

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
AND IT'S SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD
ENDED MARCH 31, 2017
AND REVIEW REPORT OF INDEPENDENT'S AUDITOR

Independent Auditor's Report on Review of Interim Financial

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

I have reviewed accompanying consolidated and separate statements of financial position of Thai Film Industries Public Company Limited and its subsidiaries, and of Thai Film Industries Public Company Limited, respectively, as at March 31, 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2017, and condensed notes ("Interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

Without qualifying my conclusion, I draw attention in

- (1) note 20.4 (1) that on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court and the court dismissed the Company but the plaintiff has filed an appeal and the Company has filed an 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. So the Company is not responsible in the end.

Other matters

The consolidated and separate statements of financial position for the year ended 31 December 2016, of Thai Film Industries Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were audited by another auditor in my firm whose report dated on February 20, 2017, expressed an unqualified opinion on those financial statements the consolidated and separate.

Statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2016, of Thai Film Industries Public Company Limited and its subsidiaries, presented herewith for comparative purpose only, were reviewed by another auditor in my firm, and concluded an unqualifying in her report dated on May 11 2016.

Mr.Jadesada Hungsapruerk

Certified Public Accountant (Thailand) No. 3759

Karin Audit Company Limited

May 11, 2017

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2017

		(Unit : Thousand Baht)			
		Consolidated		Separate	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes	"REVIEWED"	"REVIEWED"	"REVIEWED"	"REVIEWED"	"REVIEWED"
ASSETS					
CURRENT ASSETS					
	Cash and cash equivalents	53,068	72,690	51,984	71,604
	Trade and other current receivables - net	4.1 , 5 274,604	267,227	274,604	267,227
	Inventories - net	6 273,078	224,145	273,078	224,145
	Spare parts and supplies - net	59,739	60,181	59,739	60,181
	Advance for Investment - net	7 -	-	-	-
	Other current assets	6,942	8,745	6,942	8,745
	TOTAL CURRENT ASSETS	667,431	632,988	666,347	631,902
NON-CURRENT ASSETS					
	Restricted bank deposits	8 1,039	1,029	1,039	1,029
	Investments in subsidiary and associated companies - net	9 , 10 -	-	-	-
	Other long-term investments				
	Related companies - net	11 -	-	-	-
	Other company	2,000	2,000	2,000	2,000
	Loans receivable, advance payments - subsidiary, associated and related companies - net	4.1 -	-	-	-
	Land used in operation - at appraised value	12 474,877	474,877	474,877	474,877
	Plant and equipment used in operation - net	13 966,201	989,259	966,201	989,259
	Property, plant and equipment not used in operation - net	14 60,354	60,693	60,354	60,693
	Other non-current assets	5,805	4,483	5,805	4,483
	TOTAL NON-CURRENT ASSETS	1,510,276	1,532,341	1,510,276	1,532,341
	TOTAL ASSETS	2,177,707	2,165,329	2,176,623	2,164,243

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2017

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15	906,393	983,627	906,393	983,627
Trade and other current payables - other	4.1	265,008	219,424	264,821	219,273
Long-term loans due for payment	16	130,592	130,592	130,592	130,592
Short-term borrowings - Related companies	4.1	80,000	-	80,000	-
Current provisions for employee benefits		6,280	5,269	6,280	5,269
Other current liabilities		647	639	645	638
TOTAL CURRENT LIABILITIES		1,388,920	1,339,551	1,388,731	1,339,399
NON-CURRENT LIABILITIES					
Deferred tax liabilities		147,578	147,763	147,578	147,763
Non-current provisions for employee benefit		29,906	29,916	29,906	29,916
TOTAL NON-CURRENT LIABILITIES		177,484	177,679	177,484	177,679
TOTAL LIABILITIES		1,566,404	1,517,230	1,566,215	1,517,078
EQUITY					
SHARE CAPITAL					
Authorized share capital					
2,661,750,000 ordinary shares : Baht 1 per share		2,661,750	2,661,750	2,661,750	2,661,750
Issued and paid-up share capital					
2,047,500,000 ordinary shares : Baht 1 per share		2,047,500	2,047,500	2,047,500	2,047,500
Discount on common shares		(88,750)	(88,750)	(88,750)	(88,750)
Retained earnings (Deficits) -Unappropriated		(1,537,279)	(1,500,483)	(1,538,174)	(1,501,417)
Other components of equity		189,832	189,832	189,832	189,832
TOTAL EQUITY		611,303	648,099	610,408	647,165
TOTAL LIABILITIES AND EQUITY		2,177,707	2,165,329	2,176,623	2,164,243

