

Thai Union Frozen Products Public Company Limited
and its subsidiaries

Review report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thai Union Frozen Products Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Union Frozen Products Public Company Limited and its subsidiaries as at 30 June 2012, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2012, changes in shareholders' equity, and cash flows for the six-month period ended 30 June 2012, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Thai Union Frozen Products Public Company Limited for the same period. 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 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 auditing standards 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 expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to Note 3 to the financial statements, regarding the changes made by the Company and its subsidiaries to their accounting policies in 2012, whereby from presenting land at cost it is presented on a revaluation basis, and from accounting for raw material inventories on a first-in, first-out basis they are recorded on an average cost basis. The Company and its subsidiaries have restated the financial statements presented herein for comparative purposes as if they had always presented raw materials on an average cost basis.

The statements of financial position as at 31 December 2011 and 1 January 2011 for comparative purposes

The consolidated financial statements of Thai Union Frozen Products Public Company Limited and its subsidiaries, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the year ended 31 December 2011 (before restatement) were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under his report dated 21 February 2012. The consolidated and separate statements of financial position as at 31 December 2011 and 1 January 2011, as presented herein for comparative purposes, respectively formed an integral part of those financial statements and are the brought forward balances of those financial statements. In addition, as described in Note 3 to the financial statements, in 2012, the Company and its subsidiaries have changed their accounting policies on land, from presenting it at cost to presenting it on a revaluation basis, and on raw material inventories, from a first-in, first-out basis to an average cost basis. The Company and its subsidiaries have thus restated the financial statements as at 31 December 2011 and 1 January 2011 as presented for comparative purposes to reflect the change in accounting policy on inventories. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied. Except as mentioned, I have not performed any other audit procedures subsequent to the date of the above report.

The Interim Financial Information for the three-month and six-month periods ended 30 June 2011 for comparative purposes

The consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2011 (before restatement), changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011 (before restatement) of Thai Union Frozen Products Public Company Limited and its subsidiaries, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial information which was reviewed by the aforementioned auditor who reported, under his report dated 5 August 2011, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. In addition, as described in Note 3 to the financial statements, in 2012, the Company and its subsidiaries have changed their accounting policies on land, from presenting it at cost to presenting it on a revaluation basis, and on raw material inventories, from a first-in, first-out basis to an average cost basis. The Company and its subsidiaries have thus restated the statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2011 as presented for comparative purposes to reflect the change in accounting policy on inventories. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 8 August 2012

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Note	30 June 2012	31 December 2011	1 January 2011	30 June 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Assets							
Current assets							
Cash and cash equivalents	4	1,023,114	902,520	1,037,297	58,573	55,908	14,912
Trade and other receivables	5, 6	12,811,627	11,160,791	9,261,820	4,534,464	4,088,187	3,066,632
Short-term loans to subsidiaries	6	-	-	-	831,176	80,000	625,825
Short-term loans to other companies		6,125	-	-	6,125	-	-
Current portion of long-term loans to subsidiaries	6	-	-	-	443,619	440,335	2,691,738
Current portion of long-term loans to other companies		8,554	4,071	1,431	1,765	-	-
Inventories	7	29,342,539	26,179,796	21,345,833	4,644,546	3,644,784	2,450,619
Other current assets							
Prepaid income tax		80,654	106,601	286,323	28,163	28,163	28,163
Current portion of forward exchange contracts receivables		151,458	142,732	748,338	145,094	140,444	558,701
Value added tax refundable		596,458	664,015	538,930	69,953	42,215	60,726
Others		958,674	817,681	739,834	35,245	34,632	51,494
Total other current assets		1,787,244	1,731,029	2,313,425	278,455	245,454	699,084
Total current assets		44,979,203	39,978,207	33,959,806	10,798,723	8,554,668	9,548,810
Non-current assets							
Restricted deposits with financial institution		12,531	12,024	11,032	-	-	-
Investments in associates	8	1,535,263	923,968	837,717	678,231	66,231	66,231
Investments in subsidiaries	9	-	-	-	13,010,786	4,566,571	4,396,709
Other long-term investments	10	71,803	70,305	72,669	34,579	34,579	34,579
Long-term loans to subsidiaries - net of current portion	6	-	-	-	21,211,043	17,007,905	15,429,105
Long-term loans to other companies - net of current portion		22,281	24,558	28,630	2,006	-	-
Property, plant and equipment	11	17,317,854	15,654,960	14,190,173	3,709,792	3,204,693	3,004,742
Goodwill		11,360,846	11,674,496	11,396,142	-	-	-
Intangible assets	12	12,987,476	13,349,544	13,027,293	1,802	1,676	1,509
Other non-current assets							
Forward exchange contracts receivables							
- net of current portion		203,160	76,265	387,308	203,160	76,265	387,308
Leasehold rights		173,937	175,671	21,094	-	-	-
Advance payment for purchase of property, plant and equipment		40,498	8,251	35,227	-	-	-
Deferred tax assets	18	992,013	1,062,569	498,562	41,799	35,157	18,609
Unamortised discount from forward exchange contracts		198,529	185,529	246,929	198,529	185,529	246,929
Others		87,446	81,060	64,055	27,787	16,196	10,773
Total non-current assets		45,003,637	43,299,200	40,816,831	39,119,514	25,194,802	23,596,494
Total assets		89,982,840	83,277,407	74,776,637	49,918,237	33,749,470	33,145,304

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 June 2012	31 December 2011	1 January 2011	30 June 2012	31 December 2011	1 January 2011
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans from							
financial institutions	13	20,045,190	14,477,175	8,363,777	8,313,561	3,553,986	1,992,670
Trade and other payables	6, 14	9,720,809	7,919,075	7,194,757	2,308,635	1,372,242	1,297,505
Short-term loans from subsidiaries	6	-	-	-	-	-	245,840
Current portion of long-term loans	15	272,500	983,548	516,058	-	-	-
Current portion of debentures	16	-	-	3,200,000	-	-	3,200,000
Income tax payable		205,265	202,584	187,665	51,521	36,863	25,084
Other current liabilities		1,622,562	1,559,478	1,479,032	391,378	343,642	265,745
Total current liabilities		31,866,326	25,141,860	20,941,289	11,065,095	5,306,733	7,026,844
Non-current liabilities							
Long-term loans - net of current portion	15	2,667,481	14,615,040	22,500,818	2,250,000	2,250,000	8,896,808
Debentures - net of current portion	16	7,231,039	7,228,326	500,000	7,231,039	7,228,326	500,000
Convertible bond	17	2,392,662	2,462,169	2,390,746	2,392,662	2,462,169	2,390,746
Provision for long-term employee benefits		1,033,619	992,478	571,423	201,276	190,433	161,865
Deferred tax liabilities	18	4,730,247	4,918,294	4,641,052	47,742	626	-
Forward exchange contracts payable - net of							
current portion		176,611	411,351	88,684	123,824	362,851	88,684
Other non-current liabilities		497,220	391,011	478,800	144,531	88,237	47,267
Total non-current liabilities		18,728,879	31,018,669	31,171,523	12,391,074	12,582,642	12,085,370
Total liabilities		50,595,205	56,160,529	52,112,812	23,456,169	17,889,375	19,112,214
Shareholders' equity							
Share capital	19						
Registered							
1,202,000,000 ordinary shares of Baht 1 each							
(31 December 2011: 1,000,000,000 ordinary shares							
of Baht 1 each)							
		1,202,000	1,000,000	1,000,000	1,202,000	1,000,000	1,000,000
Issued and paid-up							
1,147,593,829 ordinary shares of Baht 1 each							
(31 December 2011: 956,329,407 ordinary shares							
of Baht 1 each)							
		1,147,594	956,329	956,329	1,147,594	956,329	956,329
Share premium		17,500,509	8,158,890	8,158,890	17,500,509	8,158,890	8,158,890
Retained earnings							
Appropriated - statutory reserve							
		100,000	100,000	89,000	100,000	100,000	89,000
Unappropriated							
		17,094,308	15,247,386	11,336,920	7,534,375	6,644,876	4,828,871
Other components of shareholders' equity		637,651	(4,663)	(87,474)	179,590	-	-
Equity attributable to owners of the Company		36,480,062	24,457,942	20,453,665	26,462,068	15,860,095	14,033,090
Non-controlling interests of the subsidiaries		2,907,573	2,658,936	2,210,160	-	-	-
Total shareholders' equity		39,387,635	27,116,878	22,663,825	26,462,068	15,860,095	14,033,090
Total liabilities and shareholders' equity		89,982,840	83,277,407	74,776,637	49,918,237	33,749,470	33,145,304

