

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended 30 June 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 30 June 2013, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2013, changes in shareholders' equity, and cash flows for the six-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: 13 August 2013

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	1,610,051	1,400,045	54,534	62,335
Trade and other receivables	4,5	14,754,216	11,918,158	4,028,059	4,196,393
Short-term loans to subsidiaries	5	-	-	203,947	1,417,041
Short-term loans to other company		9,197	11,652	2,737	5,465
Current portion of long-term loans to subsidiary	5	-	-	689,454	-
Current portion of long-term loans to other companies		7,979	6,954	1,286	1,608
Inventories	6	34,637,462	33,290,479	5,330,723	4,871,030
Other current assets					
Prepaid income tax		173,393	127,240	62,080	60,357
Current portion of forward exchange contracts receivables		32,016	240,053	12,683	130,728
Value added tax refundable		377,882	461,043	58,499	68,341
Others		1,024,858	881,003	88,336	73,173
Total other current assets		1,608,149	1,709,339	221,598	332,599
Total current assets		52,627,054	48,336,627	10,532,338	10,886,471
Non-current assets					
Restricted deposits with financial institution		13,660	13,649	-	-
Investments in associates	7	1,114,571	1,806,273	155,574	929,034
Investments in subsidiaries	8	-	-	15,897,888	14,063,002
Other long-term investments	9	33,817	32,317	-	-
Long-term loans to subsidiaries - net of current portion	5	-	-	21,791,269	21,129,713
Long-term loans to other companies - net of					
current portion		20,470	24,122	720	1,260
Property, plant and equipment	10	21,229,146	17,923,269	4,116,292	3,849,581
Goodwill		11,573,533	11,536,448	-	-
Intangible assets	11	13,312,819	13,278,430	2,727	2,929
Other non-current assets					
Forward exchange contracts receivables					
- net of current portion		93,648	97,167	93,648	97,167
Leasehold rights		197,605	204,309	-	-
Advance payment for purchase of property,					
plant and equipment		95,798	37,734	-	-
Deferred tax assets	17	1,198,218	1,163,761	55,126	50,086
Unamortised discount from forward exchange contracts		121,423	157,956	121,423	157,956
Others		131,177	146,586	30,642	40,165
Total non-current assets		49,135,885	46,422,021	42,265,309	40,320,893
Total assets		101,762,939	94,758,648	52,797,647	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 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	12	28,640,971	22,511,200	11,567,180	9,787,924
Trade and other payables	5,13	10,299,814	10,544,728	1,831,569	1,928,712
Current portion of long-term loans	14	548,500	399,000	225,000	112,500
Current portion of debentures	15	500,000	500,000	500,000	500,000
Income tax payable		243,518	116,398	80,859	-
Other current liabilities		1,628,248	1,477,549	285,551	201,891
Total current liabilities		41,861,051	35,548,875	14,490,159	12,531,027
Non-current liabilities					
Long-term loans - net of current portion	14	2,335,309	2,424,827	2,025,000	2,137,500
Debentures - net of current portion	15	6,736,675	6,733,847	6,736,675	6,733,847
Convertible bond	16	2,445,508	2,439,563	2,445,508	2,439,563
Provision for long-term employee benefits		1,591,007	1,476,894	362,210	341,675
Deferred tax liabilities	17	5,082,369	4,925,039	50,653	49,903
Forward exchange contracts payable - net of					
current portion		383,725	339,211	353,391	324,647
Other non-current liabilities		450,965	526,759	134,683	154,334
Total non-current liabilities		19,025,558	18,866,140	12,108,120	12,181,469
Total liabilities		60,886,609	54,415,015	26,598,279	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		17,585,356	17,699,516	7,251,475	7,546,975
Other components of shareholders' equity		818,726	747,611	179,590	179,590
Equity attributable to owners of the Company		37,172,385	37,215,430	26,199,368	26,494,868
Non-controlling interests of the subsidiaries		3,703,945	3,128,203	-	-
Total shareholders' equity		40,876,330	40,343,633	26,199,368	26,494,868
Total liabilities and shareholders' equity		101,762,939	94,758,648	52,797,647	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 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Sales	5	28,119,052	26,757,500	5,566,536	5,777,933
Other income					
Dividend income	5	-	-	512,084	505,706
Compensation from account payables		8,664	6,153	639	4,889
Interest income	5	5,672	1,994	243,478	254,858
Tax coupon		34,981	20,645	3,791	2,376
Exchange gains		-	20,964	-	-
Others	5	101,629	70,857	43,904	21,264
Total other income		150,946	120,613	803,896	789,093
Total revenues		28,269,998	26,878,113	6,370,432	6,567,026
Expenses					
Cost of sales	5	24,622,655	22,244,385	5,263,504	5,167,416
Selling expenses	5	1,334,790	1,230,781	167,264	219,508
Administrative expenses	5	1,440,101	1,208,947	244,401	191,429
Total expenses		27,397,546	24,684,113	5,675,169	5,578,353
Profit before share of profit from investments					
in associates, finance cost and income tax expenses		872,452	2,194,000	695,263	988,673
Share of profit from investments in associates		47,905	18,172	-	-
Profit before finance cost and income tax expenses		920,357	2,212,172	695,263	988,673
Finance cost		(365,262)	(1,058,376)	(181,327)	(167,162)
Profit before income tax expenses		555,095	1,153,796	513,936	821,511
Income tax income (expenses)	17	(157,048)	68,408	15,171	8,956
Profit for the period		398,047	1,222,204	529,107	830,467
Profit attributable to:					
Equity holders of the Company		358,983	1,001,480	529,107	830,467
Non-controlling interests of the subsidiaries		39,064	220,724		
		398,047	1,222,204		
(Unit: Baht)					
Earnings per share					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.31	1.01	0.46	0.84
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.31	0.99	0.46	0.82

