

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS END JUNE 30, 2023
AND AUDITOR'S REPORT
ON THE REVIEW OF INTERIM FINANCIAL INFORMATION

Auditor's report on the review of interim financial information

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

I have reviewed the accompanying interim financial information of Thai Film Industries Public Company Limited. This comprises the statements of financial position as at June 30, 2023, the statements of comprehensive income for the three- month and six-month periods then ended, the related statement of changes in shareholders' equity and cash flows for the six-month period then ended and the condensed notes to the 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".

Mrs. Sumana Senivongse

Certified Public Accountant (Registration) No. 5897

Karin Audit Company Limited

Bangkok

August 10, 2023

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

(Unit : Thousand Baht)

		June 30, 2023	December 31, 2022
		"UNAUDITED"	"AUDITED"
	Notes	"REVIEWED"	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		90,784	162,622
Trade and other current receivables	4	109,453	123,210
Inventories - net	5	153,638	223,698
Spare parts and supplies - net		59,346	58,650
Advance for Investment - net	7	-	-
Other current assets		6,772	9,293
TOTAL CURRENT ASSETS		419,993	577,473
NON-CURRENT ASSETS			
Restricted bank deposits	6	2,000	2,000
Investments in associated companies under absolute order control of property - net	8	-	-
Other long-term investments related companies - net	9	-	-
Land used in operation - at appraised value		790,550	790,550
Plant and equipment used in operation - net	10	1,396,363	1,441,800
Property, plant and equipment not used in operation - net	11	205,399	210,777
Right-of-use assets - net	12	7,073	4,611
Other non-current assets		998	793
TOTAL NON-CURRENT ASSETS		2,402,383	2,450,531
TOTAL ASSETS		2,822,376	3,028,004

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

(Unit : Thousand Baht)

		June 30, 2023	December 31, 2022
		"UNAUDITED"	"AUDITED"
	Notes	"REVIEWED"	
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other current payables		26,544	34,361
Current portion of lease liabilities	12	2,657	1,515
Short term loan from related party	13	200,000	200,000
Current provisions for employee benefits		432	393
Other current liabilities		854	1,652
TOTAL CURRENT LIABILITIES		230,487	237,921
NON-CURRENT LIABILITIES			
Lease liabilities - net	12	4,707	3,262
Deferred tax liabilities		366,625	382,278
Non-current provisions for employee benefits		19,126	16,992
TOTAL NON-CURRENT LIABILITIES		390,458	402,532
TOTAL LIABILITIES		620,945	640,453
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
20,475,000,000 ordinary shares : Baht 1 per share		20,475,000	20,475,000
Issued and paid-up share capital			
16,826,223,539 ordinary shares : Baht 1 per share		16,826,224	16,826,224
Discount on shares capital		(13,264,915)	(13,264,915)
Retained earnings (Deficits) -Unappropriated		(2,479,772)	(2,349,464)
Other components of shareholders' equity		1,119,894	1,175,706
TOTAL SHAREHOLDERS' EQUITY		2,201,431	2,387,551
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,822,376	3,028,004

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2023

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Notes	2023	2022
Sales	18	93,697	269,146
Costs of sales		(115,049)	(266,184)
Gross profit (loss) margin		(21,352)	2,962
Other incomes	17	3,305	4,143
Distribution costs		(4,442)	(17,267)
Administrative expenses		(72,651)	(55,770)
Finance costs		(2,976)	(1,535)
Profit (loss) before income tax expense		(98,116)	(67,467)
Tax (expense) income		8,308	6,352
Profit (loss) for the period		(89,808)	(61,115)
Other comprehensive income (expense) for the period		-	-
Total comprehensive income (expense) for the period		(89,808)	(61,115)
Basic earnings (loss) per share			
Basic earnings (loss) per share from continuing operations (Baht per Share)	15	(0.005)	(0.004)
Diluted earnings (loss) per share			
Diluted earnings (loss) per share from continuing operations (Baht per Share)	16	-	(0.003)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