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

Directors

Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011 (Restated)	2012	2011 (Restated)
Revenues					
Sales	6	26,757,500	24,859,742	5,777,933	5,542,421
Other income					
Dividend income		-	-	505,706	216,279
Compensation from account payables		6,153	9,960	4,889	1,268
Interest income		1,994	2,111	254,858	261,208
Tax coupon		20,645	27,125	2,376	4,799
Exchange gains		20,964	83,133	-	53,769
Others		70,857	108,642	21,264	32,966
Total other income		120,613	230,971	789,093	570,289
Total revenues		26,878,113	25,090,713	6,567,026	6,112,710
Expenses					
Cost of sales		22,244,385	20,480,067	5,167,416	4,823,433
Selling expenses		1,230,781	1,253,556	219,508	192,021
Administrative expenses		1,208,947	935,843	191,429	153,702
Total expenses		24,684,113	22,669,466	5,578,353	5,169,156
Profit before share of profit from investments					
in associates, finance cost and corporate income tax		2,194,000	2,421,247	988,673	943,554
Share of profit from investments in associates		18,172	24,076	-	-
Profit before finance cost and corporate income tax		2,212,172	2,445,323	988,673	943,554
Finance cost		(1,058,376)	(612,044)	(167,162)	(209,103)
Profit before corporate income tax		1,153,796	1,833,279	821,511	734,451
Corporate income tax	18	68,408	(290,596)	8,956	(6,893)
Profit for the period		1,222,204	1,542,683	830,467	727,558
Profit attributable to:					
Equity holders of the Company		1,001,480	1,283,879	830,467	727,558
Non-controlling interests of the subsidiaries		220,724	258,804		
		<u>1,222,204</u>	<u>1,542,683</u>		
(Unit: Baht)					
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.01</u>	<u>1.34</u>	<u>0.84</u>	<u>0.76</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.99</u>	<u>1.31</u>	<u>0.82</u>	<u>0.75</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Profit for the period	1,222,204	1,542,683	830,467	727,558
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	193,431	50,497	-	-
Gain on change in value of available-for-sale investments	115	466	-	-
Loss on change in the value of pension fund	(2,021)	(414)	-	-
Increase in other reserves	99	301	-	-
Other comprehensive income for the period	191,624	50,850	-	-
Total comprehensive income for the period	1,413,828	1,593,533	830,467	727,558
Total comprehensive income attributable to:				
Equity holders of the Company	1,129,712	1,371,020	830,467	727,558
Non-controlling interests of the subsidiaries	284,116	222,513		
	1,413,828	1,593,533		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statements

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011 (Restated)	2012	2011 (Restated)
Revenues					
Sales	6	52,061,919	47,565,445	11,962,829	10,530,374
Other income					
Dividend income		-	-	684,566	216,279
Compensation from account payables		55,445	38,262	35,299	23,563
Interest income		2,902	3,947	502,675	547,080
Tax coupon		56,929	56,794	8,467	9,089
Exchange gains		253,228	63,200	111,482	82,255
Others		125,743	168,377	32,449	61,453
Total other income		494,247	330,580	1,374,938	939,719
Total revenues		52,556,166	47,896,025	13,337,767	11,470,093
Expenses					
Cost of sales		43,203,362	39,828,114	10,707,295	9,323,552
Selling expenses		2,289,031	2,404,146	394,742	390,554
Administrative expenses		2,523,359	1,850,383	328,707	321,312
Total expenses		48,015,752	44,082,643	11,430,744	10,035,418
Profit before share of profit from investments					
in associates, finance cost and corporate income tax		4,540,414	3,813,382	1,907,023	1,434,675
Share of profit from investments in associates		43,707	41,677	-	-
Profit before finance cost and corporate income tax		4,584,121	3,855,059	1,907,023	1,434,675
Finance cost		(1,600,731)	(1,134,066)	(339,457)	(392,466)
Profit before corporate income tax		2,983,390	2,720,993	1,567,566	1,042,209
Corporate income tax	18	(92,119)	(326,193)	(56,460)	(38,521)
Profit for the period		2,891,271	2,394,800	1,511,106	1,003,688
Profit attributable to:					
Equity holders of the Company		2,468,529	2,043,501	1,511,106	1,003,688
Non-controlling interests of the subsidiaries		422,742	351,299		
		<u>2,891,271</u>	<u>2,394,800</u>		
(Unit: Baht)					
Earnings per share					
20					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>2.49</u>	<u>2.14</u>	<u>1.52</u>	<u>1.05</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>2.43</u>	<u>2.09</u>	<u>1.50</u>	<u>1.05</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u> (Restated)	<u>2012</u>	<u>2011</u> (Restated)
Profit for the period	2,891,271	2,394,800	1,511,106	1,003,688
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	21,616	(68,970)	-	-
Gain on change in value of available-for-sale investments	5,896	6,249	-	-
Loss on change in the value of pension fund	(467)	(593)	-	-
Gain on revaluation of land	725,773	-	179,590	-
Increase in other reserves	1,398	2,125	-	-
Other comprehensive income for the period	754,216	(61,189)	179,590	-
Total comprehensive income for the period	3,645,487	2,333,611	1,690,696	1,003,688
Total comprehensive income attributable to:				
Equity holders of the Company	3,110,843	2,047,761	1,690,696	1,003,688
Non-controlling interests of the subsidiaries	534,644	285,850		
	3,645,487	2,333,611		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flows statements

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
Cash flows from operating activities				
Profit before tax	2,983,390	2,720,993	1,567,566	1,042,209
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	897,366	858,106	152,615	158,624
Amortisation of discount/premium from forward foreign exchange contracts	22,894	26,327	27,116	37,024
Amortisation of issue cost of convertible bond and long-term loans from financial institutions	670,425	52,352	5,735	18,368
Allowance for doubtful accounts	5,668	8,141	2,485	12,679
Allowance for diminution in value of inventories (reversal)	23,548	27,505	(56,867)	(15,170)
Allowance for impairment loss of assets (reversal)	37,508	(9,431)	36,776	(3,483)
Share of income from investments in associates	(43,707)	(41,677)	-	-
Loss on sale of investment	1,278	1,401	-	-
Provision for long-term employee benefits	44,065	37,110	12,864	10,707
Gain on dissolution of subsidiary	(24)	-	-	-
Loss (gain) on sale/write-off of property, plant and equipment and intangible assets	(7,986)	31,465	(2,416)	5,942
Loss on amortisation leasehold right	1,543	725	-	-
Unrealised exchange loss (gain)	(145,393)	794,432	(101,957)	575,484
Dividend income	-	-	(684,566)	(216,279)
Interest income	(2,902)	(3,947)	(502,675)	(547,080)
Interest expense	1,561,592	1,059,062	331,006	371,993
Income from operating activities before change in operating assets and liabilities	6,049,265	5,562,564	787,682	1,451,018
Decrease (increase) in operating assets				
Trade and other receivables	(1,648,319)	(1,646,643)	44,965	(21,826)
Inventories	(3,317,458)	(994,453)	(942,338)	(325,764)
Other current assets	(91,563)	(110,897)	(32,212)	30,572
Other non-current assets	(38,896)	22,208	(11,591)	(16,107)
Increase (decrease) in operating liabilities				
Trade and other payables	1,793,188	1,580,526	854,871	176,182
Other current liabilities	93,053	(114,051)	80,239	3,074
Other non-current liabilities	103,231	170,374	51,307	27,367
Cash flows from operating activities	2,942,501	4,469,628	832,923	1,324,516
Cash paid for corporate income tax	(270,049)	(95,552)	(46,225)	(35,972)
Net cash from operating activities	2,672,452	4,374,076	786,698	1,288,544

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
Cash flows from investing activities				
Increase in restricted deposits with financial institutions	(800)	(17)	-	-
Acquisitions of property, plant and equipment	(1,697,837)	(1,422,443)	(466,271)	(318,965)
Acquisitions of intangible assets	(2,249)	(6,427)	(265)	(581)
Acquisitions of leasehold rights	(5,054)	-	-	-
Decrease (increase) in short-term loans to subsidiaries	-	-	(756,200)	545,825
Decrease (increase) in short-term loans to other companies	(6,125)	219	(6,125)	-
Decrease (increase) in long-term loans to subsidiaries	-	-	(4,636,995)	2,017,563
Decrease (increase) in long-term loans to other companies	(2,206)	1,103	(3,771)	-
Increase in investment in subsidiaries	-	-	(8,444,215)	-
Increase in investment in associated companies	(612,000)	(44,548)	(612,000)	-
Increase in other long-term investment	(202)	-	-	-
Dissolution of subsidiary	24	-	-	-
Interest income	3,093	4,054	54,940	73,251
Dividend received	47,456	-	684,566	216,279
Proceeds from sale of investment	3,264	3,155	-	-
Proceeds from disposal of property, plant and equipment	46,398	36,004	4,012	918
Proceeds from sales of intangible assets	-	300	-	-
Net cash from (used in) investing activities	(2,226,238)	(1,428,600)	(14,182,324)	2,534,290
Cash flows from financing activities				
Increase in bank overdrafts and				
short-term loans from financial institutions	5,539,297	2,873,788	4,759,575	253,769
Decrease in short-term loans from subsidiaries	-	-	-	(245,840)
Dividend paid	(621,491)	(325,113)	(621,491)	(325,113)
Decrease in long-term loans	(13,323,334)	(231,288)	-	-
Decrease in debentures	-	(3,200,000)	-	(3,200,000)
Cash paid for interest expense	(1,508,342)	(996,996)	(272,677)	(309,260)
Increase in issued ordinary share	9,532,884	-	9,532,884	-
Decrease in non-controlling interest	(286,007)	(111,015)	-	-
Net cash from (used in) financing activities	(666,993)	(1,990,624)	13,398,291	(3,826,444)
Increase (decrease) in translation adjustment	341,373	(372,089)	-	-
Net increase (decrease) in cash and cash equivalents	120,594	582,763	2,665	(3,610)
Cash and cash equivalents at beginning of period	902,520	1,037,297	55,908	14,912
Cash and cash equivalents at end of period	1,023,114	1,620,060	58,573	11,302
Supplement cash flows information				
Non-cash items:				
Undue installments for acquisitions of assets	147,435	196,593	29,333	49,333
Unrealised gain on changes in the value of investments	(5,896)	(6,249)	-	-
Transfer of property foreclosed to property, plant and equipment	-	57,057	-	57,057
Transfer leasehold rights to property, plant and equipment	-	2,410	-	-
Transfer property, plant and equipment to intangible assets	4,397	-	-	-
Dividend payable	116	-	116	-
Increase in revaluation surplus on land	725,773	-	179,590	-