STATEMENTS OF COMPREHENSIVE INCOME

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2017	2016	2017	2016
Sales	19	453,051	598,234	453,051	598,234
Costs of sales	4.2	(403,782)	(551,828)	(403,782)	(551,828)
Gross profit margin		49,269	46,406	49,269	46,406
Other income	4.2 , 17	12,240	9,351	12,240	9,532
Distribution costs	4.2	(13,159)	(18,832)	(13,159)	(18,832)
Administrative expenses	4.2	(49,445)	(28,306)	(49,406)	(28,268)
Finance costs	4.2	(35,887)	(18,617)	(35,887)	(18,617)
Profit (loss) before income tax expense		(36,982)	(9,998)	(36,943)	(9,779)
Tax (expense) income		186	(805)	186	(805)
Profit (loss) for the periods		(36,796)	(10,803)	(36,757)	(10,584)
Other comprehensive income		-	-	-	-
Total comprehensive income (expense) for the periods		(36,796)	(10,803)	(36,757)	(10,584)
Profit (loss) attributable to					
Owners of parent		(36,796)	(10,803)	(36,757)	(10,584)
Non-controlling Interests		-	-	-	-
		(36,796)	(10,803)	(36,757)	(10,584)
Total comprehensive income (expense) attributable to					
Owners of parent		(36,796)	(10,803)	(36,757)	(10,584)
Non-controlling Interests		-	-	-	-
		(36,796)	(10,803)	(36,757)	(10,584)
Basic earnings (loss) per share					
Basic earnings (loss) per share from continuing operations	18	(0.018)	(0.005)	(0.018)	(0.005)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

(Unit : Thousand Baht)

Consolidated												
Equity attributable to owners of the parent												
Notes	Share capital issued and paid-up	Discount on share capital	Deficit			Other components of equity				Total equity attributable to owners of the parent	Non Controlling interests	Total
			Appropriated	Unappropriated	Total	Other comprehensive income			Total other components of equity			
						Capital surplus from land revaluation	Capital surplus from machinery revaluation	Total other comprehensive income				
Balance as at January 1, 2016	2,047,500	(88,750)	-	(1,377,272)	(1,377,272)	189,832	504,886	694,718	694,718	1,276,196	-	1,276,196
Adjustment	-	-	-	-	-	-	(504,886)	(504,886)	(504,886)	(504,886)	-	(504,886)
Balance as at January 1, 2016 (as adjusted)	2,047,500	(88,750)	-	(1,377,272)	(1,377,272)	189,832	-	189,832	189,832	771,310	-	771,310
Total comprehensive income (expense) for the periods	-	-	-	(10,803)	(10,803)	-	-	-	-	(10,803)	-	(10,803)
Ending balance as at March 31, 2016	2,047,500	(88,750)	-	(1,388,075)	(1,388,075)	189,832	-	189,832	189,832	760,507	-	760,507
Balance as at January 1, 2017	2,047,500	(88,750)	-	(1,500,483)	(1,500,483)	189,832	-	189,832	189,832	648,099	-	648,099
Total comprehensive income (expense) for the periods	-	-	-	(36,796)	(36,796)	-	-	-	-	(36,796)	-	(36,796)
Ending balance as at March 31, 2017	2,047,500	(88,750)	-	(1,537,279)	(1,537,279)	189,832	-	189,832	189,832	611,303	-	611,303

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

(Unit : Thousand Baht)

Notes	Separate								
	Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Total other components of equity	Total
			Appropriated	Unappropriated	Capital surplus	Capital surplus	Total other		
					from land revaluation	from machinery revaluation	comprehensive income		
Balance as at January 1, 2016	2,047,500	(88,750)	-	(1,365,266)	189,832	504,886	694,718	694,718	1,288,202
Adjustment	-	-	-	-	-	(504,886)	(504,886)	(504,886)	(504,886)
Balance as at January 1, 2016 (as adjusted)	2,047,500	(88,750)	-	(1,365,266)	189,832	-	189,832	189,832	783,316
Net Profit (loss) for the periods	-	-	-	(10,584)	-	-	-	-	(10,584)
Ending balance as at March 31, 2016	2,047,500	(88,750)	-	(1,375,850)	189,832	-	189,832	189,832	772,732
Balance as at January 1, 2017	2,047,500	(88,750)	-	(1,501,417)	189,832	-	189,832	189,832	647,165
Net Profit (loss) for the periods	-	-	-	(36,757)	-	-	-	-	(36,757)
Ending balance as at March 31, 2017	2,047,500	(88,750)	-	(1,538,174)	189,832	-	189,832	189,832	610,408

