

Thai Union Frozen Products Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2013, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2013, changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2013, 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: 11 November 2013

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2013

(Unit: Thousand Baht)

|  | Note | Consolidated financial statements |                   | Separate financial statements |                   |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
|  |      | As at                             | As at             | As at                         | As at             |
|  |      | 30 September 2013                 | 31 December 2012  | 30 September 2013             | 31 December 2012  |
|  |      | (Unaudited<br>but reviewed)       | (Audited)         | (Unaudited<br>but reviewed)   | (Audited)         |
| <b>Assets</b>  |      |                                   |                   |                               |                   |
| <b>Current assets</b>  |      |                                   |                   |                               |                   |
| Cash and cash equivalents  | 2    | 1,552,162                         | 1,400,045         | 27,374                        | 62,335            |
| Trade and other receivables  | 3, 4 | 13,054,693                        | 11,918,158        | 4,574,657                     | 4,196,393         |
| Short-term loans to subsidiaries                                   | 4    | -                                 | -                 | 204,993                       | 1,417,041         |
| Short-term loans to other company                                  |      | 5,036                             | 11,652            | 878                           | 5,465             |
| Current portion of long-term loans to subsidiary                   | 4    | -                                 | -                 | 695,275                       | -                 |
| Current portion of long-term loans to other companies              |      | 7,667                             | 6,954             | 78                            | 1,608             |
| Inventories  | 5    | 36,181,065                        | 33,290,479        | 4,918,342                     | 4,871,030         |
| Other current assets   |      |                                   |                   |                               |                   |
| Prepaid income tax   |      | 122,716                           | 127,240           | 72,819                        | 60,357            |
| Current portion of forward exchange contracts receivables          |      | 142,028                           | 240,053           | 46,062                        | 130,728           |
| Value added tax refundable   |      | 351,868                           | 461,043           | 53,706                        | 68,341            |
| Others   |      | 1,016,141                         | 881,003           | 70,791                        | 73,173            |
| Total other current assets   |      | 1,632,753                         | 1,709,339         | 243,378                       | 332,599           |
| <b>Total current assets</b>  |      | <b>52,433,376</b>                 | <b>48,336,627</b> | <b>10,664,975</b>             | <b>10,886,471</b> |
| <b>Non-current assets</b>  |      |                                   |                   |                               |                   |
| Restricted deposits with financial institution                     |      | 14,654                            | 13,649            | -                             | -                 |
| Investments in associates  | 6    | 1,193,581                         | 1,806,273         | 155,574                       | 929,034           |
| Investments in subsidiaries  | 7    | -                                 | -                 | 15,897,888                    | 14,063,002        |
| Other long-term investments  | 8    | 35,144                            | 32,317            | -                             | -                 |
| Long-term loans to subsidiaries - net of current portion           | 4    | -                                 | -                 | 22,682,726                    | 21,129,713        |
| Long-term loans to other companies - net of<br>current portion     |      | 18,348                            | 24,122            | -                             | 1,260             |
| Property, plant and equipment                                      | 9    | 21,803,754                        | 17,923,269        | 4,220,541                     | 3,849,581         |
| Goodwill   |      | 12,059,877                        | 11,536,448        | -                             | -                 |
| Intangible assets  | 10   | 13,871,543                        | 13,278,430        | 3,508                         | 2,929             |
| Other non-current assets   |      |                                   |                   |                               |                   |
| Forward exchange contracts receivables<br>- net of current portion |      | 442                               | 97,167            | 442                           | 97,167            |
| Leasehold rights   |      | 195,274                           | 204,309           | -                             | -                 |
| Advance payment for purchase of property,<br>plant and equipment   |      | 91,777                            | 37,734            | -                             | -                 |
| Deferred tax assets  | 16   | 1,165,570                         | 1,163,761         | 56,779                        | 50,086            |
| Unamortised discount from forward exchange contracts               |      | 102,284                           | 157,956           | 102,284                       | 157,956           |
| Others   |      | 149,394                           | 146,586           | 25,678                        | 40,165            |
| <b>Total non-current assets</b>                                    |      | <b>50,701,642</b>                 | <b>46,422,021</b> | <b>43,145,420</b>             | <b>40,320,893</b> |
| <b>Total assets</b>  |      | <b>103,135,018</b>                | <b>94,758,648</b> | <b>53,810,395</b>             | <b>51,207,364</b> |

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 September 2013

(Unit: Thousand Baht)

|   | Note  | Consolidated financial statements |                   | Separate financial statements |                   |
|---|-------|-----------------------------------|-------------------|-------------------------------|-------------------|
|   |       | As at                             | As at             | As at                         | As at             |
|   |       | 30 September 2013                 | 31 December 2012  | 30 September 2013             | 31 December 2012  |
|   |       | (Unaudited<br>but reviewed)       | (Audited)         | (Unaudited<br>but reviewed)   | (Audited)         |
| <b>Liabilities and shareholders' equity</b>       |       |                                   |                   |                               |                   |
| <b>Current liabilities</b>                        |       |                                   |                   |                               |                   |
| Bank overdrafts and short-term loans from         |       |                                   |                   |                               |                   |
| financial institutions                            | 11    | 27,704,697                        | 22,511,200        | 11,885,809                    | 9,787,924         |
| Trade and other payables                          | 4, 12 | 10,890,782                        | 10,544,728        | 1,866,275                     | 1,928,712         |
| Current portion of long-term loans                | 13    | 776,500                           | 399,000           | 450,000                       | 112,500           |
| Current portion of debentures                     | 14    | 3,796,630                         | 500,000           | 3,796,630                     | 500,000           |
| Income tax payable                                |       | 163,400                           | 116,398           | 37,303                        | -                 |
| Other current liabilities                         |       | 1,634,420                         | 1,477,549         | 316,531                       | 201,891           |
| <b>Total current liabilities</b>                  |       | <b>44,966,429</b>                 | <b>35,548,875</b> | <b>18,352,548</b>             | <b>12,531,027</b> |
| <b>Non-current liabilities</b>                    |       |                                   |                   |                               |                   |
| Long-term loans - net of current portion          | 13    | 1,960,651                         | 2,424,827         | 1,800,000                     | 2,137,500         |
| Debentures - net of current portion               | 14    | 3,441,508                         | 6,733,847         | 3,441,508                     | 6,733,847         |
| Convertible bond                                  | 15    | 2,552,660                         | 2,439,563         | 2,552,660                     | 2,439,563         |
| Provision for long-term employee benefits         |       | 1,613,941                         | 1,476,894         | 372,627                       | 341,675           |
| Deferred tax liabilities                          | 16    | 5,266,878                         | 4,925,039         | 47,587                        | 49,903            |
| Forward exchange contracts payable - net of       |       |                                   |                   |                               |                   |
| current portion                                   |       | 1,076,390                         | 339,211           | 1,037,511                     | 324,647           |
| Other non-current liabilities                     |       | 396,380                           | 526,759           | 98,355                        | 154,334           |
| <b>Total non-current liabilities</b>              |       | <b>16,308,408</b>                 | <b>18,866,140</b> | <b>9,350,248</b>              | <b>12,181,469</b> |
| <b>Total liabilities</b>                          |       | <b>61,274,837</b>                 | <b>54,415,015</b> | <b>27,702,796</b>             | <b>24,712,496</b> |
| <b>Shareholders' equity</b>                       |       |                                   |                   |                               |                   |
| 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                                    |       | 17,900,995                        | 17,699,516        | 7,159,706                     | 7,546,975         |
| Other components of shareholders' equity          |       | 1,314,503                         | 747,611           | 179,590                       | 179,590           |
| Equity attributable to owners of the Company      |       | 37,983,801                        | 37,215,430        | 26,107,599                    | 26,494,868        |
| Non-controlling interests of the subsidiaries     |       | 3,876,380                         | 3,128,203         | -                             | -                 |
| <b>Total shareholders' equity</b>                 |       | <b>41,860,181</b>                 | <b>40,343,633</b> | <b>26,107,599</b>             | <b>26,494,868</b> |
| <b>Total liabilities and shareholders' equity</b> |       | <b>103,135,018</b>                | <b>94,758,648</b> | <b>53,810,395</b>             | <b>51,207,364</b> |
|   |       | -                                 | -                 | -                             | -                 |