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to owners of the Company												Total shareholders' equity
	Other components of shareholders' equity												
	Other comprehensive income												
	Issued and paid-up share capital	Share premium	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Deficit on changes in value of available-for-sale investments	Provision for changes in the value of pension fund	Revaluation surplus on land	Other reserves	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
			Appropriated	Unappropriated									
Balance as at 1 January 2011	956,329	8,158,890	89,000	11,338,913	(47,638)	(18,112)	(27,664)	-	5,940	(87,474)	20,455,658	2,208,453	22,664,111
Cumulative effect of changes in accounting policy for inventories (Note 3)	-	-	-	(1,993)	-	-	-	-	-	-	(1,993)	1,707	(286)
Balance as at 1 January 2011 - as restated	956,329	8,158,890	89,000	11,336,920	(47,638)	(18,112)	(27,664)	-	5,940	(87,474)	20,453,665	2,210,160	22,663,825
Dividend paid (Note 22)	-	-	-	(325,113)	-	-	-	-	-	-	(325,113)	(101,183)	(426,296)
Total comprehensive income for the period	-	-	-	2,043,501	(3,521)	6,249	(593)	-	2,125	4,260	2,047,761	285,850	2,333,611
- as restated	-	-	-	2,043,501	(3,521)	6,249	(593)	-	2,125	4,260	2,047,761	285,850	2,333,611
Unappropriated retained earnings transferred statutory reserve	-	-	11,000	(11,000)	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(9,832)	(9,832)
Balance as at 30 June 2011	<u>956,329</u>	<u>8,158,890</u>	<u>100,000</u>	<u>13,044,308</u>	<u>(51,159)</u>	<u>(11,863)</u>	<u>(28,257)</u>	<u>-</u>	<u>8,065</u>	<u>(83,214)</u>	<u>22,176,313</u>	<u>2,384,995</u>	<u>24,561,308</u>
Balance as at 1 January 2012	956,329	8,158,890	100,000	15,207,087	68,414	(16,944)	(56,601)	-	468	(4,663)	24,417,643	2,651,393	27,069,036
Cumulative effect of changes in accounting policy for inventories (Note 3)	-	-	-	40,299	-	-	-	-	-	-	40,299	7,543	47,842
Balance as at 1 January 2012- as restated	956,329	8,158,890	100,000	15,247,386	68,414	(16,944)	(56,601)	-	468	(4,663)	24,457,942	2,658,936	27,116,878
Dividend paid (Note 22)	-	-	-	(621,607)	-	-	-	-	-	-	(621,607)	(310,007)	(931,614)
Total comprehensive income for the period	-	-	-	2,468,529	30,896	5,896	(467)	604,591	1,398	642,314	3,110,843	534,644	3,645,487
Issued ordinary share capital (Note 19)	191,265	9,341,619	-	-	-	-	-	-	-	-	9,532,884	-	9,532,884
Increase in share capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	24,000	24,000
Balance as at 30 June 2012	<u>1,147,594</u>	<u>17,500,509</u>	<u>100,000</u>	<u>17,094,308</u>	<u>99,310</u>	<u>(11,048)</u>	<u>(57,068)</u>	<u>604,591</u>	<u>1,866</u>	<u>637,651</u>	<u>36,480,062</u>	<u>2,907,573</u>	<u>39,387,635</u>

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital		Share premium		Retained earnings		Other components of shareholders' equity			
							Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
							Revaluation surplus on land			
	Appropriated	Unappropriated								
Balance as at 1 January 2011	956,329	8,158,890	89,000	4,801,578	-	-	14,005,797			
Cumulative effect of changes in accounting policy for inventories (Note 3)	-	-	-	27,293	-	-	27,293			
Balance as at 1 January 2011 - as restated	956,329	8,158,890	89,000	4,828,871	-	-	14,033,090			
Dividend paid (Note 22)	-	-	-	(325,113)	-	-	(325,113)			
Total comprehensive income for the period - as restated	-	-	-	1,003,688	-	-	1,003,688			
Unappropriated retained earnings transferred statutory reserve	-	-	11,000	(11,000)	-	-	-			
Balance as at 30 June 2011	956,329	8,158,890	100,000	5,496,446	-	-	14,711,665			
Balance as at 1 January 2012	956,329	8,158,890	100,000	6,618,323	-	-	15,833,542			
Cumulative effect of changes in accounting policy for inventories (Note 3)	-	-	-	26,553	-	-	26,553			
Balance as at 1 January 2012 - as restated	956,329	8,158,890	100,000	6,644,876	-	-	15,860,095			
Dividend paid (Note 22)	-	-	-	(621,607)	-	-	(621,607)			
Total comprehensive income for the period	-	-	-	1,511,106	179,590	179,590	1,690,696			
Issued ordinary share capital (Note 19)	191,265	9,341,619	-	-	-	-	9,532,884			
Balance as at 30 June 2012	1,147,594	17,500,509	100,000	7,534,375	179,590	179,590	26,462,068			

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2012 and 2011

1. General information

1.1 Corporate information

Thai Union Frozen Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand.

The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiaries are also engaged in the packaging and printing and pet food businesses.

The principal activities of the overseas subsidiaries such as the subsidiaries in United States are the manufacturer and distributor of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailers, wholesalers and food processors, the subsidiaries in Europe are the manufacturer and distributor of ambient seafood products to countries in Europe under their trademarks, and two subsidiaries in Asia, principally located in Indonesia and Vietnam are manufacturer and distributor of seafood.

The Company’s registered address is 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn. The Company has 6 branches in Bangkok and Samutsakorn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2009), “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

(Unaudited but reviewed)

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2011. There has been no significant change in the composition of the group of company during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011, except for the changes in the accounting policy of land and accounting policy of inventories for raw material as discussed in Note 3.

2. New accounting standards not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 Operating Segments that is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that the above accounting standard will not have any significant impact on the financial statements when it is initially applied.

(Unaudited but reviewed)

3. Cumulative effect of changes in accounting policies

- 3.1 In 2012, the Company and its subsidiaries have changed their accounting policy on land, from presenting it at cost basis to presenting it under a revaluation method to reflect the market value of such assets.

The amounts of adjustments affecting the financial statements as at 30 June 2012 resulted in property, plant and equipment increase of Baht 907 million (Separate financial statements: Baht 224 million), deferred tax liabilities increase of Baht 181 million (Separate financial statements: Baht 45 million) and other components of shareholders' equity increase of Baht 726 million (Separate financial statements: Baht 179 million).

- 3.2 In 2012, the Company and its subsidiaries have changed their accounting policy on inventories for raw material, from first-in, first-out to average cost method which is more suitable for the businesses of group of companies. The change in the accounting policy on inventories for raw material has been applied retrospectively as though the financial statements had originally been prepared using the average cost. The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position as at 31 December 2011, and 1 January 2011 and the income statements for the three-month and six-month periods ended 30 June 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2011	1 January 2011
Statements of financial position		
Increase (decrease) in inventories	47,842	(286)
Increase (decrease) in unappropriated retained earnings	40,299	(1,993)
Increase in non-controlling interest of the subsidiaries	7,543	1,707

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	31 December	1 January
	2011	2011
Statements of financial position		
Increase in inventories	26,553	27,293
Increase in unappropriated retained earnings	26,553	27,293

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
	For the three-month period ended 30 June 2011	
Income and comprehensive income statements		
Decrease in cost of sales	53,582	10,902
Increase in earnings per share (Baht)	0.06	0.01

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
	For the six-month period ended 30 June 2011	
Income and comprehensive income statements		
Decrease in cost of sales	56,587	883
Increase in earnings per share (Baht)	0.06	0.0009

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial		Separate	
	statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Cash	4,792	3,398	1,708	1,572
Bank deposits	979,659	899,122	56,865	54,336
Bill of exchange	38,663	-	-	-
Total	1,023,114	902,520	58,573	55,908

(Unaudited but reviewed)

As at 30 June 2012, bank deposits in saving accounts and bill of exchange carried interests between 0.07% and 1.26% per annum (31 December 2011: between 0.17% and 1.93% per annum).

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	25,599	21,050	1,735,767	1,134,315
Past due				
1 - 30 days	22,276	40,341	452,220	534,394
31 - 60 days	-	-	241,181	358,201
61 - 90 days	974	-	4,228	447,824
91 - 120 days	744	-	744	-
Total trade receivables				
- related parties	49,593	61,391	2,434,140	2,474,734
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	10,837,311	9,222,755	1,252,336	1,226,524
Past due				
1 - 30 days	1,478,718	1,421,944	175,942	170,386
31 - 60 days	187,066	210,035	3,961	5,791
61 - 90 days	140,746	102,888	3,994	1,560
91 - 120 days	1,394	58,582	138	-
121 - 180 days	64,354	37,279	-	-
181 - 365 days	41,348	66,298	4,618	-
Over 365 days	184,052	164,281	25,299	20,915
Total trade receivables				
- unrelated parties	12,934,989	11,284,062	1,466,288	1,425,176
Total trade receivables	12,984,582	11,345,453	3,900,428	3,899,910
Less: Allowance for doubtful accounts	(255,265)	(250,793)	(28,003)	(25,518)
Total trade receivables - net	12,729,317	11,094,660	3,872,425	3,874,392
<u>Other receivables</u>				
Interest receivable	385	576	632,387	184,652
Accrued income	22,543	26,688	2,701	11,668
Advance payment	59,382	38,867	26,951	17,475
Total other receivables	82,310	66,131	662,039	213,795
Total trade and other receivables				
- net	12,811,627	11,160,791	4,534,464	4,088,187

(Unaudited but reviewed)

As at 30 June 2012, certain trade accounts receivable of two overseas subsidiaries have secured their credit facilities as mentioned in Note 13.

