

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 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 September 2012, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 (restated), changes in shareholders' equity, and cash flows for the nine-month periods ended 30 September 2012 and 2011 (restated), 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 periods. 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 reviews.

Scope of review

I conducted my reviews 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

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 to presented it on a revaluation basis, and on accounting for raw material inventories from a first-in, first-out basis to 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. My conclusion is not qualified in respect of this matter.

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

I have previously audited 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) in accordance with auditing standards and expressed an unqualified opinion on those statements under my 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.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 7 November 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 September 2012 | 31 December 2011 | 1 January 2011 | 30 September 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 | 827,214 | 902,520 | 1,037,297 | 18,474 | 55,908 | 14,912 |
| Trade and other receivables | 5, 6 | 12,267,003 | 11,160,791 | 9,261,820 | 4,438,730 | 4,088,187 | 3,066,632 |
| Short-term loans to subsidiaries | 6 | - | - | - | 233,456 | 80,000 | 625,825 |
| Short-term loans to other companies | | 8,049 | - | - | 1,350 | - | - |
| Current portion of long-term loans to subsidiaries | 6 | - | - | - | 1,350,408 | 440,335 | 2,691,738 |
| Current portion of long-term loans to other companies | | 9,136 | 4,071 | 1,431 | 1,685 | - | - |
| Inventories | 7 | 29,319,918 | 26,179,796 | 21,345,833 | 4,832,035 | 3,644,784 | 2,450,619 |
| Other current assets | | | | | | | |
| Prepaid income tax | | 108,955 | 106,601 | 286,323 | 20,181 | 28,163 | 28,163 |
| Current portion of forward exchange contracts receivables | | 290,099 | 142,732 | 748,338 | 142,547 | 140,444 | 558,701 |
| Value added tax refundable | | 616,889 | 664,015 | 538,930 | 106,637 | 42,215 | 60,726 |
| Others | | 972,618 | 817,681 | 739,834 | 65,358 | 34,632 | 51,494 |
| Total other current assets | | 1,988,561 | 1,731,029 | 2,313,425 | 334,723 | 245,454 | 699,084 |
| Total current assets | | 44,419,881 | 39,978,207 | 33,959,806 | 11,210,861 | 8,554,668 | 9,548,810 |
| Non-current assets | | | | | | | |
| Restricted deposits with financial institution | | 12,876 | 12,024 | 11,032 | - | - | - |
| Investments in associates | 8 | 1,633,158 | 923,968 | 837,717 | 767,574 | 66,231 | 66,231 |
| Investments in subsidiaries | 9 | - | - | - | 13,348,888 | 4,566,571 | 4,396,709 |
| Other long-term investments | 10 | 37,102 | 70,305 | 72,669 | - | 34,579 | 34,579 |
| Long-term loans to subsidiaries - net of current portion | 6 | - | - | - | 20,086,358 | 17,007,905 | 15,429,105 |
| Long-term loans to other companies - net of current portion | | 20,318 | 24,558 | 28,630 | 1,619 | - | - |
| Property, plant and equipment | 11 | 17,542,794 | 15,654,960 | 14,190,173 | 3,874,831 | 3,204,693 | 3,004,742 |
| Goodwill | | 11,357,020 | 11,674,496 | 11,396,142 | - | - | - |
| Intangible assets | 12 | 13,082,548 | 13,349,544 | 13,027,293 | 2,804 | 1,676 | 1,509 |
| Other non-current assets | | | | | | | |
| Forward exchange contracts receivables | | | | | | | |
| - net of current portion | | 186,377 | 76,265 | 387,308 | 186,377 | 76,265 | 387,308 |
| Leasehold rights | | 185,750 | 175,671 | 21,094 | - | - | - |
| Advance payment for purchase of property, plant and equipment | | 34,554 | 8,251 | 35,227 | - | - | - |
| Deferred tax assets | 18 | 908,204 | 1,062,569 | 498,562 | 47,799 | 35,157 | 18,609 |
| Unamortised discount from forward exchange contracts | | 177,191 | 185,529 | 246,929 | 177,191 | 185,529 | 246,929 |
| Others | | 105,153 | 81,060 | 64,055 | 17,002 | 16,196 | 10,773 |
| Total non-current assets | | 45,283,045 | 43,299,200 | 40,816,831 | 38,510,443 | 25,194,802 | 23,596,494 |
| Total assets | | 89,702,926 | 83,277,407 | 74,776,637 | 49,721,304 | 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)

| | Consolidated financial statements | | | Separate financial statements | | | |
|---|-----------------------------------|-----------------------------|-------------------------|-------------------------------|-----------------------------|-------------------------|-------------------------|
| | Note | 30 September 2012 | 31 December 2011 | 1 January 2011 | 30 September 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 | 19,795,859 | 14,477,175 | 8,363,777 | 8,390,668 | 3,553,986 | 1,992,670 |
| Trade and other payables | 6, 14 | 9,864,414 | 7,919,075 | 7,194,757 | 2,197,042 | 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 | | - | - | 3,200,000 | - | - | 3,200,000 |
| Income tax payable | | 105,843 | 202,584 | 187,665 | 26,980 | 36,863 | 25,084 |
| Other current liabilities | | 1,391,276 | 1,559,478 | 1,479,032 | 301,038 | 343,642 | 265,745 |
| Total current liabilities | | 31,429,892 | 25,141,860 | 20,941,289 | 10,915,728 | 5,306,733 | 7,026,844 |
| Non-current liabilities | | | | | | | |
| Long-term loans - net of current portion | 15 | 2,530,958 | 14,615,040 | 22,500,818 | 2,250,000 | 2,250,000 | 8,896,808 |
| Debentures - net of current portion | 16 | 7,232,434 | 7,228,326 | 500,000 | 7,232,434 | 7,228,326 | 500,000 |
| Convertible bond | 17 | 2,394,862 | 2,462,169 | 2,390,746 | 2,394,862 | 2,462,169 | 2,390,746 |
| Provision for long-term employee benefits | | 1,049,460 | 992,478 | 571,423 | 207,708 | 190,433 | 161,865 |
| Deferred tax liabilities | 18 | 4,723,799 | 4,918,294 | 4,641,052 | 47,309 | 626 | - |
| Forward exchange contracts payable - net of | | | | | | | |
| current portion | | 125,350 | 411,351 | 88,684 | 104,707 | 362,851 | 88,684 |
| Other non-current liabilities | | 472,199 | 391,011 | 478,800 | 138,532 | 88,237 | 47,267 |
| Total non-current liabilities | | 18,529,062 | 31,018,669 | 31,171,523 | 12,375,552 | 12,582,642 | 12,085,370 |
| Total liabilities | | 49,958,954 | 56,160,529 | 52,112,812 | 23,291,280 | 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 and 1 January 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 and 1 January 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 | | 120,200 | 100,000 | 89,000 | 120,200 | 100,000 | 89,000 |
| Unappropriated | | 17,424,596 | 15,247,386 | 11,336,920 | 7,482,131 | 6,644,876 | 4,828,871 |
| Other components of shareholders' equity | | 568,911 | (4,663) | (87,474) | 179,590 | - | - |
| Equity attributable to owners of the Company | | 36,761,810 | 24,457,942 | 20,453,665 | 26,430,024 | 15,860,095 | 14,033,090 |
| Non-controlling interests of the subsidiaries | | 2,982,162 | 2,658,936 | 2,210,160 | - | - | - |
| Total shareholders' equity | | 39,743,972 | 27,116,878 | 22,663,825 | 26,430,024 | 15,860,095 | 14,033,090 |
| Total liabilities and shareholders' equity | | 89,702,926 | 83,277,407 | 74,776,637 | 49,721,304 | 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 September 2012 and 2011

