

**THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
AND IT'S SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIOD
ENDED SEPTEMBER 30,2015
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 September 30, 2015, the consolidated and separate statements of comprehensive income for the three-month and nine-month period ended September 30, 2015, changes in equity and cash flows the nine-month period ended September 30, 2015, 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 in my conclusion, I draw attention in note 24.4 (1) on May 8, 2008 the Company was sued by a bank as the third defendant in the Civil Court 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. 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.

(Mr.Jirote Sirirrote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

November 12, 2015

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		7,962	7,321	6,724	5,917
Trade accounts receivable and other receivable - net	5	383,184	413,814	383,184	413,814
Other receivable - related companies	4.1	-	-	664	180
Inventories - net	6	242,122	275,394	242,122	275,394
Spare parts and supplies - net		56,664	57,443	56,664	57,443
Advance for Investment - net	7	-	-	-	-
Other current assets		25,257	30,577	25,255	30,577
TOTAL CURRENT ASSETS		715,189	784,549	714,613	783,325
NON-CURRENT ASSETS					
Restricted bank deposits	8	1,018	2,003	1,018	2,003
Investments in subsidiary and associated companies - net	9,10	-	-	4,000	4,000
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	-	-	8,268	8,268
Land used in operation - at appraised value	12	456,057	456,057	456,057	456,057
Plant and equipment used in operation - net	13	1,247,397	1,411,322	1,247,397	1,411,322
Property, plant and equipment not used in operation - net	14	74,194	117,188	74,194	117,188
Other non-current assets		1,956	2,021	1,956	2,021
TOTAL NON-CURRENT ASSETS		1,782,622	1,990,591	1,794,890	2,002,859
TOTAL ASSETS		2,497,811	2,775,140	2,509,503	2,786,184

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15	857,338	672,932	857,338	672,932
Trade accounts payable and other payable - other		322,441	505,962	322,328	505,814
Current portion of long-term loans	16	197,961	177,961	197,961	177,961
Other current liabilities		897	1,130	895	1,129
TOTAL CURRENT LIABILITIES		1,378,637	1,357,985	1,378,522	1,357,836
NON-CURRENT LIABILITIES					
Long-term loans - net	16	15,806	197,961	15,806	197,961
Deferred tax liabilities	17	175,626	204,312	175,626	204,312
Employee benefit obligations	18	39,691	35,305	39,691	35,305
TOTAL NON-CURRENT LIABILITIES		231,123	437,578	231,123	437,578
TOTAL LIABILITIES		1,609,760	1,795,563	1,609,645	1,795,414
EQUITY					
SHARE CAPITAL					
Authorized share capital					
2,661,750,000 ordinary shares : Baht 1 per share	19				
(2014 : 2,847,500,000 ordinary shares : Baht 1 per share)		2,661,750	2,847,500	2,661,750	2,847,500
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		(1,376,191)	(1,397,405)	(1,364,384)	(1,386,212)
Other components of equity		305,492	418,232	305,492	418,232
TOTAL EQUITY		888,051	979,577	899,858	990,770
TOTAL LIABILITIES AND EQUITY		2,497,811	2,775,140	2,509,503	2,786,184

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

“UNAUDITED”
“REVIEWED”

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2015	2014	2015	2014
REVENUES					
Sales	23	771,509	810,551	771,509	810,551
Costs of sales	4.2	(702,450)	(801,337)	(702,450)	(801,337)
Gross profit margin		69,059	9,214	69,059	9,214
Other income	4.2, 20	2,784	7,139	2,948	7,404
Profit before expenses		71,843	16,353	72,007	16,618
Selling expenses	4.2	(21,467)	(25,256)	(21,467)	(25,256)
Administrative expenses	4.2	(38,428)	(27,364)	(38,390)	(27,304)
Total expenses		(59,895)	(52,620)	(59,857)	(52,560)
Profit (loss) before finance costs		11,948	(36,267)	12,150	(35,942)
Finance costs		(20,268)	(20,104)	(20,268)	(20,104)
Profit (loss) before income tax		(8,320)	(56,371)	(8,118)	(56,046)
Expenses income tax	21	334	(132)	334	(132)
Profit (loss) comprehensive income for the period		(7,986)	(56,503)	(7,784)	(56,178)
Profit (loss) attributable to:					
Owner of the Company		(7,986)	(56,503)	(7,784)	(56,178)
Non-controlling interests		-	-	-	-
Total profit (loss) for the periods		(7,986)	(56,503)	(7,784)	(56,178)
Profit (loss) per Share (Unit : Baht)					
Basic profit (loss) per share (Unit : Baht)	22	(0.004)	(0.028)	(0.004)	(0.027)
The number of ordinary shares weighted average (Unit : Thousand Shares)		2,047,500	2,047,500	2,047,500	2,047,500