Insurance claim receivable

On 11 February 2012, there was a fire incident in shrimp section of the Company's plant located in Samutsakorn province, which has no effect to other production lines. The Company assessed the damage caused by the fire incident and found damage to inventories with costs amounting to Baht 261 million and damage to building and machineries with total net book value of Baht 37 million. However, the Company has insurance coverage for direct asset damage and filed a claim with the insurance company. In February 2012, the insurer's surveyor conducted an assessment for the damage in order to quantify the indemnification. The Company received a compensation payment of Baht 110 million and Baht 165 million on 23 March 2012 and 28 June 2012, respectively. The Company recorded insurance recovery income amounting to Baht 275 million by offsetting it with the loss from the fire incident in the income statement for the six-month period ended 30 June 2012.

6. Related party transactions

During the periods, the Company had significant business transactions with related parties which are related by way of common shareholders and/or common directors. Such transactions are summarised below.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 June				
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,402	2,716	Cost plus margin
Dividend income	-	-	504	199	As declared
Interest income	-	-	254	261	0.42% - 6.25% per annum (2011: 0.67% - 6.04% per annum)
Other income	-	-	15	10	Near market price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 June				
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Purchases of goods	-	-	507	190	Cost plus margin
Interest expense	-	-	-	1	2.50% per annum
Management fee	-	-	13	13	Contract price
Other expenses	-	-	12	17	Near market price
Transactions with associates:					
Sales	7	6	2	1	Cost plus margin
Dividend income	2	18	2	18	As declared
Other income	5	5	-	-	Near market price
Purchases of goods	53	2	50	-	Cost plus margin
Transactions with related companies:					
Sales	270	269	54	63	Cost plus margin
Purchases of goods	855	1,105	633	1,008	Cost plus margin
Transportation	13	11	2	2	Near market price
Purchases and expenses relating to assets	29	44	5	14	Contract price and near market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	4,857	5,010	Cost plus margin
Dividend income	-	-	675	199	As declared
Interest income	-	-	502	547	0.42% - 6.25% per annum (2011: 0.67 - 6.04% per annum)
Other income	-	-	35	27	Near market price
Purchases of goods	-	-	858	502	Cost plus margin
Interest expense	-	-	-	3	2.50% per annum
Management fee	-	-	26	26	Contract price
Other expenses	-	-	24	31	Near market price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Transactions with associates:					
Sales	14	12	4	3	Cost plus margin
Dividend income	10	18	10	18	As declared
Other income	10	9	-	-	Near market price
Purchases of goods	56	5	50	-	Cost plus margin
Transactions with related parties:					
Sales	451	523	103	124	Cost plus margin
Purchases of goods	1,581	1,826	1,116	1,624	Cost plus margin
Transportation	25	21	3	3	Near market price
Purchase and expenses relating to assets	67	87	10	39	Contract price and near market price

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common shareholders and directors. During the three-month and six-month periods ended 30 June 2012, insurance premiums paid through that company amounted to Baht 18 million and Baht 35 million, respectively (2011: Baht 11 million and Baht 22 million, respectively).

The relationships between the Company and the related companies are summarised below.

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary
T-Holding Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
PT Juifa International Foods	Subsidiary
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Tri-Union Seafoods, LLC	Subsidiary (Held by subsidiary)
Tri-Union Frozen products, Inc. (TUFP)	Subsidiary (Held by subsidiary)

List of related companies	Relationship
Empress International, Ltd. (Empress)	Subsidiary (Held by subsidiary)
Tri-Union Frozen Foods, LLC	Subsidiary (Held by subsidiary)
US Pet Nutrition, LLC (USPN)	Subsidiary (Held by subsidiary)
Canadian Pet Nutrition, ULC	Subsidiary (Held by subsidiary)
Empress International of California Ltd.	Subsidiary (Held by subsidiary)
Empress International Midwest Ltd.	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Union Hatchery Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.	Subsidiary (Held by subsidiary)
TCM Fishery Co., Ltd.	Subsidiary (Held by subsidiary)
TMK Farm Co., Ltd.	Subsidiary (Held by subsidiary)
Siam Fishing Pte. Ltd.	Subsidiary (Held by subsidiary)
Thai Union EU Seafood 1 S.A.	Subsidiary (Held by subsidiary)
Thai Union EU Seafood 2 S.A.	Subsidiary (Held by subsidiary)
MW Brands SAS	Subsidiary (Held by subsidiary)
European Seafood Investment Portugal	Subsidiary (Held by subsidiary)
UK Seafood Investment Limited	Subsidiary (Held by subsidiary)
John West Food Limited	Subsidiary (Held by subsidiary)
Mareblu SRL	Subsidiary (Held by subsidiary)
MW Brands Seychelles Limited	Subsidiary (Held by subsidiary)
Indian Ocean Tuna Limited	Subsidiary (Held by subsidiary)
Pioneer Food Cannery Limited	Subsidiary (Held by subsidiary)
TTV Limited	Subsidiary (Held by subsidiary)
Thai Union France Holding SAS	Subsidiary (Held by subsidiary)
Etablissements Paul Paulet SAS	Subsidiary (Held by subsidiary)
Irish Seafood Investments Limited	Subsidiary (Held by subsidiary)
John West Holland BV	Subsidiary (Held by subsidiary)
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	Associated company
Pakfood Pcl. (PPC)	Associated company
Avanti Thai Aqua Feeds Private Limited	Associated company
Century Trading (Shanghai) Co., Ltd.	Associated company (Held by subsidiary)
TN Fine Chemicals Co., Ltd.	Associated company (Held by subsidiary)
Moresby International Holdings Inc.	Associated company (Held by subsidiary)
LDH (La Doria) Limited	Associated company (Held by subsidiary)

(Unaudited but reviewed)

List of related companies	Relationship
Geminai & Associate Co., Ltd.	Common shareholders/Director related to director
Chansiri Real Estate Co., Ltd.	Common major shareholders/Common directors
Thai Union Securities Co., Ltd.	Common major shareholders/Common directors
Asian Pacific Thai Tuna Co., Ltd.	Common major shareholders/Common directors
T.C. Union Global Pcl.	Common major shareholders/Common directors
Jana Fish Industries Limited	Common major shareholders/Common directors
T.C. Union Agrotech Co., Ltd.	Common major shareholders/Common directors
Waithai Co., Ltd.	Common major shareholders/Common directors
Merchant Partners Securities Co., Ltd.	Common shareholders/Common directors
Thai Union Properties Co., Ltd.	Common major shareholders/Common directors
Thaipatana Stainless Steel Co., Ltd.	Common major shareholders/Common directors
Hanhong Kanchang Registered Ordinary Partnership	Common major shareholders/Common directors
Lucky Surimi Products Co., Ltd.	Common directors
Asia-Pacific Risk Consultants (Thailand) Co., Ltd	Common shareholders/Common directors
Asia-Pacific Risk Insurance Broker Co., Ltd.	Common shareholders/Common directors
Ahead Way International Co., Ltd.	Common major shareholders/Common directors
Ekawat Products Co., Ltd.	Common major shareholders/Director related to director
Miss Rungtiwa Boonmechote	Relative of director

The balance of the accounts as at 30 June 2012 and 31 December 2011 between the Company and these related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
<u>Trade and other receivable - related parties (Note 5)</u>				
Subsidiaries	-	-	3,054,198	2,650,176
Associated companies	8,964	4,622	2,891	1,056
Related companies	40,629	56,769	9,378	8,154
Total trade and other receivables - related parties	<u>49,593</u>	<u>61,391</u>	<u>3,066,467</u>	<u>2,659,386</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
<u>Trade and other payables - related parties (Note 14)</u>				
Subsidiaries	-	-	419,888	220,906
Associated companies	1,542	1,584	37	48
Related companies	120,318	64,724	69,554	22,288
Total trade and other payables - related parties	121,860	66,308	489,479	243,242
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union Investment Holding Co., Ltd.	-	-	751,176	-
Total	-	-	831,176	80,000
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	19,396,956	15,207,249
Thai Union International, Inc.	-	-	2,257,706	2,240,991
Total	-	-	21,654,662	17,448,240
Less: Current portion				
Thai Union International, Inc.	-	-	(443,619)	(440,335)
Net	-	-	21,211,043	17,007,905

The movements of loans to/from related parties during the six-month period ended 30 June 2012 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the period			Balance as at
	1 January 2012	Increase	Decrease	Revaluation	30 June 2012
<u>Short-term loans to subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	-	22,590	(22,590)	-	-
Songkla Canning Pcl.	-	29,050	(29,050)	-	-
Thai Union Graphic Co., Ltd.	80,000	-	-	-	80,000
Thai Union Investment Holding Co., Ltd.	-	756,200	-	(5,024)	751,176
	80,000	807,840	(51,640)	(5,024)	831,176
<u>Long-term loans to subsidiaries</u>					
Thai Union Investment Holding Co., Ltd.	15,207,249	4,636,995	-	(447,288)	19,396,956
Thai Union International, Inc.	2,240,991	-	-	16,715	2,257,706
	17,448,240	4,636,995	-	(430,573)	21,654,662

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 June 2012
	Balance as at 1 January 2012	During the period			
	Increase	Decrease	Revaluation		
Short-term loans from subsidiaries					
Thai Union Manufacturing Co., Ltd.	-	57,360	(57,360)	-	
Songkla Canning Pcl.	-	45,150	(45,150)	-	
	-	102,510	(102,510)	-	

On 20 February 2012, Siam Fishing Pte Ltd., a subsidiary of Thai Union Manufacturing Co., Ltd. was liquidated.