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | 2012 | 2011 (Restated) | 2012 | 2011 (Restated) |
| Revenues | | | | | |
| Sales | | 28,326,939 | 25,105,270 | 6,484,245 | 6,552,595 |
| Other income | | | | | |
| Interest income | | 2,605 | 2,967 | 238,990 | 248,126 |
| Dividend income | | 72 | 777 | 696,361 | 980,230 |
| Compensation from accounts payable | | 6 | 12,234 | - | 9,363 |
| Tax coupon received | | 4,486 | 44,838 | 1,657 | 6,738 |
| Exchange gains | | 236,825 | 132,619 | 127,016 | - |
| Others | | 117,701 | 103,877 | 115,064 | 17,980 |
| Total other income | | 361,695 | 297,312 | 1,179,088 | 1,262,437 |
| Total revenues | | 28,688,634 | 25,402,582 | 7,663,333 | 7,815,032 |
| Expenses | | | | | |
| Cost of sales | | 23,883,497 | 20,780,505 | 5,759,105 | 5,719,586 |
| Selling expenses | | 1,260,953 | 1,219,254 | 231,606 | 206,742 |
| Administrative expenses | | 1,240,958 | 964,649 | 227,240 | 166,193 |
| Total expenses | | 26,385,408 | 22,964,408 | 6,217,951 | 6,092,521 |
| Profit before share of income from investments in associates, finance cost and corporate income tax | | 2,303,226 | 2,438,174 | 1,445,382 | 1,722,511 |
| Share of income from investments in associates | | 11,859 | 22,199 | - | - |
| Profit before finance cost and corporate income tax | | 2,315,085 | 2,460,373 | 1,445,382 | 1,722,511 |
| Finance cost | | (338,398) | (566,823) | (181,228) | (116,841) |
| Profit before corporate income tax | | 1,976,687 | 1,893,550 | 1,264,154 | 1,605,670 |
| Corporate income tax | 18 | (144,530) | (69,079) | (33,853) | (58,716) |
| Profit for the period | | 1,832,157 | 1,824,471 | 1,230,301 | 1,546,954 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 1,612,833 | 1,542,065 | 1,230,301 | 1,546,954 |
| Non-controlling interests of the subsidiaries | | 219,324 | 282,406 | | |
| | | 1,832,157 | 1,824,471 | | |
| | | | | | (Unit: Baht) |
| Earnings per share | | | | | |
| 20 | | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 1.41 | 1.61 | 1.07 | 1.62 |
| Diluted earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 1.37 | 1.57 | 1.05 | 1.57 |

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 September 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 | 1,832,157 | 1,824,471 | 1,230,301 | 1,546,954 |
| Other comprehensive income: | | | | |
| Exchange differences on translation of financial statements in foreign currency | (68,933) | 49,802 | - | - |
| Gain (loss) on change in value of available-for-sale investments | (123) | 1,317 | - | - |
| Gain (loss) on change in the value of pension fund | 1,915 | (386) | - | - |
| Increase (decrease) in other reserve | 42 | (412) | - | - |
| Other comprehensive income for the period | (67,099) | 50,321 | - | - |
| Total comprehensive income for the period | <u>1,765,058</u> | <u>1,874,792</u> | <u>1,230,301</u> | <u>1,546,954</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 1,544,093 | 1,599,859 | 1,230,301 | 1,546,954 |
| Non-controlling interests of the subsidiaries | 220,965 | 274,933 | - | - |
| | <u>1,765,058</u> | <u>1,874,792</u> | <u>1,230,301</u> | <u>1,546,954</u> |

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 nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | | |
|--|-----------------------------------|-------------------|-------------------------------|-------------------|--------------------|
| | Note | 2012 | 2011 (Restated) | 2012 | 2011 (Restated) |
| Revenues | | | | | |
| Sales | | 80,388,858 | 72,670,715 | 18,447,074 | 17,082,969 |
| Other income | | | | | |
| Interest income | | 5,507 | 6,914 | 741,665 | 795,206 |
| Dividend income | | 72 | 777 | 1,380,927 | 1,196,509 |
| Compensation from accounts payable | | 55,451 | 50,496 | 35,299 | 32,926 |
| Tax coupon received | | 61,415 | 101,632 | 10,124 | 15,827 |
| Exchange gains | | 490,053 | 195,819 | 238,498 | 76,481 |
| Others | | 243,444 | 272,254 | 147,513 | 79,433 |
| Total other income | | 855,942 | 627,892 | 2,554,026 | 2,196,382 |
| Total revenues | | 81,244,800 | 73,298,607 | 21,001,100 | 19,279,351 |
| Expenses | | | | | |
| Cost of sales | | 67,086,859 | 60,608,619 | 16,466,400 | 15,043,138 |
| Selling expenses | | 3,549,984 | 3,623,400 | 626,348 | 597,296 |
| Administrative expenses | | 3,764,317 | 2,815,032 | 555,947 | 481,731 |
| Total expenses | | 74,401,160 | 67,047,051 | 17,648,695 | 16,122,165 |
| Profit before share of income from investments in associates, finance cost and corporate income tax | | 6,843,640 | 6,251,556 | 3,352,405 | 3,157,186 |
| Share of income from investments in associates | | 55,566 | 63,876 | - | - |
| Profit before finance cost and corporate income tax | | 6,899,206 | 6,315,432 | 3,352,405 | 3,157,186 |
| Finance cost | | (1,939,129) | (1,700,889) | (520,685) | (509,307) |
| Profit before corporate income tax | | 4,960,077 | 4,614,543 | 2,831,720 | 2,647,879 |
| Corporate income tax | 18 | (236,649) | (395,272) | (90,313) | (97,237) |
| Profit for the period | | 4,723,428 | 4,219,271 | 2,741,407 | 2,550,642 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 4,081,362 | 3,585,566 | 2,741,407 | 2,550,642 |
| Non-controlling interests of the subsidiaries | | 642,066 | 633,705 | | |
| | | 4,723,428 | 4,219,271 | | |
| | | | | | (Unit: Baht) |
| Earnings per share | | | | | |
| 20 | | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 3.91 | 3.75 | 2.62 | 2.67 |
| Diluted earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 3.81 | 3.66 | 2.58 | 2.62 |

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 nine-month periods ended 30 September 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 | 4,723,428 | 4,219,271 | 2,741,407 | 2,550,642 |
| Other comprehensive income: | | | | |
| Exchange differences on translation of financial statements in foreign currency | (47,317) | (19,168) | - | - |
| Gain on change in value of available-for-sale investments | 5,773 | 7,566 | - | - |
| Gain (loss) on change in the value of pension fund | 1,448 | (979) | - | - |
| Gain on revaluation of land | 725,773 | - | 179,590 | - |
| Increase in other reserve | 1,440 | 1,713 | - | - |
| Other comprehensive income for the period | 687,117 | (10,868) | 179,590 | - |
| Total comprehensive income for the period | 5,410,545 | 4,208,403 | 2,920,997 | 2,550,642 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 4,654,936 | 3,647,620 | 2,920,997 | 2,550,642 |
| Non-controlling interests of the subsidiaries | 755,609 | 560,783 | - | - |
| | 5,410,545 | 4,208,403 | 2,920,997 | 2,550,642 |
| | - | - | | |