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

“UNAUDITED”

STATEMENTS OF COMPREHENSIVE INCOME

“REVIEWED”

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated		Separate	
		2015	2014	2015	2014
REVENUES					
Sales	23	2,234,405	2,851,411	2,234,405	2,851,411
Costs of sales	4.2	(2,017,761)	(2,799,383)	(2,017,761)	(2,799,383)
Gross profit margin		216,644	52,028	216,644	52,028
Other income	4.2 , 20	9,286	32,141	9,767	33,004
Profit before expenses		225,930	84,169	226,411	85,032
Selling expenses	4.2	(62,658)	(88,928)	(62,658)	(88,928)
Administrative expenses	4.2	(82,039)	(82,988)	(81,907)	(82,845)
Total expenses		(144,697)	(171,916)	(144,565)	(171,773)
Profit (loss) before finance costs		81,233	(87,747)	81,846	(86,741)
Finance costs		(60,520)	(59,444)	(60,519)	(59,442)
Profit (loss) before income tax		20,713	(147,191)	21,327	(146,183)
Revenue income tax (expense)	21	501	920	501	920
Profit (loss) comprehensive income for the period		21,214	(146,271)	21,828	(145,263)
Profit (loss) attributable to:					
Owner of the Company		21,214	(146,271)	21,828	(145,263)
Non-controlling interests		-	-	-	-
Total profit (loss) for the periods		21,214	(146,271)	21,828	(145,263)
Profit (loss) per Share (Unit : Baht)					
Basic profit (loss) per share (Unit : Baht)	22	0.010	(0.071)	0.011	(0.071)
The number of ordinary shares weighted average (Unit : Thousand Shares)		2,047,500	2,047,500	2,047,500	2,047,500

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

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

"UNAUDITED"

STATEMENTS OF CHANGES IN EQUITY

"REVIEWED"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

(Unit : Thousand Baht)

		Consolidated									
		Share capital issued and paid-up	Discount on share capital	Deficit		Other components of equity			Equity		
Notes	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	(88,750)	-	(1,397,405)	174,776	243,456	418,232	979,577	-	979,577
	Depreciation for capital surplus from machinery revaluation	13,14	-	-	-	-	(140,925)	(140,925)	(140,925)	-	(140,925)
	Income tax on other components of equity	-	-	-	-	-	28,185	28,185	28,185	-	28,185
	Net profit (loss) for the periods	-	-	-	21,214	-	-	-	21,214	-	21,214
	Ending balance as at September 30, 2015	2,047,500	(88,750)	-	(1,376,191)	174,776	130,716	305,492	888,051	-	888,051
	Balance as at January 1, 2014	2,047,500	(88,750)	-	(1,187,629)	174,776	394,193	568,969	1,340,090	-	1,340,090
	Depreciation for capital surplus from machinery revaluation	13,14	-	-	-	-	(140,931)	(140,931)	(140,931)	-	(140,931)
	Income tax on other components of equity	-	-	-	-	-	28,187	28,187	28,187	-	28,187
	Net profit (loss) for the periods	-	-	-	(146,271)	-	-	-	(146,271)	-	(146,271)
	Ending balance as at September 30, 2014	2,047,500	(88,750)	-	(1,333,900)	174,776	281,449	456,225	1,081,075	-	1,081,075

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

(Unit : Thousand Baht)