"UNAUDITED"
"REVIEWED"

(Unit : Thousand Baht)

	Notes	2023	2022
Sales	18	204,419	527,441
Costs of sales		(262,592)	(527,495)
Gross profit (loss) margin		(58,173)	(54)
Other incomes	17	6,234	7,658
Distribution costs		(9,178)	(31,848)
Administrative expenses		(132,988)	(105,805)
Other expenses		(1,676)	-
Finance costs		(5,992)	(2,255)
Profit (loss) before income tax expense		(201,773)	(132,304)
Tax (expense) income		15,653	13,756
Profit (loss) for the period		(186,120)	(118,548)
Other comprehensive income (expense) for the period		-	-
Total comprehensive income (expense) for the period		(186,120)	(118,548)
Basic earnings (loss) per share			
Basic earnings (loss) per share from continuing operations (Baht per Share)	15	(0.011)	(0.007)
Diluted earnings (loss) per share			
Diluted earnings (loss) per share from continuing operations (Baht per Share)	16	-	(0.007)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

"UNAUDITED"

"REVIEWED"

(Unit :Thousand Baht)

	Notes	Other components of shareholders' equity								
		Share capital issued and paid-up	Discount on share capital	Deficit			Other comprehensive income (expense)		Total other components of shareholders' equity	Total
				Appropriated	Unappropriated	Total	Capital surplus from revaluation of assets	Total other comprehensive income		
Balance as at January 1, 2023		16,826,224	(13,264,915)	-	(2,349,464)	(2,349,464)	1,175,706	1,175,706	1,175,706	2,387,551
Comprehensive income (expense) for the period		-	-	-	(186,120)	(186,120)	-	-	-	(186,120)
Transfer to retained earnings (Loss) - net of income tax		-	-	-	55,812	55,812	(55,812)	(55,812)	(55,812)	-
Ending balance as at June 30, 2023		16,826,224	(13,264,915)	-	(2,479,772)	(2,479,772)	1,119,894	1,119,894	1,119,894	2,201,431
Balance as at January 1, 2022		16,826,224	(13,264,915)	-	(2,136,004)	(2,136,004)	1,287,842	1,287,842	1,287,842	2,713,147
Profit (loss) for the period		-	-	-	(118,548)	(118,548)	-	-	-	(118,548)
Transfer to retained earnings (Loss) - net of income tax		-	-	-	55,440	55,440	(55,440)	(55,440)	(55,440)	-
Ending balance as at June 30, 2022		16,826,224	(13,264,915)	-	(2,199,112)	(2,199,112)	1,232,402	1,232,402	1,232,402	2,594,599

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

"UNAUDITED"
"REVIEWED"

	(Unit : Thousand Baht)	
	2023	2022
Cash flows from operating activities		
Profit (loss) for the period	(186,120)	(118,548)
Adjustments to reconcile profit (loss) for the period to net cash		
Adjustment for Income tax expense (income)	(15,653)	(13,756)
Adjustment for Trade and other current receivables (Increase) Decrease	13,801	(55,074)
Adjustment for Inventories (Increase) Decrease	79,120	(95,834)
Adjustment for Spare parts and supplies (Increase) Decrease	(696)	1,731
Adjustment for Other current assets (Increase) Decrease	(7,621)	(10,304)
Adjustment for Other non-current assets (Increase) Decrease	(205)	(173)
Adjustment for Trade and other current payables Increase (Decrease)	(7,881)	11,165
Adjustment for Provisions for employee benefits Increase (Decrease)	(9,417)	-
Adjustment for Other current liabilities Increase (Decrease)	(798)	828
Allowance for obsoleted stock (Reverse)	(9,060)	1,555
Depreciation	91,472	88,984
Amortization expenses	10,142	5,373
Provision for employee benefits Increase	11,590	2,039
Unrealized (gain) loss on exchange rate	27	175
(Gain) loss on sale off assets	1,452	-
Loss from write-off of property and supplies	-	12
Total adjustments to reconcile profit (loss) for the period	156,273	(63,279)
Net cash flows provided (used in) from operating activities	(29,847)	(181,827)
Interest expenses	5,801	953
Interest incomes	(439)	(116)
Net cash flows provided (used in) from operating activities	(24,485)	(180,990)