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 nine-month periods ended 30 September 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 | 4,960,077 | 4,614,543 | 2,831,720 | 2,647,879 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation and amortisation | 1,362,187 | 1,322,747 | 237,109 | 238,972 |
| Amortisation of discount/premium from forward foreign exchange contracts | 71,809 | 42,516 | 71,908 | 48,093 |
| Amortisation of issue cost of convertible bond, debentures and long-term loans from financial institutions | 673,379 | 130,364 | 8,688 | 108,463 |
| Loss on write-off of unclaimed prepaid income tax | 7,982 | - | 7,982 | - |
| Allowance for doubtful accounts (reversal) | 13,005 | 23,921 | (402) | 24,026 |
| Allowance for diminution in value of inventory (reversal) | 100,524 | (17,603) | (40,304) | (33,436) |
| Allowance for loss on impairment of assets (reversal) | 37,473 | (9,404) | 36,776 | (3,483) |
| Reversal of allowance for impairment loss of investments. | - | - | (26,136) | - |
| Share of income from investments in associates | (55,566) | (63,876) | - | - |
| Loss on sale of investment | 1,278 | 1,401 | - | - |
| Provision for long-term employee benefits | 67,343 | 66,387 | 19,296 | 16,614 |
| Gain on dissolution of subsidiary | (24) | - | - | - |
| Loss (gain) on disposal / write-off of property, plant and equipment and intangible assets | (854) | 26,170 | (3,645) | 5,828 |
| Loss on write-off of leasehold right | 2,402 | 1,110 | - | - |
| Unrealised exchange loss (gain) | (224,438) | 762,408 | (64,587) | 578,631 |
| Gain on share swap of investments in associates | (54,764) | - | (54,764) | - |
| Dividend income | (72) | (777) | (1,380,927) | (1,196,509) |
| Interest income | (5,507) | (6,914) | (741,665) | (795,206) |
| Interest expense | 1,878,296 | 1,514,460 | 507,796 | 397,625 |
| Income from operating activities before change in operating assets and liabilities | 8,834,530 | 8,407,453 | 1,408,845 | 2,037,497 |
| Decrease (increase) in operating assets | | | | |
| Trade and other receivables | (1,394,335) | (1,133,506) | 125,617 | (558,732) |
| Inventories | (3,663,289) | (3,474,822) | (1,151,927) | (1,395,339) |
| Other current assets | (140,144) | 13,380 | (96,622) | 28,671 |
| Other non-current assets | (52,330) | 8,206 | (154) | (15,525) |
| Increase (decrease) in operating liabilities | | | | |
| Trade and other payables | 1,977,350 | 1,368,967 | 739,281 | 521,668 |
| Other current liabilities | 39,167 | (93,605) | 57,326 | (10,614) |
| Other non-current liabilities | 85,805 | 201,943 | 47,530 | 54,685 |
| Cash flows from operating activities | 5,686,754 | 5,298,016 | 1,129,896 | 662,311 |
| Cash paid for corporate income tax | (458,877) | (331,808) | (111,053) | (103,411) |
| Net cash from operating activities | 5,227,877 | 4,966,208 | 1,018,843 | 558,900 |

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 nine-month periods ended 30 September 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 | (1,144) | (652) | - | - |
| Acquisitions of property, plant and equipment | (2,654,788) | (2,373,652) | (721,758) | (473,473) |
| Acquisitions of intangible assets | (4,139) | (9,680) | (1,346) | (607) |
| Acquisitions of leasehold rights | (6,390) | - | - | - |
| Decrease (increase) in short-term loans to subsidiaries | - | - | (158,200) | 506,285 |
| Increase in short-term loans to other companies | (8,049) | - | (1,350) | - |
| Decrease (increase) in long-term loans to subsidiaries | - | 1,979 | (4,481,420) | 2,017,563 |
| Increase in long-term loans to other companies | (825) | - | (3,304) | - |
| Increase in investment in subsidiaries | - | - | (8,756,181) | - |
| Increase in investment in associates | (612,000) | (44,548) | (612,000) | - |
| Increase in other long-term investment | (202) | - | - | - |
| Dissolution of subsidiary | 24 | - | - | - |
| Interest received | 5,690 | 7,117 | 218,822 | 128,982 |
| Dividend received | 55,255 | 777 | 1,380,927 | 1,196,509 |
| Proceeds from sale of investments | 3,264 | 3,155 | - | - |
| Proceed from sale of intangible assets | - | 3,247 | - | - |
| Proceeds from disposal of property, plant and equipment | 53,674 | 51,903 | 5,016 | 1,077 |
| Net cash from (used in) investing activities | (3,169,630) | (2,360,354) | (13,130,794) | 3,376,336 |
| Cash flows from financing activities | | | | |
| Increase in bank overdrafts and short-term loans | | | | |
| from financial institutions | 5,482,446 | 5,599,515 | 4,836,682 | 1,032,655 |
| Decrease in short-term loans from subsidiaries | - | - | - | (245,840) |
| Decrease in long-term loans | (13,459,585) | (7,939,701) | - | (6,750,000) |
| Increase in debentures | - | 3,550,000 | - | 3,550,000 |
| Increase in issued ordinary share | 9,532,884 | - | 9,532,884 | - |
| Cash paid for deferred debentures fees | - | (23,964) | - | (23,964) |
| Cash paid for interest expense | (1,793,898) | (1,413,756) | (411,097) | (299,913) |
| Decrease in non-controlling interest | (432,383) | (419,182) | - | - |
| Dividend paid | (1,883,952) | (1,195,365) | (1,883,952) | (1,195,365) |
| Net cash from (used in) financing activities | (2,554,488) | (1,842,453) | 12,074,517 | (3,932,427) |
| Increase (decrease) in translation adjustment | 420,935 | (387,232) | - | - |
| Net increase (decrease) in cash and cash equivalents | (75,306) | 376,169 | (37,434) | 2,809 |
| Cash and cash equivalents at beginning of the period | 902,520 | 1,037,297 | 55,908 | 14,912 |
| Cash and cash equivalents at end of the period | 827,214 | 1,413,466 | 18,474 | 17,721 |
| | - | - | - | - |

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 nine-month periods ended 30 September 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) |
| Supplement cash flows information | | | | |
| Non-cash items | | | | |
| Undue installments for acquisition of property, plant and equipment | 118,094 | 128,207 | 23,075 | 36,327 |
| Unrealised gain on changes in the value of investments | (5,773) | (7,566) | - | - |
| Transfer of properties foreclosed to property, plant and equipment | - | 57,057 | - | 57,057 |
| Transfer of leasehold rights to property, plant and equipment | - | 2,405 | - | - |
| Transfer of property, plant and equipment to other current assets | - | 3,336 | - | - |
| Transfer of property, plant and equipment to intangible assets | 172,088 | - | - | - |
| Transfer of property, plant and equipment to leasehold rights | 19,376 | - | - | - |
| Increase in revaluation surplus on land | 725,773 | - | 179,590 | - |
| Transfer of other long-term investment to investment in associate | 34,579 | - | 34,579 | - |

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 nine-month periods ended 30 September 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) | - | - | - | (1,195,365) | - | - | - | - | - | - | (1,195,365) | (407,644) | (1,603,009) |
| Total comprehensive income for the period | | | | | | | | | | | | | |
| - as restated | - | - | - | 3,585,566 | 53,754 | 7,566 | (979) | - | 1,713 | 62,054 | 3,647,620 | 560,783 | 4,208,403 |
| 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 September 2011 | <u>956,329</u> | <u>8,158,890</u> | <u>100,000</u> | <u>13,716,121</u> | <u>6,116</u> | <u>(10,546)</u> | <u>(28,643)</u> | <u>-</u> | <u>7,653</u> | <u>(25,420)</u> | <u>22,905,920</u> | <u>2,353,467</u> | <u>25,259,387</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) | - | - | - | (1,883,952) | - | - | - | - | - | - | (1,883,952) | (479,883) | (2,363,835) |
| Total comprehensive income for the period | - | - | - | 4,081,362 | (39,678) | 5,773 | 1,448 | 604,591 | 1,440 | 573,574 | 4,654,936 | 755,609 | 5,410,545 |
| Issued ordinary share capital (Note 19) | 191,265 | 9,341,619 | - | - | - | - | - | - | - | - | 9,532,884 | - | 9,532,884 |
| Increase in share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - | - | 47,500 | 47,500 |
| Unappropriated retained earnings transferred statutory reserve | - | - | 20,200 | (20,200) | - | - | - | - | - | - | - | - | - |
| Balance as at 30 September 2012 | <u>1,147,594</u> | <u>17,500,509</u> | <u>120,200</u> | <u>17,424,596</u> | <u>28,736</u> | <u>(11,171)</u> | <u>(55,153)</u> | <u>604,591</u> | <u>1,908</u> | <u>568,911</u> | <u>36,761,810</u> | <u>2,982,162</u> | <u>39,743,972</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 nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

Separate financial statements

| | Issued and paid-up share capital | Share premium | Retained earnings | | Other components of shareholders' equity | | |
|---|--|-------------------|-------------------|------------------|---|---|----------------------------------|
| | | | Appropriated | Unappropriated | Other comprehensive | | Total shareholders' equity |
| | | | | | Revaluation surplus on land | Total other components of shareholders' equity | |
| 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) | - | - | - | (1,195,365) | - | - | (1,195,365) |
| Total comprehensive income for the period - as restated | - | - | - | 2,550,642 | - | - | 2,550,642 |
| Unappropriated retained earnings transferred statutory reserve | - | - | 11,000 | (11,000) | - | - | - |
| Balance as at 30 September 2011 | <u>956,329</u> | <u>8,158,890</u> | <u>100,000</u> | <u>6,173,148</u> | <u>-</u> | <u>-</u> | <u>15,388,367</u> |
| 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) | - | - | - | (1,883,952) | - | - | (1,883,952) |
| Total comprehensive income for the period | - | - | - | 2,741,407 | 179,590 | 179,590 | 2,920,997 |
| Issued ordinary share capital (Note 19) | 191,265 | 9,341,619 | - | - | - | - | 9,532,884 |
| Unappropriated retained earnings transferred statutory reserve | - | - | 20,200 | (20,200) | - | - | - |
| Balance as at 30 September 2012 | <u>1,147,594</u> | <u>17,500,509</u> | <u>120,200</u> | <u>7,482,131</u> | <u>179,590</u> | <u>179,590</u> | <u>26,430,024</u> |

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 nine-month periods ended 30 September 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 7 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 September 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 the group. 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 nine-month periods ended 30 September 2011 are summarised below.