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 September 2013

(Unit: Thousand Baht)

|  | Note | Consolidated financial statements |                   | Separate financial statements |                  |
|--|------|-----------------------------------|-------------------|-------------------------------|------------------|
|  |      | 2013                              | 2012              | 2013                          | 2012             |
| <b>Revenues</b>  |      |                                   |                   |                               |                  |
| Sales  | 4    | 29,464,194                        | 28,326,939        | 6,216,683                     | 6,484,245        |
| Other income   |      |                                   |                   |                               |                  |
| Dividend income  | 4    | -                                 | 72                | 323,353                       | 696,361          |
| Compensation from account payables                         |      | 26,578                            | 6                 | 18,866                        | -                |
| Interest income  | 4    | 2,993                             | 2,605             | 262,822                       | 238,990          |
| Tax coupon   |      | 33,579                            | 4,486             | 5,946                         | 1,657            |
| Exchange gains   |      | 102,917                           | 236,825           | -                             | 127,016          |
| Others   | 4    | 105,039                           | 117,701           | 50,695                        | 115,064          |
| Total other income   |      | 271,106                           | 361,695           | 661,682                       | 1,179,088        |
| <b>Total revenues</b>                                      |      | <b>29,735,300</b>                 | <b>28,688,634</b> | <b>6,878,365</b>              | <b>7,663,333</b> |
| <b>Expenses</b>  |      |                                   |                   |                               |                  |
| Cost of sales  | 4    | 25,379,216                        | 23,883,497        | 5,633,297                     | 5,759,105        |
| Selling expenses   | 4    | 1,259,661                         | 1,260,953         | 190,153                       | 231,606          |
| Administrative expenses                                    | 4    | 1,331,004                         | 1,240,958         | 219,445                       | 227,240          |
| <b>Total expenses</b>                                      |      | <b>27,969,881</b>                 | <b>26,385,408</b> | <b>6,042,895</b>              | <b>6,217,951</b> |
| <b>Profit before share of profit from investments</b>      |      |                                   |                   |                               |                  |
| <b>in associates, finance cost and income tax expenses</b> |      | 1,765,419                         | 2,303,226         | 835,470                       | 1,445,382        |
| Share of profit from investments in associates             |      | 59,740                            | 11,859            | -                             | -                |
| <b>Profit before finance cost and income tax expenses</b>  |      | <b>1,825,159</b>                  | <b>2,315,085</b>  | <b>835,470</b>                | <b>1,445,382</b> |
| Finance cost   |      | (405,543)                         | (338,398)         | (214,045)                     | (181,228)        |
| <b>Profit before income tax expenses</b>                   |      | <b>1,419,616</b>                  | <b>1,976,687</b>  | <b>621,425</b>                | <b>1,264,154</b> |
| Income tax expense   | 16   | (265,731)                         | (144,530)         | (24,691)                      | (33,853)         |
| <b>Profit for the period</b>                               |      | <b>1,153,885</b>                  | <b>1,832,157</b>  | <b>596,734</b>                | <b>1,230,301</b> |
| <b>Profit attributable to:</b>                             |      |                                   |                   |                               |                  |
| Equity holders of the Company                              |      | 1,004,142                         | 1,612,833         | 596,734                       | 1,230,301        |
| Non-controlling interests of the subsidiaries              |      | 149,743                           | 219,324           |                               |                  |
|  |      | 1,153,885                         | 1,832,157         |                               |                  |
| (Unit: Baht)   |      |                                   |                   |                               |                  |
| <b>Earnings per share</b>                                  |      |                                   |                   |                               |                  |
| 17   |      |                                   |                   |                               |                  |
| Basic earnings per share                                   |      |                                   |                   |                               |                  |
| Profit attributable to equity holders of the Company       |      | 0.87                              | 1.41              | 0.52                          | 1.07             |
| Diluted earnings per share                                 |      |                                   |                   |                               |                  |
| Profit attributable to equity holders of the Company       |      | 0.87                              | 1.37              | 0.52                          | 1.05             |

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 September 2013

(Unit: Thousand Baht)

|  | Consolidated financial statements |           | Separate financial statements |           |
|--|-----------------------------------|-----------|-------------------------------|-----------|
|  | 2013                              | 2012      | 2013                          | 2012      |
| <b>Profit for the period</b>   | 1,153,885                         | 1,832,157 | 596,734                       | 1,230,301 |
| <b>Other comprehensive income:</b>   |                                   |           |                               |           |
| Exchange differences on translation of<br>financial statements in foreign currency | 501,273                           | (68,933)  | -                             | -         |
| Gain on change in value of available-for-sale investments                          | 1,038                             | (123)     | -                             | -         |
| Gain (loss) on change in the value of pension fund                                 | 2,321                             | 1,915     | -                             | -         |
| Increase in other reserves   | 11,533                            | 42        | -                             | -         |
| <b>Other comprehensive income for the period</b>                                   | 516,165                           | (67,099)  | -                             | -         |
| <b>Total comprehensive income for the period</b>                                   | 1,670,050                         | 1,765,058 | 596,734                       | 1,230,301 |
| <b>Total comprehensive income attributable to:</b>                                 |                                   |           |                               |           |
| Equity holders of the Company  | 1,499,919                         | 1,544,093 | 596,734                       | 1,230,301 |
| Non-controlling interests of the subsidiaries                                      | 170,131                           | 220,965   |                               |           |
|  | 1,670,050                         | 1,765,058 |                               |           |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

|  | Note | Consolidated financial statements |                   | Separate financial statements |                   |
|--|------|-----------------------------------|-------------------|-------------------------------|-------------------|
|  |      | 2013                              | 2012              | 2013                          | 2012              |
| <b>Revenues</b>  |      |                                   |                   |                               |                   |
| Sales  | 4    | 82,024,513                        | 80,388,858        | 17,355,666                    | 18,447,074        |
| Other income   |      |                                   |                   |                               |                   |
| Dividend income  | 4    | -                                 | 72                | 835,437                       | 1,380,927         |
| Compensation from account payables                         |      | 103,239                           | 55,451            | 62,616                        | 35,299            |
| Interest income  | 4    | 9,573                             | 5,507             | 744,939                       | 741,665           |
| Tax coupon   |      | 92,062                            | 61,415            | 12,707                        | 10,124            |
| Exchange gains   |      | 201,384                           | 490,053           | 142,695                       | 238,498           |
| Others   | 4    | 554,960                           | 243,444           | 329,788                       | 147,513           |
| Total other income   |      | 961,218                           | 855,942           | 2,128,182                     | 2,554,026         |
| <b>Total revenues</b>                                      |      | <b>82,985,731</b>                 | <b>81,244,800</b> | <b>19,483,848</b>             | <b>21,001,100</b> |
| <b>Expenses</b>  |      |                                   |                   |                               |                   |
| Cost of sales  | 4    | 71,778,326                        | 67,086,859        | 16,226,712                    | 16,466,400        |
| Selling expenses   | 4    | 3,673,733                         | 3,549,984         | 515,114                       | 626,348           |
| Administrative expenses                                    | 4    | 3,696,485                         | 3,764,317         | 607,123                       | 555,947           |
| <b>Total expenses</b>                                      |      | <b>79,148,544</b>                 | <b>74,401,160</b> | <b>17,348,949</b>             | <b>17,648,695</b> |
| <b>Profit before share of profit from investments</b>      |      |                                   |                   |                               |                   |
| <b>in associates, finance cost and income tax expenses</b> |      | <b>3,837,187</b>                  | <b>6,843,640</b>  | <b>2,134,899</b>              | <b>3,352,405</b>  |
| Share of profit from investments in associates             |      | 127,415                           | 55,566            | -                             | -                 |
| <b>Profit before finance cost and income tax expenses</b>  |      | <b>3,964,602</b>                  | <b>6,899,206</b>  | <b>2,134,899</b>              | <b>3,352,405</b>  |
| Finance cost   |      | (1,134,171)                       | (1,939,129)       | (578,894)                     | (520,685)         |
| <b>Profit before income tax expenses</b>                   |      | <b>2,830,431</b>                  | <b>4,960,077</b>  | <b>1,556,005</b>              | <b>2,831,720</b>  |
| Income tax expenses  | 16   | (522,851)                         | (236,649)         | (107,200)                     | (90,313)          |
| <b>Profit for the period</b>                               |      | <b>2,307,580</b>                  | <b>4,723,428</b>  | <b>1,448,805</b>              | <b>2,741,407</b>  |
| <b>Profit attributable to:</b>                             |      |                                   |                   |                               |                   |
| Equity holders of the Company                              |      | 2,037,553                         | 4,081,362         | 1,448,805                     | 2,741,407         |
| Non-controlling interests of the subsidiaries              |      | 270,027                           | 642,066           |                               |                   |
|  |      | 2,307,580                         | 4,723,428         |                               |                   |
| (Unit: Baht)   |      |                                   |                   |                               |                   |
| <b>Earnings per share</b>                                  |      |                                   |                   |                               |                   |
| 17   |      |                                   |                   |                               |                   |
| Basic earnings per share                                   |      |                                   |                   |                               |                   |
| Profit attributable to equity holders of the Company       |      | 1.78                              | 3.91              | 1.26                          | 2.62              |
| Diluted earnings per share                                 |      |                                   |                   |                               |                   |
| Profit attributable to equity holders of the Company       |      | 1.78                              | 3.81              | 1.26                          | 2.58              |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