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) for the periods	(36,796)	(10,803)	(36,757)	(10,584)
Adjustments to reconcile profit (loss) for the periods to net cash				
Income tax expense (income)	(186)	805	(186)	805
(Increase) Decrease in Trade and other current receivables	(7,719)	5,278	(7,719)	5,278
(Increase) Decrease in Inventories	(49,384)	57,568	(49,384)	57,568
(Increase) Decrease in Spare parts and supplies	441	200	441	200
(Increase) Decrease in Other current assets	(2,467)	(7,621)	(2,467)	(7,621)
(Increase) Decrease in Non-current assets	(1,322)	(45)	(1,322)	(45)
Increase (Decrease) in Trade and other current payables	17,269	25,973	17,232	25,937
Increase (Decrease) in Provisions for employee benefits	(952)	(1,028)	(952)	(1,028)
Increase (Decrease) in Other current liabilities	8	9	8	9
(Reversal of) allowance for obsoleted stock	452	(553)	452	(553)
Depreciation	25,756	25,775	25,756	25,775
Profit from sales assets	-	(33)	-	(33)
Amortization expenses	4,270	5,433	4,270	5,433
Provision for employee benefits	1,955	1,996	1,955	1,996
Unclaimed withholding tax	-	1,560	-	1,560
Unrealized (gain) loss on exchange rate	(1,166)	(3,053)	(1,166)	(3,053)
Loss on written off assets	6	2	6	2
Interest expenses	35,166	14,614	35,166	14,614
Interest incomes	(48)	(4)	(48)	(185)
Total adjustments to reconcile profit (loss) for the periods	22,079	126,876	22,042	126,659
Net cash flows provided (used in) from operating activities	(14,717)	116,073	(14,715)	116,075

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"
 "REVIEWED"

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Cash flows from investing activities				
(Increase) Decrease in restricted bank deposits	(10)	(11)	(10)	(11)
Interest income received	10	12	10	12
Cash received from sales assets	-	33	-	33
Purchase of property, plant and equipment	(2,365)	(4,530)	(2,365)	(4,530)
Net cash flows provided (used in) from investing activities	(2,365)	(4,496)	(2,365)	(4,496)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial Institutions	(77,234)	(20,625)	(77,234)	(20,625)
Cash received from short-term borrowings - Related companies	80,000	-	80,000	-
Repayment of long - term loans	-	(67,369)	-	(67,369)
Cash paid for interest expenses	(5,306)	(13,780)	(5,306)	(13,780)
Net cash flows provided (used in) from financing activities	(2,540)	(101,774)	(2,540)	(101,774)
CASH AND CASH EQUIVALENTS INCREASE - NET	(19,622)	9,803	(19,620)	9,805
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF PERIOD	72,690	5,554	71,604	4,314
CASH AND CASH EQUIVALENTS AS AT THE END OF PERIOD	53,068	15,357	51,984	14,119
Cash and cash equivalents				
Consist of:				
Cash on hand	93	128	81	110
Cash at banks - current accounts	9,837	13,638	9,832	13,633
Cash at banks - savings accounts	43,138	1,591	42,071	376
	53,068	15,357	51,984	14,119

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

1. GENERAL

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

- a) Head Office and Factory : 73/3 Moo 4, Bangna - Trad Road KM.13, Bangchalong, Bangplee, Sumutprakarn.
- b) Factory : 327 Moo 8, Mabkha, Nihompattana District, Rayong.

2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION AND SIGNIFICANT ACCOUNTING POLICY

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2016) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Office of the Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended December 31, 2016.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2016 except that the Group has adopted all the new and revised Thai Financial Reporting Standards (“TFRSs”) that are effective for annual periods beginning on or after January 1, 2017. The adoption of these new and revised TFRs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

2.2 Functional and presentation currency

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

2.3 Judgments and estimates

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2016.

3. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Company Name	Nature of Business	Percentage of Shareholding	
		31 March 2017 (%)	31 December 2016 (%)
<u>Operating subsidiaries</u>			
1. TFI Trading 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.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

4. TRANSACTIONS WITH RELATED PARTIES

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

Related Parties	Type of Relationship
TFI Trading 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
PM Group Co., Ltd.	The same shareholders and directors

4.1 Inter-assets and liabilities

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
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)	(8,268)
Net	-	-	-	-
Loan to related companies				
Thai Film Bangladesh Co., Ltd.	37,965	37,965	37,965	37,965
Less allowance for doubtful accounts	(37,965)	(37,965)	(37,965)	(37,965)
Net	-	-	-	-
Total loan receivable and advance	-	-	-	-

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

(Unit : Thousand Baht)

	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Accrued interest receivable				
TFI Power (Korat 1) Co., Ltd.	-	-	297	297
TFI Power (Korat 2) Co., Ltd.	-	-	297	297
TFI Power (Korat 3) Co., Ltd.	-	-	297	297
TFI Power (Korat 4) Co., Ltd.	-	-	297	297
Total	-	-	1,188	1,188
Less allowance for doubtful accounts	-	-	(1,188)	(1,188)
Net	-	-	-	-
Movement of loan receivable and advance payment				
Beginning balance	-	-	8,268	8,268
Increase during in the periods	-	-	-	-
Repayment during in the periods	-	-	-	-
Ending balance	-	-	8,268	8,268
Short-term borrowings - Related companies				
PM Group Co., Ltd.	80,000	-	80,000	-
Accrued interest expenses				
PM Group Co., Ltd.	13	-	13	-
Movement of short-term loans				
Beginning balance	-	-	-	-
Increase during in the periods	80,000	-	80,000	-
Payment during in the periods	-	-	-	-
Ending balance	80,000	-	80,000	-

As at March 31, 2017 and December 31, 2016, the Company has loan to its subsidiaries as promissory notes which call on demand at interest rate MOR+1.50% per annum and MOR+1.50% per annum, respectively.

As at March 31, 2017, the Company has short-term loan under promissory note amount of Baht 80 million, due at call without any collateral and interest rate at MOR-1% per annum.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

4.2 Inter- revenue and expense

For the three-month period ended March 31, 2017 and 2016 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Interest income				
TFI Power (Korat 1) Co., Ltd.	-	-	-	45
TFI Power (Korat 2) Co., Ltd.	-	-	-	45
TFI Power (Korat 3) Co., Ltd.	-	-	-	45
TFI Power (Korat 4) Co., Ltd.	-	-	-	45
	-	-	-	180
Interest expense				
PM Group Co., Ltd.	510	-	510	-
Key management personnel compensation				
Short-term employee benefits	11,119	11,964	11,119	11,964
Long-term employee benefits	909	778	909	778
Total	12,028	12,742	12,028	12,742

5. TRADE AND OTHER CURRENT RECEIVABLES - Net

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Trade and other current receivables				
- Trade accounts receivable	244,594	216,210	244,594	216,210
- Other current receivable	30,010	51,017	30,010	51,017
Total trade and other current receivables	274,604	267,227	274,604	267,227

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
<u>Domestic trade accounts receivable</u>				
Trade accounts receivable within credit term	132,464	111,139	132,464	111,139
Aging of trade accounts receivable :-				
Less than 3 Months	57,212	49,291	57,212	49,291
Over 3 months to 6 months	3,120	99	3,120	99
Over 6 months to 9 months	-	-	-	-
Over 9 months	896	896	896	896
Total	<u>193,692</u>	<u>161,425</u>	<u>193,692</u>	<u>161,425</u>
<u>Foreign trade accounts receivable</u>				
Trade accounts receivable within credit term	33,149	34,861	33,149	34,861
Aging of trade accounts receivable :-				
Less than 3 months	3,458	11,387	3,458	11,387
Over 3 months to 6 months	-	-	-	-
Over 6 months to 9 months	-	1	-	1
Over 9 months	1	-	1	-
Total	<u>36,608</u>	<u>46,249</u>	<u>36,608</u>	<u>46,249</u>
Notes receivable	15,190	9,432	15,190	9,432
<u>Less allowance for doubtful accounts</u>	<u>(896)</u>	<u>(896)</u>	<u>(896)</u>	<u>(896)</u>
Net	<u>244,594</u>	<u>216,210</u>	<u>244,594</u>	<u>216,210</u>

