

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and interim financial statement
For the three-month period ended 31 March 2013

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 31 March 2013, the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thai Union Frozen Products Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited
Bangkok: 10 May 2013

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	1,826,360	1,400,045	24,409	62,335
Trade and other receivables	4,5	12,331,796	11,918,158	3,541,117	4,196,393
Short-term loans to subsidiaries	5	-	-	1,363,449	1,417,041
Short-term loans to other company		11,175	11,652	5,012	5,465
Current portion of long-term loans to other companies		7,511	6,954	1,442	1,608
Inventories	6	33,546,713	33,290,479	4,906,873	4,871,030
Other current assets					
Prepaid income tax		126,593	127,240	60,357	60,357
Current portion of forward exchange contracts receivables		656,437	240,053	321,227	130,728
Value added tax refundable		337,155	461,043	71,426	68,341
Others		1,052,795	881,003	89,057	73,173
Total other current assets		2,172,980	1,709,339	542,067	332,599
Total current assets		49,896,535	48,336,627	10,384,369	10,886,471
Non-current assets					
Restricted deposits with financial institution		12,825	13,649	-	-
Investments in associates	7	1,065,775	1,806,273	155,574	929,034
Investments in subsidiaries	8	-	-	15,677,493	14,063,002
Other long-term investments	9	32,122	32,317	-	-
Long-term loans to subsidiaries	5	-	-	19,649,868	21,129,713
Long-term loans to other companies - net of					
current portion		22,276	24,122	990	1,260
Property, plant and equipment	10	20,146,592	17,923,269	3,960,891	3,849,581
Goodwill		10,762,525	11,536,448	-	-
Intangible assets	11	12,306,836	13,278,430	2,829	2,929
Other non-current assets					
Forward exchange contracts receivables					
- net of current portion		1,110,851	97,167	1,110,851	97,167
Leasehold rights		189,148	204,309	-	-
Advance payment for purchase of property,					
plant and equipment		109,694	37,734	-	-
Deferred tax assets	17	1,242,178	1,163,761	51,930	50,086
Unamortised discount from forward exchange contracts		139,139	157,956	139,139	157,956
Others		126,852	146,586	33,279	40,165
Total non-current assets		47,266,813	46,422,021	40,782,844	40,320,893
Total assets		97,163,348	94,758,648	51,167,213	51,207,364

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	31 March 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	12	25,438,279	22,511,200	9,958,458	9,787,924
Trade and other payables	5,13	9,916,399	10,544,728	1,873,251	1,928,712
Current portion of long-term loans	14	545,500	399,000	225,000	112,500
Current portion of debentures	15	500,000	500,000	500,000	500,000
Income tax payable		272,083	116,398	97,695	-
Other current liabilities		1,419,417	1,477,549	121,000	201,891
Total current liabilities		38,091,678	35,548,875	12,775,404	12,531,027
Non-current liabilities					
Long-term loans - net of current portion	14	2,348,287	2,424,827	2,025,000	2,137,500
Debentures - net of current portion	15	6,735,245	6,733,847	6,735,245	6,733,847
Convertible bond	16	2,261,025	2,439,563	2,261,025	2,439,563
Provision for long-term employee benefits		1,533,379	1,476,894	351,794	341,675
Deferred tax liabilities	17	4,757,967	4,925,039	48,476	49,903
Forward exchange contracts payable - net of					
current portion		-	339,211	-	324,647
Other non-current liabilities		462,110	526,759	152,437	154,334
Total non-current liabilities		18,098,013	18,866,140	11,573,977	12,181,469
Total liabilities		56,189,691	54,415,015	24,349,381	24,712,496
Shareholders' equity					
Share capital					
Registered					
1,202,000,000 ordinary shares of Baht 1 each		1,202,000	1,202,000	1,202,000	1,202,000
Issued and paid-up					
1,147,593,829 ordinary shares of Baht 1 each		1,147,594	1,147,594	1,147,594	1,147,594
Share premium		17,500,509	17,500,509	17,500,509	17,500,509
Retained earnings					
Appropriated - statutory reserve		120,200	120,200	120,200	120,200
Unappropriated		18,373,944	17,699,516	7,869,939	7,546,975
Other components of shareholders' equity		37,133	747,611	179,590	179,590
Equity attributable to owners of the Company		37,179,380	37,215,430	26,817,832	26,494,868
Non-controlling interests of the subsidiaries		3,794,277	3,128,203	-	-
Total shareholders' equity		40,973,657	40,343,633	26,817,832	26,494,868
Total liabilities and shareholders' equity		97,163,348	94,758,648	51,167,213	51,207,364
		-	-	-	-

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

Directors

Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Sales	5	24,441,267	25,304,419	5,572,447	6,184,896
Other income					
Dividend income		-	-	-	178,860
Compensation from account payables		67,997	49,292	43,111	30,410
Interest income		908	908	238,639	247,817
Tax coupon		23,502	36,284	2,970	6,091
Exchange gains		335,744	232,264	211,531	141,882
Others		348,292	54,886	235,189	11,185
Total other income		776,443	373,634	731,440	616,245
Total revenues		25,217,710	25,678,053	6,303,887	6,801,141
Expenses					
Cost of sales		21,776,455	20,958,977	5,329,911	5,539,879
Selling expenses		1,079,282	1,058,250	157,697	175,234
Administrative expenses		1,162,657	1,314,412	212,113	167,678
Total expenses		24,018,394	23,331,639	5,699,721	5,882,791
Profit before share of profit from investments					
in associates, finance cost and corporate income tax		1,199,316	2,346,414	604,166	918,350
Share of profit from investments in associates		19,770	25,535	-	-
Profit before finance cost and income tax expenses		1,219,086	2,371,949	604,166	918,350
Finance cost		(363,366)	(542,355)	(183,522)	(172,295)
Profit before income tax expenses		855,720	1,829,594	420,644	746,055
Income tax expenses	17	(100,072)	(160,527)	(97,680)	(65,416)
Profit for the period		755,648	1,669,067	322,964	680,639
Profit attributable to:					
Equity holders of the Company		674,428	1,467,049	322,964	680,639
Non-controlling interests of the subsidiaries		81,220	202,018		
		<u>755,648</u>	<u>1,669,067</u>		
(Unit: Baht)					
Earnings per share					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.59</u>	<u>1.53</u>	<u>0.28</u>	<u>0.71</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.59</u>	<u>1.49</u>	<u>0.28</u>	<u>0.71</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	755,648	1,669,067	322,964	680,639
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(863,755)	(171,815)	-	-
Gain on change in value of available-for-sale investments	3,519	5,781	-	-
Gain (loss) on change in the value of pension fund	(3,326)	1,554	-	-
Gain on revaluation of land	161,478	725,773	-	179,590
Increase in other reserves	2,924	1,299	-	-
Other comprehensive income for the period	(699,160)	562,592	-	179,590
Total comprehensive income for the period	56,488	2,231,659	322,964	860,229
Total comprehensive income attributable to:				
Equity holders of the Company	(36,050)	1,981,131	322,964	860,229
Non-controlling interests of the subsidiaries	92,538	250,528		
	56,488	2,231,659		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flows statement