Directors and management's remuneration

During the current period, the Company paid salaries, bonuses, meeting allowances, gratuities to their directors and management and post-employment benefits for the three-month and six-month periods totaling Baht 14 million and Baht 31 million, respectively (2011: Baht 13 million and Baht 26 million, respectively).

7. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	443,049	102,312
Add: Allowance for diminution in value of inventory made during the period	383,709	13,143
Less: Allowance for diminution in value of inventory reversed during the period	(360,161)	(70,010)
Translation adjustment	183	-
Balance as at 30 June 2012	466,780	45,445

As at 30 June 2012, two overseas subsidiaries have mortgaged certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 13.

(Unaudited but reviewed)

During the current period, the Company wrote off damaged inventories for the net book values from a fire incident in one section of the Company's plant located in Samutsakorn province, as mentioned in Note 5.

During the current period, the Company and its subsidiaries have changed its accounting policy on inventories for raw material, from first-in, first-out to average cost as mentioned in Note 3.

8. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June	31 December	30 June	31 December	30 June	31 December
			<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
			%	%				
<u>Investments in associates, directly held by the Company</u>								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	308,857	298,386
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	20,838	19,711
Avanti Thai Aqua Feeds Private Limited	Manufacturer & distributor of animal feeds	India	50.00	50.00	27,721	27,721	27,721	27,721
Pakfood Pcl.	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	40.00	-	612,000	-	605,225	-
<u>Investments in associates, directly held by subsidiaries</u>								
Century Trading (Shanghai) Co., Ltd. (50% held by Thai Union Manufacturing Co., Ltd.)	Importer & exporter of food products	The People's Republic of China	45.04	45.04	75,900	75,900	33,861	25,265
TN Fine Chemical Co., Ltd. (49% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of by-products from seafoods	Thailand	44.14	44.14	44,070	44,070	46,787	44,894
Moresby International Holdings Inc. (33% held by Thai Union Manufacturing Co., Ltd.)	Holding in fishing company	British Virgin Island	33.33	33.33	96,981	96,981	96,981	96,981
LDH (La Doria) Limited (20% held by MW Brands)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	394,993	411,010
					<u>991,122</u>	<u>379,122</u>	<u>1,535,263</u>	<u>923,968</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost			
			30 June	31 December	30 June	31 December		
			<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
			%	%				
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500		
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010		
Avanti Thai Aqua Feeds Private Limited	Manufacturer & distributor of animal feeds	India	50.00	50.00	27,721	27,721		
Pakfood Pcl.	Manufacturer & distributor of frozen foods	Thailand	40.00	-	612,000	-		

(Unaudited but reviewed)

and aquatic animals

678,231

66,231

(Unaudited but reviewed)

On 20 April 2012, the Company purchased 12 million ordinary shares of Pakfood Public Company Limited (PPC) (or 40% of the total 30 million issued and paid up share of Pakfood) at a purchase price of Baht 51 per share, or a total of Baht 612 million.

Investments in some associates were determined on the basis of financial information provided by those companies' management. These were unreviewed by their external auditors due to time constraints. However, the values of the investments in associates are immaterial.

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows.

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			30 June	31 December	30 June	31 December
			2012	2011	2012	2011
					%	%
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	Baht 360 million	Baht 360 million	90.44	90.44
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	Baht 300 million	Baht 300 million	90.08	90.08
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	Baht 300 million	Baht 300 million	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70 million	Baht 70 million	90.00	90.00
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 500 million	Baht 500 million	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40 million	Baht 40 million	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	USD 28.1 million	USD 13.1 million	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	USD 2.7 million	USD 2.7 million	88.78	88.78
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	EUR 222 million	EUR 22 million	100.00	100.00

(Unit: Thousand Baht)

Company's name	Cost	
	30 June 2012	31 December 2011
<u>Investments in subsidiaries</u>		
Songkla Canning Pcl.	1,379,791	1,379,791
Thai Union Manufacturing Co., Ltd.	1,212,172	1,212,172
Thai Union Seafood Co., Ltd.	189,316	189,316

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Cost	
	30 June 2012	31 December 2011
T-Holding Co., Ltd.	20,699	20,699
Thai Union Feedmill Co., Ltd.	255,000	255,000
Thai Union Graphic Co., Ltd.	45,331	45,331
Thai Union International, Inc. (TUI)	951,385	482,170
PT Juifa International Foods	82,972	82,972
Thai Union Investment Holding Co., Ltd. (TUIH)	8,900,256	925,256
Total	13,036,922	4,592,707
Less: Allowance for impairment loss of investments	(26,136)	(26,136)
Net	13,010,786	4,566,571

During the current period, the Company additionally invested EUR 200 million or Baht 7,975 million in Thai Union Investment Holding Co., Ltd.

During the current period, the Company additionally invested USD 15 million or Baht 469 million in Thai Union International, Inc.

On 23 April 2012, Thai Union Feedmill Co., Ltd. formed TCM Fishery Co., Ltd., in which it holds 5.6 million ordinary shares. (or 80% of the 7 million issued and paid-up shares of such company) with a par value of Baht 10 per share, 90% paid-up. On 22 June 2012, the been additional 10%, or a total of Baht 56 million, was paid up.

On 8 May 2012, Thai Union Seafood Co., Ltd. registered the decrease of its registered share capital from Baht 400 million (40 million ordinary shares of Baht 10 each) to Baht 300 million (30 million ordinary shares of Baht 10 each) with the Ministry of Commerce, by canceling 10 million registered shares that had yet to be allocated.

On 12 June 2012, Thai Union Feedmill Co., Ltd. formed TMK Farm Co., Ltd., in which it holds 6 million ordinary shares (or 60% of the 10 million issued and paid-up shares of such company) with a par value of Baht 10 per share, 25% paid-up, for a total payment of Baht 15 million.

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2012		31 December 2011	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	46,004	<u>34,890</u>	50,546	<u>33,577</u>
Unrealised loss on changes in the value of investments	<u>(11,114)</u>		<u>(16,969)</u>	
Total available-for-sale securities	34,890		33,577	
Other investments				
- Ordinary shares	36,813		36,628	
- Unit trusts	<u>100</u>		<u>100</u>	
Total other long-term investments	<u>71,803</u>		<u>70,305</u>	

(Unit: Thousand Baht)

	Separate financial statements	
	30 June 2012	31 December 2011
Other long-term investments		
Other investments - ordinary shares	<u>34,579</u>	<u>34,579</u>

11. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2012	15,654,960	3,204,693
Acquisitions during period - at cost	1,749,901	471,460
Transfer out during period	(4,397)	-
Disposals during period - net book value at disposal date	(32,820)	(1,596)
Write-off during period - net book value at write-off date	(3,576)	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Depreciation for period	(857,881)	(152,476)
Allowance for impairment of assets during the period	(37,508)	(36,776)
Increase from revaluations	907,217	224,487
Translation adjustment	(58,042)	-
Net book value as at 30 June 2012	<u>17,317,854</u>	<u>3,709,792</u>

During the current period, the Company recorded allowance for impairment of assets by Baht 37 million for the net book values of damaged assets from a fire incident in one section of the Company's plant located in Samutsakorn province, as mentioned in Note 5.

In 2012, the Company and its subsidiaries have changed its accounting policy for land, from presenting it at a cost basis to presenting it under a revaluation method at fair value, as mentioned in Note 3.

12. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements							Total
	Licence s	Trademark	Customer relationships	Covenant not to complete	Computer software	Distributor relationships	Others	
Cost								
At 1 January 2012	264	13,214	134	13	289	232	3	14,149
Translation adjustment	1	(330)	1	-	(5)	(7)	-	(340)
Purchase/Transfer in	-	-	-	-	7	-	-	7
Write off	-	-	-	-	(2)	-	-	(2)
At 30 June 2012	<u>265</u>	<u>12,884</u>	<u>135</u>	<u>13</u>	<u>289</u>	<u>225</u>	<u>3</u>	<u>13,814</u>
Amortisation								
At 1 January 2012	27	281	113	13	177	9	-	620
Translation adjustment	-	2	-	-	(3)	-	-	(1)
Amortisation	4	2	7	-	17	3	1	34
At 30 June 2012	<u>31</u>	<u>285</u>	<u>120</u>	<u>13</u>	<u>191</u>	<u>12</u>	<u>1</u>	<u>653</u>
Impairment								
At 1 January 2012	-	179	-	-	-	-	-	179
Translation adjustment	-	(5)	-	-	-	-	-	(5)
At 30 June 2012	<u>-</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174</u>
Net book value								
At 1 January 2012	<u>237</u>	<u>12,754</u>	<u>21</u>	<u>-</u>	<u>112</u>	<u>223</u>	<u>3</u>	<u>13,350</u>

(Unaudited but reviewed)

At 30 June 2012

<u>234</u>	<u>12,425</u>	<u>15</u>	<u>-</u>	<u>98</u>	<u>213</u>	<u>2</u>	<u>12,987</u>
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(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements
	<u>Computer software</u>
Net book value as at 1 January 2012	1.7
Additions	0.2
Amortisation during the period	<u>(0.1)</u>
Net book value as at 30 June 2012	<u>1.8</u>

13. Bank overdrafts and short-term loans from financial institutions

The Company entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 24.2.