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Beginning balance	896	896	896	896
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u>896</u>	<u>896</u>	<u>896</u>	<u>896</u>

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6. INVENTORIES - Net

Allowance for obsolete/damage inventories is changed during the periods as follows:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Beginning balance	3,028	7,040	3,028	7,040
Increase	452	-	452	-
Decrease	-	(4,012)	-	(4,012)
Ending balance	<u>3,480</u>	<u>3,028</u>	<u>3,480</u>	<u>3,028</u>

7. ADVANCE FOR INVESTMENT – Net

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Advance for investment	45,594	45,594	45,594	45,594
<u>Less</u> Allowance for doubtful accounts	<u>(45,594)</u>	<u>(45,594)</u>	<u>(45,594)</u>	<u>(45,594)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. RESTRICTED BANK DEPOSITS

As at March 31, 2017, the restricted bank deposits of Baht 1 million are bank deposits that the Company have placed with banks to secure letters of guarantees for Customs Department (see Note 20.1).

9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies which recorded by the cost method in the separate financial statements as at March 31, 2017 and December 31, 2016 consist of:

Company name	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up capital		Percentage of holding		Cost method	
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
TFI Trading Co., Ltd.	Thailand	Renewable energy	4,000	4,000	99.99	99.99	4,000	4,000
							<u>(4,000)</u>	<u>(4,000)</u>
							<u>-</u>	<u>-</u>
							<u>-</u>	<u>-</u>

Less Allowance for impairment of investment

Net

“UNAUDITED”

“REVIEWED”

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10. INVESTMENTS IN ASSOCIATED COMPANIES - Net

Investments in associated companies in the separate financial statements as at March 31, 2017 and December 31, 2016, consist of:

Company name	Country of business	Type of business	(Million Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
<u>Less</u> Allowance for impairment of investment							<u>(1,518.98)</u>	<u>(1,518.98)</u>
Net							<u>-</u>	<u>-</u>

Thai Copper Industries Pcl. - TCI

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

The latest significant financial data of TCI 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 the 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.

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

Consist of :-

Company	Country of business	Type of business	Paid-up capital	Consolidated/ Separate			
				Percentage of investments		Value of investment	
				March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	53.57	53.57	37,487	37,487
<u>Less</u> Allowance for impairment of investment						<u>(37,487)</u>	<u>(37,487)</u>
Net						<u>-</u>	<u>-</u>

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12. LAND USED IN OPERATION – AT APPRAISED VALUE

As at March 31, 2017 and December 31, 2016, 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.

13. PLANT AND EQUIPMENT USED IN OPERATION – Net

Consist of :-

	(Unit : Thousand Baht)	
	Consolidated	Separate
Cost :-		
Net book value as at January 1, 2017	989,259	989,259
Purchase	2,365	2,365
Written off	(6)	(6)
Depreciation for the period	(25,417)	(25,417)
Net book value as at March 31, 2017	966,201	966,201

Depreciation for three month periods ended March 31, 2017 and 2016, amounted to Baht 24.86 million and Baht 24.81 million, respectively, are included in cost of sales, and Baht 0.56 million and Baht 0.62 million, respectively, are included in selling and administrative expenses.

As at March 31, 2017 and December 31, 2016, the Company has building, machineries and equipment at book value that fully depreciated but still in use at Baht 36.22 Million and Baht 36.22 million, respectively.

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

As at March 31, 2017, 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.

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15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at March 31, 2017 and December 31, 2016, 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 local banks as follows :-

	(Unit : Million Baht)			
Currency	March 31, 2017	Bank charge and Interest rate Per annum	December 31, 2016	Bank charge and Interest rate Per annum
Baht	1,040	2.00 – 8.620	1,040	2.00 – 8.620

Furthermore, as at March 31, 2017 and December 31, 2016, the Company issued notes payable to a securities company of Baht 65 million and Baht 145 million, interest at 5.5% p.a. and 6.5% p.a.