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

"UNAUDITED"
"REVIEWED"

	(Unit : Thousand Baht)	
	2023	2022
Cash flows from investing activities		
Cash received from interest	433	116
Cash received from sales assets - net	605	-
Purchase of property, plant and equipment	(41,827)	(12,359)
Net cash flows provided (used in) from investing activities	(40,789)	(12,243)
Cash flows from financing activities		
Cash paid for finance cost	(5,685)	(823)
Proceeds from short-term loans from related parties	-	200,000
Cash paid for lease liabilities	(879)	(891)
Net cash flows provided (used in) from financing activities	(6,564)	198,286
Cash and cash equivalents increase (decrease) - net	(71,838)	5,053
Cash and cash equivalents as at the beginning of period	162,622	200,364
Cash and cash equivalents as at the end of period	90,784	205,417
Cash and cash equivalents		
Consist of:		
Cash on hand	81	81
Cash at banks - current accounts	89,824	202,581
Cash at banks - savings accounts	868	2,744
Cash at banks - fixed deposit account	11	11
	90,784	205,417
Non cash item		
Increase in right-of-use asset under lease	3,350	-

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

1. BASIS FOR INTERIM FINANCIAL INFORMATION PREPARATION

These interim financial information is prepared in accordance with Accounting Standards Pronouncement No. 34: “Interim financial reporting”, whereby the Company chooses to present condensed interim financial information. However, additional line items are presented in the financial information to bring them into the full format similar to the annual financial statements.

The interim financial information is prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. This interim financial information should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2022.

The interim financial information is officially prepared in Thai language. The translation of these statutory financial information to other language must conform to the Thai financial report.

1.1 Significant accounting policies

This interim financial information has been prepared by using the same accounting policies and methods of computation as used in the preparation of the financial statements for the year ended December 31, 2022.

The revise financial reporting standards which are effective for fiscal years beginning on after 1 January 2023 do not have any significant impact on the Company financial statements.

1.2 Functional and presentation currency

The interim financial information are prepared and presented in Thai Baht, which the Company’s functional currency.

All financial information presented in Thai Baht has been rounded to the nearest thousand in the notes unless otherwise stated.

1.3 Estimation

To prepare interim financial information Management uses judgments, estimates and assumptions about their recognition. And measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Use judgments, estimates and assumptions. Including important sources used in the preparation of interim financial statements. The same as used in preparing the financial statements for the year ended December 31, 2022.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

2. GOING CONCERN

As at June 30, 2023, the Company has current asset amounted to Baht 419.99 million and current liabilities amounted to Baht 230.49 million, expressed that current assets over current liabilities in total of Baht 189.50 million. However, the Company is ongoing process with new business partners for supporting corporate growth and operations.

3. RELATED PARTIES TRANSACTIONS

Related companies are other companies that are related with the Company through shareholding or joint shareholders or joint directors. during the period of year 2023, The Company has significantly transaction as follows:

Related Parties	Type of Relationship
Thai Film Bangladesh Co., Ltd.	Shareholder
PM Group Co., Ltd.	Co shareholders and directors
STROM (THAILAND) Co., Ltd	Co-directors

During the three-month and six-month periods ended June 30, 2023 and 2022, the Company had significant business transactions with related companies. Such business transactions are subject to commercial terms and criteria agreed between the Company and those related parties and companies. The significant business transactions with related companies can be summarized as follows:

	(Unit : Thousand Baht)			
	For the three-month period		For the six-month period	
	ended June 30,	ended June 30,	ended June 30,	ended June 30,
	2023	2022	2023	2022
Rental income				
Related companies	984	-	1,967	-
Interest expenses				
Related companies	2,802	823	5,685	823
Key management personnel compensation				
Short-term employee benefits	2,561	4,355	5,374	9,114
Long-term employee benefits	300	280	600	561
Total	2,861	4,635	5,974	9,675

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

Significant Balances with related parties have presented in the statement of financial position as at June 30, 2023 and December 31, 2022 which are significant as follows:

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Short-Term Loan from related Party		
Related company	200,000	200,000

4. TRADE AND OTHER CURRENT RECEIVABLES

Consist of :-

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Trade and other current receivables		
- Trade receivables	44,347	34,447
- Other current receivables	65,106	88,763
Total	109,453	123,210

The Company has trade accounts receivables classified by aging as follows:

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Trade accounts receivables		
<u>Domestic trade accounts receivables</u>		
Trade accounts receivable within credit term	19,194	16,880
Aging of trade accounts receivables: -		
Not exceed 3 Months	17,651	4,413
3 - 6 Months	-	909
6 – 9 Months	72	-
9 – 12 Months	909	-
Total	37,826	22,202

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THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
<u>Oversea trade account receivables</u>		
Trade accounts receivable within credit term	840	6,801
Aging of trade accounts receivables:-		
Not exceed 3 Months	-	626
	<u>840</u>	<u>7,427</u>
Note receivable	5,681	4,818
Total trade account receivables	<u>44,347</u>	<u>34,447</u>
 Other current receivables		
Revenue department receivable	15,007	15,055
Thai customs receivable	1,829	3,541
Advance payment	47,354	50,354
Advance payment for raw materials	94	19,127
Unearned income	784	401
Others	38	285
Total other current receivables	<u>65,106</u>	<u>88,763</u>
Total trade and other current receivables	<u>109,453</u>	<u>123,210</u>

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

5. INVENTORIES – NET

Consist of :-

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Finished goods	89,165	110,022
Work in process	3,965	2,342
Raw materials	77,603	128,328
Packaging	9,106	11,278
Raw materials in transit	-	6,989
Total	179,839	258,959
<u>Less Allowance for obsolete/damage inventories</u>	<u>(26,201)</u>	<u>(35,261)</u>
Net	<u>153,638</u>	<u>223,698</u>

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

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Beginning balance	35,261	293
Increase (Decrease)	(9,060)	34,968
Ending balance	<u>26,201</u>	<u>35,261</u>

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

6. RESTRICTED BANK DEPOSITS

As at June 30, 2023 and December 31, 2022, the company has fixed deposit guaranteed the forward contracts of foreign currencies with a commercial bank in the amount to Baht 40 million.

7. ADVANCE FOR INVESTMENT – NET

Consist of :-

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Advance for investment	45,594	45,594
<u>Less Allowance for expected credit losses</u>	<u>(45,594)</u>	<u>(45,594)</u>
Net	<u>-</u>	<u>-</u>

As required by the expansion of the manufacturing base to foreign country, the Company has to establish co-investment with local investor in foreign country. To start with the project, the Company had made cash advance for the purchase of land in the preparation for the site for the construction of the plant. However, before the construction of the plant, there was a dispute among the joint venture investors. The Company, therefore negotiated and took a litigation to claim for the refund of cash advance because of the breach of the investment agreement. The Company had already made full allowance for expected credit losses of the cash advance. Subsequently, the Company hired a local legal advisory firm in the foreign country to replace the former legal firm to follow up the progress of the claim and realized the fact that the joint venture entity referred to above had already registered its juristic entity. The cash advance of the Company had already been considered as the payment for capital and used for the purchase of land in the name of the joint venture entity. However, such joint venture entity had been declared as bankrupt entity by the local court in the foreign country. Such entity is in the process of liquidation.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