(Unit: Thousand Baht)

| | Consolidated | |
|--|----------------------|-----------|
| | financial statements | |
| | 31 December | 1 January |
| | 2011 | 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 September 2011 | |
| Income and comprehensive income statements | | |
| Decrease (increase) in cost of sales | (19,729) | 55 |
| Increase (decrease) in basic earnings per share (Baht) | (0.02) | 0.0001 |

(Unit: Thousand Baht)

| | Consolidated | Separate |
|---|--|----------------------|
| | financial statements | financial statements |
| | For the nine-month period ended 30 September 2011 | |
| Income and comprehensive income statements | | |
| Decrease in cost of sales | 36,858 | 938 |
| Increase in basic earnings per share (Baht) | 0.04 | 0.001 |

4. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|------------------|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| Cash | 4,450 | 3,398 | 1,594 | 1,572 |
| Bank deposits | 686,150 | 899,122 | 16,880 | 54,336 |
| Bill of exchange | 136,614 | - | - | - |
| Total | 827,214 | 902,520 | 18,474 | 55,908 |

(Unaudited but reviewed)

As at 30 September 2012, bank deposits in saving accounts and bill of exchange carried interests between 0.17% and 4.06% 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 September | 31 December | 30 September | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| <u>Trade receivables - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 32,718 | 21,050 | 1,630,455 | 1,134,315 |
| Past due | | | | |
| 1 - 30 days | 57,961 | 40,341 | 568,147 | 534,394 |
| 31 - 60 days | - | - | 78,840 | 358,201 |
| 61 - 90 days | 3 | - | 1,532 | 447,824 |
| 91 - 120 days | 48 | - | - | - |
| Total trade receivables | | | | |
| - related parties | 90,730 | 61,391 | 2,278,974 | 2,474,734 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 9,796,106 | 9,222,755 | 1,223,647 | 1,226,524 |
| Past due | | | | |
| 1 - 30 days | 1,888,352 | 1,421,944 | 209,334 | 170,386 |
| 31 - 60 days | 196,948 | 210,035 | 3,995 | 5,791 |
| 61 - 90 days | 150,040 | 102,888 | 161 | 1,560 |
| 91 - 120 days | 66,424 | 58,582 | 749 | - |
| 121 - 180 days | 40,811 | 37,279 | 275 | - |
| 181 - 365 days | 83,749 | 66,298 | 383 | - |
| Over 365 days | 178,853 | 164,281 | 24,515 | 20,915 |
| Total trade receivables | | | | |
| - unrelated parties | 12,401,283 | 11,284,062 | 1,463,059 | 1,425,176 |
| Total trade receivables | 12,492,013 | 11,345,453 | 3,742,033 | 3,899,910 |
| Less: Allowance for doubtful accounts | (261,682) | (250,793) | (25,116) | (25,518) |
| Total trade receivables - net | 12,230,331 | 11,094,660 | 3,716,917 | 3,874,392 |
| <u>Other receivables</u> | | | | |
| Interest receivable | 392 | 576 | 707,495 | 184,652 |
| Accrued income | 15,609 | 26,688 | 3,047 | 11,668 |
| Advance payment | 20,671 | 38,867 | 11,271 | 17,475 |
| Total other receivables | 36,672 | 66,131 | 721,813 | 213,795 |
| Total trade and other receivables | | | | |
| - net | 12,267,003 | 11,160,791 | 4,438,730 | 4,088,187 |

(Unaudited but reviewed)

As at 30 September 2012, certain trade accounts receivable of three 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 nine-month period ended 30 September 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 September | | | | |
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | |
| Transactions with subsidiaries: | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales | - | - | 2,572 | 3,011 | Cost plus margin |
| Dividend income | - | - | 688 | 979 | As declared |
| Interest income | - | - | 239 | 248 | 3.25% - 5.50% per annum (2011: 0.54% - 6.25% per annum) |
| Other income | - | - | 16 | 2 | Near market price |
| Purchases of goods | - | - | 470 | 307 | Cost plus margin |
| Management fee | - | - | 15 | 13 | Contract price |
| Other expenses | - | - | 34 | 18 | 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 September | | | | |
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | |
| Transactions with associates: | | | | | |
| Sales | 12 | 6 | 6 | 2 | Cost plus margin |
| Dividend income | 8 | - | 8 | - | As declared |
| Other income | 5 | 7 | - | - | Near market price |
| Purchases of goods | 67 | 2 | 65 | - | Cost plus margin |
| Transactions with related companies: | | | | | |
| Sales | 345 | 273 | 66 | 63 | Cost plus margin |
| Purchases of goods | 1,356 | 1,398 | 1,056 | 1,254 | Cost plus margin |
| Transportation | 12 | 13 | 3 | 3 | Near market price |
| Purchases of assets and expenses relating to assets | 30 | 38 | 8 | 13 | Near market price |

(Unit: Million Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|---|---|-------------|----------------------|-------------|--|
| | financial statements | | financial statements | | |
| | For the nine-month periods ended 30 September | | | | |
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | |
| Transactions with subsidiaries: | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales | - | - | 7,429 | 8,020 | Cost plus margin |
| Dividend income | - | - | 1,363 | 1,178 | As declared |
| Interest income | - | - | 741 | 795 | 3.25% - 5.50% per annum (2011: 0.54% - 6.25% per annum) |
| Other income | - | - | 51 | 29 | Near market price |
| Purchases of goods | - | - | 1,328 | 809 | Cost plus margin |
| Interest expense | - | - | - | 3 | 2.50% per annum |
| Management fee | - | - | 41 | 39 | Contract price |
| Other expenses | - | - | 58 | 49 | Near market price |

(Unaudited but reviewed)

(Unit: Million Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|---|---|-------------|----------------------|-------------|-------------------------|
| | financial statements | | financial statements | | |
| | For the nine-month periods ended 30 September | | | | |
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | |
| Transactions with associates: | | | | | |
| Sales | 26 | 19 | 10 | 5 | Cost plus margin |
| Dividend income | 18 | 18 | 18 | 18 | As declared |
| Other income | 15 | 16 | - | - | Near market price |
| Purchases of goods | 123 | 7 | 115 | - | Cost plus margin |
| Transactions with related parties: | | | | | |
| Sales | 796 | 796 | 169 | 187 | Cost plus margin |
| Purchases of goods | 2,937 | 3,224 | 2,172 | 2,878 | Cost plus margin |
| Transportation | 37 | 34 | 6 | 6 | Near market price |
| Purchase of assets and expenses relating to assets | 97 | 124 | 18 | 52 | 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 nine-month periods ended 30 September 2012, insurance premiums paid through that company amounted to Baht 20 million and Baht 55 million, respectively (2011: Baht 14 million and Baht 36 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 Feeds 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 |
| Pae Parichat Boonmechote | Relative of director |