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 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	398,047	1,222,204	529,107	830,467
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	927,919	193,431	-	-
Gain on change in value of available-for-sale investments	1,310	115	-	-
Gain (loss) on change in the value of pension fund	3,125	(2,021)	-	-
Increase in other reserves	2,645	99	-	-
Other comprehensive income for the period	934,999	191,624	-	-
Total comprehensive income for the period	1,333,046	1,413,828	529,107	830,467
Total comprehensive income attributable to:				
Equity holders of the Company	1,261,104	1,129,712	529,107	830,467
Non-controlling interests of the subsidiaries	71,942	284,116		
	1,333,046	1,413,828		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statement

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Sales	5	52,560,319	52,061,919	11,138,983	11,962,829
Other income					
Dividend income	5	-	-	512,084	684,566
Compensation from account payables		76,661	55,445	43,750	35,299
Interest income	5	6,580	2,902	482,117	502,675
Tax coupon		58,483	56,929	6,761	8,467
Exchange gains		98,467	253,228	146,214	111,482
Others	5	449,921	125,743	279,093	32,449
Total other income		690,112	494,247	1,470,019	1,374,938
Total revenues		53,250,431	52,556,166	12,609,002	13,337,767
Expenses					
Cost of sales	5	46,399,110	43,203,362	10,593,415	10,707,295
Selling expenses	5	2,414,072	2,289,031	324,961	394,742
Administrative expenses	5	2,365,481	2,523,359	391,197	328,707
Total expenses		51,178,663	48,015,752	11,309,573	11,430,744
Profit before share of profit from investments					
in associates, finance cost and income tax expenses		2,071,768	4,540,414	1,299,429	1,907,023
Share of profit from investments in associates		67,675	43,707	-	-
Profit before finance cost and income tax expenses		2,139,443	4,584,121	1,299,429	1,907,023
Finance cost		(728,628)	(1,600,731)	(364,849)	(339,457)
Profit before income tax expenses		1,410,815	2,983,390	934,580	1,567,566
Income tax expenses	17	(257,120)	(92,119)	(82,509)	(56,460)
Profit for the period		1,153,695	2,891,271	852,071	1,511,106
Profit attributable to:					
Equity holders of the Company		1,033,411	2,468,529	852,071	1,511,106
Non-controlling interests of the subsidiaries		120,284	422,742		
		1,153,695	2,891,271		
(Unit: Baht)					
Earnings per share					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.90	2.49	0.74	1.52
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.90	2.43	0.74	1.50

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the period	1,153,695	2,891,271	852,071	1,511,106
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	64,164	21,616	-	-
Gain on change in value of available-for-sale investments	4,829	5,896	-	-
Loss on change in the value of pension fund	(201)	(467)	-	-
Gain on revaluation of land	-	725,773	-	179,590
Increase in other reserves	5,569	1,398	-	-
Other comprehensive income for the period	74,361	754,216	-	179,590
Total comprehensive income for the period	1,228,056	3,645,487	852,071	1,690,696
Total comprehensive income attributable to:				
Equity holders of the Company	1,104,526	3,110,843	852,071	1,690,696
Non-controlling interests of the subsidiaries	123,530	534,644		
	1,228,056	3,645,487		

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	1,410,815	2,983,390	934,580	1,567,566
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	1,054,149	897,366	198,351	152,615
Amortisation of discount/premium from forward foreign exchange contracts	11,987	22,894	16,817	27,116
Amortisation of issue cost of convertible bond and long-term loans from financial institutions	5,996	670,425	5,996	5,735
Allowance for doubtful accounts (reversal)	27,202	5,668	(37)	2,485
Allowance for diminution in value of inventories (reversal)	36,853	23,548	48,840	(56,867)
Allowance for impairment loss of assets (reversal)	(3,053)	37,508	-	36,776
Share of income from investments in associates	(67,675)	(43,707)	-	-
Loss on sale of investment	1,329	1,278	-	-
Provision for long-term employee benefits	81,220	44,065	20,833	12,864
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	(1,506)	(7,986)	584	(2,416)
Loss on amortisation leasehold right	-	1,543	-	-
Unrealised exchange loss (gain)	305,039	(145,393)	121,924	(101,957)
Dividend income	-	-	(512,084)	(684,566)
Interest income	(6,580)	(2,902)	(482,117)	(502,675)
Interest expense	679,833	1,561,592	356,493	331,006
Income from operating activities before change in operating assets and liabilities	3,544,073	6,049,265	713,672	787,682
Decrease (increase) in operating assets				
Trade and other receivables	(2,159,087)	(1,648,319)	730,617	44,965
Inventories	(486,363)	(3,317,458)	(505,776)	(942,338)
Other current assets	56,359	(91,563)	738	(32,212)
Other non-current assets	(39,415)	(38,896)	9,523	(11,591)
Increase (decrease) in operating liabilities				
Trade and other payables	(437,643)	1,793,188	(190,672)	854,871
Other current liabilities	(168,620)	93,053	(86,273)	80,239
Other non-current liabilities	(88,032)	103,231	(15,950)	51,307
Cash flows from operating activities	221,272	2,942,501	655,879	832,923
Cash paid for corporate income tax	(170,238)	(270,049)	(7,663)	(46,225)
Net cash from operating activities	51,034	2,672,452	648,216	786,698