	Notes	Separate							Total
		Share capital issued and paid-up	Discount on share capital	Deficit		Capital surplus	Capital surplus	Total other	
				Appropriated	Unappropriated	from land revaluation	from machinery revaluation	components of equity	
Balance as at January 1, 2015		2,047,500	(88,750)	-	(1,386,212)	174,776	243,456	418,232	990,770
Depreciation for capital surplus from machinery revaluation	13 ,14	-	-	-	-	-	(140,925)	(140,925)	(140,925)
Income tax on other components of equity		-	-	-	-	-	28,185	28,185	28,185
Net profit (loss) for the periods		-	-	-	21,828	-	-	-	21,828
Ending balance as at September 30, 2015		<u>2,047,500</u>	<u>(88,750)</u>	<u>-</u>	<u>(1,364,384)</u>	<u>174,776</u>	<u>130,716</u>	<u>305,492</u>	<u>899,858</u>
Balance as at January 1, 2014		2,047,500	(88,750)	-	(1,177,631)	174,776	394,193	568,969	1,350,088
Depreciation for capital surplus from machinery revaluation	13 ,14	-	-	-	-	-	(140,931)	(140,931)	(140,931)
Income tax on other components of equity		-	-	-	-	-	28,187	28,187	28,187
Net profit (loss) for the periods		-	-	-	(145,263)	-	-	-	(145,263)
Ending balance as at September 30, 2014		<u>2,047,500</u>	<u>(88,750)</u>	<u>-</u>	<u>(1,322,894)</u>	<u>174,776</u>	<u>281,449</u>	<u>456,225</u>	<u>1,092,081</u>

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2015

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Consolidated		Separate	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss)	21,214	(146,271)	21,828	(145,263)
Adjustments to reconcile net profit(loss) to cash received (used)				
operating activities				
Allowance for obsoleted stock (Reversal) Increase	1,550	1,514	1,550	1,514
Depreciation	83,873	78,604	83,873	78,604
Profit from sales assets	(3,286)	-	(3,286)	-
Amortization expenses	22,973	24,765	22,973	24,765
Provision for employee benefits	5,629	5,220	5,629	5,220
Unclaimed withholding tax	305	423	305	423
Unrealized (gain) loss on exchange rate	19,615	2,201	19,615	2,201
Loss on written off assets	51	124	51	124
Interest expenses	49,065	43,445	49,065	43,445
Interest incomes	(20)	(383)	(502)	(1,245)
Income tax expense (income)	(501)	(920)	(501)	(920)
Profit from operating activities before changes in operating assets and liabilities	200,468	8,722	200,600	8,868
(Increase) Decrease in Trade accounts receivable and other receivable	32,632	106,714	32,632	106,544
(Increase) Decrease in Inventories	31,721	(54,591)	31,721	(54,591)
(Increase) Decrease in Spare parts and supplies	779	(3,331)	779	(3,331)
(Increase) Decrease in Other current assets	(17,653)	(8,062)	(17,653)	(15,262)
(Increase) Decrease in Other non-current assets	(240)	(22)	(240)	(22)
Increase (Decrease) in Trade account payable and other payable	(186,566)	(212,448)	(186,529)	(211,062)
Increase (Decrease) in Other current liabilities	(232)	(7,574)	(232)	(7,575)
Increase (Decrease) in Employee benefits liabilities	(1,243)	(730)	(1,243)	(730)
Net cash received (used) from operating activities	59,666	(171,322)	59,835	(177,161)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2015

"UNAUDITED"
"REVIEWED"

(Unit :Thousand Baht)