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	855,720	1,829,594	420,644	746,055
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	512,673	443,427	97,572	75,960
Amortisation of premium/discount from forward foreign exchange contracts	7,515	10,630	13,105	12,646
Amortisation of issue cost of convertible bond and long-term loans from financial institutions	2,963	46,878	2,963	2,849
Allowance for doubtful accounts (reversal)	6,462	(1,583)	(1,508)	(610)
Reversal of allowance for diminution in value of inventories	189,232	(21,245)	67,294	(47,260)
Allowance for impairment loss of assets (reversal)	(34)	36,776	-	36,776
Share of profit from investments in associates	(19,770)	(25,535)	-	-
Loss on sale of investment	1,329	1,277	-	-
Provision for long-term employee benefits	37,503	22,527	10,417	6,432
Gain on change investment in associate to investment in subsidiary	(49,736)	-	-	-
Loss on sale of investment in subsidiary	58,200	-	3,492	-
Gain on dissolution of subsidiary	-	(24)	-	-
Loss (gain) on sale/write-off of property, plant and equipment and intangible assets	504	591	1,126	(325)
Unrealised exchange gain	(232,129)	(306,112)	(128,118)	(169,575)
Dividend income	-	-	-	(178,860)
Interest income	(908)	(908)	(238,639)	(247,817)
Interest expense	340,489	521,787	179,642	168,253
Income from operating activities before change in operating assets and liabilities	1,710,013	2,558,080	427,990	404,524
Decrease (increase) in operating assets				
Trade and other receivables	346,391	(863,247)	825,663	331,399
Inventories	1,396,463	(1,508,452)	(105,481)	232,113
Other current assets	(34,230)	(82,376)	(19,208)	(184,749)
Other non-current assets	(66,112)	(29,395)	6,887	(11,587)
Increase (decrease) in operating liabilities				
Trade and other payables	(1,190,569)	1,002,206	(61,599)	402,584
Other current liabilities	(177,281)	242,040	(98,132)	71,488
Other non-current liabilities	(47,080)	92,542	(206)	8,680
Cash flows from operating activities	1,937,595	1,411,398	975,914	1,254,452
Cash paid for corporate income tax	(38,772)	(12,963)	(3,256)	(4,263)
Net cash from operating activities	1,898,823	1,398,435	972,658	1,250,189

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease in restricted deposits with financial institutions	781	-	-	-
Acquisitions of property, plant and equipment	(1,081,625)	(686,769)	(213,280)	(133,672)
Acquisitions of intangible assets	(2,152)	(428)	-	(230)
Acquisitions of leasehold rights	(59)	(4,613)	-	-
Increase in short-term loans to subsidiaries	-	-	-	(8,100)
Decrease (increase) in short-term loans to other companies	477	(5,801)	454	(5,801)
Decrease (increase) in long-term loans to other companies	1,050	(81)	436	-
Increase in investment in subsidiary	-	-	(415,290)	(311,700)
Increase in investment in associate	(39,553)	-	-	-
Increase in other long-term investment	-	(205)	-	-
Dissolution of subsidiary	-	24	-	-
Interest income	796	1,061	31,566	18,251
Dividend received	42,639	7,500	-	178,860
Cash paid to purchase of investment in subsidiary	(324,578)	-	(508,713)	-
Proceeds from sale of investment in subsidiary	79,387	-	79,481	-
Proceeds from sale of investment	3,213	3,264	-	-
Proceeds from disposal of property, plant and equipment	7,404	23,292	179	377
Net cash used in investing activities	(1,312,220)	(662,756)	(1,025,167)	(262,015)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	593,885	(324,633)	170,534	(886,010)
Decrease in long-term loans	(159,750)	(546,759)	-	-
Cash paid for interest expense	(331,530)	(314,439)	(155,951)	(130,158)
Increase (decrease) in non-controlling interest	573,536	(171,376)	-	-
Net cash used in financing activities	676,141	(1,357,207)	14,583	(1,016,168)
Increase (decrease) in translation adjustment	(836,429)	206,042	-	-
Net increase (decrease) in cash and cash equivalents	426,315	(415,486)	(37,926)	(27,994)
Cash and cash equivalents at beginning of period	1,400,045	902,520	62,335	55,908
Cash and cash equivalents at end of period	1,826,360	487,034	24,409	27,914
	-	-	-	-
Supplemental cash flows information				
Non-cash items:				
Undue installments for acquisitions of assets	223,403	145,018	69,085	15,392
Unrealised gain on changes in the value of investments	(3,519)	(5,781)	-	-
Transfer of property, plant and equipment to intangible assets	1,187	1,195	-	-
Dividend payable	-	621,607	-	621,607
Increase in revaluation surplus on land	161,478	725,773	-	179,590
Change of investment in associate to investment in subsidiary	714,754	-	773,460	-

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2013

(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 fully 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	Total									
Balance as at 1 January 2012	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 20)	-	-	-	(621,607)	-	-	-	-	-	-	(621,607)	(171,376)	(792,983)
Total comprehensive income for the period	-	-	-	1,467,049	(99,143)	5,781	1,554	604,591	1,299	514,082	1,981,131	250,528	2,231,659
Balance as at 31 March 2012	<u>956,329</u>	<u>8,158,890</u>	<u>100,000</u>	<u>16,092,828</u>	<u>(30,729)</u>	<u>(11,163)</u>	<u>(55,047)</u>	<u>604,591</u>	<u>1,767</u>	<u>509,419</u>	<u>25,817,466</u>	<u>2,738,088</u>	<u>28,555,554</u>
Balance as at 1 January 2013	1,147,594	17,500,509	120,200	17,699,516	163,551	(11,570)	(16,798)	604,591	7,837	747,611	37,215,430	3,128,203	40,343,633
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(68,069)	(68,069)
Total comprehensive income for the period	-	-	-	674,428	(834,123)	3,519	(3,326)	120,528	2,924	(710,478)	(36,050)	92,538	56,488
Issued ordinary share capital	-	-	-	-	-	-	-	-	-	-	-	352,600	352,600
Increase in non-controlling interests from change in investment in subsidiaries (Note 1.3)	-	-	-	-	-	-	-	-	-	-	-	289,005	289,005
Balance as at 31 March 2013	<u>1,147,594</u>	<u>17,500,509</u>	<u>120,200</u>	<u>18,373,944</u>	<u>(670,572)</u>	<u>(8,051)</u>	<u>(20,124)</u>	<u>725,119</u>	<u>10,761</u>	<u>37,133</u>	<u>37,179,380</u>	<u>3,794,277</u>	<u>40,973,657</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