|  | Consolidated financial statements |           | Separate financial statements |           |
|--|-----------------------------------|-----------|-------------------------------|-----------|
|  | 2013                              | 2012      | 2013                          | 2012      |
| <b>Profit for the period</b>   | 2,307,580                         | 4,723,428 | 1,448,805                     | 2,741,407 |
| <b>Other comprehensive income:</b>   |                                   |           |                               |           |
| Exchange differences on translation of<br>financial statements in foreign currency | 565,437                           | (47,317)  | -                             | -         |
| Gain on change in value of available-for-sale investments                          | 5,867                             | 5,773     | -                             | -         |
| Gain on change in the value of pension fund  | 2,120                             | 1,448     | -                             | -         |
| Gain on revaluation of land  | -                                 | 725,773   | -                             | 179,590   |
| Increase in other reserves   | 17,102                            | 1,440     | -                             | -         |
| <b>Other comprehensive income for the period</b>                                   | 590,526                           | 687,117   | -                             | 179,590   |
| <b>Total comprehensive income for the period</b>                                   | 2,898,106                         | 5,410,545 | 1,448,805                     | 2,920,997 |
| <b>Total comprehensive income attributable to:</b>                                 |                                   |           |                               |           |
| Equity holders of the Company  | 2,604,445                         | 4,654,936 | 1,448,805                     | 2,920,997 |
| Non-controlling interests of the subsidiaries                                      | 293,661                           | 755,609   |                               |           |
|  | 2,898,106                         | 5,410,545 |                               |           |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

|   | Consolidated financial statements |                  | Separate financial statements |                  |
|---|-----------------------------------|------------------|-------------------------------|------------------|
|   | 2013                              | 2012             | 2013                          | 2012             |
| <b>Cash flows from operating activities</b>   |                                   |                  |                               |                  |
| Profit before tax   | 2,830,431                         | 4,960,077        | 1,556,005                     | 2,831,720        |
| Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities |                                   |                  |                               |                  |
| Depreciation and amortisation   | 1,647,189                         | 1,362,187        | 303,936                       | 237,109          |
| Amortisation of discount/premium from forward foreign exchange contracts                          | 49,951                            | 71,809           | 46,670                        | 71,908           |
| Amortisation of issue cost of convertible bond and long-term loans from financial institutions    | 9,100                             | 673,379          | 9,100                         | 8,688            |
| Loss on amortisation of uncollectable prepaid income tax  | -                                 | 7,982            | -                             | 7,982            |
| Allowance for doubtful accounts (reversal)  | 46,506                            | 13,005           | 175                           | (402)            |
| Allowance for diminution in value of inventories (reversal)                                       | 212,521                           | 100,524          | 47,073                        | (40,304)         |
| Allowance for impairment loss of assets (reversal)  | (3,720)                           | 37,473           | -                             | 36,776           |
| Reversal of allowance for impairment of investments   | -                                 | -                | -                             | (26,136)         |
| Share of income from investments in associates  | (127,415)                         | (55,566)         | -                             | -                |
| Loss on sale of investment  | 1,328                             | 1,278            | -                             | -                |
| Provision for long-term employee benefits   | 116,973                           | 67,343           | 31,250                        | 19,296           |
| Gain on change investment in associate to investment in subsidiary                                | (49,736)                          | -                | -                             | -                |
| Loss on sale of investment of 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              | 28,666                            | (854)            | 197                           | (3,645)          |
| Loss on amortisation leasehold right  | -                                 | 2,402            | -                             | -                |
| Unrealised exchange loss (gain)   | 208,232                           | (224,438)        | 111,971                       | (64,587)         |
| Gain on exchange of investments in associates   | -                                 | (54,764)         | -                             | (54,764)         |
| Dividend income   | -                                 | (72)             | (835,437)                     | (1,380,927)      |
| Interest income   | (9,573)                           | (5,507)          | (744,939)                     | (741,665)        |
| Interest expense  | 1,060,615                         | 1,878,296        | 565,239                       | 507,796          |
| <b>Income from operating activities before change in operating assets and liabilities</b>         | <b>6,079,268</b>                  | <b>8,834,530</b> | <b>1,094,732</b>              | <b>1,408,845</b> |
| <b>Decrease (increase) in operating assets</b>  |                                   |                  |                               |                  |
| Trade and other receivables   | (626,356)                         | (1,394,335)      | 333,484                       | 125,617          |
| Inventories   | (1,674,425)                       | (3,663,289)      | (96,065)                      | (1,151,927)      |
| Other current assets  | 59,148                            | (140,144)        | 33,529                        | (96,622)         |
| Other non-current assets  | (52,854)                          | (52,330)         | 14,486                        | (154)            |
| <b>Increase (decrease) in operating liabilities</b>   |                                   |                  |                               |                  |
| Trade and other payables  | (87,423)                          | 1,977,350        | (150,500)                     | 739,281          |
| Other current liabilities   | 13,043                            | 39,167           | (7,430)                       | 57,326           |
| Other non-current liabilities   | (163,460)                         | 85,805           | (50,246)                      | 47,530           |
| Cash flows from operating activities  | 3,546,941                         | 5,686,754        | 1,171,990                     | 1,129,896        |
| Cash paid for corporate income tax  | (343,651)                         | (458,877)        | (91,368)                      | (111,053)        |
| <b>Net cash from operating activities</b>   | <b>3,203,290</b>                  | <b>5,227,877</b> | <b>1,080,622</b>              | <b>1,018,843</b> |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

|   | Consolidated financial statements |                    | Separate financial statements |                     |
|---|-----------------------------------|--------------------|-------------------------------|---------------------|
|   | 2013                              | 2012               | 2013                          | 2012                |
| <b>Cash flows from investing activities</b>                 |                                   |                    |                               |                     |
| Increase in restricted deposits with                        |                                   |                    |                               |                     |
| financial institutions                                      | (515)                             | (1,144)            | -                             | -                   |
| Acquisitions of property, plant and equipment               | (3,372,612)                       | (2,654,788)        | (705,977)                     | (721,758)           |
| Acquisitions of intangible assets                           | (6,676)                           | (4,139)            | (891)                         | (1,346)             |
| Acquisitions of leasehold rights                            | (2,530)                           | (6,390)            | -                             | -                   |
| Decrease (increase) in short-term loans to subsidiaries     | -                                 | -                  | 1,212,441                     | (158,200)           |
| Decrease (increase) in short-term loans to other companies  | 6,616                             | (8,049)            | 4,587                         | (1,350)             |
| Increase in long-term loans to subsidiaries                 | -                                 | -                  | (1,228,000)                   | (4,481,420)         |
| Decrease (increase) in long-term loans to other companies   | 5,142                             | (825)              | 2,790                         | (3,304)             |
| Increase in investment in subsidiaries                      | -                                 | -                  | (635,685)                     | (8,756,181)         |
| Increase in investment in associate                         | (39,554)                          | (612,000)          | -                             | (612,000)           |
| Increase in other long-term investment                      | -                                 | (202)              | -                             | -                   |
| Dissolution of subsidiary                                   | -                                 | 24                 | -                             | -                   |
| Interest income   | 9,614                             | 5,690              | 19,875                        | 218,822             |
| Dividend received   | 73,130                            | 55,255             | 835,437                       | 1,380,927           |
| Proceeds from sale of investment in subsidiary              | 79,387                            | -                  | 79,481                        | -                   |
| Cash paid to purchase of investment in subsidiary           | (324,578)                         | -                  | (508,713)                     | -                   |
| Proceeds from sale of investment                            | 3,213                             | 3,264              | -                             | -                   |
| Proceeds from disposal of property, plant and equipment     | 5,909                             | 53,674             | 1,969                         | 5,016               |
| <b>Net cash used in investing activities</b>                | <b>(3,563,454)</b>                | <b>(3,169,630)</b> | <b>(922,686)</b>              | <b>(13,130,794)</b> |
| <b>Cash flows from financing activities</b>                 |                                   |                    |                               |                     |
| Increase in bank overdrafts and                             |                                   |                    |                               |                     |
| short-term loans from financial institutions                | 3,971,047                         | 5,482,446          | 2,097,885                     | 4,836,682           |
| Dividend paid   | (1,835,282)                       | (1,883,952)        | (1,835,282)                   | (1,883,952)         |
| Decrease in long-term loans                                 | (317,000)                         | (13,459,585)       | -                             | -                   |
| Cash paid for interest expense                              | (947,666)                         | (1,793,898)        | (455,500)                     | (411,097)           |
| Increase in issued ordinary shares                          | -                                 | 9,532,884          | -                             | 9,532,884           |
| Increase (decrease) in non-controlling interest             | 454,516                           | (432,383)          | -                             | -                   |
| <b>Net cash from (used in) financing activities</b>         | <b>1,325,615</b>                  | <b>(2,554,488)</b> | <b>(192,897)</b>              | <b>12,074,517</b>   |
| <b>Increase (decrease) in translation adjustment</b>        | <b>(813,334)</b>                  | <b>420,935</b>     | <b>-</b>                      | <b>-</b>            |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>152,117</b>                    | <b>(75,306)</b>    | <b>(34,961)</b>               | <b>(37,434)</b>     |
| Cash and cash equivalents at beginning of period            | 1,400,045                         | 902,520            | 62,335                        | 55,908              |
| <b>Cash and cash equivalents at end of period</b>           | <b>1,552,162</b>                  | <b>827,214</b>     | <b>27,374</b>                 | <b>18,474</b>       |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

