreign exchange rates ruling at the date. The profit or loss incurred from the translation is regard as revenue or expense in the statements of comprehensive income.

3.14 Use of estimates and judgements

For accounting estimates required for preparation of financial statements to conform with generally accepted accounting principles, the management has to use various estimates and assumptions which would affect amounts relating to incomes, expenses, assets, liabilities and disclosure of data relating to contingent assets and liabilities. The actual result may differ from amounts already estimated.

4. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as follows:

Company Name	Nature of Business	Rate of Shareholding	
		2016 (%)	2015 (%)
Operating subsidiaries			
1. TFI Trading Co., Ltd. (Formerly: TFI Power Co., Ltd.)	Involving in renewable energy	99.99	99.99
2. TFI Power (Korat 1) Co., Ltd.	Involving in renewable energy	99.96	99.96
3. TFI Power (Korat 2) Co., Ltd.	Involving in renewable energy	99.96	99.96
4. TFI Power (Korat 3) Co., Ltd.	Involving in renewable energy	99.96	99.96
5. TFI Power (Korat 4) Co., Ltd.	Involving in renewable energy	99.96	99.96

The significant intercompany transactions and balances between the Company and the subsidiaries were eliminated from the consolidated financial statements.

5. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Type of relation
TFI Trading Co., Ltd. (Formerly: TFI Power Co., Ltd.)	Subsidiary company
TFI Power (Korat 1) Co., Ltd.	Subsidiary company
TFI Power (Korat 2) Co., Ltd.	Subsidiary company
TFI Power (Korat 3) Co., Ltd.	Subsidiary company
TFI Power (Korat 4) Co., Ltd.	Subsidiary company
Thai Film Bangladesh Co., Ltd.	Related company
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group Company

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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5.1 Inter-Assets and Liabilities

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Loan receivable and advance to subsidiary companies				
TFI Power (Korat 1) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 2) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 3) Co., Ltd.	-	-	2,067	2,067
TFI Power (Korat 4) Co., Ltd.	-	-	2,067	2,067
Total	-	-	8,268	8,268
Less allowance for doubtful accounts	-	-	(8,268)	-
Net	-	-	-	8,268
Loan to related company				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful debt	(37,965)	(37,965)	(37,965)	(37,965)
Net	-	-	-	-
Total	-	-	-	8,268
Accrued interest receivable				
TFI Power (Korat 1) Co., Ltd.	-	-	297	207
TFI Power (Korat 2) Co., Ltd.	-	-	297	207
TFI Power (Korat 3) Co., Ltd.	-	-	297	207
TFI Power (Korat 4) Co., Ltd.	-	-	297	207
Total	-	-	1,188	828
Less allowance for doubtful accounts	-	-	(1,188)	-
Net	-	-	-	828
Movement of Loan receivable and advance payment				
Beginning	-	-	8,268	8,268
Increase during in the years	-	-	-	-
Paid during in the years	-	-	-	-
Ending	-	-	8,268	8,268

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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5.2 Inter-Revenue and expense

for the years ended December 31, 2016 and 2015 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Interest income				
TFI Power (Korat 1) Co., Ltd.	-	-	90	162
TFI Power (Korat 2) Co., Ltd.	-	-	90	162
TFI Power (Korat 3) Co., Ltd.	-	-	90	162
TFI Power (Korat 4) Co., Ltd.	-	-	90	162
	-	-	360	648
Key management personnel compensation				
Short-term employee benefit	42,420	47,342	42,420	47,342
Long-term employee benefit	3,250	2,877	3,250	2,877
	45,670	50,219	45,670	50,219

Key management personnel compensation expenses for the years ended December 31, 2016 and 2015 consist of:-

	(Unit : Thousand Baht)	
	Consolidated / Separate	
	2016	2015
Present in costs of sales	5,331	4,179
Present in selling and administrative expenses	40,339	46,040
Total	45,670	50,219

6. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE RECEIVALBE - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Trade accounts receivable and other receivable				
- Trade accounts receivable	216,209,784	295,751,757	216,209,784	295,751,757
- Other receivable	36,635,878	9,109,453	36,635,878	9,109,453
Total trade accounts receivable and other receivable	252,845,662	304,861,210	252,845,662	304,861,210