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease (increase) in restricted deposits with financial institutions	19	(800)	-	-
Acquisitions of property, plant and equipment	(2,394,072)	(1,697,837)	(441,694)	(466,271)
Acquisitions of intangible assets	(2,490)	(2,249)	-	(265)
Acquisitions of leasehold rights	(1,438)	(5,054)	-	-
Decrease (increase) in short-term loans to subsidiaries	-	-	1,212,441	(756,200)
Decrease (increase) in short-term loans to other companies	2,455	(6,125)	2,728	(6,125)
Increase in long-term loans to subsidiaries	-	-	(1,228,000)	(4,636,995)
Decrease (increase) in long-term loans to other companies	2,657	(2,206)	863	(3,771)
Increase in investment in subsidiaries	-	-	(635,685)	(8,444,215)
Increase in investment in associate	(39,553)	(612,000)	-	(612,000)
Increase in other long-term investment	-	(202)	-	-
Dissolution of subsidiary	-	24	-	-
Interest income	6,403	3,093	26,261	54,940
Dividend received	64,730	47,456	512,084	684,566
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	22,392	46,398	1,571	4,012
Net cash used in investing activities	(2,580,875)	(2,226,238)	(978,663)	(14,182,324)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	4,940,572	5,539,297	1,779,256	4,759,575
Dividend paid	(1,147,172)	(621,491)	(1,147,172)	(621,491)
Decrease in long-term loans	(170,250)	(13,323,334)	-	-
Cash paid for interest expense	(641,572)	(1,508,342)	(309,438)	(272,677)
Increase in issued ordinary shares	-	9,532,884	-	9,532,884
Increase (decrease) in non-controlling interest	452,212	(286,007)	-	-
Net cash from (used in) financing activities	3,433,790	(666,993)	322,646	13,398,291
Increase (decrease) in translation adjustment	(693,943)	341,373	-	-
Net increase (decrease) in cash and cash equivalents	210,006	120,594	(7,801)	2,665
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	1,610,051	1,023,114	54,534	58,573

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Supplement cash flows information				
Non-cash items:				
Undue installments for acquisitions of assets	280,359	147,435	97,560	29,333
Unrealised gain on changes in the value of investments	(4,829)	(5,896)	-	-
Transfer property, plant and equipment to intangible assets	125,922	4,397	-	-
Dividend payable	399	116	399	116
Increase in revaluation surplus on land	-	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.

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
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	Total shareholders' equity
			Appropriated	Unappropriated									
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)	(310,007)	(931,614)
Total comprehensive income for the period	-	-	-	2,468,529	30,896	5,896	(467)	604,591	1,398	642,314	3,110,843	534,644	3,645,487
Issued ordinary share capital	191,265	9,341,619	-	-	-	-	-	-	-	-	9,532,884	-	9,532,884
Increase in share capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	24,000	24,000
Balance as at 30 June 2012	1,147,594	17,500,509	100,000	17,094,308	99,310	(11,048)	(57,068)	604,591	1,866	637,651	36,480,062	2,907,573	39,387,635
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 (Note 20)	-	-	-	(1,147,571)	-	-	-	-	-	-	(1,147,571)	(188,074)	(1,335,645)
Total comprehensive income for the period	-	-	-	1,033,411	60,918	4,829	(201)	-	5,569	71,115	1,104,526	123,530	1,228,056
Issued ordinary share capital	-	-	-	-	-	-	-	-	-	-	-	351,155	351,155
Increase in non-controlling interests from change in investment in subsidiaries (Note 1.3)	-	-	-	-	-	-	-	-	-	-	-	289,131	289,131
Balance as at 30 June 2013	1,147,594	17,500,509	120,200	17,585,356	224,469	(6,741)	(16,999)	604,591	13,406	818,726	37,172,385	3,703,945	40,876,330

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 (continued)

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive		
					income	Total other	
			Revaluation surplus on land	components of shareholders' equity			
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	-	-	-	1,511,106	179,590	179,590	1,690,696
Issued ordinary share capital	191,265	9,341,619	-	-	-	-	9,532,884
Balance as at 30 June 2012	1,147,594	17,500,509	100,000	7,534,375	179,590	179,590	26,462,068
Balance as at 1 January 2013	1,147,594	17,500,509	120,200	7,546,975	179,590	179,590	26,494,868
Dividend paid (Note 20)	-	-	-	(1,147,571)	-	-	(1,147,571)
Total comprehensive income for the period	-	-	-	852,071	-	-	852,071
Balance as at 30 June 2013	1,147,594	17,500,509	120,200	7,251,475	179,590	179,590	26,199,368

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 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 a subsidiary in Asia, principally located in Vietnam, is 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 first quarter of the current year, 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 asset 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 asset value	<u>158</u>
Less: Non-controlling interests of subsidiary	<u>(21)</u>
Net asset value attributable to the Company's investment	137
Selling price	<u>(79)</u>
Loss from the disposal of investment in subsidiary	<u><u>58</u></u>

(Unaudited but reviewed)

During the first quarter of the current year, 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 30 June 2013 and the comprehensive income for the period from the investment date to 30 June 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 under the fair value of the net assets acquired has been recorded as other income in income statement. However, the Company has recorded some tangible assets acquired at their net book value, not fair value. The Company is awaiting tangible asset appraisal by a third party 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	1,887	1,431
Other assets	65	65
Total assets	3,300	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	1,718	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	1,282
Changes in investment from change of the status from associated to subsidiary	<u>9</u>
Net asset value attributable to the company's investment	1,291
Negative goodwill	<u>(9)</u>
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><u>325</u></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

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

(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	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Cash	4,631	4,410	478	1,282
Bank deposits	1,605,420	1,387,110	54,056	61,053
Bill of exchange	-	8,525	-	-
Total	<u>1,610,051</u>	<u>1,400,045</u>	<u>54,534</u>	<u>62,335</u>