The balance of the accounts as at 30 September 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 September 2012 | 31 December 2011 | 30 September 2012 | 31 December 2011 |
| <u>Trade and other receivable - related parties (Note 5)</u> | | | | |
| Subsidiaries | - | - | 2,970,484 | 2,650,176 |
| Associated companies | 5,036 | 4,622 | 4,281 | 1,056 |
| Related companies | 85,694 | 56,769 | 11,704 | 8,154 |
| Total trade and other receivables - related parties | <u>90,730</u> | <u>61,391</u> | <u>2,986,469</u> | <u>2,659,386</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 September 2012 | 31 December 2011 | 30 September 2012 | 31 December 2011 |
| <u>Trade and other payables - related parties (Note 14)</u> | | | | |
| Subsidiaries | - | - | 242,465 | 220,906 |
| Associated companies | 35,387 | 1,584 | 33,739 | 48 |
| Related companies | 164,652 | 64,724 | 86,594 | 22,288 |
| Total trade and other payables - related parties | 200,039 | 66,308 | 362,798 | 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. | - | - | 153,456 | - |
| Total | - | - | 233,456 | 80,000 |
| <u>Long-term loans to subsidiaries</u> | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union Investment Holding Co., Ltd. | - | - | 19,403,480 | 15,207,249 |
| Thai Union International, Inc. | - | - | 2,033,286 | 2,240,991 |
| Total | - | - | 21,436,766 | 17,448,240 |
| Less: Current portion | | | | |
| Thai Union International, Inc. | - | - | (1,350,408) | (440,335) |
| Net | - | - | 20,086,358 | 17,007,905 |

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

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|---|------------------------------------|-------------------|-----------|-------------|---------------------------------------|
| | Balance as at 1 January 2012 | During the period | | | Balance as at 30 September 2012 |
| | | Increase | Decrease | Revaluation | |
| <u>Short-term loans to subsidiaries</u> | | | | | |
| Thai Union Manufacturing Co., Ltd. | - | 22,590 | (22,590) | - | - |
| Songkla Canning Pcl. | - | 39,700 | (39,700) | - | - |
| Thai Union Graphic Co., Ltd. | 80,000 | - | - | - | 80,000 |
| Thai Union International, Inc. | - | 158,200 | - | (4,744) | 153,456 |
| Thai Union Investment Holding Co., Ltd. | - | 760,272 | (760,272) | - | - |
| | 80,000 | 980,762 | (822,562) | (4,744) | 233,456 |
| <u>Long-term loans to subsidiaries</u> | | | | | |
| Thai Union Investment Holding Co., Ltd. | 15,207,249 | 4,636,994 | - | (440,763) | 19,403,480 |
| Thai Union International, Inc. | 2,240,991 | 284,760 | (442,961) | (49,504) | 2,033,286 |
| | 17,448,240 | 4,921,754 | (442,961) | (490,267) | 21,436,766 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Separate financial statements | | | | Balance as at 30 September 2012 |
|---|------------------------------------|-------------------|-------------|---|---------------------------------------|
| | Balance as at 1 January 2012 | During the period | | | |
| | Increase | Decrease | Revaluation | | |
| <u>Short-term loans from subsidiaries</u> | | | | | |
| Thai Union Manufacturing Co., Ltd. | - | 59,460 | (59,460) | - | |
| Songkla Canning Pcl. | - | 45,150 | (45,150) | - | |
| | - | 104,610 | (104,610) | - | |

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 nine-month periods totaling Baht 14 million and Baht 45 million, respectively (2011: Baht 13 million and Baht 39 million, respectively).

7. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 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 | 480,361 | 34,154 |
| Less: Allowance for diminution in value of inventory reversed during the period | (379,837) | (74,458) |
| Translation adjustment | (2,761) | - |
| Balance as at 30 September 2012 | 540,812 | 62,008 |

As at 30 September 2012, three 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 has written off damaged inventories for the net book values amounting to Baht 261 million 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) | | | | | | | | |
|---|--|--------------------------------|-------------------------|-------------|------------------|----------------|---|----------------|
| Consolidated financial statements | | | | | | | | |
| Company's name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
| | | | 30 September | 31 December | 30 September | 31 December | 30 September | 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 | 318,569 | 298,386 |
| Biz Dimension Co., Ltd. | E-Commerce under website | Thailand | 20.00 | 20.00 | 1,010 | 1,010 | 22,709 | 19,711 |
| Avanti Thai Aqua Feeds Private Limited | Manufacturer & distributor of animal feeds | India | - | 50.00 | - | 27,721 | - | 27,721 |
| Avanti Feeds Limited | Manufacturer & exporter of animal feeds and shrimp products | India | 25.12 | - | 117,064 | - | 117,842 | - |
| Pakfood Pcl. | Manufacturer & distributor of frozen foods and aquatic animals | Thailand | 40.00 | - | 612,000 | - | 585,798 | - |
| <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 | 33,287 | 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 | 49,217 | 44,894 |
| Moresby International Holdings Inc. (33% held by Thai Union Manufacturing Co., Ltd.) | Holding in fishing company | British Virgin Island | 30.03 | 30.03 | 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 | 408,755 | 411,010 |
| | | | | | <u>1,080,465</u> | <u>379,122</u> | <u>1,633,158</u> | <u>923,968</u> |
| (Unit: Thousand Baht) | | | | | | | | |
| Separate financial statements | | | | | | | | |
| Company's name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | | |
| | | | 30 September | 31 December | 30 September | 31 December | | |
| | | | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | | |
| | | | % | % | | | | |

(Unaudited but reviewed)

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Separate financial statements | | | |
|----------------------|--|--------------------------|-------------------------------|-------------|----------------|---------------|
| | | | Shareholding percentage | | Cost | |
| | | | 30 September | 31 December | 30 September | 31 December |
| | | | 2012 | 2011 | 2012 | 2011 |
| | | | % | % | | |
| Avanti Feeds Limited | Manufacturer & exporter of animal feeds and shrimp products | India | 25.12 | - | 117,064 | - |
| Pakfood Pcl. | Manufacturer & distributor of frozen foods and aquatic animals | Thailand | 40.00 | - | 612,000 | - |
| | | | | | <u>767,574</u> | <u>66,231</u> |

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 shares of PPC) at a purchase price of Baht 51 per share, or a total of Baht 612 million.

During the current quarter, the Company sold investment in Avanti Thai Aqua Feeds Private Limited by swapping ordinary shares of Avanti Feeds Limited, and thus the investment proportion in Avanti Feeds Limited increased from 14.99% to 25.12%. The Company changed the recording of the investment in Avanti Feeds Limited from other long-term investment to investment in associated company. Gain on ordinary share swap, totaling Baht 54.8 million, is included in the income statement for the three-month and nine-month periods ended 30 September 2012.

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 September | 31 December | 30 September | 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 | Thailand | Baht 300 million | Baht 300 million | 90.08 | 90.08 |

(Unaudited but reviewed)

pet food

(Unaudited but reviewed)

| Company's name | Nature of business | Country of incorporation | Paid-up capital | | Shareholding percentage | |
|--|--|--------------------------|------------------|------------------|-------------------------|-------------|
| | | | 30 September | 31 December | 30 September | 31 December |
| | | | 2012 | 2011 | 2012 | 2011 |
| | | | | | % | % |
| 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 38.1 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 September 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 |
| 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) | 1,263,351 | 482,170 |
| PT Juifa International Foods | 82,972 | 82,972 |
| Thai Union Investment Holding Co., Ltd. (TUIH) | 8,900,256 | 925,256 |
| Total | 13,348,888 | 4,592,707 |
| Less: Allowance for impairment loss of investment | - | (26,136) |
| Net | 13,348,888 | 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, Thai Union France Holding SAS additionally invested EUR 61 million or Baht 2,363 million in MW Brands SAS.(Par of Baht 473 million and share premium of Baht 1,890 million.)

(Unaudited but reviewed)

During the current period, the Company additionally invested USD 25 million or Baht 781 million in Thai Union International, Inc.

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.

During the current period, Thai Union Feedmill Co., Ltd. formed TCM Fishery Co., Ltd., in which it holds 5.25 million ordinary shares (or 75% of the 7 million issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid-up, for a total payment of Baht 52.5 million.

During the current period, Thai Union Feedmill Co., Ltd. formed TMK Farm Co., Ltd., in which it holds 12 million ordinary shares (or 80% of the 15 million issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid-up, for a total payment of Baht 120 million.

During the current period, the Company has reversed allowance for impairment loss of investment in subsidiary in full amount.