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The Company has trade accounts receivable were classified by aging as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	111,139,059	126,271,979	111,139,059	126,271,979
Aging of Trade Accounts Receivable :-				
Less than 3 Months	49,290,860	64,634,022	49,290,860	64,634,022
Over 3 Months to 6 Months	98,584	1,579,098	98,584	1,579,098
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	895,916	895,916	895,916	895,916
Total	<u>161,424,419</u>	<u>193,381,015</u>	<u>161,424,419</u>	<u>193,381,015</u>
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	34,861,173	81,234,291	34,861,173	81,234,291
Aging of Trade Accounts Receivable :-				
Less than 3 Months	11,386,946	6,067,831	11,386,946	6,067,831
Over 3 Months to 6 Months	-	-	-	-
Over 6 Months to 9 Months	936	-	936	-
Over 9 Months	-	114	-	114
Total	<u>46,249,055</u>	<u>87,302,236</u>	<u>46,249,055</u>	<u>87,302,236</u>
Notes Receivable	9,432,226	15,964,422	9,432,226	15,964,422
<u>Less</u> allowance for doubtful accounts	<u>(895,916)</u>	<u>(895,916)</u>	<u>(895,916)</u>	<u>(895,916)</u>
Net	<u>216,209,784</u>	<u>295,751,757</u>	<u>216,209,784</u>	<u>295,751,757</u>

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Beginning balance	895,916	895,916	895,916	895,916
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u>895,916</u>	<u>895,916</u>	<u>895,916</u>	<u>895,916</u>

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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7. INVENTORIES - Net

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Finished goods	92,616,553	120,866,069	92,616,553	120,866,069
Work in process	8,900,361	12,653,619	8,900,361	12,653,619
Raw materials	119,577,012	115,029,178	119,577,012	115,029,178
Packaging	6,024,836	7,285,639	6,024,836	7,285,639
Raw materials in transit	54,855	21,521,212	54,855	21,521,212
Total	227,173,617	277,355,717	227,173,617	277,355,717
<u>Less</u> Allowance for obsolete stock	<u>(3,028,271)</u>	<u>(7,039,808)</u>	<u>(3,028,271)</u>	<u>(7,039,808)</u>
Net	224,145,346	270,315,909	224,145,346	270,315,909

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Beginning balance	7,039,808	7,478,141	7,039,808	7,478,141
Increase	-	-	-	-
Decrease	(4,011,537)	(438,333)	(4,011,537)	(438,333)
Ending balance	3,028,271	7,039,808	3,028,271	7,039,808

8. ADVANCE FOR INVESTMENT – Net

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Advance payment for investment	45,593,886	45,593,886	45,593,886	45,593,886
<u>Less</u> Allowance for Doubtful debt	<u>(45,593,886)</u>	<u>(45,593,886)</u>	<u>(45,593,886)</u>	<u>(45,593,886)</u>
Net	-	-	-	-

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

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

9. RESTRICTED BANK DEPOSITS

As at December 31, 2016 the restricted bank deposit Baht 1 million are bank deposits that the company have placed with banks to secure letters of guarantees for Customs Department (see Note 25.1).

10. INVESTMENTS IN SUBSIDIARY COMPANIES

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

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
TFI Trading Co., Ltd. (Formerly: TFI Power Co., Ltd.)	Thailand	Renewable energy	4,000	4,000	99.99	99.99	4,000	4,000
							(4,000)	-
							-	4,000

11. INVESTMENTS IN ASSOCIATED COMPANIES - Net

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

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Million Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
							(1,518.98)	(1,518.98)
							-	-

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Thai Copper Industries Pcl. - TCI

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

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

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

*If TCI had recorded revaluation of assets based on the appraisal report of independent appraiser dated September 28, 2007, total assets and total equity would be decreased by approximately Baht 12,530 million.

Up to present TCI has not yet operated, therefore the mentioned company did not prepare the interim financial statements and the financial statements since year 2009, and did not obtain the audited financial statements for the year 2008.