As at 30 June 2013, bank deposits in saving accounts and bill of exchange carried interests between 0.11% and 1.47% 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	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	23,634	48,963	1,264,198	1,508,041
Past due				
1 - 30 days	7,461	6,149	717,875	712,228
31 - 60 days	13	-	164,865	33,971
Total trade receivables				
- related parties	<u>31,108</u>	<u>55,112</u>	<u>2,146,938</u>	<u>2,254,240</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	11,014,987	9,322,154	1,061,350	1,448,326
Past due				
1 - 30 days	2,440,869	1,573,063	209,992	215,571
31 - 60 days	365,307	397,745	23,049	41,023
61 - 90 days	127,728	232,978	1,104	319
91 - 120 days	38,117	90,924	-	358
121 - 180 days	77,763	56,859	-	226
181 - 365 days	167,648	68,593	-	1,028
Over 365 days	198,248	174,903	25,199	24,719
Total trade receivables				
- unrelated parties	14,430,667	11,917,219	1,320,694	1,731,570
Total trade receivables	14,461,775	11,972,331	3,467,632	3,985,810
Less: Allowance for doubtful accounts	(279,891)	(251,190)	(25,579)	(25,616)
Total trade receivables - net	14,181,884	11,721,141	3,442,053	3,960,194
<u>Other receivables</u>				
Interest receivables - related parties	-	-	542,987	87,115
Interest receivables	333	156	11	27
Accrued income	28,723	150,041	21,783	137,035
Advance payment	543,276	46,820	21,225	12,022
Total other receivables	572,332	197,017	586,006	236,199
Total trade and other receivables - net	14,754,216	11,918,158	4,028,059	4,196,393

As at 30 June 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).

As at 31 December 2012, trade receivables of a local subsidiary in amounting to 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 period, the Company received a compensation payment of Baht 215 million. The Company recorded the insurance recovery income in the income statement for the six-month period ended 30 June 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 30 June				
	2013	2012	2013	2012	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,260	2,402	Cost plus margin
Dividend income	-	-	490	504	As declared
Interest income	-	-	244	254	1.42 - 5.50% per annum (2012: 0.42% - 6.25% per annum)
Other income	-	-	18	15	Near market price
Purchases of goods	-	-	384	507	Cost plus margin
Management fee	-	-	13	13	Contract price
Other expenses	-	-	14	12	Near market price
Transactions with associates:					
Sales	6	7	2	2	Cost plus margin
Dividend income	26	2	22	2	As declared
Other income	4	5	-	-	Near market price
Purchases of goods	8	53	5	50	Cost plus margin
Transactions with related companies:					
Sales	159	270	61	54	Cost plus margin
Purchases of goods	659	855	584	633	Cost plus margin
Transportation	10	13	1	2	Near market price
Purchases and expenses relating to assets	39	29	4	5	Contract price and near market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	2013	2012	2013	2012	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	4,252	4,857	Cost plus margin
Dividend income	-	-	490	675	As declared
Interest income	-	-	482	502	1.42 - 5.50% per annum (2012: 0.42 - 6.25% per annum)

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	2013	2012	2013	2012	
Other income	-	-	25	35	Near market price
Purchases of goods	-	-	1,030	858	Cost plus margin
Management fee	-	-	27	26	Contract price
Other expenses	-	-	30	24	Near market price
Transactions with associates:					
Sales	19	14	4	4	Cost plus margin
Dividend income	26	10	22	10	As declared
Other income	8	10	-	-	Near market price
Purchases of goods	36	56	33	50	Cost plus margin
Transactions with related companies:					
Sales	368	451	127	103	Cost plus margin
Purchases of goods	1,253	1,581	1,052	1,116	Cost plus margin
Transportation	20	25	2	3	Near market price
Purchases and expenses relating to assets	67	67	7	10	Contract price and near market price

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common shareholders and directors. During the three-month and six-month periods ended 30 June 2013, insurance premiums paid through that company amounted to Baht 24 million and Baht 48 million, respectively (2012: Baht 18 million and Baht 35 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
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)

List of related companies	Relationship
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)
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)
Majestic Seafood Corporation Ltd.	Associated company (Held by associated company)
Lucky Union Foods Euro Sp.Z.o.o.	Associated company (Held by associated company)
Ekawat Products Co., Ltd.	Common major shareholders/ Director related to director
Geminai & Associate Co., Ltd.	Shareholders/ Director related to director

(Unaudited but reviewed)

List of related companies	Relationship
Geminai Watercrafts 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
Thaipatana Stainless Steel Co., Ltd.	Common major shareholders/Common directors
Thai Union Properties Co., Ltd.	Common major shareholders
Hanhong Kanchang Registered Ordinary Partnership	Common major shareholders
Ahead Way International Co., Ltd.	Common major shareholders
Merchant Partners Securities Co., Ltd.	Common shareholders/Common directors
Lucky Surimi Products Co., Ltd.	Common shareholders/Common directors
Asia-Pacific Risk Consultants (Thailand) Co., Ltd	Common shareholders/Common directors
Asia-Pacific Risk Insurance Broker Co., Ltd.	Common shareholders/Common directors
Miss Rungtiwa Boonmechote	Relative of director
Pae Parichart Boonmechote	Relative of director

*discontinued operation

The balance of the accounts as at 30 June 2013 and 31 December 2012 between the Company and these related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2013	2012	2013	2012
<u>Trade and other receivable - related parties (Note 4)</u>				
Subsidiaries	-	-	2,679,633	2,326,986
Associated companies	6,471	22,496	881	1,051
Related companies	24,637	32,616	9,411	13,318
Total trade and other receivables - related parties	<u>31,108</u>	<u>55,112</u>	<u>2,689,925</u>	<u>2,341,355</u>
<u>Trade and other payables - related parties (Note 13)</u>				
Subsidiaries	-	-	272,420	337,790
Associated companies	1,745	12,305	60	11,367
Related companies	86,148	177,071	47,237	84,067
Total trade and other payables - related parties	<u>87,893</u>	<u>189,376</u>	<u>319,717</u>	<u>433,224</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Short-term loans to subsidiaries				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union International Inc.	-	-	123,947	1,337,041
Total	-	-	203,947	1,417,041
Long-term loans to subsidiaries				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	20,551,801	20,453,595
Thai Union International, Inc.	-	-	1,928,922	676,118
Total	-	-	22,480,723	21,129,713
Less: Current portion				
Thai Union International, Inc.	-	-	(689,454)	-
Net	-	-	21,791,269	21,129,713