	Consolidated		Separate	
	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted bank deposit	986	(12,344)	986	(12,344)
(Increase) Decrease in loans receivable and Advances to subsidiary companies	-	-	-	7,215
Interest incomes	26	252	23	1,476
Cash received from sales investment in subsidiary companies	-	-	-	1,000
Cash paid for investment in subsidiary companies and associated companies	-	-	-	(3,000)
Cash received from sales assets - net	3,736	94	3,736	94
Purchase of property, plant and equipment	(18,380)	(99,841)	(18,380)	(99,841)
Net cash used from investing activities	(13,632)	(111,839)	(13,635)	(105,400)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial Institutions				
financial Institutions	164,766	503,905	164,766	503,905
Repayment of long - term loans	(162,155)	(182,155)	(162,155)	(182,155)
Cash paid for interest expenses	(48,004)	(41,817)	(48,004)	(41,817)
Net cash received (used) from financing activities	(45,393)	279,933	(45,393)	279,933
Cash and cash equivalents increase (decrease) - net	641	(3,228)	807	(2,628)
Cash and cash equivalents as at the beginning of periods	7,321	10,784	5,917	8,784
Cash and cash equivalents as at the end of periods	7,962	7,556	6,724	6,156
Cash and cash equivalents				
Consist of:				
Cash on hand	131	116	110	107
Cash at banks - current accounts	6,055	5,285	6,050	5,280
Cash at banks - savings accounts	1,707	1,947	495	561
Others	69	208	69	208
	7,962	7,556	6,724	6,156

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

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, Nikhompattana District, Rayong.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

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 2014) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2014. 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 31 December 2014.

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 31 December 2014 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2015. 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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

2.3 Judgements and estimates

The preparation of interim 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 these estimates.

In preparing these interim financial statements, the significant judgements 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 31 December 2014 and included in the following note:

Note 18 Discount rate, salary increase rate, employee turnover rate and mortality rate

3. 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.

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 significant 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	Rate of Shareholding	
		2015 (%)	2014 (%)
<u>Operating subsidiaries</u>			
1. 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 accounting transaction 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 AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

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 relation
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

4.1 Inter-Assets and Liabilities

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
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
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	8,268
Accrued interest receivable				
TFI Power (Korat 1) Co., Ltd.	-	-	166	45
TFI Power (Korat 2) Co., Ltd.	-	-	166	45
TFI Power (Korat 3) Co., Ltd.	-	-	166	45
TFI Power (Korat 4) Co., Ltd.	-	-	166	45
Total	-	-	664	180

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Movement of Loan receivable and advance payment				
Beginning	-	-	8,268	15,483
Increase during in the years	-	-	-	1,455
Paid during in the years	-	-	-	(8,670)
Ending	-	-	8,268	8,268

As at September 30, 2015 and December 31, 2014, the Company has loan to its subsidiaries as promissory notes which call on demand at interest rate MOR+0.50% per annum and MOR% per annum, respectively.

4.2 Revenue and expense

For the three-month period ended September 30, 2015 and 2014 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Interest income				
TFI Power Co., Ltd.	-	-	-	-
TFI Power (Korat 1) Co., Ltd.	-	-	41	66
TFI Power (Korat 2) Co., Ltd.	-	-	41	66
TFI Power (Korat 3) Co., Ltd.	-	-	41	67
TFI Power (Korat 4) Co., Ltd.	-	-	41	66
	-	-	164	265
Key management personnel compensation				
Short-term employee benefit	11,907	11,939	11,907	11,939
Long-term employee benefit	714	667	714	667
Total	12,621	12,606	12,621	12,606

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For the nine-month period ended September 30, 2015 and 2014 as follow:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Interest income				
TFI Power Co., Ltd.	-	-	-	1
TFI Power (Korat 1) Co., Ltd.	-	-	121	216
TFI Power (Korat 2) Co., Ltd.	-	-	121	216
TFI Power (Korat 3) Co., Ltd.	-	-	121	217
TFI Power (Korat 4) Co., Ltd.	-	-	121	216
	-	-	484	866
Key management personnel compensation				
Short-term employee benefit	36,347	34,323	36,347	34,323
Long-term employee benefit	2,163	2,019	2,163	2,019
Total	38,510	36,342	38,510	36,342

5. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE RECEIVALBE - Net

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Trade accounts receivable and other receivable				
- Trade accounts receivable	369,319	408,269	368,319	408,269
- Other receivable	13,865	5,545	13,865	5,545
Total trade accounts receivable and other receivable	383,184	413,814	383,184	413,814