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Bill of exchange	65,000	145,000	65,000	145,000
Less prepaid interest	(267)	(1,858)	(267)	(1,858)
Total	64,733	143,142	64,733	143,142

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16. LONG-TERM LOANS DUE FOR PAYMENT

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Beginning balance	130,592	197,961	130,592	197,961
<u>Less</u> Payment during the period	-	67,369	-	67,369
Total	130,592	130,592	130,592	130,592
<u>Less</u> Current portion of long-term loans	130,592	130,592	130,592	130,592
Net	-	-	-	-

As at March 31, 2017 and December 31, 2016, long-term loans from financial institutions charge with interest rate at MLR% per annum.

The aforesaid loans including credit facilities from the banks as mentioned in Note 15 are pledged by :-

- a) The Company’s land and machinery totaling Baht 1,052.06 million
- b) New equipment or supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

In 2017, to increase liquidity of the business, the Company has to postpone repayment deadlines and exceptional delayed interest, which is currently awaiting approval from financial institutions.

17. OTHER INCOME

For the three-month periods ended March 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Gain on exchange rate	4,164	6,798	4,164	6,798
Interest income	48	4	48	185
Gain from disposal of assets	-	33	-	33
Other income	8,028	2,516	8,028	2,516
Total	12,240	9,351	12,240	9,532

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18. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month periods ended March 31, 2017 and 2016 were calculated by dividing net profit (loss) for the periods by weighted average number of ordinary shares issued during for the three-month periods ended March 31, 2017 and 2016.

Net Profit (loss) for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
For the three month periods ended March 31,	(37)	(11)	(37)	(11)

Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)			
	Consolidated		Separate	
	2017	2016	2017	2016
Weighted average number of ordinary shares				
outstanding during the periods (Basic)	<u>2,048</u>	<u>2,048</u>	<u>2,048</u>	<u>2,048</u>
Basic earnings (loss) per share from continuing operations	<u>(0.018)</u>	<u>(0.005)</u>	<u>(0.018)</u>	<u>(0.005)</u>

19. DISCLOSURE OF SEGMENT BUSINESS OPERATION

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

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

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For the three-month periods ended March 31, 2017 and 2016

	(Unit : Million Baht)			
	Consolidated		Separate	
	2017	2016	2017	2016
Revenue from sales - Domestic	332	316	332	316
Revenue from sales - Foreign				
Asia	62	217	62	217
Europe	8	22	8	22
American	8	7	8	7
Others	43	36	43	36
Total revenue from sales	453	598	453	598

20. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2017, in addition to the liabilities reflected in the statements of financial position, Thai Film Industries Public Company Limited still have commitments and contingent liabilities as follows: -

- 20.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department and Thailand Tobacco Monopoly amounting to approximately Baht 1.90 million. The Company used fixed deposits as collateral for amount of Baht 1 million. (see Note 8).
- 20.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 104.97 million.
- 20.3 The Company has export guaranteed entered into with a commercial bank to guarantee against the risk in receiving the payment of exporting goods from the purchaser or the purchaser’s bank overseas. The Company holds the right to the export guaranteed at Baht 409.55 million.

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20.4 (1) On May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court under the contract pledging the shares of an associated company as collateral. On 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 on March 24, 2017, the Company has filed an appeal. The court has orders to accept and appeals and objections to suspension of enforcement. At the present, the Court of appeal is considerin. (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 May 11, 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.

21. FINANCIAL INSTRUMENTS

Policy to manage financial risk

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

Risk on Interest Rate

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

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Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and imports of raw material because of business transaction are foreign currencies. As at March 31, 2017 and December 31, 2016, the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit : Thousand)	
	Currency	March 31, 2017	December 31, 2016
Assets	US Dollar	952	925
	EURO	39	203
	YEN	343	-
	POUND	13	68
Liabilities	US Dollar	2,676	2,059
	EURO	13	14
	YEN	57	7
	POUND	2	4

Credit Risk

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

Fair Value

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

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

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 the 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 March 31, 2017 and December 31, 2016, the Company stated the lands used in operation at the fair value of Baht 475 million which based on market valuation method (level 2).

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23. CAPITAL MANAGEMENT

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

As at March 31, 2017 and December 31, 2016, debt to equity ratio in the consolidated financial statements are 2.56: 1.00 and 2.34: 1.00, respectively (the separate financial statements as at March 31, 2017 and December 31, 2016, debt to equity ratios are 2.57:1.00 and 2.34:1.00, respectively).

24. APPROVAL OF FINANCIAL STATEMENTS

Board of directors of Thai Film Industries Public Company Limited has approved these interim financial statements on May 11, 2017.