The movements of loans to/from related parties during the six-month period ended 30 June 2013 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the period			Balance as at
	1 January 2013	Increase	Decrease	Revaluation	30 June 2013
Short-term loans to subsidiaries					
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	124,600	(1,337,041)	(653)	123,947
	1,417,041	220,160	(1,432,601)	(653)	203,947
Long-term loans to subsidiaries					
Thai Union Investment Holding Co., Ltd.	20,453,595	-	-	98,206	20,551,801
Thai Union International, Inc.	676,118	1,228,000	-	24,804	1,928,922
	21,129,713	1,228,000	-	123,010	22,480,723
Short-term loans from subsidiaries					
Thai Union Manufacturing Co., Ltd.	-	3,700	(3,700)	-	-
Songkla Canning Pcl.	-	5,500	(5,500)	-	-
	-	9,200	(9,200)	-	-

(Unaudited but reviewed)

Directors and management's remuneration

The Company paid salaries, bonuses, meeting allowances, gratuities to their directors and management and post-employment benefits for the three-month and six-month periods ended 30 June 2013 totaling Baht 18 million and Baht 35 million, respectively (2012: Baht 14 million and Baht 31 million, respectively).

6. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 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	799,028	112,153
Less: Allowance for diminution in value of inventory reversed during the period	(691,808)	(63,313)
Translation adjustment	2,830	-
Balance as at 30 June 2013	<u>861,512</u>	<u>122,840</u>

As at 30 June 2013, two overseas subsidiaries (31 December 2012: three overseas subsidiaries) 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	
			30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 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	337,393	329,523
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	21,390	21,934
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	150,044	120,816
Pakfood Pcl.	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	-	49.97	-	773,460	-	734,987

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June	31 December	30 June	31 December	30 June	31 December
			2013	2012	2013	2012	2013	2012
		%	%					
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	42,866	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	49,140	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	377,203	415,860
					<u>508,019</u>	<u>1,241,925</u>	<u>1,114,571</u>	<u>1,806,273</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding Percentage		Cost	
			30 June	31 December	30 June	31 December
			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>

During the first quarter of the current year, 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 shares 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 30 June 2013 and the comprehensive income for the period from the investment date to 30 June 2013.

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

(Unaudited but reviewed)

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	
			30 June 2013	31 December 2012	30 June 2013	31 December 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 83.1 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	-

(Unit: Thousand Baht)

Company's name	Cost	
	30 June 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)	2,613,150	1,977,465

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Cost	
	30 June 2013	31 December 2012
PT Juifa International Foods	-	82,972
Thai Union Investment Holding Co., Ltd. (TUIH)	8,900,256	8,900,256
Pakfood Pcl. (PPC)	1,282,173	-
Total	15,897,888	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) which was fully paid up.

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 the offer to existing shareholders of the Company at Baht 50 per share.

During the first quarter of the current year, the Company increased investment in Pakfood Pcl (PPC) by purchasing additional 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.

During the first quarter of the current year, the Company sold investment in PT Juifa International Foods to third party for 23,970 shares, totally 88.78% of share 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.

(Unaudited but reviewed)

During the first quarter of the current year, 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 first quarter of the current year, 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.

During the second quarter of the current year, New Frontier Foods Co., Ltd. a subsidiary of Thai Union Manufacturing Co., Ltd. registered the increase of its registered share capital with the Ministry of Commerce from Baht 10 million (1 million ordinary shares of Baht 10 each) to Baht 200 million (20 million ordinary shares of Baht 10 each), 25% paid-up, for a total payment of Baht 47.5 million.

On 1 April 2013, 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.

During the current period, the Company additionally invested USD 21.5 million or Baht 635.7 million in Thai Union International, Inc.

During the second quarter of the current year, Thai Union Feedmill Co., Ltd. restructured its investment in subsidiaries by selling its holdings in three subsidiaries to TMAC Co., Ltd., another subsidiary of Thai Union Feedmill Co., Ltd.,. The investment in the subsidiaries, namely Thai Union Hatchery Co., Ltd., TMK Farm Co., Ltd. and TCM Fishery Co., Ltd., were sold at prices of Baht 340 million, Baht 127 million and Baht 56 million, respectively. These transactions were considered to be business combinations under common control that did not affect the existing shareholdings of Thai Union Feedmill Co., Ltd.

(Unaudited but reviewed)

9. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	41,563	<u>33,151</u>	46,104	<u>31,653</u>
Unrealised loss on changes in the value of investments	<u>(8,412)</u>		<u>(14,451)</u>	
Total available-for-sale securities	33,151		31,653	
Other investments				
- Ordinary shares	<u>666</u>		<u>664</u>	
Total other long-term investments	<u>33,817</u>		<u>32,317</u>	

10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	2,485,622	467,015
Increase from purchase of investment in subsidiary - net book value at purchase date	1,888,426	-
Transfer out during period	(125,922)	-
Disposals during period - net book value at disposal date	(20,302)	(2,155)
Write-off during period - net book value at write-off date	(450)	-
Decrease from disposal of investment in subsidiary - net book value at disposal date	(67,805)	-
Depreciation for period	(921,122)	(198,149)
Reversal of allowance for impairment of assets during the period	3,053	-
Translation adjustment	<u>64,377</u>	-
Net book value as at 30 June 2013	<u>21,229,146</u>	<u>4,116,292</u>

(Unaudited but reviewed)

As at 30 June 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 30 June 2013, a local subsidiary is subject to restriction on the creation of lien or encumbrance over its property, plant and equipment due to long-term loans from financial institution, as mentioned in Note 14.

11. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements							Total
	Licences	Trademark	Customer relationships	Covenant not to complete	Computer software	Distributor relationships	Others	
Cost								
At 1 January 2012	264	13,214	134	13	289	232	3	14,149
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	-	1	-	-	2	-	-	3
Transfer in from property, plant and equipment	-	-	-	-	126	-	-	126
Translation adjustment	(10)	39	2	-	8	1	-	40
At 30 June 2013	257	13,091	131	13	649	230	3	14,374
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	5	1	6	-	104	6	-	122
Translation adjustment	(1)	5	2	-	5	-	-	11
At 30 June 2013	43	280	130	13	386	31	-	883
Impairment								
At 1 January 2012	-	179	-	-	-	-	-	179
Translation adjustment	-	(2)	-	-	-	-	-	(2)
At 31 December 2012	-	177	-	-	-	-	-	177
Translation adjustment	-	1	-	-	-	-	-	1
At 30 June 2013	-	178	-	-	-	-	-	178
Net book value								
At 31 December 2012	228	12,600	7	-	236	204	3	13,278
At 30 June 2013	214	12,633	1	-	263	199	3	13,313

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements
	<u>Computer software</u>
Net book value as at 1 January 2013	2.9
Amortisation during the period	(0.2)
Net book value as at 30 June 2013	<u>2.7</u>

As at 30 June 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 increased 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.

(Unaudited but reviewed)

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.

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 30 June 2013, the balance under the credit facility was USD 96 million (31 December 2012: USD 100 million) at interest rate between 2.20% 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 41 million. TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 June 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

(Unaudited but reviewed)

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 June 2013, the balance under the credit facility was USD 99 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 4 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 30 June 2013, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from financial institutions amounting to USD 17 million (31 December 2012: USD 14 million). The credit facilities bear interest rate at cost of fund plus 1% and 2.25% per annum (31 December 2012: Cost of fund plus 1% and 2.25% per annum). As at 30 June 2013, the balance under the credit facilities was USD 2.5 million (31 December 2012: USD 7 million). The unused credit facilities available were approximately USD 14.5 million (31 December 2012: USD 7 million). The credit facilities were secured by plant and equipment of YCC.

(Unaudited but reviewed)

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Trade payables - related parties	70,910	85,302	311,503	381,475
Trade payables - unrelated parties	8,252,172	8,940,811	1,046,592	1,179,377
Accrued interest expenses - related parties	-	-	-	1
Accrued expenses - related parties	12,852	92,465	4,122	41,763
Accrued expenses - unrelated parties	1,683,521	1,237,340	371,752	253,817
Other payables - construction and asset purchase - related parties	4,131	11,609	4,092	9,985
Other payables - construction and asset purchase - unrelated parties	276,228	177,201	93,508	62,294
Total trade and other payables	<u>10,299,814</u>	<u>10,544,728</u>	<u>1,831,569</u>	<u>1,928,712</u>

14. Long-term loans

Long-term loans as at 30 June 2013 and 31 December 2012 consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
USD loans	9	9	-	-
Baht loans	2,875	2,815	2,250	2,250
Total	2,884	2,824	2,250	2,250
Less: Current portion	(549)	(399)	(225)	(112)
Net	<u>2,335</u>	<u>2,425</u>	<u>2,025</u>	<u>2,138</u>

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. As at 30 June 2013, the balance of this loan was Baht 409 million (31 December 2012: Baht 545 million).

(Unaudited but reviewed)

During the third quarter of 2011, the Company entered into a 7-year loan agreement amounting to Baht 2,250 million with a local financial institution. The loan carries interest at THBFIX per annum and is to be repaid in quarterly installments, the first of which will be due in October 2013. The loan contains covenants relating to various matters stipulated in the agreement. As at 30 June 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 was repaid in full amount during the first quarter of the current year (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 was carried 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 2012. As at 30 June 2013, the balance of this loan was Baht 216 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. The subsidiary is subject to restriction on the creation of lien or encumbrance over its property, plant and equipment. As at 30 June 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 30 June 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.

(Unaudited but reviewed)

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

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

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

The debentures contain covenants relating to various matters such as the maintenance of debt to shareholders' equity ratio and interest 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.

(Unaudited but reviewed)

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.

Income tax expense of the Company and subsidiaries for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June			
	2013	2012	2013	2012
Income tax on taxable income	30,217	64,084	(14,151)	(6,602)
Translation adjustment	7,921	3,697	-	-
Expense (income) in deferred income tax	118,910	(136,189)	(1,020)	(2,354)
Income tax expenses (income) as included in profit or loss	<u>157,048</u>	<u>(68,408)</u>	<u>(15,171)</u>	<u>(8,956)</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June			
	2013	2012	2013	2012
Income tax on taxable income	211,562	302,387	86,799	60,884
Translation adjustment	56	2,826	-	-
Expense (income) in deferred income tax	45,502	(213,094)	(4,290)	(4,424)
Income tax expenses as included in profit or loss	<u>257,120</u>	<u>92,119</u>	<u>82,509</u>	<u>56,460</u>

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Deferred tax assets				
Tax losses brought forward	514	503	-	-
Tax effect of non-deductible expenses				
Allowance for diminution in value of				
Account receivable	21	20	5	5
Inventories	142	135	2	1
Asset value	7	7	7	7
Others	16	12	-	-
Provision for long-term employee benefit	53	51	8	10
Accrued liabilities	171	168	-	-
Inventory cost capitalisation	215	212	-	-
Others	59	56	33	27
Total	<u>1,198</u>	<u>1,164</u>	<u>55</u>	<u>50</u>
Deferred tax liabilities				
Depreciation and amortisation	639	603	3	2
Intangible assets	3,798	3,784	-	-
Prepaid expense	16	16	-	-
Other reserves	214	213	-	-
Surplus on revaluation of assets	313	181	45	45
Others	102	128	3	3
Total	<u>5,082</u>	<u>4,925</u>	<u>51</u>	<u>50</u>