However the management of the Company believes that there is no any effects to the book value of investment as it states at zero amount.

Net book value of investment in associated company in which the equity method is applied is zero. The financial statements in which the equity method is applied for the years ended December 31, 2016 and 2015, present the same amount and presentation as the separate financial statements for the same period.

12. OTHER LONG-TERM INVESTMENTS-RELATED COMPANIES– Net

Consist of :-

Company	Country of Business	Type of business	Capital paid-up	Consolidated/ Separate			
				Percentage of Investments		Value of Investment	
				December 31, 2016	December 31, 2015	(Unit : Thousand Baht)	
				December 31, 2016	December 31, 2015		
Thai Film Bangladesh Co., Ltd.	Bangladesh	Packaging Film	Taka 112 million				
(Bangladesh Taka currency)				53.57	53.57	37,487	37,487
<u>Less Allowance for impairment of investment</u>						<u>(37,487)</u>	<u>(37,487)</u>
Net						<u>-</u>	<u>-</u>

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13. LAND USED IN OPERATION – AT APPRAISED VALUE

As at December 31, 2016 and 2015, land used in operation was re-appraised according to the report of independent appraiser (K.K. Valuation Co., Ltd.) at market approach value date January 6 and 11, 2016 which appraisal date was December 28 - 29, 2015.

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14. PLANT AND EQUIPMENT USED IN OPERATION – Net

Consist of :-

	(Unit : Baht)							
	Consolidated /Separate							
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Spare parts and supplies	Machinery and Equipment Under installation	Total
Cost								
As at December 31, 2015	453,199,913	3,355,434,578	112,033,630	29,606,062	24,653,978	134,574,924	-	4,109,503,085
Purchase	-	-	1,058,947	369,530	327,103	13,424,694	6,707,335	21,887,609
Disposals	-	-	(46,729)	-	(4,450,562)	-	-	(4,497,291)
Transfer in (out)	-	-	6,632,335	-	-	(6,790)	(6,632,335)	(6,790)
Amortized	-	-	(648,925)	(832,053)	-	(18,355,825)	-	(19,836,803)
As at December 31, 2016	<u>453,199,913</u>	<u>3,355,434,578</u>	<u>119,029,258</u>	<u>29,143,539</u>	<u>20,530,519</u>	<u>129,637,003</u>	<u>75,000</u>	<u>4,107,049,810</u>
Accumulated Depreciation								
As at December 31, 2015	(331,722,567)	(2,536,313,493)	(101,205,538)	(24,817,495)	(24,653,948)	(16,942,002)	-	(3,035,655,043)
Depreciation for the year	(8,258,843)	(72,581,563)	(3,223,193)	(1,628,045)	(51,799)	(15,598,134)	-	(101,341,577)
Disposal	-	-	4,327	-	4,450,552	-	-	4,454,879
Amortized	-	-	648,900	829,540	-	18,344,967	-	19,823,407
As at December 31, 2016	<u>(339,981,410)</u>	<u>(2,608,895,056)</u>	<u>(103,775,504)</u>	<u>(25,616,000)</u>	<u>(20,255,195)</u>	<u>(14,195,169)</u>	<u>-</u>	<u>(3,112,718,334)</u>

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(Unit : Baht)

	Consolidated /Separate							Total
	Buildings and improvements	Machineries	Equipment and tools	Furnitures, fixtures and office equipments	Vehicles	Spare parts and supplies	Machinery and Equipment Under installation	
Allowance for impairment								
As at December 31, 2015	-	-	-	-	-	(397,582)	-	(397,582)
(Increase) / Decrease	-	-	-	-	-	(4,674,885)	-	(4,674,885)
As at December 31, 2016	-	-	-	-	-	(5,072,467)	-	(5,072,467)
Net Book Value								
As at December 31, 2015	121,477,346	819,121,085	10,828,092	4,788,567	30	117,235,340	-	1,073,450,460
As at December 31, 2016	113,218,503	746,539,522	15,253,754	3,527,539	275,324	110,369,367	75,000	989,259,009
Depreciation in the statement of comprehensive income								
December 31, 2015	8,236,280	77,467,462	2,641,172	1,686,800	-	19,459,890	-	109,491,604
December 31, 2016	8,258,843	72,581,563	3,223,193	1,628,045	51,799	15,598,134	-	101,341,577

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In the consolidated financial statements, depreciation for years ended December 31, 2016 and 2015, amounted to Baht 98.95 million and Baht 106.93 million, respectively, are included in cost of sales, and Baht 2.39 million and Baht 2.56 million, respectively, are included in selling and administrative expenses.