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
<u>Domestic Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	138,892	165,836	138,892	165,836
Aging of Trade Accounts Receivable :-				
Less than 3 Months	66,102	97,262	66,102	97,262
Over 3 Months to 6 Months	11	2	11	2
Over 6 Months to 9 Months	-	-	-	-
Over 9 Months	896	896	896	896
Total	205,901	263,996	205,901	263,996
<u>Foreign Trade Accounts Receivable</u>				
Trade Accounts Receivable within Credit Term	101,571	79,052	101,571	79,052
Aging of Trade Accounts Receivable :-				
Less than 3 Months	18,628	14,284	18,628	14,284
Over 3 Months to 6 Months	-	-	-	-
Over 6 Months to 9 Months	-	47	-	47
Over 9 Months	156	94	156	94
Total	120,355	93,477	120,355	93,477
Notes Receivable	43,959	51,692	43,959	51,692
<u>Less allowance for doubtful accounts</u>	(896)	(896)	(896)	(896)
Net	369,319	408,269	369,319	408,269

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Beginning balance	896	896	896	896
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	896	896	896	896

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6. INVENTORIES - Net

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Beginning balance	7,478	6,922	7,478	6,922
Increase	1,550	556	1,550	556
Decrease	-	-	-	-
Ending balance	9,028	7,478	9,028	7,478

7. ADVANCE FOR INVESTMENT – Net

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Advance payment for investment	45,594	45,594	45,594	45,594
<u>Less</u> Allowance for Doubtful debt	(45,594)	(45,594)	(45,594)	(45,594)
Net	-	-	-	-

8. RESTRICTED BANK DEPOSITS

As at September 30, 2015 the restricted bank deposit of Baht 1 million are bank deposits that the company have placed with banks to secure letters of guarantees for Customs Department used as described in Note 24.1

9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies which recorded by the cost method in the separate financial statements as at September 30, 2015 and December 31, 2014 consisted of:

Company	Country of business	Type of business	(Thousand Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
TFI Power Co., Ltd.	Thailand	Renewable energy	4,000	4,000	99.99	99.99	4,000	4,000

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10. INVESTMENTS IN ASSOCIATED COMPANIES - Net

Investments in associated companies in the separate financial statements as at September 30, 2015 and December 31, 2014, consisted of:

Company	Country of business	Type of business	(Million Baht)		(Percent)		(Thousand Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,518.98	1,518.98
<u>Less Allowance for impairment in investment</u>							<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 are as follows :-

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

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

11. 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 (Unit : Thousand Baht)	
				September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Thai Film Bangladesh Co., Ltd. (Bangladesh Taka currency)	Bangladesh	Packaging Film	Taka 112 million	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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12. LAND USED IN OPERATION – AT APPRAISED VALUE

As at September 30, 2015 the land used in operation was re-appraised according to the report of independent appraiser (Bangkok Property Appraisal Co., Ltd.) at fair market value date December 24, 27, 2010 and January 6, 2011, respectively, which appraisal date was December 16 - 17, 2010.

13. PLANT AND EQUIPMENT USED IN OPERATION – Net

Consist of :-

	(Unit : Thousand Baht)	
	Consolidated	Separate
Cost :-		
Net Book Value as at January 1, 2015	1,162,973	1,162,973
Purchase	18,380	18,380
Amortization	(51)	(51)
Depreciation for the period	<u>(82,386)</u>	<u>(82,386)</u>
Net Book Value as at September 30, 2015	<u>1,098,916</u>	<u>1,098,916</u>
Capital Surplus from Revaluation :-		
Net Book Value as at January 1, 2015	248,348	248,348
Depreciation for the period	<u>(99,867)</u>	<u>(99,867)</u>
Net Book Value as at September 30, 2015	<u>148,481</u>	<u>148,481</u>
Net Book Value as at September 30, 2015	<u><u>1,247,397</u></u>	<u><u>1,247,397</u></u>

Depreciation for nine month periods ended September 30, 2015 and 2014, amounted to Baht 80.46 million and Baht 75.26 million, respectively, are included in cost of sales, and Baht 1.92 million and Baht 1.86 million, respectively, are included in selling and administrative expenses.

As at September 30, 2015 and December 31, 2014, the Company has building, machineries and equipments that fully depreciated but still in use at Baht 858.16 million and Baht 862.55 million, respectively.