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

(Unaudited but reviewed)

assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

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

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

For the six-month period ended 30 June 2012					
Profit for the period		Weighted average	Earnings per share		
Consolidated financial statements	Separate financial statements	number of ordinary shares	Consolidated financial statements	Separate financial statements	
Million Baht	Million Baht	Million shares	Baht	Baht	
Basic earnings per share					
Profit attributable to equity holders of the Company	2,469	1,511	992.1	2.49	1.52
Add: Interest expense from convertible bond recognised during the period	47	47	-		
Effect of dilutive potential ordinary shares	-	-	45.3		
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share	2,516	1,558	1,037.4	2.43	1.50

There was no disclosure of diluted earnings per share in the financial statements for the three-month and six-month periods ended 30 June 2013 since the effect of diluted earnings per share was antidilutive.

19. Segment information

(Unaudited but reviewed)

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:

(Unaudited but reviewed)

- 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-month and six-month periods ended 30 June 2013 and 2012, respectively.

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2013						
	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	Eliminations	Consolidated
Revenue							
External customers	30,173,119	245,129	941,309	246,130	31,605,687	(3,486,635)	28,119,052
Inter-segment	767,834	839,902	36,596	2,156	1,646,488	(1,646,488)	-
Total revenue	<u>30,940,953</u>	<u>1,085,031</u>	<u>977,905</u>	<u>248,286</u>	<u>33,252,175</u>	<u>(5,133,123)</u>	<u>28,119,052</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 June 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
Results							
Segment profit	728,190	112,768	24,958	4,443	870,359	3,283	873,642
Finance cost							(365,262)
Share of profit from investment in associates							47,905
Other expenses							(1,190)
Profit before income tax expenses							555,095
Income tax expenses							(157,048)
Profit for the period							398,047

(Unit: Thousand Baht)

For the three-month period ended 30 June 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	28,481,883	325,863	1,367,477	344,853	30,520,076	(3,762,576)	26,757,500
Inter-segment	1,114,545	779,462	-	605	1,894,612	(1,894,612)	-
Total revenue	29,596,428	1,105,325	1,367,477	345,458	32,414,688	(5,657,188)	26,757,500
Results							
Segment profit	1,818,053	152,548	328,675	11,892	2,311,168	(110,326)	2,200,842
Finance cost							(1,058,376)
Share of profit from investment in associates							18,172
Other expenses							(6,842)
Profit before income tax expenses							1,153,796
Income tax income							68,408
Profit for the period							1,222,204

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2013

	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	Eliminations	Consolidated
Revenue							
External customers	56,067,808	477,386	1,830,920	507,381	58,883,495	(6,323,176)	52,560,319
Inter-segment	2,387,419	1,667,291	39,211	3,259	4,097,180	(4,097,180)	-
Total revenue	<u>58,455,227</u>	<u>2,144,677</u>	<u>1,870,131</u>	<u>510,640</u>	<u>62,980,675</u>	<u>(10,420,356)</u>	<u>52,560,319</u>
Results							
Segment profit	1,698,007	213,368	44,009	15,550	1,970,934	108,261	2,079,195
Finance cost							(728,628)
Share of profit from investment in associates							67,675
Other expenses							(7,427)
Profit before income tax expenses							1,410,815
Income tax expenses							(257,120)
Profit for the period							<u>1,153,695</u>

(Unit: Thousand Baht)

For the six-month period ended 30 June 2012

	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	Eliminations	Consolidated
Revenue							
External customers	55,386,806	686,033	2,380,759	696,196	59,149,794	(7,087,875)	52,061,919
Inter-segment	2,030,148	1,617,238	-	1,764	3,649,150	(3,649,150)	-
Total revenue	<u>57,416,954</u>	<u>2,303,271</u>	<u>2,380,759</u>	<u>697,960</u>	<u>62,798,944</u>	<u>(10,737,025)</u>	<u>52,061,919</u>
Results							
Segment profit	3,636,608	316,734	439,762	28,092	4,421,196	171,365	4,592,561
Finance cost							(1,600,731)
Share of profit from investment in associates							43,707
Other expenses							(52,147)
Profit before income tax expense							2,983,390
Income tax expenses							(92,119)
Profit for the period							<u>2,891,271</u>

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 June 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
	As at 30 June 2013	<u>95,459,278</u>	<u>2,689,552</u>	<u>3,180,552</u>	<u>433,557</u>
As at 31 December 2012	<u>88,702,106</u>	<u>2,577,565</u>	<u>2,924,762</u>	<u>554,215</u>	<u>94,758,648</u>

20. Dividends

Dividends declared in 2013 and 2012 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends on income for the period 1 July 2012 to 31 December 2012	Annual General Meeting of the shareholders on 10 April 2013	<u>1,148</u>	1.0
Total for 2013		<u>1,148</u>	
Dividends on income for the period 1 July 2011 to 31 December 2011	Annual General Meeting of the shareholders on 26 March 2012	<u>622</u>	0.65
Total for 2012		<u>622</u>	