TUI entered into an amended and restated credit agreement (the TUI credit facility) with Bank of America N.A. The TUI credit facility provides for a USD 85 million revolving facility and expires on 15 October 2013. Borrowings under the credit facility bear interest, at TUI's option, at LIBOR plus a margin of 2.00% to 2.50% per annum, or the bank's prime rate plus 1.00% to 1.50% per annum, subject to excess availability evaluated on a quarterly basis. An unused line fee is charged at 0.25% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by all accounts receivable and inventory of TUI. This revolving credit agreement includes a requirement that all borrowers maintain a lockbox arrangement whereby cash receipts are used to repay the amounts outstanding under the revolving agreement. Therefore, all borrowings made under the TUI credit agreement will be classified as short-term.

On 16 February 2011, TUI entered into a second amendment to the TUI credit agreement with Bank of America, N.A. for USD 15 million temporary increase in the availability under the TUI Credit Agreement through 16 May 2011, which was extended through 15 June 2011 under a TUI third amendment. Borrowings under the TUI amendments No. 2, 3 and 4 bear interest at LIBOR plus 2.25% per annum or the bank's prime rate plus 1.25% per annum, subject to excess availability evaluated on a quarterly basis. The unused line fee remains at 0.25% per annum, subject to adjustment on the average daily unused portion of the credit facility. On 6 June 2011, TUI entered into a fourth amendment to the Credit Agreement (TUI Amendment No. 4) with Bank of America, N.A., which increased the temporary credit line to USD 115 million through 15 July 2011. On 16 July 2011, TUI further

(Unaudited but reviewed)

amended the TUFPP Credit Agreement (TUFPP Amendment No. 5) to increase the credit line to USD 140 million through the 15 October 2013 expiration date, with other terms remaining unchanged from the initial TUFPP Credit Agreement.

As at 30 June 2012, the balance under the credit facility was USD 100 million at interest rate between 2.25% to 4.25% per annum and actual unused availability was approximately USD 40 million. TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 June 2012, TUFPP determined it was in compliance with these covenants.

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility with Bank of America N.A. The credit facility, which expires on 11 March 2014, provides for borrowings and the issuance of letters of credit up to USD 95 million subject to limitations based on eligible accounts receivable and inventory. The issuance of letters of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at Tri-U's option, at LIBOR plus a margin of 2.00% or 2.25% per annum, the bank's prime rate, or the bank's prime rate plus 1.00% or 1.25% per annum, depending upon the ratio of amounts outstanding to secured accounts receivable and inventory, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U. On 6 June 2011, Tri-U amended its credit facility with the above financial institution to incorporate the "Chicken of the Sea" trademark as eligible collateral with USD 10 million additional availability component loan at LIBOR plus a margin of 3.75% or 4.00% per annum or the bank's prime rate plus 2.75% or 3.00% per annum within the USD 95 million credit line. Until repayment in full of the additional component loan, borrowing under Tri-U credit facility bears interest at LIBOR plus 2.25% or 2.50% per annum, or the bank's prime rate plus 1.25% or 1.50% per annum at Tri-U option. On 23 March 2012, Tri-U entered into an amended revolving credit facility to increase the credit line to USD 110 million through 11 March 2014. As at 30 June 2012, the balance under the credit facility was USD 99 million with interest rate at 2.50% to 4.50% per annum and actual unused availability was approximately USD 11 million. Tri-U is subject to certain financial covenants including an interest coverage ratio and leverage ratio and other covenants, including limitations on indebtedness, capital leases, capital expenditures, transactions with affiliates, distributions, and dividends. Tri-U determined it was not in compliance with the covenant of leverage ratio as of 30 June 2012. The financial institution has the right to call the debt in full amount

(Unaudited but reviewed)

immediately due and payable. As of 30 July 2012, management has not received any notification from the bank that it intends to call the debts. Tri-U is currently engaged in negotiations with the financial institution to modify the terms of the covenants in order to be in compliance through at least 11 March 2014. There can be no assurances that Tri-U will be successful in negotiating a debt modification. The Company has confirmed to Tri-U that it will provide financial support to Tri-U to satisfy its obligations and debt service requirements for those debts that may be called due until at least 1 July 2013.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Trade payables - related parties	108,071	28,047	483,678	231,330
Trade payables - unrelated parties	7,746,377	6,444,194	1,237,366	833,626
Accrued interest expenses to				
related parties	-	-	1	8
Accrued expenses - related parties	13,789	38,261	5,800	11,904
Other payables - construction and				
asset purchase	147,435	95,371	29,333	24,144
Accrued expenses	1,705,137	1,313,202	552,457	271,230
Total trade and other payables	<u>9,720,809</u>	<u>7,919,075</u>	<u>2,308,635</u>	<u>1,372,242</u>

15. Long-term loans

Long-term loans as at 30 June 2012 and 31 December 2011 consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
USD loans	9	9	-	-
Baht loans	2,931	3,092	2,250	2,250
EUR loans	-	13,162	-	-
Less: Deferred financial fees	-	(664)	-	-
Total	<u>2,940</u>	<u>15,599</u>	<u>2,250</u>	<u>2,250</u>
Less: Current portion	<u>(273)</u>	<u>(984)</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

Net	<u>2,667</u>	<u>14,615</u>	<u>2,250</u>	<u>2,250</u>
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Movements in the long-term loan account during the six-month period ended 30 June 2012 are summarised below.

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	15,599	2,250
Less: Repayment	(13,323)	-
Add: Deferred financial fees	664	-
Balance as at 30 June 2012	<u>2,940</u>	<u>2,250</u>

During the second quarter of 2007, a local subsidiary drew Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85% per annum, and THBFIX plus 0.5% per annum. These loans are repaid during the period.

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. As at 30 June 2012, the balance of this loan is Baht 681 million.

In 2010, an overseas subsidiary has entered into loan agreements with four overseas financial institutions to acquire EUR 340 million loans. The loans carry interest at the LIBOR plus 4.5% to 5.0% per annum. These loans are repaid in full amount during the period.

During the third quarter of 2011, the Company has entered into a 7-year loan agreement amounting to Baht 2,250 million with a local financial institution. The loan carries interest at THBFIX per annum and is to be repaid in quarterly installments, the first of which will be due in October 2013. The loan contains covenants relating to various matters stipulated in the agreement. As at 30 June 2012, the balance of this loan was Baht 2,250 million.

16. Debentures

On 26 October 2005, a meeting of the Company's Board of Directors approved the issuance of debentures of the Company and/or its subsidiaries in an amount of up to Baht 8,500 million or the equivalent in another currency, for the purposes of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

On 12 November 2008, the Company issued the 2-year debentures of Baht 1,500 million (1,500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.7% per annum, which were redeemed on the maturity date in 2010 and the 5-year debentures of Baht 500 million (500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 5.5% per annum and the redemption is due in 2013.

On 25 April 2011, the Annual General Meeting of Shareholders approved the increase of credit limit for issuance of debentures of the Company and/or its subsidiaries in an amount of up to Baht 15,000 million or the equivalent in other currencies, for the purpose of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

On 27 July 2011, the Company issued three debentures, the 3 to 10 year debentures of Baht 6,750 million (6,750,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.51% to 5.02% per annum and the redemption is due in 2014, 2016 and 2021.

The debentures contain covenants relating to various matters such as the maintenance of debt to shareholders' equity ratio and interest coverage ratio, and certain conditions in issuance of debentures agreements, for example, annual dividend payment in the form of cash exceeding 60 percent of net profit of the year is prohibited and among other things.

17. Convertible bond

On 2 September 2010, the Extraordinary General Meeting of Shareholders approved the issuance of non-secured convertible bond to specific investors (Private Placement) of EUR 60 million. The bond has a tenor of 4 years and an annual coupon of 5% per annum and an overall yield of 8% per annum unless converted into common shares. The bond can be converted into common shares at any time after the first year at a conversion price of Baht 56 per share. On 27 October 2010, the Company issued the convertible bond. The convertible bond contains covenants relating to various matters. On 6 March 2012, the meeting of the Company's Board of Directors approved the change of conversion price to Baht 52.91 per share.

According to the Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", the issuer of convertible bond is required to classify the bond's liability and equity components and present them separately from the owner's equity in the statement of financial position. However, the rate of interest payable in the future on the convertible bond was the same as the market rate prevailing on the date of bond issuance. The Company therefore recorded all the convertible bonds as liabilities. The liability component continues to be presented on an amortised cost basis, until conversion to ordinary shares or maturity of the bond.

18. Income tax/deferred tax assets (liabilities)

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of each country.