10. Other long-term investments

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|---------------|------------------|---------------|
| | 30 September 2012 | | 31 December 2011 | |
| | Cost | Fair value | Cost | Fair value |
| Other long-term investments | | | | |
| Available-for-sale securities - Unit trusts | 46,004 | <u>34,808</u> | 50,546 | <u>33,577</u> |
| Unrealised loss on changes in the value of investments | (11,196) | | (16,969) | |
| Total available-for-sale securities | 34,808 | | 33,577 | |
| Other investments | | | | |
| - Ordinary shares | 2,194 | | 36,628 | |
| - Unit trusts | 100 | | 100 | |
| Total other long-term investments | <u>37,102</u> | | <u>70,305</u> | |

(Unit: Thousand Baht)

| | Separate financial statements | |
|------------------------------------|-------------------------------|-------------|
| | 30 September | 31 December |
| | 2012 | 2011 |
| Other long-term investments | | |

(Unaudited but reviewed)

Other investments - ordinary shares

| | |
|---|--------|
| - | 34,579 |
|---|--------|

(Unaudited but reviewed)

During the current quarter, the Company swapped ordinary shares of Avanti Thai Aqua Feeds Private Limited with those of Avanti Feeds Limited, and thus the investment proportion in Avanti Feeds Limited increased from 14.99% to 25.12%. The Company also changed the recording of the investment in Avanti Feeds Limited from other long-term investment to investment in associated company, as mentioned in Note 8.

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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 the period - at cost | 2,677,511 | 720,690 |
| Transfer out during the period | (191,464) | - |
| Disposals during the period - net book value at disposal date | (36,870) | (1,371) |
| Write-off during the period - net book value at write-off date | (12,882) | - |
| Depreciation for the period | (1,256,192) | (236,892) |
| Allowance for impairment of assets during the period | (37,473) | (36,776) |
| Increase from revaluations | 907,217 | 224,487 |
| Translation adjustment | (162,013) | - |
| Net book value as at 30 September 2012 | <u>17,542,794</u> | <u>3,874,831</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 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.

(Unaudited but reviewed)

As at 30 September 2012, an overseas subsidiary mortgaged some buildings and equipment of that company to financial institution to secure its credit facility, as mentioned in Note 13.

12. Intangible assets

(Unit: Million Baht)

| | Consolidated financial statements | | | | | | | Total |
|-----------------------------|-----------------------------------|---------------|------------------------|-----------------|-------------------|---------------------------|----------|---------------|
| | Licences | Trademark | Covenant | | | Distributor relationships | Others | |
| | | | Customer relationships | not to complete | Computer software | | | |
| Cost | | | | | | | | |
| At 1 January 2012 | 264 | 13,214 | 134 | 13 | 289 | 232 | 3 | 14,149 |
| Translation adjustment | 4 | (349) | (3) | - | (6) | (7) | - | (361) |
| Purchase/Transfer in | - | - | - | - | 176 | - | - | 176 |
| Write off | - | - | - | - | (3) | - | - | (3) |
| At 30 September 2012 | 268 | 12,865 | 131 | 13 | 456 | 225 | 3 | 13,961 |
| Amortisation | | | | | | | | |
| At 1 January 2012 | 27 | 281 | 113 | 13 | 177 | 9 | - | 620 |
| Translation adjustment | - | (7) | (3) | - | (3) | - | - | (13) |
| Amortisation | 6 | 2 | 10 | - | 73 | 6 | - | 97 |
| At 30 September 2012 | 33 | 276 | 120 | 13 | 247 | 15 | - | 704 |
| Impairment | | | | | | | | |
| At 1 January 2012 | - | 179 | - | - | - | - | - | 179 |
| Translation adjustment | - | (5) | - | - | - | - | - | (5) |
| At 30 September 2012 | - | 174 | - | - | - | - | - | 174 |
| Net book value | | | | | | | | |
| At 1 January 2012 | 237 | 12,754 | 21 | - | 112 | 223 | 3 | 13,350 |
| At 30 September 2012 | 235 | 12,415 | 11 | - | 209 | 210 | 3 | 13,083 |

(Unit: Million Baht)

Separate financial statements

Computer software

| | |
|---|------------|
| Net book value as at 1 January 2012 | 1.7 |
| Additions | 1.3 |
| Amortisation during the period | (0.2) |
| Net book value as at 30 September 2012 | 2.8 |

As at 30 September 2012, trademark “Chicken of the sea” was used as collateral of credit facilities of an overseas subsidiary as mentioned in Note 13.

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

(Unaudited but reviewed)

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.

(Unaudited but reviewed)

Tri-Union Frozen Products, Inc. (TUFPP) entered into an amended and restated credit facilities agreement with Bank of America N.A. (BOA). The TUFPP credit facility provides for a USD 85 million revolving facility and expires on 15 October 2013. Borrowings under the credit facility bear interest, at TUFPP'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 TUFPP. 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 TUFPP credit agreement will be classified as short-term.

On 16 February 2011, TUFPP entered into a second amendment to the TUFPP credit agreement with Bank of America, N.A. for USD 15 million temporary increase in the availability under the TUFPP Credit Agreement through 16 May 2011, which was extended through 15 June 2011 under a TUFPP third amendment. Borrowings under the TUFPP 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, TUFPP entered into a fourth amendment to the Credit Agreement (TUFPP Amendment No. 4) with BOA, which increased the temporary credit line to USD 115 million through 15 July 2011. On 16 July 2011, TUFPP further 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. On 28 September 2012, TUFPP amended the TUFPP Credit Agreement No. 6 with BOA to increase the credit line to USD 160 million through October 2012 to February 2013. The Additional Revolving Loans shall bear interest at LIBOR plus 3% per annum.

As at 30 September 2012, the balance under the credit facility was USD 86 million at interest rate between 2.25% to 4.25% per annum and actual unused availability was approximately USD 54 million. TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 September 2012, TUFPP determined it was in compliance with these covenants.

(Unaudited but reviewed)

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility agreement with BOA. 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 BOA 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 the second amendment revolving credit facility agreement to increase the credit line to USD 110 million through 11 March 2014. On 22 August 2012, Tri-U entered into the third amendment of its credit facility with BOA, which has a "Keep-well" provision allowing Tri-U to utilise equity contributions from its member funded within a 45-day grace period when calculating the leverage ratio for purposes of assessing compliance with covenants. Tri-U agreed to a 0.25% increase in the annual interest rate in consideration of this provision. As at 30 September 2012, the balance under the credit facility was USD 95 million, with interest rate at 3.00% to 6.50% per annum and actual unused availability was approximately USD 15 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 in compliance with all of these covenants as of 30 September 2012.

As at 30 September 2012, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from three financial institutions amounting to USD 12 million. The credit facilities bears interest rate at 3.7% per annum and cost of fund plus 1% per

(Unaudited but reviewed)

annum. The unused available was approximately USD 2 million. The credit facilities were secured by accounts receivable, inventory, plant and equipment of YCC.

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| Trade payables - related parties | 168,341 | 28,047 | 350,763 | 231,330 |
| Trade payables - unrelated parties | 7,552,151 | 6,444,194 | 1,265,760 | 833,626 |
| Accrued interest expenses to related parties | - | - | - | 8 |
| Accrued expenses - related parties | 31,698 | 38,261 | 12,035 | 11,904 |
| Other payables - construction and equipment purchase | 101,918 | 95,371 | 15,821 | 24,144 |
| Accrued expenses | 2,010,306 | 1,313,202 | 552,663 | 271,230 |
| Total trade and other payables | 9,864,414 | 7,919,075 | 2,197,042 | 1,372,242 |

15. Long-term loans

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

(Unit: Million Baht)

| | Consolidated | | Separate | |
|-------------------------------|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| USD loans | 8 | 9 | - | - |
| Baht loans | 2,795 | 3,092 | 2,250 | 2,250 |
| EUR loans | - | 13,162 | - | - |
| Less: Deferred financial fees | - | (664) | - | - |
| Total | 2,803 | 15,599 | 2,250 | 2,250 |
| Less: Current portion | (272) | (984) | - | - |
| Net | 2,531 | 14,615 | 2,250 | 2,250 |

(Unaudited but reviewed)

Movements in the long-term loan account during the nine-month period ended 30 September 2012 are summarised below.