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity					
					Share premium	Appropriated	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
								Revaluation surplus on land		
Balance as at 1 January 2012	956,329	8,158,890	100,000	6,644,876	-	-	15,860,095			
Dividend paid (Note 20)	-	-	-	(621,607)	-	-	(621,607)			
Total comprehensive income for the period	-	-	-	680,639	179,590	179,590	860,229			
Balance as at 31 March 2012	<u>956,329</u>	<u>8,158,890</u>	<u>100,000</u>	<u>6,703,908</u>	<u>179,590</u>	<u>179,590</u>	<u>16,098,717</u>			
Balance as at 1 January 2013	1,147,594	17,500,509	120,200	7,546,975	179,590	179,590	26,494,868			
Total comprehensive income for the period	-	-	-	322,964	-	-	322,964			
Balance as at 31 March 2013	<u>1,147,594</u>	<u>17,500,509</u>	<u>120,200</u>	<u>7,869,939</u>	<u>179,590</u>	<u>179,590</u>	<u>26,817,832</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 period ended 31 March 2013

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 importer 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 the 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 2012. There has been significant change in the composition of the group of company during the current period as follows.

During the current quarter, the Company sold investment in PT Juifa International Foods (a subsidiary) to third party for 23,970 shares, totally 88.78% of shares holding in the subsidiary at price of Baht 3,315.84 per share or amounting to Baht 79 million, resulting in loss incurred from sale of investment in subsidiary of Baht 58 million presented in the consolidated profit or loss (separate profit or loss: loss of Baht 3 million). As a result of the transaction, PT Juifa International Foods was no longer the subsidiary of the Company. Up to the disposal date of such investments, the Company received the dividend amounting to Baht 164 million.

Details of the net assets value of PT Juifa International Foods as at the disposal date are as follows:

	(Unit: Million Baht)
Total assets	193
Total liabilities	(80)
Translation adjustment	45
Net assets value	158
Less: Non-controlling interests of subsidiary	(21)
Net assets value attributable to the	
Company's investment	137
Selling price	(79)
Loss from the disposal of investment in subsidiary	58

(Unaudited but reviewed)

During the current quarter, the Company purchased 9.6 million ordinary shares of Pakfood Public Company Limited (PPC) (or 29.2% of the total 33 million issued and paid-up shares of PPC). As a result of the transaction, the investment proportion in PPC increased from 49.97% (of the total 30 million issued and paid-up shares of PPC) to 74.64%. Thus PPC is a subsidiary of the Company. These consolidated financial statements included the statement of financial position of PPC as at 31 March 2013 and the comprehensive income for the period from the investment date to 31 March 2013. Such company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. However, the Company has recorded some tangible assets acquired at their net book value, not fair value. The Company is awaiting tangible a third party appraisal in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by the end of 2013.

Details of the fair value of identifiable assets, liabilities and contingent liabilities of PPC and their net book value, are as follows:

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	184	184
Trade and other receivables	351	351
Inventories	813	813
Property, plant and equipment	1,810	1,431
Other assets	65	65
Total assets	3,223	2,844
Liabilities		
Trade and other payables	215	215
Long-term loans	1,305	1,305
Other liabilities	62	62
Total liabilities	1,582	1,582
Net assets value	1,641	1,262
Equity of the Company (%)	74.64	

(Unaudited but reviewed)

(Unit: Million Baht)

	<u>Fair value</u>
Net asset value attributable to the company's investment	1,225
Changes in investment from change of the status from associated to subsidiary	<u>9</u>
Net assets value attributable to the company's investment	<u>1,234</u>
Positive goodwill	48
Purchase price	1,282
Less: Cash and cash equivalents of subsidiary	<u>(184)</u>
Cash paid for investment in PPC	1,098
Less: Cash paid for investment in associated PPC	<u>(773)</u>
Net cash paid for purchase of subsidiary PPC	<u>325</u>

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

- TAS 12 Income Taxes
- TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

- TFRS 8 Operating Segments

Accounting Standard Interpretations:

- TSIC 10 Government Assistance - No Specific Relation to Operating Activities
- TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

(Unaudited but reviewed)

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements.

1.5 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 2012.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

(Unaudited but reviewed)

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TFRIC 4, TFRIC 10 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Cash	5,304	4,410	1,087	1,282
Bank deposits	1,821,056	1,387,110	23,322	61,053
Bill of exchange	-	8,525	-	-
Total	<u>1,826,360</u>	<u>1,400,045</u>	<u>24,409</u>	<u>62,335</u>

As at 31 March 2013, bank deposits in saving accounts and bill of exchange carried interests between 0.1% and 2.0% per annum (31 December 2012: between 0.10% and 2.47% per annum).

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	24,955	48,963	1,328,009	1,508,041
Past due				
1 - 30 days	7,436	6,149	284,748	712,228
31 - 60 days	-	-	77,042	33,971
91 - 120 days	-	-	3,799	-
Total trade receivables				
- related parties	<u>32,391</u>	<u>55,112</u>	<u>1,693,598</u>	<u>2,254,240</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	9,270,050	9,322,154	1,186,412	1,448,326
Past due				
1 - 30 days	1,785,479	1,573,063	187,149	215,571
31 - 60 days	362,084	397,745	6,438	41,023
61 - 90 days	184,598	232,978	-	319
91 - 120 days	141,889	90,924	2,251	358
121 - 180 days	69,630	56,859	126	226
181 - 365 days	128,901	68,593	-	1,028
Over 365 days	166,124	174,903	23,740	24,719
Total trade receivables				
- unrelated parties	12,108,755	11,917,219	1,406,116	1,731,570
Total trade receivables	12,141,146	11,972,331	3,099,714	3,985,810
Less: Allowance for doubtful accounts	(260,987)	(251,190)	(24,108)	(25,616)
Total trade receivables - net	11,880,159	11,721,141	3,075,606	3,960,194
<u>Other receivables</u>				
Interest receivables - related parties				
	-	-	294,196	87,115
Interest receivables	268	156	19	27
Accrued income	162,700	150,041	154,846	137,035
Advance payment	288,669	46,820	16,450	12,022
Total other receivables	451,637	197,017	465,511	236,199
Total trade and other receivables				
- net	12,331,796	11,918,158	3,541,117	4,196,393

As at 31 March 2013, certain trade accounts receivable of two overseas subsidiaries (31 December 2012: three overseas subsidiaries) have secured their credit facilities as mentioned in Note 12.