In the separate financial statement, depreciation for the years ended December 31, 2016 and 2015, amounted to Baht 98.95 million and Baht 106.93 million, respectively, are included in cost of sales, and Baht 2.39 million and Baht 2.56 million, respectively, are included in selling and administrative expenses.

As at December 31, 2016 and 2015, the Company has building, machineries and equipment at cost that fully depreciated but still in use at Baht 888.33 million and Baht 857.89 million, respectively.

15. PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATION – Net

Consist of :-

	(Unit : Baht)		
	Consolidated/Separate		
	Land	Machineries and others	Total
Cost :			
As at December 31, 2015	74,005,000	817,709,989	891,714,989
As at December 31, 2016	74,005,000	817,709,989	891,714,989
Accumulated Depreciation:			
As at December 31, 2015	-	(756,697,415)	(756,697,415)
Depreciation for the year	-	(1,377,467)	(1,377,467)
As at December 31, 2016	-	(758,074,882)	(758,074,882)
Allowance for impairment:			
As at December 31, 2015	(35,055,000)	(37,892,199)	(72,947,199)
As at December 31, 2016	(35,055,000)	(37,892,199)	(72,947,199)
Net Book Value :			
As at December 31, 2015	38,950,000	23,120,375	62,070,375
As at December 31, 2016	38,950,000	21,742,908	60,692,908
Depreciation in the statement of comprehensive income:			
December 31, 2015	-	1,987,338	1,987,338
December 31, 2016	-	1,377,467	1,377,467

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As at December 31, 2016 the lands and machineries not used in operation, which cost of Baht 74 million and Baht 817.71 million, respectively, were re-appraised according to reports of independent appraiser (K.K. Valuation Co., Ltd. and UK Valuations and Agency Co., Ltd., respectively) date January 6, 2016 (for land) and date December 30, 2015 (for machineries) which appraisal date was December 28, 2015 (for land) and December 29, 2015 (for machineries). That using market value method and net replacement cost method, respectively. And allowance for impairment of such lands and machineries were amount of Baht 35.05 million and Baht 37.89 million, respectively.

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

Consist of :-

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Bank overdrafts	26,106,693	25,847,679	26,106,693	25,847,679
Packing credits	19,351,000	78,397,000	19,351,000	78,397,000
Liabilities under trust receipts	407,045,268	313,938,541	407,045,268	313,938,541
Promissory notes	387,981,850	414,981,275	387,981,850	414,981,275
Bill of exchange	143,142,118	-	143,142,118	-
Total	<u>983,626,929</u>	<u>833,164,495</u>	<u>983,626,929</u>	<u>833,164,495</u>

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

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

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Furthermore, as at December 31, 2016, the Company issued notes payable to a securities company of Baht 145 million, interest at 5.5% p.a. and 6.5% p.a.

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Bill of exchange	145,000,000	-	145,000,000	-
Less prepaid interest	(1,857,882)	-	(1,857,882)	-
Total	143,142,118	-	143,142,118	-

17. LONG-TERM LOANS DUE FOR PAYMENT

Consist of :-

	Interest rate Per annum	(Unit : Baht)	
		Consolidated/ Separate	Separate
		As at December 31, 2016	As at December 31, 2015
17.1 Loans from refinancing with a local bank at USD 54 million, repayable semi – annually for 12 installments at the same amount for each installment and commencing on September 30, 2003. As at March 25, 2005, the whole amount of the remaining debt was translated from USD currency into Baht currency. For the remaining outstanding balance prior to June 30, 2006, the Company has to repay according to the amended agreement dated June 30, 2006.	MLR	67,369,109	134,738,206

On December 16, 2008, the Company got an approval to postpone the repayment schedule for the periods December 2008 to December 2010 to be the periods March 2009 to March 2011.