| | (Unit: Million Baht) | |
|---------------------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Balance as at 1 January 2012 | 15,599 | 2,250 |
| Less: Repayment | (13,460) | - |
| Add: Deferred financial fees | 664 | - |
| Balance as at 30 September 2012 | <u>2,803</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 current 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 September 2012, the balance of this loan is Baht 545 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 current 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 September 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, three 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 nine-month periods ended 30 September 2012 and 2011 is as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| For the three-month periods ended 30 September | | | | |
| | 2012 | 2011 | 2012 | 2011 |
| Income tax on taxable income | 62,687 | 181,988 | 40,286 | 58,333 |
| Translation adjustment | 1,082 | 2,704 | - | - |
| Expense (income) in deferred income tax | 80,761 | (115,613) | (6,433) | 383 |
| Income tax as included in profit or loss | <u>144,530</u> | <u>69,079</u> | <u>33,853</u> | <u>58,716</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|---|----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | For the nine-month periods ended 30 September | | | |
| | 2012 | 2011 | 2012 | 2011 |
| Income tax on taxable income | 365,074 | 428,022 | 101,170 | 98,286 |
| Translation adjustment | 3,908 | 6,425 | - | - |
| Income in deferred income tax | (132,333) | (39,175) | (10,857) | (1,049) |
| Income tax as included in profit or loss | <u>236,649</u> | <u>395,272</u> | <u>90,313</u> | <u>97,237</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 September 2012 | 31 December 2011 | 30 September 2012 | 31 December 2011 |
| Deferred tax assets | | | | |
| Tax losses brought forward | 363 | 566 | - | - |
| Tax effect of non-deductible expenses | | | | |
| Allowance for doubtful accounts | 20 | 20 | 5 | 5 |
| Allowance for devaluation in the value of inventories | 178 | 118 | 1 | 4 |
| Allowance for impairment loss of assets | 13 | 13 | 13 | 13 |
| Other allowance | 7 | 21 | - | - |
| Provision for long-term employee benefits | 41 | 49 | 4 | 5 |
| Accrued liabilities | 122 | 125 | - | - |
| Inventory cost capitalisation | 138 | 142 | - | - |
| Others | 26 | 9 | 24 | 8 |
| Total | <u>908</u> | <u>1,063</u> | <u>47</u> | <u>35</u> |

(Unaudited but reviewed)

(Unit: Million Baht)

| | Consolidated | | Separate | |
|---------------------------------|----------------------|--------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 30 September | 31 December | 30 September | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| Deferred tax liabilities | | | | |
| Depreciation and amortisation | 449 | 472 | 1 | 1 |
| Intangible assets | 3,731 | 3,853 | - | - |
| Prepaid expense | 19 | 19 | - | - |
| Other reserves | 202 | 207 | - | - |
| Surplus on revaluation of land | 181 | - | 45 | - |
| Others | 142 | 367 | 1 | - |
| Total | <u>4,724</u> | <u>4,918</u> | <u>47</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.

(Unaudited but reviewed)

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

(Unit: Share)

| | Consolidated financial statements / Separate financial statements | |
|--|--|-------------|
| | 30 September | 31 December |
| | 2012 | 2011 |
| 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* | 191,264,422 | - |
| Number of ordinary shares at the end of period | 1,147,593,829 | 956,329,407 |

* 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 the 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.

(Unaudited but reviewed)

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

| For the three-month period ended 30 September 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 | 1,613 | 1,230 | 1,147.6 | 1.41 | 1.07 |
| 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 | 1,636 | 1,253 | 1,192.9 | 1.37 | 1.05 |

| For the three-month period ended 30 September 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 | 1,542 | 1,547 | 956.3 | 1.61 | 1.62 |
| Add: Interest expense from convertible bond recognised during the period | 23 | 23 | - | | |
| Effect of dilutive potential ordinary share | - | - | 43.2 | | |
| Diluted earnings per share | | | | | |
| Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share | 1,565 | 1,570 | 999.5 | 1.57 | 1.57 |

(Unaudited but reviewed)

For the nine-month period ended 30 September 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 | 4,081 | 2,741 | 1,044.3 | <u>3.91</u> | <u>2.62</u> |
| Add: Interest expense from convertible bond recognised during the period | 70 | 70 | - | | |
| 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 | <u>4,151</u> | <u>2,811</u> | <u>1,089.6</u> | <u>3.81</u> | <u>2.58</u> |

For the nine-month period ended 30 September 2011

| | 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 | 3,586 | 2,551 | 956.3 | <u>3.75</u> | <u>2.67</u> |
| Add: Interest expense from convertible bond recognised during the period | 68 | 68 | - | | |
| Effect of dilutive potential ordinary share | - | - | 43.2 | | |
| Diluted earnings per share | | | | | |
| Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share | <u>3,654</u> | <u>2,619</u> | <u>999.5</u> | <u>3.66</u> | <u>2.62</u> |

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 nine-month periods ended 30 September 2012 and 2011 (as restated) is as follows:

(Unit: Million Baht)

| | For the three-month periods ended 30 September | | | | | | | | | |
|--|--|---------------|------------------|--------------|---------------|---------------|----------------|----------------|---------------|---------------|
| | 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 | 1,253 | 1,194 | 3,111 | 3,340 | 4,364 | 4,534 | (1,516) | (1,784) | 2,848 | 2,750 |
| - Export | 29,689 | 26,184 | 190 | 268 | 29,879 | 26,452 | (4,400) | (4,097) | 25,479 | 22,355 |
| Total sales | <u>30,942</u> | <u>27,378</u> | <u>3,301</u> | <u>3,608</u> | <u>34,243</u> | <u>30,986</u> | <u>(5,916)</u> | <u>(5,881)</u> | <u>28,327</u> | <u>25,105</u> |
| Segment operating income | 1,774 | 2,289 | 257 | 431 | 2,031 | 2,720 | 248 | (285) | 2,279 | 2,435 |
| Unallocated income (expenses): | | | | | | | | | | |
| Interest income | | | | | | | | | 3 | 3 |
| Dividend income | | | | | | | | | - | 1 |
| Administrative expenses | | | | | | | | | 21 | - |
| Share of income from investments | | | | | | | | | | |
| in associates | | | | | | | | | 12 | 22 |
| Financial cost | | | | | | | | | (338) | (567) |
| Corporate income tax | | | | | | | | | (145) | (69) |
| Profit attributable to non-controlling | | | | | | | | | | |
| interests of the subsidiaries | | | | | | | | | (219) | (283) |
| Profit attributable to | | | | | | | | | | |
| equity holders of the Company | | | | | | | | | <u>1,613</u> | <u>1,542</u> |

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

| | 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 | 4,370 | 3,310 | 8,856 | 8,776 | 13,226 | 12,086 | (5,162) | (4,950) | 8,064 | 7,136 |
| - Export | 82,648 | 75,858 | 698 | 721 | 83,346 | 76,579 | (11,021) | (11,044) | 72,325 | 65,535 |
| Total sales | <u>87,018</u> | <u>79,168</u> | <u>9,554</u> | <u>9,497</u> | <u>96,572</u> | <u>88,665</u> | <u>(16,183)</u> | <u>(15,994)</u> | <u>80,389</u> | <u>72,671</u> |
| Segment operating income | 5,509 | 5,819 | 1,064 | 1,075 | 6,573 | 6,894 | 301 | (624) | 6,874 | 6,270 |
| Unallocated income (expenses): | | | | | | | | | | |
| Interest income | | | | | | | | | 6 | 7 |
| Dividend income | | | | | | | | | - | 1 |
| Administrative expenses | | | | | | | | | (37) | (26) |
| Share of income from investments | | | | | | | | | | |
| in associates | | | | | | | | | 56 | 64 |
| Financial cost | | | | | | | | | (1,939) | (1,701) |
| Corporate income tax | | | | | | | | | (237) | (395) |
| Profit attributable to non-controlling | | | | | | | | | | |
| interests of the subsidiaries | | | | | | | | | (642) | (634) |
| Profit attributable to | | | | | | | | | | |
| equity holders of the Company | | | | | | | | | <u>4,081</u> | <u>3,586</u> |

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

(Unit: Million Baht)