The Company has applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016. The Company chose this alternative thus depreciation expenses for the nine month periods ended September 30, 2015 and 2014, in the financial statements is lower stated by Baht 99.87 million and Baht 99.84 million, respectively, and net profit for the nine month periods ended September 30, 2015

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in the financial statement in higher stated by Baht 99.87 million and net loss for the nine month periods ended September 30, 2014 in the financial statements is lower stated by and Baht 99.84 million. (Profit per share is higher stated by Baht 0.05 per share and loss per share is lower stated by Baht 0.05 per share, respectively).

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

As at September 30, 2015, the lands and machineries not used in operation, which cost of Baht 74 million and Baht 808.42 million, respectively, were re-appraised according to reports of independent appraiser (Bangkok Property Appraisal co., Ltd. and UK Valuations and Agency co., Ltd., respectively) date January 6, 2011 (for land) and date January 17, 2011 (for machineries) which appraisal date was December 16, 2010 (for land) and December 15, 2010 (for machineries). That using market value method and depreciated replacement cost method, respectively. And allowance for impairment of such lands and machineries were amount of Baht 37.39 million and Baht 37.51 million, respectively. However on February 6, 2014 the Company hired an independent appraiser (UK Valuations and Agency co., Ltd.) to re-appraise the unused machineries transferred in year 2013 which carrying value amount of Baht 132.44 million using replacement cost new less depreciation method found that these machineries are not impaired.

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

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Bank overdrafts	16,244	11,970	16,244	11,970
Packing credits	86,220	57,089	86,220	57,089
Liabilities under trust receipts	270,496	294,782	270,496	294,782
Promissory notes	484,378	309,091	484,378	309,091
Total	<u>857,338</u>	<u>672,932</u>	<u>857,338</u>	<u>672,932</u>

As at September 30, 2015 and December 31, 2014, 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	September 30, 2015	Bank charge and Interest rate Per		December 31, 2014	Bank charge and Interest rate Per	
		annum			annum	
Baht	1,310	2.00 – 7.875		1,310	1.50 – 7.375	

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

As at September 30, 2015 and December 31, 2014, the Company had unutilized credit facility balances by approximately Baht 223.04 million and Baht 214.52 million, respectively.

16. LONG-TERM LOANS

Consist of :-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Beginning	375,922	593,883	375,922	593,883
<u>Less</u> Payment during the period	(162,155)	(217,961)	(162,155)	(217,961)
Total	213,767	375,922	213,767	375,922
<u>Less</u> Current portion of long-term loans	(197,961)	(177,961)	(197,961)	(177,961)
Net	<u>15,806</u>	<u>197,961</u>	<u>15,806</u>	<u>197,961</u>

As at September 30, 2015 and December 31, 2014, 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.15 are guaranteed by pledging :-

- a) The Company’s land and machinery totaling Baht 1,261.76 million.
- b) New equipment and supplies for machineries acquired to replace the mortgaged assets shall be determined as related mortgaged assets.

17. DEFERRED TAX LIABILITIES

As at September 30, 2015 and December 31, 2014, the components of deferred tax liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Amortization Expenses	2,075	3,246	2,075	3,246
Plant and equipment	97,178	96,508	97,178	96,508
Capital surplus form land revaluation	43,694	43,694	43,694	43,694
Capital surplus form machinery revaluation	32,679	60,864	32,679	60,864
Total	<u>175,626</u>	<u>204,312</u>	<u>175,626</u>	<u>204,312</u>

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As at September 30, 2015 and December 31, 2014, the Company has deductible temporary differences and unused tax losses totaling Baht 628.92 million and 671.41 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.

18. 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 : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Provision for employee benefit - beginning	35,305	30,131	35,305	30,131
<u>Add</u> recognized amount	5,629	6,841	5,629	6,841
<u>Less</u> liability decrease from actual paid	(1,243)	(1,667)	(1,243)	(1,667)
Actuarial gains in other comprehensive income	-	-	-	-
Provision for employee benefits - ending	<u>39,691</u>	<u>35,305</u>	<u>39,691</u>	<u>35,305</u>

19. AUTHORIZED SHARE CAPITAL

The 2015 Annual General Meeting of Shareholders, which was approved on April 30, 2015, the shareholders resolved as follows.