|   | Consolidated financial statements |         | Separate financial statements |         |
|---|-----------------------------------|---------|-------------------------------|---------|
|   | 2013                              | 2012    | 2013                          | 2012    |
| <b>Supplement cash flows information</b>                        |                                   |         |                               |         |
| Non-cash items:   |                                   |         |                               |         |
| Undue installments for acquisitions of assets                   | 284,273                           | 118,094 | 43,051                        | 23,075  |
| Unrealised gain on changes in the value of investments          | (5,867)                           | (5,773) | -                             | -       |
| Transfer of property, plant and equipment to intangible assets  | 156,621                           | 172,088 | -                             | -       |
| Transfer of property, plant and equipment to leasehold rights   | -                                 | 19,376  | -                             | -       |
| Increase in revaluation surplus on land                         | -                                 | 725,773 | -                             | 179,590 |
| Change of other long-term investment to investment in associate | -                                 | 34,579  | -                             | 34,579  |
| Change of investment in associate to investment in subsidiary   | 714,754                           | -       | 773,460                       | -       |
| Unpaid dividend   | 792                               | -       | 792                           | -       |

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 nine-month period ended 30 September 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 |
| share capital  | Share premium                                | Appropriated      | Unappropriated    | foreign currency  | investments   | pension fund  | on land  | reserves                    | equity         | the Company                                    | the subsidiaries                                   | equity   |                            |
| <b>Balance as at 1 January 2012</b>  | 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 19)  | -  | -                 | -                 | (1,883,952)       | -   | -   | -  | -                           | -              | -  | (1,883,952)  | (479,883)  | (2,363,835)                |
| Total comprehensive income for the period  | -  | -                 | -                 | 4,081,362         | (39,678)  | 5,773   | 1,448  | 604,591                     | 1,440          | 573,574  | 4,654,936  | 755,609  | 5,410,545                  |
| Issued ordinary share capital  | 191,265                                      | 9,341,619         | -                 | -                 | -   | -   | -  | -                           | -              | -  | 9,532,884  | -  | 9,532,884                  |
| Increase in share capital of subsidiaries  | -  | -                 | -                 | -                 | -   | -   | -  | -                           | -              | -  | -  | 47,500   | 47,500                     |
| Unappropriated retained earnings transferred statutory reserve                             | -  | -                 | 20,200            | (20,200)          | -   | -   | -  | -                           | -              | -  | -  | -  | -                          |
| <b>Balance as at 30 September 2012</b>   | <b>1,147,594</b>                             | <b>17,500,509</b> | <b>120,200</b>    | <b>17,424,596</b> | <b>28,736</b>   | <b>(11,171)</b>   | <b>(55,153)</b>                                    | <b>604,591</b>              | <b>1,908</b>   | <b>568,911</b>                                 | <b>36,761,810</b>                                  | <b>2,982,162</b>   | <b>39,743,972</b>          |
| <b>Balance as at 1 January 2013</b>  | <b>1,147,594</b>                             | <b>17,500,509</b> | <b>120,200</b>    | <b>17,699,516</b> | <b>163,551</b>  | <b>(11,570)</b>   | <b>(16,798)</b>                                    | <b>604,591</b>              | <b>7,837</b>   | <b>747,611</b>                                 | <b>37,215,430</b>                                  | <b>3,128,203</b>   | <b>40,343,633</b>          |
| Dividend paid (Note 19)  | -  | -                 | -                 | (1,836,074)       | -   | -   | -  | -                           | -              | -  | (1,836,074)  | (239,158)  | (2,075,232)                |
| Total comprehensive income for the period  | -  | -                 | -                 | 2,037,553         | 541,803   | 5,867   | 2,120  | -                           | 17,102         | 566,892  | 2,604,445  | 293,661  | 2,898,106                  |
| Increase in share capital of subsidiaries  | -  | -                 | -                 | -                 | -   | -   | -  | -                           | -              | -  | -  | 389,440  | 389,440                    |
| Increase in non-controlling interests from change in investment in subsidiaries (Note 1.3) | -  | -                 | -                 | -                 | -   | -   | -  | -                           | -              | -  | -  | 304,234  | 304,234                    |
| <b>Balance as at 30 September 2013</b>   | <b>1,147,594</b>                             | <b>17,500,509</b> | <b>120,200</b>    | <b>17,900,995</b> | <b>705,354</b>  | <b>(5,703)</b>  | <b>(14,678)</b>                                    | <b>604,591</b>              | <b>24,939</b>  | <b>1,314,503</b>                               | <b>37,983,801</b>                                  | <b>3,876,380</b>   | <b>41,860,181</b>          |

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Separate financial statements

|   | Issued and<br>paid-up<br>share capital | Share premium     | Retained earnings |                  | Other components of<br>shareholders' equity |   | Total<br>shareholders'<br>equity |
|---|--|-------------------|-------------------|------------------|---|---|----------------------------------|
|   |  |                   | Appropriated      | Unappropriated   | Other comprehensive                         |   |                                  |
|   |  |                   |                   |                  | Revaluation<br>surplus<br>on land           | Total other<br>components of<br>shareholders'<br>equity |                                  |
|   |  |                   |                   |                  |   |   |                                  |
| <b>Balance as at 1 January 2012</b>                               | 956,329                                | 8,158,890         | 100,000           | 6,644,876        | -   | -   | 15,860,095                       |
| Dividend paid (Note 19)   | -                                      | -                 | -                 | (1,883,952)      | -   | -   | (1,883,952)                      |
| Total comprehensive income for the period                         | -                                      | -                 | -                 | 2,741,407        | 179,590                                     | 179,590   | 2,920,997                        |
| Issued ordinary share capital                                     | 191,265                                | 9,341,619         | -                 | -                | -   | -   | 9,532,884                        |
| Unappropriated retained earnings<br>transferred statutory reserve | -                                      | -                 | 20,200            | (20,200)         | -   | -   | -                                |
| <b>Balance as at 30 September 2012</b>                            | <u>1,147,594</u>                       | <u>17,500,509</u> | <u>120,200</u>    | <u>7,482,131</u> | <u>179,590</u>                              | <u>179,590</u>  | <u>26,430,024</u>                |
| <b>Balance as at 1 January 2013</b>                               | 1,147,594                              | 17,500,509        | 120,200           | 7,546,975        | 179,590                                     | 179,590   | 26,494,868                       |
| Dividend paid (Note 19)   | -                                      | -                 | -                 | (1,836,074)      | -   | -   | (1,836,074)                      |
| Total comprehensive income for the period                         | -                                      | -                 | -                 | 1,448,805        | -   | -   | 1,448,805                        |
| <b>Balance as at 30 September 2013</b>                            | <u>1,147,594</u>                       | <u>17,500,509</u> | <u>120,200</u>    | <u>7,159,706</u> | <u>179,590</u>                              | <u>179,590</u>  | <u>26,107,599</u>                |