8. INVESTMENTS IN ASSOCIATED COMPANIES UNDER ABSOLUTE ORDER CONTROL OF PROPERTY – NET

Investments in associated companies in the financial statements as at June 30, 2023 and December 31, 2022, consist of:

Company name	Country of business	Type of business	(Million Baht)		(Percent)		(Million Baht)	
			Paid up Capital		Percentage of holding		Cost Method	
			June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Thai Copper Industries Pcl.	Thailand	Pure Copper	8,010	8,010	18.96	18.96	1,519	1,519
Less Allowance for impairment of investment							(1,519)	(1,519)
Net							-	-

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).

On March 22, 2016, the Central Bankruptcy Court issued absolute receivership order and later on January 18, 2017, the Central Bankruptcy Court sentenced the associate company to bankruptcy.

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

9. OTHER LONG-TERM INVESTMENTS-RELATED COMPANIES– NET

Consist of :-

Company	Country of business	Type of business	Paid-up capital	Percentage of investments		Value of investment (Unit: Thousand Baht)	
				June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Thai Film Co., Ltd.	Bangladesh	Packaging Film	Taka 112 million				
				53.57	53.57	37,487	37,487
						(37,487)	(37,487)
						-	-

10. PLANT AND EQUIPMENT USED IN OPERATION – NET

Consist of :-

	(Unit : Thousand Baht)
Cost:-	
Net book value as at December 31, 2022	530,073
Purchase	41,827
Disposal	(1,502)
Depreciation for the period	(15,997)
Net book value as at June 30, 2023	554,401
Differences on revaluation of assets :-	
Net book value as at December 31, 2022	916,670
Disposal	(554)
Depreciation for the period	(69,211)
Net book value as at June 30, 2023	846,905
Allowance for impairment :-	
As at December 31, 2022	(4,943)
As at June 30, 2023	(4,943)
Total net book value as at December 31, 2022	1,441,800
Total net book value as at June 30, 2023	1,396,363

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

Depreciation for six-month periods ended June 30, 2023, and 2022, amount to Baht 51.95 million and Baht 33.49 million are included in cost of sales, respectively.

Depreciation for six-month periods ended June 30, 2023, and 2022, amount to Baht 33.26 million and Baht 49.31 million, are included in selling and administrative expenses, respectively.

As at June 30, 2023 and December 31, 2022, the Company has building, machineries and equipment at book value that fully depreciated but still in use at Baht 148.32 million and Baht 148.32 million, respectively.

As at June 30, 2023 and December 31, 2022, the Company has building and machineries used in operation was re-appraised according to the report of independent appraiser (Thai Property Appraisal Lynn Phillips Co., Ltd.) at cost approach date November 24, 2020, which appraisal date was November 6 and 13, 2020 (for building), and November 9, 2020 (for machineries).

11. PROPERTY, PLANT AND EQUIPMENT NOT USED IN OPERATION -NET

Consisted of :

	<u>(Unit : Thousand Baht)</u>
Cost :-	
Net book value as at December 31, 2022	210,777
Depreciation for the period	<u>(5,378)</u>
Net book value as at June 30, 2023	<u><u>205,399</u></u>

As at June 30, 2023 the lands and machineries not used in operation, which cost of Baht 74.31 million and Baht 671.55 million, respectively, were re-appraised according to reports of independent appraiser (Thai Property Appraisal Lynn Phillips Co., Ltd.) date November 24, 2020, which appraisal date was November 6, 2020 (for land), and November 9, 2020 (for machineries). That using market approach and cost approach, respectively. And allowances for impairment of machineries were amount of Baht 34.87 million.