In April 2013, Tri-Union Frozen Products, Inc. (TUFP) entered into a receivable purchase agreement ("RPA") with a bank to sell certain receivables at a discount rate. The agreement requires lenders to release the lien on these receivables. The receivables are primarily related to the distribution services that TUFP provides to Thai Union International, Inc. (TUI) and Tri-Union Seafoods, LLC (Tri-U).

(Unaudited but reviewed)

As at 31 March 2013, trade receivables of a local subsidiary in amounting to Baht 31 million (31 December 2012: Baht 87 million) have been sold at a discount to financial institutions, with recourse.

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 123 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 and Baht 135 million on 23 March 2012 and 28 June 2012, and 28 February 2013, respectively. The Company recorded insurance recovery income amounting to Baht 410 million by offsetting it with the loss from the fire incident in the income statement for the year ended 31 December 2012.

During the current quarter, the Company received a compensation payment of Baht 63 million. On 30 March 2013, the Company received an additional compensation payment letter from insurance company amounting to Baht 152 million. The Company recorded insurance recovery income amounting to Baht 215 million in the income statement for the three-month period ended 31 March 2013.

5. 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.

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	2013	2012	2013	2012	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	1,992	2,455	Cost plus margin
Dividend income	-	-	-	171	As declared
Interest income	-	-	238	248	0.87 - 3.40% per annum (2012: 0.42 - 6.25% per annum)
Other income	-	-	7	20	Near market price
Purchases of goods	-	-	646	351	Cost plus margin
Management fee	-	-	14	13	Contract price
Other expenses	-	-	16	12	Near market price
Transactions with associates:					
Sales	13	7	2	2	Cost plus margin
Dividend income	-	8	-	8	As declared
Other income	4	5	-	5	Near market price
Purchases of goods	47	3	44	-	Cost plus margin
Transactions with related companies:					
Sales	209	181	66	49	Cost plus margin
Purchases of goods	594	726	468	483	Cost plus margin
Transportation	10	12	1	1	Near market price
Purchases and expenses relating to assets	28	38	3	5	Contract price and near market price

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common shareholders and directors. During the three-month period ended 31 March 2013 and 2012, insurance premiums paid through that company amounted to Baht 24 million and Baht 17 million, respectively.

(Unaudited but reviewed)

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
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Pakfood Pcl (PPC)	Subsidiary
Tri-Union Seafoods, LLC (TRI-U)	Subsidiary (Held by subsidiary)
Tri-Union Frozen products, Inc. (TUFP)	Subsidiary (Held by subsidiary)
US Pet Nutrition, LLC (USPN)	Subsidiary (Held by subsidiary)
Canadian Pet Nutrition, ULC	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
New Frontier 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)
TMAC Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Union EU Seafood 1 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 2 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)
Chaophraya Coldstorage Co., Ltd.	Subsidiary (Held by subsidiary)
Takzin Samut Co., Ltd.*	Subsidiary (Held by subsidiary)
Okeanos Co., Ltd.*	Subsidiary (Held by subsidiary)
Okeanos Food Co., Ltd.	Subsidiary (Held by subsidiary)

(Unaudited but reviewed)

List of related companies	Relationship
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	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)
Geminai & Associate Co., Ltd.	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
Thaipatana Stainless Steel Co., Ltd.	Common major shareholders/Common directors
Thai Union Properties 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
Geminai Watercrafts Co., Ltd.	Shareholders/ Director related to director
Miss Rungtiwa Boonmechote	Relative of director
Pae Parichart Boonmechote	Relative of director

*discontinued operation

(Unaudited but reviewed)

The balance of the accounts as at 31 March 2013 and 31 December 2012 between the Company and these related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Trade and other receivable - related parties (Note 4)</u>				
Subsidiaries	-	-	1,975,691	2,326,986
Associated companies	3,810	22,496	948	1,051
Related companies	28,581	32,616	11,155	13,318
Total trade and other receivables - related parties	<u>32,391</u>	<u>55,112</u>	<u>1,987,794</u>	<u>2,341,355</u>
<u>Trade and other payables - related parties (Note 13)</u>				
Subsidiaries	-	-	327,094	337,790
Associated companies	1,344	12,305	10	11,367
Related companies	98,357	177,071	52,792	84,067
Total trade and other payables - related parties	<u>99,701</u>	<u>189,376</u>	<u>379,896</u>	<u>433,224</u>
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union International Inc.	-	-	1,283,449	1,337,041
Total	<u>-</u>	<u>-</u>	<u>1,363,449</u>	<u>1,417,041</u>
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	19,000,851	20,453,595
Thai Union International, Inc.	-	-	649,017	676,118
Total	<u>-</u>	<u>-</u>	<u>19,649,868</u>	<u>21,129,713</u>
Less: Current portion				
Thai Union International, Inc.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>	<u>19,649,868</u>	<u>21,129,713</u>

(Unaudited but reviewed)

The movements of loans to/from related parties during the three-month period ended 31 March 2013 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2013
	Balance as at 1 January 2013	During the period			
		Increase	Decrease	Revaluation	
<u>Short-term loans to subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	-	7,710	(7,710)	-	-
Songkla Canning Pcl.	-	7,850	(7,850)	-	-
Thai Union Graphic Co., Ltd.	80,000	80,000	(80,000)	-	80,000
Thai Union International, Inc.	1,337,041	-	-	(53,592)	1,283,449
	<u>1,417,041</u>	<u>95,560</u>	<u>(95,560)</u>	<u>(53,592)</u>	<u>1,363,449</u>
<u>Long-term loans to subsidiaries</u>					
Thai Union Investment Holding Co., Ltd.	20,453,595	-	-	(1,452,744)	19,000,851
Thai Union International, Inc.	676,118	-	-	(27,101)	649,017
	<u>21,129,713</u>	<u>-</u>	<u>-</u>	<u>(1,479,845)</u>	<u>19,649,868</u>
<u>Short-term loans from subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	-	3,700	(3,700)	-	-
Songkla Canning Pcl.	-	5,500	(5,500)	-	-
	<u>-</u>	<u>9,200</u>	<u>(9,200)</u>	<u>-</u>	<u>-</u>

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 period ended 31 March 2013 totaling Baht 17 million (2012: Baht 16 million).

6. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	751,462	74,000
Add: Allowance for diminution in value of inventory made during the period	816,079	101,814
Less: Allowance for diminution in value of inventory reversed during the period	(540,345)	(34,520)
Translation adjustment	(13,304)	-
Balance as at 31 March 2013	<u>1,013,892</u>	<u>141,294</u>

(Unaudited but reviewed)

As at 31 March 2013, two overseas subsidiaries (31 December 2012: three overseas subsidiaries) have mortgaged certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 12.

7. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			2013	2012	2013	2012	2013	2012
			%	%				
Investments in associates, directly held by the Company								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	338,458	329,523
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	24,425	21,934
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	130,836	120,816
Pakfood Pcl.	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	-	49.97	-	773,460	-	734,987
Investments in associates, directly held by subsidiaries								
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	42,351	34,916
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	48,410	51,256
Moresby International Holdings Inc. (33% held by Thai Union Manufacturing Co., Ltd.)	Holding in fishing company	British Virgin Island	30.03	30.03	136,535	96,981	136,535	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	344,760	415,860
					<u>508,019</u>	<u>1,241,925</u>	<u>1,065,775</u>	<u>1,806,273</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding Percentage		Cost	
			31 March	31 December	31 March	31 December
			2013	2012	2013	2012
			%	%		
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064
Pakfood Pcl.	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	-	49.97	-	773,460
					<u>155,574</u>	<u>929,034</u>

(Unaudited but reviewed)

During the current quarter, the Company purchased 9.6 million ordinary shares of Pakfood Public Company Limited (PPC) (or 29.2% of the total 33 million issued and paid up shares of Pakfood), a total of Baht 509 million. Thus the investment proportion in PPC increased from 49.97% (of the total 30 million issued and paid up shares of Pakfood) to 74.64% of the total issued and paid up share of PPC. The Company changed the recording of the investment in PPC from investment in associated company to investment in subsidiary. These consolidated financial statements included the statement of financial position of PPC as at 31 March 2013 and the comprehensive income for the period from the investment date to 31 March 2013.

During the current quarter, Thai Union Manufacturing additionally invested USD 1.3 million or Baht 39.6 million in Moresby International Holding Inc.

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.

8. 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	
			31 March	31 December	31 March	31 December
			2013	2012	2013	2012
					%	%
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	Baht 360 million	Baht 360 million	90.44	90.44
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	Baht 300 million	Baht 300 million	90.08	90.08
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	Baht 300 million	Baht 300 million	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70 million	Baht 70 million	90.00	90.00
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 500 million	Baht 500 million	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40 million	Baht 40 million	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	USD 75.6 million	USD 61.6 million	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	-	USD 2.7 million	-	88.78
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	EUR 222 million	EUR 222 million	100.00	100.00
Pakfood Pcl. (PPC)	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	Baht 330 million	-	74.64	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Cost	
	31 March 2013	31 December 2012
<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)	2,392,755	1,977,465
PT Juifa International Foods	-	82,972
Thai Union Investment Holding Co., Ltd. (TUIH)	8,900,256	8,900,256
Pakfood Pcl.	1,282,173	-
Total	15,677,493	14,063,002

On 9 January 2013, Thai Union Hatchery Co., Ltd., a subsidiary of Thai Union Feedmill Co., Ltd. registered the increase of its registered share capital with the Ministry of Commerce from Baht 300 million (30 million ordinary shares of Baht 10 each) to Baht 420 million (42 million ordinary shares of Baht 10 each).

On 25 January 2013, the Extraordinary General Meeting of PPC approved the increase of the Company's registered share capital from Baht 300 million (30 million ordinary shares of Baht 10 each) to Baht 330 million (33 million ordinary shares of Baht 10 each), through the issuance of 3 million additional ordinary shares with a par value of Baht 10 each, for offer to existing shareholders of the Company at Baht 50 per share.

During the current quarter, the Company increased investment in Pakfood Pcl (PPC) by additional purchasing ordinary shares of PPC, and thus the investment proportion in PPC increased from 49.97% to 74.64%. The Company changed the recording of the investment in PPC from investment in associated company to investment in subsidiary, as mentioned in Note 7.

(Unaudited but reviewed)

During the current quarter, the Company sold investment in PT Juifa International Foods to third party for 23,970 shares, totally 88.78% of shares holding in the subsidiary at price of Baht 3,315.84 per share or amounting to Baht 79 million, resulting in loss incurred from sale of investment in subsidiary of Baht 58 million presented in the consolidated profit or loss (separate profit or loss: loss of Baht 3 million). As a result of the transaction, PT Juifa International Foods was no longer the subsidiary of the Company.

During the current quarter, the Company additionally invested USD 14 million or Baht 415.3 million in Thai Union International, Inc.

During the current quarter, TMAC Co., Ltd. a subsidiary of Thai Union Feedmill Co., Ltd. called the remaining 75% paid up of the 56 million issued and paid-up shares of such company with a par value of Baht 10 per share for a total payment of Baht 214.2 million and registered the increase of its registered share capital with the Ministry of Commerce from Baht 560 million (56 million ordinary shares of Baht 10 each) to Baht 860 million (86 million ordinary shares of Baht 10 each), fully paid-up, for a total payment of Baht 367.2 million.

During the period, Thai Union Manufacturing Co., Ltd. formed New Frontier Foods Co., Ltd., in which it holds 1 million ordinary shares (or 100% of the 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 10 million.

9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	41,563	31,506	46,104	31,653
Unrealised loss on changes in the value of investments	(10,057)		(14,451)	
Total available-for-sale securities	31,506		31,653	
Other investments				
- Ordinary shares	616		664	
Total other long-term investments	32,122		32,317	

(Unaudited but reviewed)

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	17,923,269	3,849,581
Acquisitions during period - at cost	1,116,218	210,086
Increase from purchase of investment in subsidiary - net book value at purchase date	2,019,242	-
Transfer out during period	(1,187)	-
Disposals during period - net book value at disposal date	(6,637)	(1,305)
Write-off during period - net book value at write-off date	(11)	-
Decrease from disposal of investment in subsidiary - net book value at disposal date	(67,805)	-
Depreciation for period	(480,034)	(97,471)
Reversal of allowance for impairment of assets during the period	34	-
Translation adjustment	(356,497)	-
Net book value as at 31 March 2013	<u>20,146,592</u>	<u>3,960,891</u>

As at 31 March 2013 and 31 December 2012, an overseas subsidiary mortgaged some buildings and equipment of that company to financial institution to secure its credit facility, as mentioned in Note 12.

As at 31 March 2013, a local subsidiary is subject to restrictions on the creation of lien or encumbrance over its property, plant and equipment due to loans from financial institution, as mentioned in Note 14.