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

**Thai Union Frozen Products Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 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, and wholesalers and 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 September 2013 and the comprehensive income for the period from the investment date to 30 September 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 in order to allocate the fair value associated with the assets. The Company expects the appraisal and complete good will 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 |
| <b>Assets</b>                 |                      |                |
| Cash and cash equivalents     | 184                  | 184            |
| Trade and other receivables   | 351                  | 351            |
| Inventories                   | 813                  | 813            |
| Property, plant and equipment | 1,927                | 1,431          |
| Other assets                  | 65                   | 65             |
| Total assets                  | 3,340                | 2,844          |
| <b>Liabilities</b>            |                      |                |
| Trade and other payables      | 215                  | 215            |
| Long-term loans               | 1,305                | 1,305          |
| Other liabilities             | 70                   | 62             |
| Total liabilities             | 1,590                | 1,582          |
| Net assets value              | 1,750                | 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 | 1,306             |
| Negative goodwill  | <u>(24)</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>325</u>        |

#### 1.4 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

##### (a) Accounting standards that became effective in the current accounting period

Accounting standards:

TAS 12                      Income Taxes

TAS 20 (revised 2009)    Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2009)    The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8                      Operating Segments

Accounting Standard Interpretations:

TSIC 10                      Government Assistance - No Specific Relation to Operating Activities

TSIC 21                      Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSIC 25                      Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

(Unaudited but reviewed)

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

**(b) Accounting standards that will become effective in the future**

|  | <u>Effective date</u> |
|--|-----------------------|
| Accounting Standard:   |                       |
| TAS 12 (revised 2012) Income taxes   | 1 January 2014        |
| Financial Reporting Standard:  |                       |
| TFRS 4 Insurance Contracts   | 1 January 2016        |
| Accounting Standard Interpretations:   |                       |
| TSIC 15 Operating Leases - Incentives  | 1 January 2014        |
| TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease                         | 1 January 2014        |
| TSIC 29 Service Concession Arrangements: Disclosures   | 1 January 2014        |
| TSIC 32 Intangible Assets - Web Site Costs   | 1 January 2014        |
| Financial Reporting Standard Interpretations:  |                       |
| TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities                             | 1 January 2014        |
| TFRIC 4 Determining whether an Arrangement contains a Lease  | 1 January 2014        |
| TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | 1 January 2014        |
| TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies    | 1 January 2014        |
| TFRIC 10 Interim Financial Reporting and Impairment  | 1 January 2014        |
| TFRIC 12 Service Concession Arrangements   | 1 January 2014        |

(Unaudited but reviewed)

|          |   | <u>Effective date</u> |
|----------|---|-----------------------|
| TFRIC 13 | Customer Loyalty Programmes                   | 1 January 2014        |
| TFRIC 17 | Distributions of Non-cash Assets to<br>Owners | 1 January 2014        |
| TFRIC 18 | Transfers of Assets from<br>Customers         | 1 January 2014        |

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations 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.

### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012.

## 2. Cash and cash equivalents

|                  | Consolidated financial |                  | (Unit: Thousand Baht)<br>Separate |               |
|------------------|------------------------|------------------|-----------------------------------|---------------|
|                  | statements             |                  | financial statements              |               |
|                  | 30 September           | 31 December      | 30 September                      | 31 December   |
|                  | 2013                   | 2012             | 2013                              | 2012          |
| Cash             | 15,369                 | 4,410            | 810                               | 1,282         |
| Bank deposits    | 1,536,793              | 1,387,110        | 26,564                            | 61,053        |
| Bill of exchange | -                      | 8,525            | -                                 | -             |
| Total            | <u>1,552,162</u>       | <u>1,400,045</u> | <u>27,374</u>                     | <u>62,335</u> |

As at 30 September 2013, bank deposits in saving accounts and bill of exchange carried interests between 0.10% and 3.00% per annum (31 December 2012: between 0.10% and 2.47% per annum).

(Unaudited but reviewed)

**3. Trade and other receivables**

(Unit: Thousand Baht)

|  | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|
|  | 30 September<br>2013                 | 31 December<br>2012 | 30 September<br>2013             | 31 December<br>2012 |
| <u>Trade receivables - related parties</u>     |                                      |                     |                                  |                     |
| Aged on the basis of due dates                 |                                      |                     |                                  |                     |
| Not yet due                                    | 46,091                               | 48,963              | 1,440,156                        | 1,508,041           |
| Past due                                       |                                      |                     |                                  |                     |
| 1 - 30 days                                    | 15,249                               | 6,149               | 742,504                          | 712,228             |
| 31 - 60 days                                   | 50                                   | -                   | 212,331                          | 33,971              |
| 61 - 90 days                                   | -                                    | -                   | 2,392                            | -                   |
| Total trade receivables<br>- related parties   | 61,390                               | 55,112              | 2,397,383                        | 2,254,240           |
| <u>Trade receivables - unrelated parties</u>   |                                      |                     |                                  |                     |
| Aged on the basis of due dates                 |                                      |                     |                                  |                     |
| Not yet due                                    | 10,208,995                           | 9,322,154           | 1,055,388                        | 1,448,326           |
| Past due                                       |                                      |                     |                                  |                     |
| 1 - 30 days                                    | 1,836,521                            | 1,573,063           | 221,583                          | 215,571             |
| 31 - 60 days                                   | 183,554                              | 397,745             | 3,088                            | 41,023              |
| 61 - 90 days                                   | 192,849                              | 232,978             | 4,677                            | 319                 |
| 91 - 120 days                                  | 42,047                               | 90,924              | 559                              | 358                 |
| 121 - 180 days                                 | 93,130                               | 56,859              | 29                               | 226                 |
| 181 - 365 days                                 | 126,977                              | 68,593              | -                                | 1,028               |
| Over 365 days                                  | 199,502                              | 174,903             | 25,409                           | 24,719              |
| Total trade receivables<br>- unrelated parties | 12,883,575                           | 11,917,219          | 1,310,733                        | 1,731,570           |
| Total trade receivables                        | 12,944,965                           | 11,972,331          | 3,708,116                        | 3,985,810           |
| Less: Allowance for<br>doubtful accounts       | (301,766)                            | (251,190)           | (25,791)                         | (25,616)            |
| Total trade receivables - net                  | 12,643,199                           | 11,721,141          | 3,682,325                        | 3,960,194           |
| <u>Other receivables</u>                       |                                      |                     |                                  |                     |
| Interest receivables - related<br>parties      | -                                    | -                   | 812,204                          | 87,115              |
| Interest receivables                           | 115                                  | 156                 | 2                                | 27                  |
| Accrued income                                 | 62,336                               | 150,041             | 57,434                           | 137,035             |
| Advance payment                                | 349,043                              | 46,820              | 22,692                           | 12,022              |
| Total other receivables                        | 411,494                              | 197,017             | 892,332                          | 236,199             |
| Total trade and other receivables<br>- net     | 13,054,693                           | 11,918,158          | 4,574,657                        | 4,196,393           |

(Unaudited but reviewed)

As at 30 September 2013, certain trade accounts receivable of three overseas subsidiaries (31 December 2012: three overseas subsidiaries) have secured their credit facilities as mentioned in Note 11.

In April 2013, Tri-Union Frozen Products, Inc. (TUFPP) 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 TUFPP provides to the Company and Thai Union Seafoods Co., Ltd. (TUS).

As at 31 December 2012, trade receivables of a local subsidiary 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 nine-month period ended 30 September 2013.