“UNAUDITED”

“REVIEWED”

THAI FILM INDUSTRIES PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

12. RIGHT OF USE ASSETS - NET AND LEASE LIABILITIES – NET

	(Unit : Thousand Baht)	
	June 30, 2023	December 31, 2022
Right-of-use assets		
Vehicles	3,594	4,209
Equipment and tools	-	68
Office equipments	3,479	334
Total Right-of-use assets - net	<u>7,073</u>	<u>4,611</u>
Lease liabilities		
Current	2,657	1,515
Non-current	4,707	3,262
Total lease liabilities- net	<u>7,364</u>	<u>4,777</u>

Movements in total right-of-use assets - net

	(Unit : Thousand Baht)
Net book value as at December 31, 2022	4,611
Right of use assets - Increase	3,350
<u>Less</u> Depreciation for the period	(888)
Net book value as at June 30, 2023	<u>7,073</u>

13. SHORT TERM LOAN FROM RELATED PARTY

As at June 30, 2023 and December 31, 2022, the Company has a loan amounted to Baht 200 million, from a related party in the form of a promissory note due at call. The promissory note has floating interest rate referring to a certain commercial bank at rate of MOR – 1% And from May 12, 2023 onwards, referring to the average commercial bank interest rate at the rate of MOR - 2%.; without collateral.

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14. WARRANT

14.1 Warrant

The Stock Exchange of Thailand has granted a listing of certificates representing the rights to purchase shares (warrants) (TFI-W1) of the Company from February 3, 2021, (Trade date) with the following details:

Type of Warrant	: Warrant to buy common share of Thai Film Industries Public Company Limited No.1 (Warrant) or (TFI-W1)
Amount of right warrant proposed to sell	: 6,142,499,996 Units
Proposing price per unit	: Baht 0.00 per unit (Zero baht).
Exercise Price	: Baht 0.15 per unit, except for cases where the exercise price is adjusted in accordance with the conditions of the right adjustment.
Term of warrant	: 5 years from the date of issuance
Allocation method of warrant	: Allocated to the existing shareholders (Right Offering) of the company in proportion to their shareholding (Right Issue). And overbooking from rights (Excess Rights) in the ratio of 2 ordinary shares allocated per 1 unit of warrant (2:1) without charge. Exercise ratio: 1 unit of warrant per 1 new ordinary share. And the exercise price of the warrants is 0.15 baht per share, totaling not more than 6,142,499,996 units, in the event that there is a fraction from the calculation according to the ratio of the said warrants allocation, the whole amount shall be rounded off. And in the event that there are remaining warrants after the allocation, the company will proceed to cancel the remaining warrants.

14.2 Balance

	(Unit : Million Unit)
	June 30, 2023
The total number of rights to purchase shares	6,142
<u>Less number of accumulated rights</u>	<u>(2,494)</u>
Balance total number of rights to purchase shares	<u><u>3,648</u></u>

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15. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the for the three-month six-month periods ended June 30, 2023 and 2022, 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 period.

	(Unit : Million Baht)	
	2023	2022
Net Profit (loss) for the period		
For the three-month period ended June 30	(90)	(61)
For the six-month period ended June 30	(186)	(119)
Weighted average number of ordinary shares (Basic)		
	(Unit : Million Shares)	
	2023	2022
Number of ordinary shares as at January 1,	16,826	16,826
Effect of shares issued during the period	-	-
Weighted average number of ordinary shares outstanding during the periods (Basic)	16,826	16,826
Basic earnings (loss) per share from continuing operations (Baht Per Share)		
For the three-month period ended June 30	(0.005)	(0.004)
For the six-month period ended June 30	(0.011)	(0.007)

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16. DILUTED EARNINGS PER SHARE

Diluted earnings (loss) per share for the three-month and six-month periods ended June 30, 2023, and 2022, are calculated by dividing net income (loss) attributable to ordinary shares by weighted average number of ordinary shares Issued and paid during the period, adjusted by the effect of the right to subscribe.