On February 16, 2009, the Company got an approval to postpone the repayment schedule for the periods March 2009 to March 2011 to be the periods March 2010 to September 2012.

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		(Unit : Baht)	
		Consolidated/ Separate	Separate
Interest rate		As at December	As at December
Per annum		31, 2016	31, 2015
	<p>On December 29, 2009, the Company got an approval to postpone the repayment schedule for the periods March 2010 to September 2012 to be the periods January 2011 to July 2016.</p> <p>On January 25, 2011 the Company got an approval to revise repayment installment in 2011. And total amount of repayment is maintained as previously agreed.</p>		
17.2	<p>Loans from a local bank at Baht 500 million, repayable in 16 quarterly installments at the same amount for each installment, commencing on August 31, 2005. As at November 16, 2005, the credit limit has been decreased by Baht 77 million thus the credit limit remained at Baht 423 million. (Interest rate of 1st-2nd year at the rate of MLR-1 per annum and the 3rd year at the rate of MLR per annum).</p> <p>On December 16, 2008, the Company got an approval to postpone the repayment schedule for the periods November 2008 to May 2009 to be the periods February 2009 to August 2009.</p> <p>On February 16, 2009, the Company got an approval to postpone the repayment schedule for the periods February 2009 to August 2009 to be the periods February 2010 to August 2010.</p> <p>On December 29, 2009, the Company got an approval to postpone the repayment schedule for the periods February 2010 to August 2010 to be the periods February 2011 to November 2016.</p>	MLR	13,222,687
			13,222,687

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	Interest rate Per annum	(Unit : Baht)	
		Consolidated/ Separate	Separate
		As at December 31, 2016	As at December 31, 2015
17.3 The long term loan from a local bank represent refinancing some portion of short term loan at amount not exceeding to Baht 300 million, repayable in 24 quarterly installments at the amount of Baht 12.50 million for each installment commencing in February 2011 to November 2016.	MLR	50,000,000	50,000,000
Total		130,591,796	197,960,893
<u>Less</u> Current Portion of Long - Term Loans		(130,591,796)	(197,960,893)
Net		-	-

As at December 31, 2016 and 2015, interest rates of long term loans at MLR per annum.

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

- The Company's land and machinery as at December 31, 2016 and 2015 totaling Baht 1,068.57 million and Baht 1,696.39 million, respectively.
- New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

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

18. DEFERRED TAX LIABILITIES

As at December 31, 2016 and 2015, the components of deferred tax liabilities are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Amortization Expenses	1,748,951	1,871,675	1,748,951	1,871,675
Plant and equipment	98,556,356	97,127,995	98,556,356	97,127,995
Capital surplus from land revaluation	47,457,969	47,457,969	47,457,969	47,457,969
Total	147,763,276	146,457,639	147,763,276	146,457,639

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Movements in total deferred tax assets and liabilities during the year were as follows:

(Unit : Thousand Baht)

	Consolidated / Separate				
	Charged / (credited) to:				
	January 1, 2016	Other comprehensive income			December 31, 2016
		(Profit) or loss	income	Equity	
<i>Deferred tax liabilities</i>					
Amortization Expenses	1,872	(123)	-	-	1,749
Plant and equipment	97,128	1,428	-	-	98,556
Capital surplus from land revaluation	47,458	-	-	-	47,458
Total	146,458	1,305	-	-	147,763

(Unit : Thousand Baht)

	Consolidated / Separate				
	Charged / (credited) to:				
	January 1, 2015	Other comprehensive income			December 31, 2015
		(Profit) or loss	income	Equity	
<i>Deferred tax liabilities</i>					
Amortization Expenses	3,246	(1,374)	-	-	1,872
Plant and equipment	96,508	620	-	-	97,128
Capital surplus from land revaluation	43,694	-	-	3,764	47,458
Total	143,448	(754)	-	3,764	146,458