#### **4. 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 September |       |                      |       |  |
|   | 2013   | 2012  | 2013                 | 2012  |  |
| <b>Transactions with subsidiaries:</b>              |  |       |                      |       |  |
| (Eliminated from consolidated financial statements) |  |       |                      |       |  |
| Sales   | -  | -     | 2,749                | 2,572 | Cost plus margin   |
| Dividend income                                     | -  | -     | 316                  | 688   | As declared  |
| Interest income                                     | -  | -     | 263                  | 239   | 1.41 - 5.50% per annum<br>(2012: 3.25 - 5.50% per annum) |
| Other income  | -  | -     | 15                   | 16    | Near market price  |
| Purchases of goods                                  | -  | -     | 412                  | 470   | Cost plus margin   |
| Management fee                                      | -  | -     | 14                   | 15    | Contract price   |
| Other expenses                                      | -  | -     | 25                   | 34    | Near market price  |
| <b>Transactions with associates:</b>                |  |       |                      |       |  |
| Sales   | 7  | 12    | 1                    | 6     | Cost plus margin   |
| Dividend income                                     | 7  | 8     | 7                    | 8     | As declared  |
| Other income  | 5  | 5     | -                    | -     | Near market price  |
| Purchases of goods                                  | 67   | 67    | -                    | 65    | Cost plus margin   |
| <b>Transactions with related companies:</b>         |  |       |                      |       |  |
| Sales   | 166  | 345   | 78                   | 66    | Cost plus margin   |
| Purchases of goods                                  | 767  | 1,356 | 704                  | 1,056 | Cost plus margin   |
| Transportation                                      | 11   | 12    | 2                    | 3     | Near market price  |
| Purchases and expenses relating to assets           | 25   | 30    | 2                    | 8     | Contract price and near market price                     |

(Unit: Million Baht)

|   | Consolidated                                  |      | Separate             |       | Transfer pricing policy                                  |
|---|---|------|----------------------|-------|--|
|   | financial statements                          |      | financial statements |       |  |
|   | For the nine-month periods ended 30 September |      |                      |       |  |
|   | 2013  | 2012 | 2013                 | 2012  |  |
| <b>Transactions with subsidiaries:</b>              |   |      |                      |       |  |
| (Eliminated from consolidated financial statements) |   |      |                      |       |  |
| Sales   | -   | -    | 7,001                | 7,429 | Cost plus margin   |
| Dividend income                                     | -   | -    | 806                  | 1,363 | As declared  |
| Interest income                                     | -   | -    | 745                  | 741   | 1.41 - 5.50% per annum<br>(2012: 3.25 - 5.50% per annum) |
| Other income  | -   | -    | 40                   | 51    | Near market price  |
| Purchases of goods                                  | -   | -    | 1,442                | 1,328 | Cost plus margin   |
| Management fee                                      | -   | -    | 41                   | 41    | Contract price   |
| Other expenses                                      | -   | -    | 55                   | 58    | Near market price  |

(Unaudited but reviewed)

(Unit: Million Baht)

|   | Consolidated                                  |       | Separate             |       | Transfer pricing policy              |
|---|---|-------|----------------------|-------|--------------------------------------|
|   | financial statements                          |       | financial statements |       |                                      |
|   | For the nine-month periods ended 30 September |       |                      |       |                                      |
|   | 2013  | 2012  | 2013                 | 2012  |                                      |
| <b>Transactions with associates:</b>        |   |       |                      |       |                                      |
| Sales                                       | 26  | 26    | 5                    | 10    | Cost plus margin                     |
| Dividend income                             | 33  | 18    | 29                   | 18    | As declared                          |
| Other income                                | 13  | 15    | -                    | -     | Near market price                    |
| Purchases of goods                          | 103   | 123   | 33                   | 115   | Cost plus margin                     |
| <b>Transactions with related companies:</b> |   |       |                      |       |                                      |
| Sales                                       | 534   | 796   | 205                  | 169   | Cost plus margin                     |
| Purchases of goods                          | 2,020   | 2,937 | 1,756                | 2,172 | Cost plus margin                     |
| Transportation                              | 31  | 37    | 4                    | 6     | Near market price                    |
| Purchases and expenses relating to assets   | 92  | 97    | 9                    | 18    | 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 nine-month periods ended 30 September 2013, insurance premiums paid through that company amounted to Baht 28 million and Baht 76 million, respectively (2012: Baht 20 million and Baht 55 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) |



(Unaudited but reviewed)

| 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 |
| Phil-Union Frozen Foods, Inc.                      | 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       |
| Minor International Pcl.                           | Common director                            |
| Miss Rungtiwa Boonmechote                          | Relative of director                       |
| Pae Parichart Boonmechote                          | Relative of director                       |

\*discontinued operation

(Unaudited but reviewed)

The balances of the accounts as at 30 September 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 September<br>2013 | 31 December<br>2012 | 30 September<br>2013 | 31 December<br>2012 |
| <u>Trade and other receivable - related parties (Note 3)</u> |                      |                     |                      |                     |
| Subsidiaries   | -                    | -                   | 3,167,543            | 2,326,986           |
| Associated companies   | 6,450                | 22,496              | 1,019                | 1,051               |
| Related companies  | 54,940               | 32,616              | 41,025               | 13,318              |
| Total trade and other receivables - related parties          | <u>61,390</u>        | <u>55,112</u>       | <u>3,209,587</u>     | <u>2,341,355</u>    |
| <u>Trade and other payables - related parties (Note 12)</u>  |                      |                     |                      |                     |
| Subsidiaries   | -                    | -                   | 292,216              | 337,790             |
| Associated companies   | 1,270                | 12,305              | 23                   | 11,367              |
| Related companies  | 177,784              | 177,071             | 128,013              | 84,067              |
| Total trade and other payables - related parties             | <u>179,054</u>       | <u>189,376</u>      | <u>420,252</u>       | <u>433,224</u>      |
| <u>Short-term loans to subsidiaries</u>                      |                      |                     |                      |                     |
| (Eliminated from consolidated financial statements)          |                      |                     |                      |                     |
| Thai Union Graphic Co., Ltd.                                 | -                    | -                   | 80,000               | 80,000              |
| Thai Union International Inc.                                | -                    | -                   | 124,993              | 1,337,041           |
| Total  | <u>-</u>             | <u>-</u>            | <u>204,993</u>       | <u>1,417,041</u>    |
| <u>Long-term loans to subsidiaries</u>                       |                      |                     |                      |                     |
| (Eliminated from consolidated financial statements)          |                      |                     |                      |                     |
| Thai Union Investment Holding Co., Ltd.                      | -                    | -                   | 21,432,794           | 20,453,595          |
| Thai Union International, Inc.                               | -                    | -                   | 1,945,207            | 676,118             |
| Total  | <u>-</u>             | <u>-</u>            | <u>23,378,001</u>    | <u>21,129,713</u>   |
| Less: Current portion  |                      |                     |                      |                     |
| Thai Union International, Inc.                               | -                    | -                   | (695,275)            | -                   |
| Net  | <u>-</u>             | <u>-</u>            | <u>22,682,726</u>    | <u>21,129,713</u>   |

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

|  | Separate financial statements |                   |                    |                  | Balance as at<br>30 September<br>2013 |
|--|-------------------------------|-------------------|--------------------|------------------|---------------------------------------|
|  | Balance as at                 | During the period |                    |                  |                                       |
|  | 1 January 2013                | Increase          | Decrease           | Revaluation      |                                       |
| <b><u>Short-term loans to subsidiaries</u></b>   |                               |                   |                    |                  |                                       |
| 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           | (1,418,630)        | 81,982           | 124,993                               |
|  | <u>1,417,041</u>              | <u>220,160</u>    | <u>(1,514,190)</u> | <u>81,982</u>    | <u>204,993</u>                        |
| <b><u>Long-term loans to subsidiaries</u></b>    |                               |                   |                    |                  |                                       |
| Thai Union Investment Holding Co., Ltd.          | 20,453,595                    | -                 | -                  | 979,199          | 21,432,794                            |
| Thai Union International, Inc.                   | 676,118                       | 1,228,000         | -                  | 41,089           | 1,945,207                             |
|  | <u>21,129,713</u>             | <u>1,228,000</u>  | <u>-</u>           | <u>1,020,288</u> | <u>23,378,001</u>                     |
| <b><u>Short-term loans from subsidiaries</u></b> |                               |                   |                    |                  |                                       |
| Thai Union Manufacturing Co., Ltd.               | -                             | 16,450            | (16,450)           | -                | -                                     |
| Songkla Canning Pcl.                             | -                             | 11,500            | (11,500)           | -                | -                                     |
|  | <u>-</u>                      | <u>27,950</u>     | <u>(27,950)</u>    | <u>-</u>         | <u>-</u>                              |

### 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 nine-month periods ended 30 September 2013 totaling Baht 18 million and Baht 53 million, respectively (2012: Baht 14 million and Baht 45 million, respectively).