19.1 To approve the reduction of the registered capital of the Company from Baht 2,847.50 million to Baht 2,047.50 million by cancelling 800 million authorized but unissued ordinary shares, with a par value of Baht 1 each. The Company registered to reduce authorized share capital with the Ministry of Commerce on June 8, 2015.

19.2 To approve the increase of the registered capital of the Company, as a General Mandate, in an amount of Baht 614.25 million, from the existing registered capital of the Company of Baht 2,047.50 million to Baht 2,661.75 million, by mean of issuance of newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the allotment of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering) and to Private Placement Subscribers and the company registered authorized share capital with the Ministry of Commerce on June 8, 2015.

19.3 To approve the allotment of the newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering), detailed as follows:

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- To allocate up to 614.25 million newly issued ordinary shares, each having a par value of Baht 1 for offering to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering). In this regard, the number of the newly issued ordinary shares represents 30 per cent of the paid-up capital of the Company as of the date on which the board of directors of the Company passed a resolution to approve an increase of the registered capital of the Company as a general mandate, which is equivalent to Baht 2,047.50 million.
- If there are remaining newly issued shares after the first allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding percentage, the Company shall allocate the remaining unsubscribed shares to the shareholders who have expressed their intentions to subscribe for shares in excess of their existing shareholding percentage ("Oversubscribing Shareholders") proportionately to their respective shareholding (Pro Rata Basis) at the same price as the price of shares in the first allotment, except the cases where the Company is unable to allocate the unsubscribed shares because such shares are in decimal number or no shareholder has expressed his/ her intention to subscribe the unsubscribed shares.
- The remaining shares after the allocation to the existing shareholders of the Company in proportion to their current shareholding percentage (Right Offering) above will be allocated to a Private Placement Subscriber who is not a connected person of the Company. In this regard, the number of the newly issued ordinary shares to be allotted to Private Placement Subscribers must not exceed 204.75 million shares, representing 10 per cent of the paid-up capital of the Company as of the date on which the board of directors of the Company passed a resolution to approve an increase of the registered capital of the Company as a general mandate, which is equivalent to Baht 2,047.50 million. The offering price for the Private Placement shall not be lower than the price offered to the existing shareholders in proportion to their current shareholding percentage (Right Offering) and shall not be lower than 90 percent of the market price determined pursuant to the Notification of the Capital Market Supervisory Board.

20. OTHER INCOME

For the three-month period ended September 30, 2015 and 2014 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Gain on exchange rate	-	3,979	-	3,979
Interest income	5	157	169	422
Gain from disposal of assets	304	-	304	-
Other income	2,475	3,003	2,475	3,003
Total	2,784	7,139	2,948	7,404

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For the nine-month period ended September 30, 2015 and 2014 details of financial information shown other income consist of:-

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Gain on exchange rate	-	16,771	-	16,771
Interest income	20	383	502	1,246
Gain from disposal of assets	3,286	94	3,286	94
Other income	5,980	14,893	5,979	14,893
Total	9,286	32,141	9,767	33,004

21. INCOME TAX

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the profit before tax of the interim period. The Company’s consolidated effective tax rate in respect of continuing operations for the nine-months ended September 30, 2015 was 2.42% in the consolidated financial statement and 2.35% in the separate financial statement (September 30, 2014: -0.63% in consolidated financial statement and -0.63% in the separate financial statement).

Income tax (expenses) revenue for the three-month period ended September 30, 2015 and 2014 are made up as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Current Income tax:				
Income tax	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	334	(132)	334	(132)
Income tax (expense) revenue reported in the statements of comprehensive income	334	(132)	334	(132)

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Income tax (expenses) revenue for the nine-month period ended September 30, 2015 and 2014 are made up as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Current Income tax:				
Income tax	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	501	920	501	920
Income tax (expense) revenue reported in the statements of comprehensive income	501	920	501	920

22. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share of the consolidated and separate financial statements for the three-month and nine-month period ended September 30, 2015 and 2014 was based on the profit (loss) for the periods attributable to equity holders of the Company and weighted average number of ordinary shares (Basic) issued during for the three-month and nine-month period ended September 30, 2015 and 2014.