(Unaudited but reviewed)

11. Intangible assets

(Unit: Million Baht)

Consolidated financial statements								
	Licences	Trademark	Customer relationships	Covenant not to complete	Computer software	Distributor Relationships	Others	Total
Cost								
At 1 January 2012	264	13,214	134	13	289	232	3	14,149
Purchase	-	1	-	-	233	-	-	234
Disposal/write off	-	-	-	-	(5)	-	-	(5)
Translation adjustment	3	(164)	(5)	-	(4)	(3)	-	(173)
At 31 December 2012	267	13,051	129	13	513	229	3	14,205
Purchase	-	-	-	-	4	-	-	4
Disposal/write off	-	-	-	-	(1)	-	-	(1)
Translation adjustment	(23)	(925)	(5)	(1)	(22)	(17)	(1)	(994)
At 31 March 2013	244	12,126	124	12	494	212	2	13,214
Amortisation								
At 1 January 2012	27	281	113	13	177	9	-	620
Amortisation	12	2	13	-	101	16	-	144
Translation adjustment	-	(9)	(4)	-	(1)	-	-	(14)
At 31 December 2012	39	274	122	13	277	25	-	750
Amortisation	2	-	3	-	17	3	-	25
Translation adjustment	(1)	(11)	(5)	(1)	(12)	(2)	-	(32)
At 31 March 2013	40	263	120	12	282	26	-	743
Impairment								
At 1 January 2012	-	179	-	-	-	-	-	179
Translation adjustment	-	(2)	-	-	-	-	-	(2)
At 31 December 2012	-	177	-	-	-	-	-	177
Translation adjustment	-	(13)	-	-	-	-	-	(13)
At 31 March 2013	-	164	-	-	-	-	-	164
Net book value								
At 31 December 2012	228	12,600	7	-	236	204	3	13,278
At 31 March 2013	204	11,699	4	-	212	186	2	12,307

(Unit: Million Baht)

Separate financial
statements

Computer software

Net book value as at 1 January 2013

2.9

Amortisation during the period

(0.1)

Net book value as at 31 March 2013

2.8

As at 31 March 2013 and 31 December 2012, trademark "Chicken of the sea" was used as collateral of credit facilities of an overseas subsidiary as mentioned in Note 12.

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

The Company entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 22.2.

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.

(Unaudited but reviewed)

In April 2013, TUFPP entered into an amendment to the Credit Agreement (TUFPP Amendment No. 7) with BOA to modify the definition of eligible receivables to exclude certain receivables from the borrowing base as a result of the receivables purchase agreement (Note 4).

As at 31 March 2013, the balance under the credit facility was USD 108 million (31 December 2012: USD 100 million) at interest rate between 2.21 to 4.25 per annum and (31 December 2012: between 2.21% to 4.25% per annum) actual unused availability, which is based upon substantially all of the collateralized assets, was approximately USD 28 million. TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 31 March 2013, TUFPP determined it was in compliance with these covenants.

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility 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

(Unaudited but reviewed)

annual interest rate in consideration of this provision. As at 31 March 2013, the balance under the credit facility was USD 98 million (31 December 2012: USD 96 million), with interest rate at 3.00% to 6.50% per annum (31 December 2012: 3.00% to 6.50% per annum) and actual unused availability was approximately USD 11 million (31 December 2012: USD 10 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. As at 31 December 2012, Tri-U obtained USD 2 million of additional equity contributions from the member in order to maintain compliance with the covenants.

As at 31 March 2013, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from four financial institutions amounting to USD 17 million (31 December 2012: USD 14 million). The credit facilities bears interest rate at 2.80% per annum and cost of fund plus 1.00% and 2.25% per annum. As at 31 March 2013, this loan repaid in full amount (31 December 2012: the balance under the credit facilities was USD 7 million). The unused available was approximately USD 7 million. The credit facilities were secured by accounts receivable, inventory, plant and equipment of YCC.

13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Trade payables - related parties	60,636	85,302	366,937	381,475
Trade payables - unrelated parties	8,316,153	8,940,811	1,112,244	1,179,377
Accrued interest expenses - related parties	-	-	-	1
Accrued expenses - related parties	23,141	92,465	5,261	41,763
Accrued expenses - unrelated parties	1,293,066	1,237,340	319,724	253,817
Other payables - construction and asset purchase - related parties	15,924	11,609	7,698	9,985
Other payables - construction and asset purchase - unrelated parties	207,479	177,201	61,387	62,294
Total trade and other payables	<u>9,916,399</u>	<u>10,544,728</u>	<u>1,873,251</u>	<u>1,928,712</u>

14. Long-term loans

Long-term loans as at 31 March 2013 and 31 December 2012 consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial	statements
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
USD loans	9	9	-	-
Baht loans	2,885	2,815	2,250	2,250
Total	2,894	2,824	2,250	2,250
Less: Current portion	(546)	(399)	(225)	(112)
Net	2,348	2,425	2,025	2,138

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 31 March 2013, the balance of this loan was Baht 409 million (31 December 2012: Baht 545 million).

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 31 March 2013, the balance of this loan was Baht 2,250 million (31 December 2012: Baht 2,250 million).

During the fourth quarter of 2012, a local subsidiary entered into a 2-year loan agreement amounting to Baht 20 million with a local financial institution. The loan carries interest at MLR less 3% per annum. This loan repaid in full amount during the current period (31 December 2012: Baht 20 million).

During the fourth quarter of 2011, a local subsidiary entered into a long-term loan agreement amounting to Baht 350 million with a local financial institution. The loan carries interest at 4.75% since October 2011, and FDR plus 2.5% since October 2012 and is to be repaid in monthly installments, the first of which will be due in April

(Unaudited but reviewed)

2012. As at 31 March 2013, the balance of this loan was Baht 226 million (31 December 2012: Baht 237 million). The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 March 2013, the subsidiary was unable to maintain the debt service coverage ratio. However, the subsidiary received the relaxation for not complying with such covenant from the bank in February 2013. The Company therefore reclassified the loan as at 31 March 2013 as long-term loans with the original basis of the term payment.

15. 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 subsidiary companies in an amount of up to Baht 8,500 million or the equivalent of 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 redeemed on the maturity date in 2010 and the 5-year debentures of Baht 500 million (500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 5.5% per annum and the redemption is due in 2013.

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

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

(Unaudited but reviewed)

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

16. Convertible bond

On 2 September 2010, the Extraordinary General Meeting of Shareholders approved the issuance 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% p.a. and an overall yield of 8% p.a. 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 these 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 statements 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 bond as liabilities. The liability component continues to be presented on an amortised cost basis, until conversion to ordinary shares or maturity of the bond.

17. Income tax

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.