Income tax expense of the Company and subsidiaries for the three-month and six-month periods ended 30 June 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
For the three-month periods ended 30 June				
	2012	2011	2012	2011
Income tax on taxable income	64,084	109,617	(6,602)	4,795
Translation adjustment	3,697	3,234	-	-
Expense (income) in deferred income tax	(136,189)	177,745	(2,354)	2,098
Income tax as included in profit or loss	<u>(68,408)</u>	<u>290,596</u>	<u>(8,956)</u>	<u>6,893</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the six-month periods ended 30 June				
	2012	2011	2012	2011
Income tax on taxable income	302,387	246,034	60,884	39,953
Translation adjustment	2,826	3,721	-	-
Expense (income) in deferred income tax	(213,094)	76,438	(4,424)	(1,432)
Income tax as included in profit or loss	<u>92,119</u>	<u>326,193</u>	<u>56,460</u>	<u>38,521</u>

The components of deferred tax assets and deferred tax liabilities as presented in statements of financial position consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Deferred tax assets				
Tax losses brought forward	509	566	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	20	20	6	5
Allowance for devaluation in the value of inventories	113	118	2	4
Allowance for impairment loss of assets	13	13	13	13
Other allowance	8	21	-	-
Provision for long-term employee benefit	42	49	4	5
Accrued liabilities	126	125	-	-
Inventory cost capitalisation	142	142	-	-
Others	19	9	17	8
Total	<u>992</u>	<u>1,063</u>	<u>42</u>	<u>35</u>
Deferred tax liabilities				
Depreciation and amortisation	474	472	1	1
Intangible assets	3,732	3,853	-	-
Prepaid expense	20	19	-	-
Other reserves	202	207	-	-
Surplus on revaluation of land	181	-	45	-
Others	121	367	2	-
Total	<u>4,730</u>	<u>4,918</u>	<u>48</u>	<u>1</u>

19. Share capital

On 10 April 2012, the Extraordinary General Meeting of the Company's Shareholders no. 1/2555 passed resolutions on the following matters.

- Approval was given to decrease the Company's registered share capital from Baht 1,000 million (1,000 million ordinary shares of Baht 1 each) to Baht 999 million (999 million ordinary shares of Baht 1 each), by canceling 813,450 registered shares that had yet to be allocated. The Company registered the decrease of its share capital with the Ministry of Commerce on 23 April 2012.
- Approval was given to increase the Company's registered share capital from Baht 999 million (999 million ordinary shares of Baht 1 each) to Baht 1,202 million (1,202 million ordinary shares of Baht 1 each) for the support of the issuance of new shares to existing shareholders (Rights Offering) according to Pro rata basis of shares and/or to the private placement and for the support of the conversion of debentures which were allocated to the private placement on 27 October 2010. The Company registered the increase of its share capital with the Ministry of Commerce on 24 April 2012.

Reconciliation of the number of issued and paid-up share capital

	(Unit: Share)	
	Consolidated financial statements / Separate financial statements	
	<u>30 June 2012</u>	<u>31 December 2011</u>
Number of ordinary shares at the beginning of period	956,329,407	956,329,407
Increase in the number of ordinary shares due to share capital increase*	<u>191,264,422</u>	<u>-</u>
Number of ordinary shares at the end of period	<u>1,147,593,829</u>	<u>956,329,407</u>

* The Company allocated the new 191,264,422 shares to the existing shareholders at the ratio of 5 existing common shares to 1 newly issued shares at the subscription price of Baht 50 per share. The Company registered its additional shares with the Ministry of Commerce on 28 May 2012 and the shares were first traded on Stock Exchange of Thailand on 30 May 2012.

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

For the three-month period ended 30 June 2012					
Profit for the period		Weighted average number of ordinary shares	Earnings per share		
Consolidated financial statements	Separate financial statements		Consolidated financial statements	Separate financial statements	
Million Baht	Million Baht	Million share	Baht	Baht	
Basic earnings per share					
Profit attributable to equity holders of the Company					
1,001	830	992.1	1.01	0.84	
Add: Interest expense from convertible bond recognised during the period					
23	23	-			
Effect of dilutive potential ordinary share					
-	-	45.3			
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share					
1,024	853	1,037.4	0.99	0.82	

For the three-month period ended 30 June 2011					
Profit for the period (Restated)		Weighted average number of ordinary shares	Earnings per share (Restated)		
Consolidated financial statements	Separate financial statements		Consolidated financial statements	Separate financial statements	
Million Baht	Million Baht	Million share	Baht	Baht	
Basic earnings per share					
Profit attributable to equity holders of the Company					
1,284	728	956.3	1.34	0.76	
Add: Interest expense from convertible bond recognised during the period					
22	22	-			
Effect of dilutive potential ordinary share					
-	-	42.9			
Diluted earnings per share					
Profit of ordinary shareholders assuming					

(Unaudited but reviewed)

the conversion of convertible bond to ordinary share	<u>1,306</u>	<u>750</u>	<u>999.2</u>	<u>1.31</u>	<u>0.75</u>
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(Unaudited but reviewed)

For the six-month period ended 30 June 2012

Profit for the period		Weighted	Earnings per share	
Consolidated	Separate	average	Consolidated	Separate
financial	financial	number of	financial	financial
statements	statements	ordinary	statements	statements
Million Baht	Million Baht	shares	Baht	Baht
		Million share		
Basic earnings per share				
Profit attributable to equity holders of the Company				
2,469	1,511	992.1	2.49	1.52
Add: Interest expense from convertible bond recognised during the period				
47	47	-		
Effect of dilutive potential ordinary share				
-	-	45.3		
Diluted earnings per share				
Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share				
2,516	1,558	1,037.4	2.43	1.50

For the six-month period ended 30 June 2011

Profit for the period		Weighted	Earnings per share	
Consolidated	Separate	average	Consolidated	Separate
financial	financial	number of	financial	financial
statements	statements	ordinary	statements	statements
Million Baht	Million Baht	shares	Baht	Baht
		Million share		
Basic earnings per share				
Profit attributable to equity holders of the Company				
2,044	1,004	956.3	2.14	1.05
Add: Interest expense from convertible bond recognised during the period				
45	45	-		
Effect of dilutive potential ordinary share				
-	-	42.9		
Diluted earnings per share				
Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share				
2,089	1,049	999.2	2.09	1.05

21. Financial information by segment

The operations of the Company and its subsidiaries principally involve the production, distribution and export of frozen seafood products. Some overseas subsidiaries of which the principal business activity is overseas investments. These activities are carried out in Thailand and overseas. Their income comes from both local and export sales. Financial information of the Company and its subsidiaries presented by business segment for the three-month and six-month periods ended 30 June 2012 and 2011 (as restated) is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Frozen and canned				Total		Elimination		Grand total	
	food products		Other businesses		2012	2011	2012	2011	2012	2011
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Sales										
- Local	1,202	1,043	3,047	2,796	4,249	3,839	(1,595)	(1,444)	2,654	2,395
- Export	27,648	26,100	280	223	27,928	26,323	(3,825)	(3,859)	24,103	22,464
Total sales	<u>28,850</u>	<u>27,143</u>	<u>3,327</u>	<u>3,019</u>	<u>32,177</u>	<u>30,162</u>	<u>(5,420)</u>	<u>(5,303)</u>	<u>26,757</u>	<u>24,859</u>
Segment operating income	2,065	2,212	360	381	2,425	2,593	(222)	(161)	2,203	2,432
Unallocated income (expenses):										
Interest income									2	2
Administrative expenses									(10)	(13)
Share of income from investments										
in associates									18	24
Finance cost									(1,059)	(612)
Corporate income tax									68	(290)
Profit attributable to non-controlling										
interests of the subsidiaries									(221)	(259)
Profit attributable to										
equity holders of the Company									<u>1,001</u>	<u>1,284</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Frozen and canned		Other businesses		Total		Elimination		Grand total	
	food products									
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Sales										
- Local	3,117	2,116	5,744	5,436	8,861	7,552	(3,646)	(3,166)	5,215	4,386
- Export	52,959	49,673	508	453	53,467	50,126	(6,621)	(6,947)	46,846	43,179
Total sales	<u>56,076</u>	<u>51,789</u>	<u>6,252</u>	<u>5,889</u>	<u>62,328</u>	<u>57,678</u>	<u>(10,267)</u>	<u>(10,113)</u>	<u>52,061</u>	<u>47,565</u>
Segment operating income	3,735	3,530	807	644	4,542	4,174	53	(339)	4,595	3,835
Unallocated income (expenses):										
Interest income									3	4
Administrative expenses									(57)	(26)
Share of income from investments in associates									44	42
Finance cost									(1,601)	(1,134)
Corporate income tax									(92)	(326)
Profit attributable to non-controlling interests of the subsidiaries									(423)	(351)
Profit attributable to equity holders of the Company									<u>2,469</u>	<u>2,044</u>

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month and six-month periods ended 30 June 2012 and 2011 (as restated) is as follows:

(Unit: Million Baht)

For the three-month periods ended 30 June

	Thailand		Overseas		Total		Elimination		Grand total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Sales									
- Frozen and canned										
food products	13,373	12,139	15,477	15,004	28,850	27,143	(4,976)	(5,017)	23,874	22,126
- Other businesses	3,327	3,019	-	-	3,327	3,019	(444)	(286)	2,883	2,733
Total sales	<u>16,700</u>	<u>15,158</u>	<u>15,477</u>	<u>15,004</u>	<u>32,177</u>	<u>30,162</u>	<u>(5,420)</u>	<u>(5,303)</u>	<u>26,757</u>	<u>24,859</u>
Segment operating income									<u>2,203</u>	<u>2,432</u>

(Unit: Million Baht)

For the six-month periods ended 30 June

	Thailand		Overseas		Total		Elimination		Grand total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Sales									
- Frozen and canned										
food products	26,867	23,496	29,209	28,293	56,076	51,789	(8,538)	(9,130)	47,538	42,659
- Other businesses	6,252	5,889	-	-	6,252	5,889	(1,729)	(983)	4,523	4,906
Total sales	<u>33,119</u>	<u>29,385</u>	<u>29,209</u>	<u>28,293</u>	<u>62,328</u>	<u>57,678</u>	<u>(10,267)</u>	<u>(10,113)</u>	<u>52,061</u>	<u>47,565</u>
Segment operating income									<u>4,595</u>	<u>3,835</u>

(Unaudited but reviewed)

Transfer prices between the Company and its subsidiaries are set out in Note 6.