### 5. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 2013 are summarised below.

(Unit: Thousand Baht)

|  | Consolidated financial<br>statements | Separate financial<br>statements |
|--|--------------------------------------|----------------------------------|
| Balance as at 1 January 2013   | 751,462                              | 74,000                           |
| Add: Allowance for diminution in value of inventory<br>made during the period      | 1,065,629                            | 135,143                          |
| Less: Allowance for diminution in value of inventory<br>reversed during the period | (779,911)                            | (88,070)                         |
| Translation adjustment   | <u>7,417</u>                         | <u>-</u>                         |

(Unaudited but reviewed)

Balance as at 30 September 2013

1,044,597

121,073

(Unaudited but reviewed)

As at 30 September 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 11.

## 6. 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 September                      | 31 December | 30 September   | 31 December      | 30 September                            | 31 December      |
|   |  |                                | 2013                              | 2012        | 2013           | 2012             | 2013                                    | 2012             |
|   |  |                                | %                                 | %           |                |                  |   |                  |
| <b>Investments in associates, directly held by the Company</b>                        |  |                                |                                   |             |                |                  |   |                  |
| Lucky Union Foods Co., Ltd.   | Manufacturer & exporter of crab sticks                         | Thailand                       | 25.00                             | 25.00       | 37,500         | 37,500           | 356,474                                 | 329,523          |
| Biz Dimension Co., Ltd.   | E-Commerce under website                                       | Thailand                       | 20.00                             | 20.00       | 1,010          | 1,010            | 24,115                                  | 21,934           |
| Avanti Feeds Limited  | Manufacturer & exporter of animal feeds and shrimp products    | India                          | 25.12                             | 25.12       | 117,064        | 117,064          | 166,520                                 | 120,816          |
| Pakfood Pcl.  | Manufacturer & distributor of frozen foods and aquatic animals | Thailand                       | -                                 | 49.97       | -              | 773,460          | -                                       | 734,987          |
| <b>Investments in associates, directly held by subsidiaries</b>                       |  |                                |                                   |             |                |                  |   |                  |
| 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           | 40,968                                  | 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           | 50,995                                  | 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           | 140,266                                 | 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           | 414,243                                 | 415,860          |
|   |  |                                |                                   |             | <u>508,019</u> | <u>1,241,925</u> | <u>1,193,581</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 September                  | 31 December | 30 September   | 31 December    |
|                             |  |                          | 2013                          | 2012        | 2013           | 2012           |
|                             |  |                          | %                             | %           |                |                |
| Lucky Union Foods Co., Ltd. | Manufacturer & exporter of crab sticks                         | Thailand                 | 25.00                         | 25.00       | 37,500         | 37,500         |
| Biz Dimension Co., Ltd.     | E-Commerce under website                                       | Thailand                 | 20.00                         | 20.00       | 1,010          | 1,010          |
| Avanti Feeds Limited        | Manufacturer & exporter of animal feeds and shrimp products    | India                    | 25.12                         | 25.12       | 117,064        | 117,064        |
| Pakfood Pcl.                | Manufacturer & distributor of frozen foods and aquatic animals | Thailand                 | -                             | 49.97       | -              | 773,460        |
|                             |  |                          |                               |             | <u>155,574</u> | <u>929,034</u> |

(Unaudited but reviewed)

During the 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 September 2013 and the comprehensive income for the period from the investment date to 30 September 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.

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.

## 7. Investments in subsidiaries

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

| Company's name                                 | Nature of business   | Country of incorporation | Paid-up capital   |                  | Shareholding percentage |                  |
|--|--|--------------------------|-------------------|------------------|-------------------------|------------------|
|  |  |                          | 30 September 2013 | 31 December 2012 | 30 September 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                   | -                |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Company's name                                 | Cost                 |                     |
|--|----------------------|---------------------|
|  | 30 September<br>2013 | 31 December<br>2012 |
| <b><u>Investments in subsidiaries</u></b>      |                      |                     |
| 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           |
| PT Juifa International Foods                   | 82,972               | 82,972              |
| Thai Union Investment Holding Co., Ltd. (TUIH) | 8,900,256            | 8,900,256           |
| Pakfood Pcl. (PPC)                             | 1,282,773            | -                   |
| 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 6.



(Unaudited but reviewed)

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.

During the first quarter of the current year, TMAC Co., Ltd. (TMAC) 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 TMAC 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 of Baht 153 million, so 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 first quarter of the current year the Company additionally invested USD 14 million or Baht 415.3 million in Thai Union International, Inc. (TUI).

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 second quarter of the current year, the Company additionally invested USD 7.5 million or Baht 220.4 million in TUI.

(Unaudited but reviewed)

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.

During the third quarter of the current year, an extraordinary meeting of the shareholders of PPC passed a resolution to approving the delisting of the PPC's Securities from the Stock Exchange of Thailand ("the SET"), whereby the Company, the major shareholder of PPC, is to conduct a tender offer for the securities of PPC for the purpose of delisting from SET, with an offer price of Baht 53.14 per share between 29 August 2013 to 31 October 2013.

## 8. Other long-term investments

(Unit: Thousand Baht)

|  | Consolidated financial statements |            |                  |            |
|--|-----------------------------------|------------|------------------|------------|
|  | 30 September 2013                 |            | 31 December 2012 |            |
|  | Cost                              | Fair value | Cost             | Fair value |
| <b>Other long-term investments</b>                     |                                   |            |                  |            |
| Available-for-sale securities - Unit trusts            | 41,563                            | 34,450     | 46,104           | 31,653     |
| Unrealised loss on changes in the value of investments | (7,113)                           |            | (14,451)         |            |
| Total available-for-sale securities                    | 34,450                            |            | 31,653           |            |
| Other investments                                      |                                   |            |                  |            |
| - Ordinary shares                                      | 694                               |            | 664              |            |
| Total other long-term investments                      | 35,144                            |            | 32,317           |            |

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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 | 3,468,075                         | 676,750                       |

(Unaudited but reviewed)

(Unit: Thousand Baht)

|  | Consolidated<br>financial<br>statements | Separate<br>financial<br>statements |
|--|---|-------------------------------------|
| Increase from purchase of investment in subsidiary - net book value at purchase date | 1,928,601                               | -                                   |
| Transfer out during period   | (156,621)                               | -                                   |
| Disposals during period - net book value at disposal date                            | (11,237)                                | (2,166)                             |
| Write-off during period - net book value at write-off date                           | (18,347)                                | -                                   |
| Decrease from disposal of investment in subsidiary - net book value at disposal date | (67,805)                                | -                                   |
| Depreciation for period  | (1,479,382)                             | (303,624)                           |
| Reversal of allowance for impairment of assets during the period                     | 3,720                                   | -                                   |
| Translation adjustment   | 213,481                                 | -                                   |
| Net book value as at 30 September 2013   | 21,803,754                              | 4,220,541                           |

As at 30 September 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 11.

As at 30 September 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 13.

## 10. Intangible assets

(Unit: Million Baht)

|                        | Consolidated financial statements |           |                        |                 |                   |                           |        | Total  |
|------------------------|-----------------------------------|-----------|------------------------|-----------------|-------------------|---------------------------|--------|--------|
|                        | Licences                          | Trademark | Covenant               |                 |                   | Distributor relationships | Others |        |
|                        |                                   |           | Customer relationships | not to complete | Computer software |                           |        |        |
| <b>Cost</b>            |                                   |           |                        |                 |                   |                           |        |        |
| 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         | -                      | -               | 163               | -                         | -      | 164    |
| Disposal/write-off     | -                                 | -         | -                      | -               | (5)               | -                         | -      | (5)    |
| Translation adjustment | 5                                 | 578       | 3                      | -               | 24                | 11                        | -      | 621    |
| At 30 September 2013   | 272                               | 13,630    | 132                    | 13              | 695               | 240                       | 3      | 14,985 |

(Unaudited but reviewed)

(Unit: Million Baht)

| Consolidated financial statements |          |           |                        |                          |                   |                           |        |        |
|-----------------------------------|----------|-----------|------------------------|--------------------------|-------------------|---------------------------|--------|--------|
|                                   | Licences | Trademark | Customer relationships | Covenant not to complete | Computer software | Distributor relationships | Others | Total  |
| <b>Amortisation</b>               |          |           |                        |                          |                   |                           |        |        |
| 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         | 7                      | -                        | 128               | 9                         | 2      | 152    |
| Translation adjustment            | -        | 7         | 3                      | -                        | 13                | 2                         | 1      | 26     |
| At 30 September 2013              | 44       | 282       | 132                    | 13                       | 418               | 36                        | 3      | 928    |
| <b>Impairment</b>                 |          |           |                        |                          |                   |                           |        |        |
| At 1 January 2012                 | -        | 179       | -                      | -                        | -                 | -                         | -      | 179    |
| Translation adjustment            | -        | (2)       | -                      | -                        | -                 | -                         | -      | (2)    |
| At 31 December 2012               | -        | 177       | -                      | -                        | -                 | -                         | -      | 177    |
| Translation adjustment            | -        | 8         | -                      | -                        | -                 | -                         | -      | 8      |
| At 30 September 2013              | -        | 185       | -                      | -                        | -                 | -                         | -      | 185    |
| <b>Net book value</b>             |          |           |                        |                          |                   |                           |        |        |
| At 31 December 2012               | 228      | 12,600    | 7                      | -                        | 236               | 204                       | 3      | 13,278 |
| At 30 September 2013              | 228      | 13,163    | -                      | -                        | 277               | 204                       | -      | 13,872 |

(Unit: Million Baht)

Separate financial  
statements

Computer software

|  |       |
|--|-------|
| Net book value as at 1 January 2013    | 2.9   |
| Acquisition during period - at cost    | 0.9   |
| Amortisation during the period         | (0.3) |
| Net book value as at 30 September 2013 | 3.5   |

As at 30 September 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 11.