(Unaudited but reviewed)

Income tax expense of the Company and subsidiaries for the three-month period ended 31 March 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2013	2012	2013	2012
Income tax on taxable income	173,246	238,303	100,950	67,486
Translation adjustment	(7,865)	(871)	-	-
Expense in deferred income tax	(65,309)	(76,905)	(3,270)	(2,070)
Income tax as included in profit or loss	<u>100,072</u>	<u>160,527</u>	<u>97,680</u>	<u>65,416</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	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Deferred tax assets				
Tax losses brought forward	565	503	-	-
Tax effect of non-deductible expenses				
Allowance for diminution in value of				
Account receivable	20	20	5	5
Inventories	167	135	4	1
Asset value	7	7	7	7
Others	13	12	-	-
Provision for long-term employee benefit	52	51	9	10
Accrued liabilities	161	168	-	-
Inventory cost capitalisation	203	212	-	-
Others	54	56	27	27
Total	<u>1,242</u>	<u>1,164</u>	<u>52</u>	<u>50</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Deferred tax liabilities				
Depreciation and amortisation	602	603	2	2
Intangible assets	3,513	3,784	-	-
Prepaid expense	15	16	-	-
Other reserves	198	213	-	-
Surplus on revaluation of assets	339	181	45	45
Others	91	128	1	3
Total	4,758	4,925	48	50

18. Earnings per share

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

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

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

	For the three-month period ended 31 March 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	1,467	681	956.3	1.53	0.71
Add: Interest expense from convertible bond recognised during the period	24	24	-		
Effect of dilutive potential ordinary share	-	-	42.9		
Diluted earnings per share					
Profit of ordinary shareholders assuming					

(Unaudited but reviewed)

the conversion of convertible bond to ordinary share	<u>1,491</u>	<u>705</u>	<u>999.2</u>	<u>1.49</u>	<u>0.71</u>
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There was no disclosure of diluted earnings per share in the financial statements for the 3-month period ended 31 March 2013 since the effect of diluted earnings per share was antidilutive.

19. Segment information

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- Production and distribution of frozen and canned food products
- Production and distribution of packaging products
- Production and distribution of animal feeds and agriculture products
- Distributor

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three months ended 31 March 2013 and 2012, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 31 March 2013

	Production and distribution of frozen and canned food products	Production and distribution of of packaging products	Production and distribution of animal feeds agriculture products	Distributor	Total segments	Eliminations	Consolidated
Revenue							
External customers	25,894,689	232,257	889,611	261,251	27,277,808	(2,836,541)	24,441,267
Inter-segment	1,619,585	827,389	2,615	1,103	2,450,692	(2,450,692)	-
Total revenue	<u>27,514,274</u>	<u>1,059,646</u>	<u>892,226</u>	<u>262,354</u>	<u>29,728,500</u>	<u>(5,287,233)</u>	<u>24,441,267</u>
Results							
Segment profit	969,817	100,600	19,051	11,107	1,100,575	104,978	1,205,553
Finance cost							(363,366)
Share of profit from investment in associates							19,770
Other expenses							(6,237)
Profit before income tax expenses							855,720
Income tax expenses							(100,072)
Profit for the period							<u>755,648</u>

(Unit: Thousand Baht)

For the three-month periods ended 31 March 2012

	Production and distribution of frozen and canned food products	Production and distribution of of packaging products	Production and distribution of animal feeds agriculture products	Distributor	Total segments	Eliminations	Consolidated
Revenue							
External customers	26,904,923	360,170	1,013,282	351,343	28,629,718	(3,325,299)	25,304,419
Inter-segment	915,603	837,776	-	1,159	1,754,538	(1,754,538)	-
Total revenue	<u>27,820,526</u>	<u>1,197,946</u>	<u>1,013,282</u>	<u>352,502</u>	<u>30,384,256</u>	<u>(5,079,837)</u>	<u>25,304,419</u>
Results							
Segment profit	1,818,555	164,186	111,087	16,200	2,110,028	281,691	2,391,719
Finance cost							(542,355)
Share of profit from investment in associates							25,535
Other expenses							(45,305)
Profit before income tax expense							1,829,594
Income tax expenses							(160,527)
Profit for the period							<u>1,669,067</u>

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 March 2013 and 31 December 2012:

(Unit: Thousand Baht)

Segment assets	Production and distribution of frozen and canned food products	Production and distribution of packaging products	Production and distribution of animal feeds agriculture products	Distributor	Total segments
	At 31 March 2013	90,430,235	2,664,870	3,560,556	507,687
At 31 December 2012	88,702,106	2,577,565	2,924,762	554,215	94,758,648

20. Dividends

Dividends declared in 2012 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
Total for 2012		622	

21. Commitments

21.1 Operating and other service agreements commitments

As at 31 March 2013 and 31 December 2012, the Company and its subsidiaries have the following commitments:

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

	As at 31 March 2013						
	Payable within						
	Less than 1 year		1 to 5 years		More than 5 years		Total
Office rental and service agreements	Baht	109 million	Baht	37 million	Baht	6 million	Baht 152 million
	EUR	2 million	EUR	3 million	-	-	EUR 5 million
Land lease agreements	Baht	1 million	Baht	2 million	Baht	2 million	Baht 5 million
	USD	3 million	USD	12 million	USD	2 million	USD 17 million
	-	-	EUR	2 million	EUR	1 million	EUR 3 million
Vehicle lease agreements	Baht	37 million	Baht	37 million	-	-	Baht 74 million
	EUR	1 million	EUR	1 million	-	-	EUR 2 million

(Unaudited but reviewed)

As at 31 March 2013

	Payable within						Total
	Less than 1 year		1 to 5 years		More than 5 years		
Machine lease agreements	Baht	2 million	Baht	2 million		-	Baht 4 million
		-	USD	1 million		-	USD 1 million
Computer & copy machine lease agreements	Baht	15 million	Baht	6 million		-	Baht 21 million
Warehouse and factory construction agreements	Baht	410 million		-		-	Baht 410 million
Purchase machinery, equipment and vehicle agreements	Baht	81 million		-		-	Baht 81 million
	USD	3 million		-		-	USD 3 million
	EUR	1 million		-		-	EUR 1 million
	CHF	3 million		-		-	CHF 3 million
Communication agreements	Baht	1 million		-		-	Baht 1 million
Advisory agreements	Baht	8 million		-		-	Baht 8 million
Internet network service agreements	Baht	3 million	Baht	1 million		-	Baht 4 million
Security service agreements	Baht	3 million		-		-	Baht 3 million

As at 31 December 2012

	Payable within						Total
	Less than 1 year		1 to 5 years		More than 5 years		
Office rental and service agreements	Baht	119 million	Baht	53 million	Baht	6 million	Baht 178 million
	EUR	2 million	EUR	3 million		-	EUR 5 million
Land lease agreements	Baht	2 million	Baht	2 million	Baht	2 million	Baht 6 million
	USD	3 million	USD	12 million	USD	2 million	USD 17 million
		-	EUR	2 million	EUR	1 million	EUR 3 million
Vehicle lease agreements	Baht	33 million	Baht	42 million		-	Baht 75 million
	EUR	1 million	EUR	1 million		-	EUR 2 million
Machine lease agreements	Baht	2 million	Baht	2 million		-	Baht 4 million
		-	USD	1 million		-	USD 1 million
Computer & copy machine lease agreements	Baht	17 million	Baht	8 million		-	Baht 25 million
Warehouse and factory construction agreements	Baht	388 million		-		-	Baht 388 million
Purchase machinery, equipment and vehicle agreements	Baht	54 million		-		-	Baht 54 million
	USD	3 million		-		-	USD 3 million
Communication agreements	Baht	1 million		-		-	Baht 1 million
Advisory agreements	Baht	11 million		-		-	Baht 11 million
Internet network service agreements	Baht	4 million	Baht	2 million		-	Baht 6 million
Security service agreements	Baht	3 million		-		-	Baht 3 million

(Unaudited but reviewed)

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

	As at 31 March 2013		As at 31 December 2012	
The local subsidiary		-	Baht	214.2 million
The overseas subsidiary	USD	1.9 million	USD	1.9 million
The overseas associates	USD	0.3 million	USD	0.3 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 arrangement for the periods ended 31 March 2013 and 2012 amounting to USD 0.2 million and USD 0.2 million, respectively.
- d) 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 31 March 2013.