As at December 31, 2016 and 2015, the Company did not recognise deferred tax assets on some deductible temporary differences and unused tax losses totaling Baht 654.18 million and Baht 628.85 million respectively. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized as follows:

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(Unit : Baht)

	Consolidated		Separate	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
Provision for impairment of investment loan receivable and accrued interest receivable	330,696,199	328,005,463	330,696,199	328,005,463
Provision for impairment of fixed asset	15,603,933	14,668,956	15,603,933	14,668,956
Provision for employees benefits	7,036,890	7,923,540	7,036,890	7,923,540
Provision for impairment of other asset	2,898,799	2,997,012	2,898,799	2,997,012
Loss carry forward	297,940,989	275,259,104	297,940,989	275,259,104
Total	654,176,810	628,854,075	654,176,810	628,854,075

The tax losses will be expired in 2017-2021. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because the Company had loss carry forward.

19. EMPLOYEES BENEFIT OBLIGATIONS

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

(Unit : Baht)

	Consolidated		Separate	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
Provision for employee benefits - beginning	39,617,699	35,305,226	39,617,699	35,305,226
<u>Add</u> recognised amount	6,972,211	7,502,773	6,972,211	7,502,773
<u>Less</u> liability decrease from actual paid	(2,577,800)	(3,190,300)	(2,577,800)	(3,190,300)
Actuarial gains in other comprehensive income	(8,827,662)	-	(8,827,662)	-
Provision for employee benefits - ending	<u>35,184,448</u>	<u>39,617,699</u>	<u>35,184,448</u>	<u>39,617,699</u>
Present value of unfunded obligation as at December 31	<u>35,184,448</u>	<u>39,617,699</u>	<u>35,184,448</u>	<u>39,617,699</u>

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Provision for employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2016 and 2015 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Recognised in profit or loss:				
Current service cost	6,289,418	6,179,040	6,289,418	6,179,040
Interest cost	682,793	1,323,733	682,793	1,323,733
Total	<u>6,972,211</u>	<u>7,502,773</u>	<u>6,972,211</u>	<u>7,502,773</u>
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	<u>(8,827,662)</u>	<u>-</u>	<u>(8,827,662)</u>	<u>-</u>

Principal actuarial assumptions (Actuarial basis)

	Consolidated / Separate	
	As at December 31, 2016	As at December 31, 2015
	Discount rate (%)	2.35
Future salary increase (%)	3	3
Retirement age (year old)	55	55

20. OTHER INCOME

For the years ended December 31, 2016 and 2015 details of financial information shown other income consist of:-

	(Unit : Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Gain on exchange rate	4,917,817	1,888,769	4,917,817	1,888,769
Interest income	179,896	25,562	534,778	668,740
Gain from disposal of assets	1,444,691	3,286,119	1,444,691	3,286,119
Reversal impairment of assets	-	2,337,000	-	2,337,000
Other income	12,633,339	8,777,933	12,633,338	8,777,933
Total	<u>19,175,743</u>	<u>16,315,383</u>	<u>19,530,624</u>	<u>16,958,561</u>

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21. INCOME TAX

Income tax recognised directly in equity

	(Unit : Million Baht)					
	Consolidated/Separate					
	2016			2015		
	Tax (expense)			Tax (expense)		
	Before Tax	benefit	Net of tax	Before Tax	benefit	Net of tax
Capital surplus from land revaluation	-	-	-	19	(4)	15

Income tax (expenses) revenue for the year ended December 31, 2016 and 2015 are made up as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
Current Income tax:				
Income tax	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,305,637)	754,487	(1,305,637)	754,487
Income tax (expense) revenue reported in the statements of comprehensive income	<u>(1,305,637)</u>	<u>754,487</u>	<u>(1,305,637)</u>	<u>754,487</u>

Income tax reduction

Revenue code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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22. EARNINGS (LOSS) PER SHARE

Basic Earnings (Loss) per Share

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the years ended December 31, 2016 and 2015 was based on the profit (loss) for the periods attributable to equity holders of the Company and weighted average number of ordinary shares (Basic) issued during for the years ended December 31, 2016 and 2015.