21. Commitments

21.1 Operating and other service agreement commitments

As at 30 June 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 30 June 2013					
		Payable within			Total		
		Less than 1 year	1 to 5 years	More than 5 years			
Office rental and service agreements	Baht	97 million	Baht 71 million	Baht 47 million	Baht	215 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	
		-	EUR 1 million	-	EUR	1 million	
	USD	4 million	USD 11 million	USD 1 million	USD	16 million	
Vehicle lease agreements	Baht	36 million	Baht 30 million	-	Baht	66 million	
	EUR	1 million	EUR 2 million	EUR 1 million	EUR	4 million	
Machine lease agreements	Baht	2 million	Baht 1 million	-	Baht	3 million	
		-	USD 1 million	-	USD	1 million	
Warehouse and factory construction agreements	Baht	223 million	-	-	Baht	223 million	
Purchase machinery, equipment and vehicle agreements	Baht	70 million	-	-	Baht	70 million	
	EUR	1 million	-	-	EUR	1 million	
	USD	3 million	-	-	USD	3 million	
	CHF	3 million	-	-	CHF	3 million	
Internet network service agreements	Baht	2 million	Baht 1 million	-	Baht	3 million	
Security service agreements	Baht	1 million	-	-	Baht	1 million	
Communication agreements	Baht	1 million	-	-	Baht	1 million	
Computer & copy machine agreements	Baht	15 million	Baht 10 million	-	Baht	25 million	
Advisory agreements	Baht	3 million	Baht 1 million	-	Baht	4 million	
Marketing and management service agreements	Baht	6 million	Baht 1 million	-	Baht	7 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	

(Unaudited but reviewed)

	As at 31 December 2012			
	Payable within			Total
	Less than 1 year	1 to 5 years	More than 5 years	
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
Internet network service agreements	Baht 4 million	Baht 2 million	-	Baht 6 million
Security service agreements	Baht 3 million	-	-	Baht 3 million
Communication agreements	Baht 1 million	-	-	Baht 1 million
Advisory agreements	Baht 11 million	-	-	Baht 11 million

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

	As at 30 June 2013	As at 31 December 2012
The local subsidiary	Baht 128.4 million	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 30 June 2013 and 2012 amounted to USD 0.4 million and USD 0.4 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 30 June 2013.

21.2 Guarantees

- a) As at 30 June 2013, there were outstanding bank guarantees of approximately Baht 81 million and USD 3 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 30 June 2013, there were outstanding bank guarantees of approximately Baht 91 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 its subsidiaries have forward exchange contracts outstanding as summarised below.

As at 30 June 2013						
Foreign currency	Bought amount (Million)	Sold Amount (Million)	Contractual exchange rate		Contractual maturity date	
			Bought	Sold		
<u>The Company</u>						
USD	-	213	-	28.80 - 31.83	Baht against USD December 2013 - June 2018	
JPY	-	305	-	0.29 - 0.33	Baht against JPY August 2013 - December 2013	
EUR	-	462	-	38.46 - 42.96	Baht against EUR July 2013 - June 2017	
GBP	-	2	-	44.85 - 47.32	Baht against GBP August 2013 - November 2013	
<u>Subsidiaries</u>						
USD	-	260	-	28.96 - 32.79	Baht against USD July 2013 - July 2014	
JPY	-	574	-	0.29 - 0.37	Baht against JPY September 2013 - December 2013	
USD	17	-	1.32	EUR against USD	- December 2013	
USD	35	-	1.59	GBP against USD	- October 2013	
EUR	9	-	0.84	GBP against EUR	- December 2013	

(Unaudited but reviewed)

As at 31 December 2012

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

As at 30 June 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 49 million up to USD 115 million (31 December 2012: between USD 28 million up to USD 67 million), depending on conditions stipulated in the agreements, at rates of Baht 28.95 to Baht 32.00 per USD 1 (31 December 2012: at rates of Baht 30.85 to Baht 32.30 per USD 1). These agreements will terminate within April 2014 (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 follows.

As at 30 June 2013

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
EUR	59.5	95.2	1.33 - 1.35 USD against EUR	1.33 - 1.35 USD against EUR	July 2013 - December 2013
GBP	48.3	75.4	1.56 - 1.64 USD against GBP	1.56 - 1.64 USD against GBP	December 2013
EUR	53.4	80.2	0.81 - 0.84 GBP against EUR	0.81 - 0.84 GBP against EUR	December 2013

(Unaudited but reviewed)

As at 31 December 2012

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
EUR	42.0	69.0	1.33 - 1.38 USD against EUR	1.33 - 1.38 USD against EUR	December 2013
GBP	23.0	34.5	1.64 USD against GBP	1.64 USD against GBP	December 2013
EUR	38.1	57.1	0.79 GBP against EUR	0.79 GBP against EUR	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	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	314	311	30	31	31.13	30.58
JPY	192	149	532	239	0.32	0.35
EUR	524	513	61	61	40.62	40.50
VND	4,094	6,515	-	2,062	0.0015	0.0015

22.2 Interest rate swap transaction agreements

The details of the interest rate swap agreements outstanding as at 30 June 2013 and 31 December 2012 are as follows:

The Company

As at 30 June 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 4.52%	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

(Unaudited but reviewed)

3	Baht 500 million	Floating rate 6-month THBFX	Fixed rate 3.50%	August 2015
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Subsidiaries

As at 30 June 2013				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 84 million	Float rates 3-month EURIBOR	Fixed rate 2.70%	October 2017
2	EUR 117 million	Float rates 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 30 June 2013					
	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 674 million	Floating rate 3-month THBFX plus 2.31%	USD 22 million	Floating rate 3-month LIBOR plus 3.00%	June 2014
2	Baht 2,640 million	Fixed rate 1.78%	EUR 66 million	-	June 2015
3	Baht 1,997 million	Floating rate 6-month THBFX minus 1.75%	EUR 50 million	-	June 2017
4	Baht 614 million	Floating rate 3-month THBFX	USD 20 million	Floating rate LIBOR plus 0.20%	June 2016
5	Baht 614 million	Floating rate 3-month THBFX	USD 20 million	Fixed rate 1.54%	June 2018

(Unaudited but reviewed)

As at 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 0.67%	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 30 June 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 13 August 2013, the meeting of the Company's Board of Directors passed a resolution approving the payment of an interim dividend of Baht 0.60 per share, or a total of Baht 688.6 million for the 1,147,593,829 ordinary shares. The dividend is to be paid to shareholders on 9 September 2013.

24. 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 13 August 2013.