21.2 Guarantees

- a) As at 31 March 2013, there were outstanding bank guarantees of approximately Baht 25 million and USD 2 million (31 December 2012: Baht 61 million and USD 2 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 31 March 2013, there were outstanding bank guarantees of approximately Baht 99 million and USD 9 million (31 December 2012: Baht 156 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.
- c) A local subsidiary's board of directors approved the issuance of letter of Shareholder Undertaking of its overseas associate, stating that it shall be liable to pay the amount not exceeding USD 5.7 million if its two joint ventures are called for repayment to a financial institution in accordance with the credit facility guarantee agreement.

22. Contingent liabilities

22.1 Forward foreign exchange contracts/currency option agreements

The Company and local's subsidiaries have forward exchange contracts outstanding as summarised below.

As at 31 March 2013					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	Amount	Bought	Sold	
	(Million)	(Million)			
<u>The Company</u>					
USD against Baht	-	210	-	29.38 - 32.40	April 2013 - June 2014
JPY against Baht	-	187	-	0.31 - 0.33	August 2013 - September 2015
EUR against Baht	-	450	-	39.10 - 42.96	June 2013 - June 2017
GBP against Baht	-	0.33	-	46.86 - 47.32	August 2013
<u>Subsidiaries</u>					
USD against Baht	-	242	-	29.37 - 32.79	April 2013 - March 2014
GBP against Baht	-	0.1	-	39.50	April 2013
JPY against Baht	-	278	-	0.31 - 0.36	June 2013 - September 2013
USD against EUR	4	-	1.33	-	August 2013
USD against GBP	16	-	1.58	-	August 2013
EUR against GBP	1	-	0.81	-	June 2013

As at 31 December 2012					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	Amount	Bought	Sold	
	(Million)	(Million)			
<u>The Company</u>					
USD against Baht	-	198	-	30.30 - 32.40	January 2013 - June 2014
JPY against Baht	-	143	-	0.36 - 0.41	January 2013 - June 2013
EUR against Baht	-	448	-	39.10 - 42.96	March 2013 - June 2017
<u>Subsidiaries</u>					
USD against Baht	-	209	-	30.73 - 32.48	May 2013 - December 2014
USD against GBP	16	-	1.61	-	May 2013
EUR against GBP	3	-	0.81	-	June 2013

As at 31 March 2013, 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 39 million up to USD 107 million (31 December 2012: between USD 28 million up to USD 67 million), depending on conditions stipulated in the agreements, at rates of Baht 29.30 to Baht 32.00 per

(Unaudited but reviewed)

USD 1 (31 December 2012: at rates of Baht 30.85 to Baht 32.30 per USD 1). These agreements will terminate within December 2013 (31 December 2012: December 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 the overseas subsidiaries have outstanding option agreements as follow.

As at 31 March 2013

Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
EUR against USD	54.7	84.7	1.33 - 1.38	1.33 - 1.38	July 2013 - December 2013
GBP against USD	18.0	26.6	1.64	1.64	December 2013
EUR against GBP	56.9	85.2	0.79 - 0.84	0.79 - 0.84	June 2013 - December 2013

As at 31 December 2012

Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)			
EUR against USD	42.0	69.0	1.33 - 1.38	1.33 - 1.38	December 2013
GBP against USD	23.0	34.5	1.64	1.64	December 2013
EUR against GBP	38.1	57.1	0.79	0.79	June 2013 - December 2013

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	305	311	65	31	29.31	30.58
JPY	163	149	255	239	0.31	0.35
EUR	518	513	61	61	37.57	40.50
VND	1,885	6,515	1,266	2,062	0.0014	0.0015

22.2 Interest rate swap transaction agreements

The details of the interest rate swap agreements outstanding as at 31 March 2013 and 31 December 2012 is as follows:

The Company

As at 31 March 2013 and 31 December 2012				
	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

As at 31 March 2013				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 84 million	Float rate 3-month EURIBOR	Fixed rate 2.70 %	October 2017
2	EUR 117 million	Float rate 3-month EURIBOR	Fixed rate 2.73 %	October 2017
3	USD 40 million	Float rate 3-month LIBOR	Fixed rate 1.85 - 2.55%	February 2016
4	USD 40 million	Float rate 3-month LIBOR	Fixed rate 1.85 - 2.55%	February 2016
As at 31 December 2012				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 88 million	Float rate 3-month EURIBOR	Fixed rate 2.70 %	October 2017
2	EUR 123 million	Float rate 3-month EURIBOR	Fixed rate 2.73 %	October 2017
3	USD 40 million	Float rate 3-month LIBOR	Fixed rate 1.85 - 2.55%	February 2016
4	USD 40 million	Float rate 3-month LIBOR	Fixed rate 1.85 - 2.55%	February 2016

Cross currency and interest rate swap agreements

The Company

As at 31 March 2013 and 31 December 2012					
	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
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

As at 31 March 2013 and 31 December 2012					
	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

23. Events after reporting date

On 10 April 2013, the Annual General Meeting of the Company passed resolution to approve dividend payment of Baht 2.10 per share from its net operating profit of the year 2012, to the Company's shareholders. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2012 held on 8 August 2012, the Company had paid out the interim dividend payment of Baht 1.10 per share from the six-month operating profit ended 30 June 2012, to the Company's shareholders totaling Baht 1,262 million on 31 August 2012. The remaining dividend is Baht 1.00 per share or totaling Baht 1,148 million. The dividend will be paid on 22 April 2013.

On 1 April 2012, an extraordinary meeting of the shareholders of Thai Union Hatchery Co., Ltd. passed a resolution to approve a decrease of Baht 420 million in the Company's registered and fully paid-up capital, to Baht 200 million, by reducing the shares from 42 million shares of Baht 10 each to 20 million shares of Baht 10 each to offset the said Company's unappropriated deficit.

24. Approval of interim financial statements

(Unaudited but reviewed)

These interim financial statements were authorised for issue by the Audit Committee and the Company's Board of Directors on 10 May 2013.