For the three-month periods ended 30 September

| | 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 | 14,825 | 13,501 | 16,117 | 13,877 | 30,942 | 27,378 | (5,073) | (5,395) | 25,869 | 21,983 |
| - Other businesses | 3,301 | 3,608 | - | - | 3,301 | 3,608 | (843) | (486) | 2,458 | 3,122 |
| Total sales | <u>18,126</u> | <u>17,109</u> | <u>16,117</u> | <u>13,877</u> | <u>34,243</u> | <u>30,986</u> | <u>(5,916)</u> | <u>(5,881)</u> | <u>28,327</u> | <u>25,105</u> |
| Segment operating income | | | | | | | | | | |
| income | | | | | | | | | <u>2,279</u> | <u>2,435</u> |

(Unit: Million Baht)

For the nine-month periods ended 30 September

| | 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 | 41,692 | 36,998 | 45,326 | 42,170 | 87,018 | 79,168 | (13,611) | (14,525) | 73,407 | 64,643 |
| - Other businesses | 9,554 | 9,497 | - | - | 9,554 | 9,497 | (2,572) | (1,469) | 6,982 | 8,028 |
| Total sales | <u>51,246</u> | <u>46,495</u> | <u>45,326</u> | <u>42,170</u> | <u>96,572</u> | <u>88,665</u> | <u>(16,183)</u> | <u>(15,994)</u> | <u>80,389</u> | <u>72,671</u> |
| Segment operating income | | | | | | | | | | |
| income | | | | | | | | | <u>6,874</u> | <u>6,270</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 (Million Baht) | Dividend per share (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 |
| Interim dividends for 2012 | Board of Directors' meeting on 8 August 2012 | 1,262 | 1.10 |
| Total for 2012 | | 1,884 | |
| 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 |
| Interim dividends for 2011 | Board of Directors' meeting on 5 August 2011 | 870 | 0.91 |
| Total for 2011 | | 1,195 | |

23. Commitments

As at 30 September 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 103 million EUR 2 million | Baht 102 million - | Baht 6 million - | Baht 211 million EUR 2 million |
| Land lease agreements | Baht 1 million USD 3 million - | Baht 3 million USD 11 million EUR 2 million | Baht 2 million USD 2 million EUR 1 million | Baht 6 million USD 16 million EUR 3 million |
| Vehicle lease agreements | Baht 38 million EUR 1 million | Baht 59 million EUR 1 million | - | Baht 97 million EUR 2 million |
| Machine lease agreements | Baht 30 million - | Baht 68 million USD 1 million | - | Baht 98 million USD 1 million |
| Computer & copy machine lease agreements | Baht 27 million | Baht 24 million | - | Baht 51 million |

(Unaudited but reviewed)

| | Payable within | | | Total |
|--|------------------|----------------|-------------------|------------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | |
| Warehouse and factory construction agreements | Baht 253 million | - | - | Baht 253 million |
| Purchase machinery, equipment and vehicle agreements | Baht 125 million | - | - | Baht 125 million |
| | EUR 1 million | - | - | EUR 1 million |
| | USD 2 million | - | USD 1 million | USD 3 million |
| Communication agreements | Baht 1 million | - | - | Baht 1 million |
| Advisory agreements | Baht 15 million | - | - | Baht 15 million |
| Internet network service agreements | Baht 4 million | Baht 2 million | - | Baht 6 million |
| Security service agreements | Baht 5 million | - | - | Baht 5 million |

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

| | Amount |
|-------------------------|-----------------|
| 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 nine-month periods ended 30 September 2012 amounting to USD 0.2 million and USD 0.5 million, respectively.

24. Contingent liabilities

24.1 Forward foreign exchange contracts/currency option agreements

Significant forward exchange contracts outstanding as of 30 September 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 | - | 191 | - | 30.30 - 32.40 | October 2012 - June 2014 |
| JPY against Baht | - | 172 | - | 0.40 - 0.41 | January 2013 - March 2013 |
| EUR against Baht | - | 447 | - | 39.10 - 42.96 | October 2012 - June 2017 |

(Unaudited but reviewed)

| Foreign currency | Bought | Sold | Contractual exchange rate | | Contractual maturity date |
|---------------------|-----------|-----------|---------------------------|---------------|-------------------------------|
| | amount | amount | Bought | Sold | |
| | (Million) | (Million) | | | |
| <u>Subsidiaries</u> | | | | | |
| USD against Baht | - | 196 | - | 30.96 - 32.49 | October 2012 - September 2013 |
| USD against GBP | 23 | - | 1.61 | - | December 2012 |
| EUR against GBP | 2 | - | 0.80 | - | December 2012 |

As at 30 September 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 28 million up to USD 76 million, depending on conditions stipulated in the agreements, at rates of Baht 31.02 to Baht 32.30 per USD 1. These agreements will terminate within August 2013 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 1. 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 1. These agreements will terminate within May 2017.

Moreover, as at 30 September 2012, the overseas subsidiaries had outstanding option agreements as follows.

| Foreign currency | Bought | Sold | Contractual exchange rate | | Contractual maturity date |
|------------------|-----------|-----------|---------------------------|-------------|------------------------------|
| | amount | amount | Bought | Sold | |
| | (Million) | (Million) | | | |
| EUR against USD | 6.5 | 6.8 | 1.44 | 1.44 | December 2012 |
| GBP against USD | 12.4 | 12.2 | 1.63 - 1.65 | 1.63 - 1.65 | December 2012 |
| EUR against GBP | 27.4 | 40.0 | 0.79 - 0.81 | 0.79 - 0.81 | December 2012 - June 2013 |

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 plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years) | Fixed rate 4.522% | October 2016 |
| 2 | Baht 510 million (first 2 years) Baht 42.5 - 425 million (remaining 4 years) | Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years) | Fixed rate 4.48% | October 2016 |
| 3 | Baht 500 million | Floating rate 6-month THBFIX | Fixed rate 3.50% | August 2015 |

Subsidiaries

| | Principal amount | Interest Revenue Rate Swap agreements | Interest Expense Rate Swap agreements | Termination date |
|---|------------------|---------------------------------------|---------------------------------------|------------------|
| 1 | EUR 88 million | Floating rate 3-month EURIBOR | Fixed rate 2.70 % | October 2017 |
| 2 | EUR 123 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 1,134 million | Floating rate 3-month THBFIX | USD 35 million | Floating rate 3-month LIBOR-BBA plus 0.665% | July 2013 |
| 2 | Baht 674 million | Floating rate 3-month THBFIX plus 2.31% | USD 22 million | Floating rate 3-month LIBOR plus 3.00% | June 2014 |
| 3 | Baht 2,640 million | Fixed rate 1.78% | EUR 66 million | - | June 2015 |

(Unaudited but reviewed)

| | Currency and Interest Revenue Rate Swap agreements | | Currency and Interest Expense Rate Swap agreements | | Termination date |
|---|--|--|--|--------------------------------|------------------|
| | Principal amount | Interest rate | Principal amount | Interest rate | |
| 4 | Baht 1,997 million | Floating rate 6-month THBFIX minus 1.75% | EUR 50 million | - | June 2017 |
| 5 | Baht 285 million | Floating rate 3-month THBFIX | USD 9 million | Floating rate LIBOR plus 0.42% | July 2013 |

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 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 September 2012.

25. Guarantees

- a) As at 30 September 2012, there were outstanding bank guarantees of approximately Baht 66 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 September 2012, there were outstanding bank guarantees of approximately Baht 103 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.

(Unaudited but reviewed)

- c) As at 30 September 2012, a subsidiary issued corporate guarantees of Baht 230 million and USD 1 million to two financial institutions to secure credit facilities of its subsidiary.

26. Financial instruments

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

(Unit: Million)

| Foreign currency | Consolidated financial statements | | Separate financial statements | |
|------------------|-----------------------------------|-------------|-------------------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| US dollar | 5 | 30 | - | 23 |
| Japanese yen | - | 118 | - | 108 |
| Euro | 65 | 61 | 65 | 61 |

27. Events after reporting date

On 7 November 2012, the meeting of the Company's Board of Directors passed a resolution on approval of the financial support given to Tri-Union Seafoods, LLC (Tri-U), a subsidiary of Thai Union International, Inc. (TUI) (a subsidiary) in the form of an equity injection in TUI in an amount not exceeding USD 12 million.

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 7 November 2012.