Net Profit (loss) for the periods

	(Unit : Million Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
For the three month periods ended September 30,	(8)	(57)	(8)	(56)
For the nine month periods ended September 30,	21	(146)	22	(145)

Weighted average number of ordinary shares (Basic)

	(Unit : Million shares)			
	Consolidated		Separate	
	2015	2014	2015	2014
Weighted average number of ordinary shares outstanding during the periods (Basic)	2,048	2,048	2,048	2,048

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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. Details of financial information shown separately by geographical are as follows:-

For the three-month period ended September 30, 2015 and 2014

	(Unit : Million Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Revenue from sales - Local	393	485	393	485
Revenue from sales - Foreign				
Asia	276	234	276	234
Europe	30	24	30	24
American	12	23	12	23
Other	61	45	61	45
Total	772	811	772	811

For the nine-month period ended September 30, 2015 and 2014

	(Unit : Million Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Revenue from sales - Local	1,260	1,517	1,260	1,517
Revenue from sales - Foreign				
Asia	745	946	745	946
Europe	50	180	50	180
American	27	59	27	59
Other	152	149	152	149
Total	2,234	2,851	2,234	2,851

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24. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2015 in addition to the liabilities reflected in the statements of financial position, Thai Film Industries Public Company Limited still have of obligations and contingent liabilities as follows: -

- 24.1 Had outstanding bank guarantees issued on behalf of the Company and for which it is contingently liabilities to the Customs Department, Thailand Tobacco Monopoly, Metropolitan Electricity Authority and the Provincial Electricity Authority amounting to approximately Baht 13.05 million. The Company used fixed deposit as collateral for amount of Baht 1 million. (See note 8.)
- 24.2 Had unused letters of credit, liabilities under trust receipts and promissory notes in amount of approximately Baht 69.31 million.
- 24.3 The Company has export guaranteed entered into with a commercial bank to guarantee against the risk in receiving the payment of exporting goods for leave from the purchaser or the purchaser’s bank overseas. The Company holds the right to the export guaranteed at Baht 64.90 million.
- 24.4 (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 10, 2015, the court will appoint simultaneously on November 23, 2558. (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 March 31, 2015, the Court set a new appointment date the company witnesses be on August 26 30 31, 2016. 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.
- 24.5 Presently, all 4 subsidiaries are have intended to obtain license for providing and sales electricity to Provincial Electricity Authority, therefore all 4 subsidiaries entered into memorandum agreements with the landlords who have ownership on land and allow the subsidiaries to use land. The subsidiaries intend to use such land to make feasibility study and wait the new policy from the government on making electricity from wind energy. The subsidiaries also have right to cancel such memorandum agreements in case that the feasibility study is not appropriate.

25. 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 September 30, 2015 and December 31, 2014, the Company possessed material assets and liabilities in foreign currencies as follows:-

		(Unit: Thousand)	
	Foreign Currency	September 30, 2015	December 31, 2014
Assets	US Dollar	2,884	2,654
	EURO	121	20
	POUND	146	15,473
	YEN	5,539	-
Liabilities	US Dollar	10,580	19,203
	EURO	36	1
	YEN	208	12,786

As at September 30, 2015 there was forward contracts sold amount of USD 1.34 million and forward contracts bought amount of USD 1.63 million and EUR 0.07 million.

As at December 31, 2014 there was forward contracts bought amount of USD 1.69 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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26. CAPITAL MANAGEMENT

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

As at September 30, 2015 and December 31, 2014, debt to equity ratio in the consolidated financial statement is 1.81 :1.00 and 1.83 : 1.00, respectively (the separate financial statements as at September 30, 2015 and December 31, 2014, debt to equity ratio is 1.79 : 1.00 and 1.81 : 1.00, respectively).

27. Thai Financial Reporting Standard (TFRS) that has been issued but is not yet effective

The Group has not adopted the revised TFRS that has been issued but is not yet effective. That revised TFRS that is applicable to the Group, which becomes effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, is as follows:

TAS	Topic	Year effective
TFRS 4	Insurance Contracts	2016

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

28. APPROVAL OF FINANCIAL STATEMENTS

Board of Directors of the Thai Film Industries Public Company Limited has approved these financial statements on November 12, 2015.