22. Dividends

Dividends declared in 2012 and 2011 consist of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on income for the period 1 July 2011 to 31 December 2011	Annual General Meeting of the shareholders on 26 March 2012	622	0.65
Total for 2012		622	
Dividends on income for the period 1 October 2010 to 31 December 2010	Annual General Meeting of the shareholders on 25 April 2011	325	0.34
Total for 2011		325	

23. Commitments

As at 30 June 2012, the Company and its subsidiaries have the following commitments:

- a) The Company and its subsidiaries have the commitments under the following agreements:

	Payable within						Total
	Less than 1 year		1 to 5 years		More than 5 years		
Office rental and service agreements	Baht	79 million	Baht	50 million	Baht	7 million	Baht 136 million
	EUR	1 million	EUR	1 million	-	-	EUR 2 million
Land lease agreements	Baht	1 million	Baht	3 million	Baht	2 million	Baht 6 million
	USD	3 million	USD	11 million	USD	2 million	USD 16 million
	-	-	EUR	1 million	EUR	1 million	EUR 2 million
Car lease agreements	Baht	13 million	Baht	23 million	-	-	Baht 36 million
	-	-	EUR	1 million	-	-	EUR 1 million
Machine lease agreements	Baht	30 million	Baht	80 million	-	-	Baht 110 million
	-	-	USD	1 million	-	-	USD 1 million
Computer & copy machine lease agreements	Baht	29 million	Baht	30 million	-	-	Baht 59 million
Warehouse and factory construction agreements	Baht	37 million	-	-	-	-	Baht 37 million
Purchase machinery, equipment and vehicle agreements	Baht	157 million	-	-	-	-	Baht 157 million
	EUR	1 million	-	-	-	-	EUR 1 million
	USD	2 million	-	-	USD	1 million	USD 3 million

(Unaudited but reviewed)

	Payable within						Total
	Less than 1 year		1 to 5 years		More than 5 years		
Communication agreements	Baht	1 million	Baht	1 million	-	-	Baht 2 million
Advisory agreements	Baht	3 million	-	-	-	-	Baht 3 million
Marketing service agreements	Baht	1 million	-	-	-	-	Baht 1 million
Internet network service agreements	Baht	3 million	Baht	3 million	-	-	Baht 6 million
Security service agreements	Baht	7 million	-	-	-	-	Baht 7 million

- b) The Company and its subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Amount	
The local subsidiary	Baht	45.0 million
The overseas subsidiary	USD	1.9 million
The overseas associates	USD	2.3 million

- c) The overseas subsidiary has agreed to make payments under royalty agreements for the use of certain production machinery and equipment. The agreements require fixed payments plus an additional sum based on output. Total payments made under these arrangements for the three-month and six-month periods ended 30 June 2012 amounting to USD 0.2 million and USD 0.4 million, respectively.

24. Contingent liabilities

24.1 Forward foreign exchange contracts/currency option agreements

Significant forward exchange contracts outstanding as of 30 June 2012 are summarised below.

Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
<u>The Company</u>					
USD against Baht	-	206	-	30.30 - 43.00	July 2012 - June 2014
JPY against Baht	-	154	-	0.40 - 0.41	November 2012 - December 2012
EUR against Baht	-	464	-	40.97 - 43.59	August 2012 - June 2017
<u>Subsidiaries</u>					
USD against Baht	-	220	-	30.98 - 32.33	July 2012 - June 2013
USD against GBP	4	2	1.59	1.59	December 2012
EUR against GBP	3	2	0.82	0.82	December 2012

(Unaudited but reviewed)

As at 30 June 2012, the Company and its local subsidiaries have outstanding option agreements with special conditions with financial institutions under which they have obligations to sell amounts of between USD 18 million up to USD 41 million, depending on conditions stipulated in the agreements, at rates of Baht 31.05 to Baht 32.30 per USD 1. These agreements will terminate within December 2012 and the Company has outstanding option agreements with two local banks under which the Company has obligations to sell a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR. These agreements will terminate within May 2017. At the same time, the two local banks have obligations to buy a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR. These agreements will terminate within May 2017.

Moreover, as at 30 June 2012, the overseas subsidiaries have outstanding option agreements as follows.

Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
EUR against USD	14.4	14.9	1.44	1.44	December 2012
GBP against USD	26.2	25.9	1.63-1.65	1.63-1.65	December 2012
EUR against GBP	35.5	57.6	0.81	0.81	December 2012

24.2 Interest rate swap transaction agreements

Interest rate swap agreements

The Company

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 2,040 million (first 2 years) Baht 170-1,700 million (remaining 4 years)	Floating rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Floating rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.522%	October 2016

(Unaudited but reviewed)

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
2	Baht 510 million (first 2 years) Baht 42.5-425 million (remaining 4 years)	Floating rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Floating rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.48%	October 2016
3	Baht 500 million	Floating rate 6-month THBFIX-Reuters	Fixed rate 3.50%	August 2015

Subsidiaries

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 91 million	Floating rate 3-month EURIBOR	Fixed rate 2.70 %	October 2017
2	EUR 127 million	Floating rate 3-month EURIBOR	Fixed rate 2.73 %	October 2017
3	USD 40 million	Floating rate 3-month LIBOR	Fixed rate 1.85% - 2.55%	February 2016
4	USD 40 million	Floating rate 3-month LIBOR	Fixed rate 1.85% - 2.55%	February 2016

Cross currency and interest rate swap agreements

The Company

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1*	Baht 397.8 million	Floating rate 3-month THBFIX-Reuters	USD 12 million	Fixed rate 4.4086%	July 2012
2	Baht 1,134 million	Floating rate 3-month THBFIX - Reuters	USD 35 million	Floating rate 3-month LIBOR-BBA plus 0.665%	July 2013
3	Baht 674 million	Floating rate 3-month THBFIX-Reuters plus 2.31%	USD 22 million	Floating rate 3-month LIBOR plus 3.00%	June 2014
4	Baht 2,640 million	Fixed rate 1.78%	EUR 66 million	-	June 2015
5	Baht 1,997 million	Floating rate 6-month THBFIX-Reuters minus 1.75%	EUR 50 million	-	June 2017

* No initial exchange

Subsidiary

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 976 million	Floating rate 3-month THBFIX-Reuters plus 2.94%	USD 32 million	Fixed rate 5.65%	March 2015

24.3 Others

The Office of the Attorney General of a US state filed a lawsuit against the three largest canned tuna companies in the US, including TUI, for failure to warn consumers that certain tuna contains mercury. Such case was dismissed on 8 January 2007. However, the plaintiff filed a notice of appeal and the appeal was granted on 19 August 2008. TUI filed a petition for an en banc appeal, which was denied. On 13 January 2009, TUI filed a petition with the Supreme Court, which the Court has declined to hear. Each party has subsequently filed motions and are currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI has no accrual related to this matter as of 30 June 2012.

25. Guarantees

- a) As at 30 June 2012, there were outstanding bank guarantees of approximately Baht 67 million and USD 4 million (31 December 2011: Baht 54 million and USD 4 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- b) As at 30 June 2012, there were outstanding bank guarantees of approximately Baht 86 million (31 December 2011: Baht 92 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.
- c) As at 30 June 2012, a subsidiary's board of directors approved the issuance of corporate guarantees of Baht 230 million and USD 1 million to two financial institutions to secure credit facilities of its subsidiary.

(Unaudited but reviewed)

26. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 30 June 2012.

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollar	6	29	3	22
Japanese yen	-	208	-	187
Euro	66	61	66	61

27. Events after reporting date

On 8 August 2012, the meeting of the Company's Board of Directors passed resolutions on the following matters.

- Approval was given to the payment of an interim dividend of Baht 1.1 per share, or a total of Baht 1,262 million for the 1,147,593,829 ordinary shares. The dividend is to be paid to shareholders in August 2012.
- Approval was given to issue foreign-currency bonds in foreign financial markets in an amount not exceeding Baht 5,350 million. This was the amount of bonds remaining from the amount approved by resolution of the Company's Annual General Meeting of shareholders for the year 2011, on 25 April 2011.
- Approval was given to provide financial support into US Pet Nutrition, LLC (USPN), a subsidiary of Thai Union International, Inc. (TUI) (a subsidiary) in an amount not exceeding USD 20 million, in the form of an equity injection or a loan.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's Board of Directors on 8 August 2012.