	(Unit : Million Baht)
	2022
Net Profit (loss) for the period	
For the three-month period ended June 30	(61)
For the six-month period ended June 30	(119)
The weighted average number of ordinary shares used to calculate diluted earnings (loss) per share	
	(Unit : Million Share)
	2022
The weighted average number of ordinary shares	16,826
Add Adjustment of the warrants to purchase ordinary shares	1,161
The weighted average number of ordinary shares used to calculate	17,987
Diluted earnings (loss) per share from continuing operations (Baht per Share)	
For the three-month period ended June 30	(0.003)
For the six-month period ended June 30	(0.007)

As at June 30, 2023, there is no effect from the exercise of rights to purchase ordinary shares in the amount of 3,648,776,457 shares because the exercise price per unit of the warrants to buy ordinary shares is higher than the average market price of the ordinary shares of the Company.

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17. OTHER INCOMES

For the three-month and six month ended June 30, 2023 and 2022 are as follows:

	(Unit : Thousand Baht)			
	For the three-month		For the six-month	
	period ended June 30		period ended June 30	
	2023	2022	2023	2022
Gain on exchange rate	61	1,336	-	1,875
Interest income	208	72	439	116
Other income	3,036	2,735	5,795	5,667
Total	3,305	4,143	6,234	7,658

18. SEGMENT REPORTING

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.

For the three-month and six-month periods ended June 30, 2023 and 2022 are as follows:

	(Unit : Thousand Baht)			
	For the three-month		For the six-month	
	period ended June 30		period ended June 30	
	2023	2022	2023	2022
Revenue from sales – Domestic	68,587	104,100	140,659	220,441
Revenue from sales - Overseas				
Asia	15,822	102,178	37,996	195,198
Europe	3,412	1,349	7,835	1,950
America	-	3,244	2,192	4,390
Others	5,876	58,275	15,737	105,462
Total	93,697	269,146	204,419	527,441

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19. FINANCIAL INSTRUMENTS

Fair value is not expected to be materially different from the amounts presented in the statement of financial position.

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other current receivables, trade and other current payables and short-term loan, their carrying amounts in the statement of financial position approximate their fair value.
- b) For lease liability with carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

Book value of the above financial assets and liabilities is measured at amortized cost.

20. FAIR VALUE HIERARCHY

As at June 30, 2023 and December 31, 2022, the Company has assets measured at fair value. As shown the cost amount and fair value of financial assets, including their levels in the fair value hierarchy, are as follows:

(Unit : Million Baht)

Financial statements					
As at June 30, 2023					
	Cost Amount (Net)	Fair Value (Net)			Total
		Level 1	Level 2	Level 3	
<u>Assets measured at fair value</u>					
Land used in operations	238	-	791	-	791
Building and machineries used in operations	391	-	-	1,238	1,238
Total	629	-	791	1,238	2,029

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(Unit : Million Baht)

	Financial statements				
	As at December 31, 2022				
	Cost	Fair Value (Net)			
	Amount (Net)	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value</u>					
Land used in operations	238	-	791	-	791
Building and machineries used in operations	396	-	-	1,312	1,312
Total	634	-	791	1,312	2,103

The company has no transaction transferred between Level 1, Level 2, and Level 3 of the fair value hierarchy during the period.

The following methods and assumptions are used in estimating fair values of financial instruments (Level 2, Level 3) as disclosed

Type	Valuation technique
Land used in operations (Level 2)	Market Approach
Building and machineries used in operations (Level 3)	Cost Approach

Fair Value Hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:-

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability.

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21. SUBSEQUENT EVENTS

According to the meeting of the Board of Directors No. 6/2023 on August 10, 2023, resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2023 to consider and approve the change of the company’s name from “Thai Film Industries Public Company Limited” to “Thai Future Incorporation Public Company Limited”. Ticker TFI in the Stock exchange of Thailand remains unchanged.

22. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information has been approved by the Board of Directors on August 10, 2023