Net Profit (loss) for the years

	(Unit : Million Baht)			
	Consolidated		Separate	
	2016	2015	2016	2015
For the years ended December 31,	(132)	20	(145)	21

Weighted average number of ordinary shares (Basic)

	(Unit : Million Shares)			
	Consolidated		Separate	
	2016	2015	2016	2015
Number of ordinary shares outstanding at the beginning of the years	2,047	2,047	2,047	2,047
Effect of ordinary shares issued during the years	-	-	-	-
Weighted average number of ordinary shares outstanding during the years (Basic)	<u>2,047</u>	<u>2,047</u>	<u>2,047</u>	<u>2,047</u>
Basic earnings (loss) per share (Unit : Baht)	<u>(0.064)</u>	<u>0.010</u>	<u>(0.071)</u>	<u>0.010</u>

23. DISCLOSURE OF SEGMENT BUSINESS OPERATION

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

The one main reportable operating segment of the Company is engaged in mainly in manufacturing of packaging film. and the several geographical regions area of their operations is Thailand , Asia, Europe, America and other. For the year ended December 31, 2016 and 2015 details of financial information shown separately by geographical are as follows :-

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(Unit : Million Baht)

	Consolidated		Separate	
	2016	2015	2016	2015
Revenue from sales - Local	1,189	1,616	1,189	1,616
Revenue from sales - Foreign				
Asia	452	940	452	940
Europe	69	76	69	76
American	30	37	30	37
Other	181	199	181	199
Total	1,921	2,868	1,921	2,868

24. EXPENSES BY NATURE

For the years ended December 31, 2016 and 2015 details of significant expenses by nature are as follows :-

(Unit : Baht)

	Consolidated		Separate	
	2016	2015	2016	2015
Salary and wages and other employee benefits	204,143,866	225,723,954	204,143,866	225,723,954
Depreciation	102,719,044	111,478,942	102,719,044	111,478,942
Amortization	20,653,049	28,621,104	20,653,049	28,621,104
Shut down expenses	89,860,007	67,832,522	89,860,007	67,832,522
Raw materials and consumables used	1,359,135,827	2,064,793,172	1,359,135,827	2,064,793,172
Changes in inventories of finished goods and work in process	27,990,230	8,231,819	27,990,230	8,231,819
Loss on written-off assets and supplies	20,186	57,968	20,186	57,968
Loss on impairment of unused machineries	-	378,926	-	378,926
Loss on impairment of spare parts and supplies	6,304,658	-	6,304,658	-
Unclaimed withholding tax	1,890,883	304,899	1,890,701	304,899
Impairment - investment in subsidiaries	-	-	3,999,600	-
Allowance for loan receivable and accrued interest receivable to subsidiaries	-	-	9,454,080	-

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25. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016 in addition to the liabilities reflected in the statements of financial position, Thai Film Industries Public Company Limited still have of obligations and contingent liabilities as follows:

- 25.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department and Thailand Tobacco Monopoly amounting to approximately Baht 1.90 million. The Company used fixed deposit as collateral for amount of Baht 1 million. (See note 9.)
- 25.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 104.97 million.
- 25.3 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 436.73 million.
- 25.4 (1) On May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral. On September 14, 2016 and On November 29, 2016, the court dismissed the company, and later on January 26, 2017, the plaintiff has filed an appeal and now the Company is in process to filing an answer to the appeal. (2) On September 30, 2009, the Company was sued by the same bank as the third defendant in the Central Intellectual Property and International Trade Court case number black case file Kor Khor 202/2552 under the pledging the shared of an associated company (the first defendant). On June 29, 2016, The Central Intellectual Property and International Trade Court has scheduled an appointment with litigant for the proceedings that will occur on August 8, 2016 and has determines the date of witness on October 26, 27 and 28, 2016 and the Court will appoint the date for judgment on February 1, 2017, then The court has ordered to do the judgment on March 7, 2017. In both cases the company is a defendant of contractual pledge Baht 600 million for principal and interest. And the company's lawyers give opinion that the pledging of shares as collateral for a period of four years had ended. So the Company is not responsible in the end.

26. FINANCIAL INSTRUMENTS

Policy to manage financial risk

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

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Risk on Interest Rate

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

Risk on Exchange Rate

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

		(Unit : Thousand)	
Foreign Currency		December 31, 2016	December 31, 2015
Assets	US Dollar	925	2,097
	EURO	203	261
	YEN	-	569
	GBP	68	-
Liabilities	US Dollar	2,059	11,748
	EURO	14	25
	YEN	7	25,414
	GBP	4	-

As at December 31, 2015, there are forward contracts bought amount of USD 0.70 million and EUR 0.10 million and forward contracts sold amount of USD 2.58 million.

Credit Risk

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

Fair Value

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

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27. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

According to the financial reporting standards that require fair value measurements, the Company base on market value in measuring the fair value of assets and liabilities. To the extent of which absence of market liquidity or lack of the bidding price on the market with liquidity, the Company will apply cost or replacement value method to measure the value of assets and liabilities instead.

As at December 31, 2016 and 2015, the Company stated the lands used in operation at the fair value of Baht 475 million which based on market valuation method (level 2).

28. CAPITAL MANAGEMENT

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

As at December 31, 2016 and 2015, debt to equity ratio in the consolidated financial statement is 2.34 :1.00 and is 1.96: 1.00, respectively (the separate financial statements as at December 31, 2016 and 2015, debt to equity ratio is 2.34:1.00 and 1.93:1.00, respectively).

29. THAI FINANCIAL REPORTING STANDARD (TFRS) NOT YET ADOPTED

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Bank and its subsidiaries' operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 19 (revised 2016)	Employee Benefits
TAS 27 (revised 2016)	Consolidated and Separate Financial Statements
TAS 28 (revised 2016)	Investment in Associates
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 38 (revised 2016)	Intangible Assets
TAS 41 (revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities

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The Group has made a preliminary assessment of the potential initial impact on the consolidated and the Bank only financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

30. SUBSEQUENT EVENT

The Board of Directors of Thai Film Industries Public Company Limited (the Company) in its meeting No.1/2017 on February 20, 2017 passed the following significant resolutions:

1. Resolved to propose the Annual General Meeting of Shareholders to approve no appropriation to legal reserve and no dividend payment for the year 2016 as the Company reported the cumulative loss of Baht 1,501 Million as of December 31, 2016.
2. Resolved to financial assistance in a form of short term loan to working capital requirements with a principal amount not exceeding Baht 80 million from PM Group Co., Ltd. (Mahagitsiri Group hold 100%). The company will issue promissory notes to a call to the lender in accordance with the amount of principal appropriation and the reimbursement will be within 1 year at the interest rate of MOR minus 1% per annum or 6.12% at present (Krung Thai Bank's MOR = 7.12% per annum) which is not higher than the short term interest rate that the company directly loan from financial institution.
3. Approved the convention of the Annual General Meeting of Shareholders to be held on April 20, 2017, to consider the following agenda items:
 - Agenda No.1: The issues to be raised by the Chairman
 - Agenda No.2: To acknowledge the Minutes of Annual General Meeting of Shareholders No.2016 dated April 27, 2016.
 - Agenda No.3: To acknowledge the Operational Results for the year ended December 31, 2016.
 - Agenda No.4: To consider and approve the audited Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended December 31, 2016 of Company and its subsidiaries.
 - Agenda No.5: To consider and approve no appropriation to legal reserve and no dividend payment for the year 2016.
 - Agenda No.6: To consider and approve the appointment of directors to replace the directors who retire by rotation.
 - Agenda No.7: To consider and approve the remuneration of Directors for the year 2017.
 - Agenda No.8: To consider and approve the appointment of the Company's auditors and fix the audit fees for the year 2017.
 - Agenda No.9: Any other business, if any.

31. APPROVAL OF FINANCIAL STATEMENTS

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on February 20, 2017.