## 11. 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 21.2.

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.

(Unaudited but reviewed)

On 16 February 2011, TUFPP entered into a second amendment to the TUFPP credit agreement with BOA 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. 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 as discussed in Note 3.

On 5 August 2013, TUFPP entered into an eighth amendment to the TUFPP credit agreement with BOA for USD 140 million revolving credit through 15 October 2013, which was extended through 5 August 2016. Borrowings under the credit facility bear interest, at TUFPP's option, at LIBOR plus a margin of 1.25% to 2.25% per annum, or the bank's prime rate plus 0.25% to 1.25% 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.

(Unaudited but reviewed)

As at 30 September 2013, the balance under the credit facility was USD 101 million (31 December 2012: USD 100 million) at interest rate between 1.43% to 3.50% 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 39 million (31 December 2012: USD 36 million). TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 September 2013, TUFPP determined it was in compliance with these covenants.

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility agreement with BOA. The credit facility, which expires on 11 March 2014, provides for borrowings and the issuance of letters of credit up to USD 95 million subject to limitations based on eligible accounts receivable and inventory. The issuance of letters of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at Tri-U's option, at LIBOR plus a margin of 2.00% or 2.25% per annum, the bank's prime rate, or the bank's prime rate plus 1.00% or 1.25% per annum, depending upon the ratio of amounts outstanding to secured accounts receivable and inventory, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U. On 6 June 2011, Tri-U amended its credit facility with BOA to incorporate the "Chicken of the Sea" trademark as eligible collateral with USD 10 million additional availability component loan at LIBOR plus a margin of 3.75% or 4.00% per annum or the bank's prime rate plus 2.75% or 3.00% per annum within the USD 95 million credit line. Until repayment in full of the additional component loan, borrowing under Tri-U credit facility bears interest at LIBOR plus 2.25% or 2.50% per annum, or the bank's prime rate plus 1.25% or 1.50% per annum at Tri-U option. On 23 March 2012, Tri-U entered into the second amendment revolving credit facility agreement to increase the credit line to USD 110 million through 11 March 2014. On 22 August 2012, Tri-U entered into the third amendment of its credit facility with BOA, which has a "Keep-well" provision allowing Tri-U to utilise equity contributions from its member funded within a 45-day grace period when calculating the leverage ratio for purposes of assessing compliance with covenants. Tri-U agreed to a 0.25% increase in the annual interest rate in consideration of this provision. As at 30 September 2013, the balance under the credit facility was USD 90 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

(Unaudited but reviewed)

20 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 September 2013, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from financial institutions amounting to USD 21 million (31 December 2012: USD 14 million). The credit facilities bear interest rate at 2.5% per annum (31 December 2012: Cost of fund plus 1% and 2.25% per annum). As at 30 September 2013, the balance under the credit facilities was USD 7 million (31 December 2012: USD 7 million). The unused credit facilities available were approximately USD 14 million (31 December 2012: USD 7 million). The credit facilities were secured by accounts receivable, plant and equipment of YCC.

## 12. Trade and other payables

(Unit: Thousand Baht)

|   | Consolidated         |                   | Separate             |                  |
|---|----------------------|-------------------|----------------------|------------------|
|   | financial statements |                   | financial statements |                  |
|   | 30 September         | 31 December       | 30 September         | 31 December      |
|   | 2013                 | 2012              | 2013                 | 2012             |
| Trade payables - related parties  | 156,687              | 85,302            | 412,794              | 381,475          |
| Trade payables - unrelated parties                                      | 8,327,604            | 8,940,811         | 927,288              | 1,179,377        |
| Accrued interest expenses -<br>related parties                          | -                    | -                 | -                    | 1                |
| Accrued interest expenses -<br>unrelated parties                        | 236,953              | 124,329           | 211,760              | 102,020          |
| Accrued expenses - related parties                                      | 14,689               | 92,465            | 3,120                | 41,763           |
| Accrued expenses - unrelated parties                                    | 1,870,576            | 1,113,011         | 268,262              | 151,797          |
| Other payables - construction and<br>asset purchase - related parties   | 7,678                | 11,609            | 4,338                | 9,985            |
| Other payables - construction and<br>asset purchase - unrelated parties | 276,595              | 177,201           | 38,715               | 62,294           |
| Total trade and other payables  | <u>10,890,782</u>    | <u>10,544,728</u> | <u>1,866,275</u>     | <u>1,928,712</u> |

**13. Long-term loans**

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

|                       | (Unit: Million Baht) |                     |                      |                     |
|-----------------------|----------------------|---------------------|----------------------|---------------------|
|                       | Consolidated         |                     | Separate             |                     |
|                       | financial statements |                     | financial statements |                     |
|                       | 30 September<br>2013 | 31 December<br>2012 | 30 September<br>2013 | 31 December<br>2012 |
| USD loans             | 9                    | 9                   | -                    | -                   |
| Baht loans            | 2,729                | 2,815               | 2,250                | 2,250               |
| Total                 | 2,738                | 2,824               | 2,250                | 2,250               |
| Less: Current portion | (777)                | (399)               | (450)                | (112)               |
| Net                   | 1,961                | 2,425               | 1,800                | 2,138               |

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. As at 30 September 2013, the balance of this loan was Baht 273 million (31 December 2012: Baht 545 million).

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 September 2013, the balance of this loan was Baht 2,250 million (31 December 2012: Baht 2,250 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 September 2013, the balance of this loan was Baht 206 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 September 2013, the subsidiary was unable to maintain the debt service coverage ratio. However, the



(Unaudited but reviewed)

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 September 2013 as long-term loans with the original basis of the term payment.

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).

#### **14. Debentures**

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

On 12 November 2008, the Company issued the 2-year debentures of Baht 1,500 million (1,500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.7% per annum, which 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 of the 3 to 10 year debentures amounting to Baht 6,750 million (6,750,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.51% to 5.02% per annum and the redemption is due in 2014, 2016 and 2021.

(Unaudited but reviewed)

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

#### **15. Convertible bond**

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

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

#### **16. Income tax**

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

|   | Consolidated                                   |                | Separate             |               |
|---|--|----------------|----------------------|---------------|
|   | financial statements                           |                | financial statements |               |
|   | For the three-month periods ended 30 September |                |                      |               |
|   | 2013   | 2012           | 2013                 | 2012          |
| Income tax on taxable income                      | 223,042  | 62,687         | 29,410               | 40,286        |
| Translation adjustment                            | 267  | 1,082          | -                    | -             |
| Expense (income) in deferred income tax           | 42,422   | 80,761         | (4,719)              | (6,433)       |
| Income tax expenses as included in profit or loss | <u>265,731</u>                                 | <u>144,530</u> | <u>24,691</u>        | <u>33,853</u> |

(Unit: Thousand Baht)

|   | Consolidated                                  |                | Separate             |               |
|---|---|----------------|----------------------|---------------|
|   | financial statements                          |                | financial statements |               |
|   | For the nine-month periods ended 30 September |                |                      |               |
|   | 2013  | 2012           | 2013                 | 2012          |
| Income tax on taxable income                      | 434,604                                       | 365,074        | 116,209              | 101,170       |
| Translation adjustment                            | 323   | 3,908          | -                    | -             |
| Expense (income) in deferred income tax           | 87,924  | (132,333)      | (9,009)              | (10,857)      |
| Income tax expenses as included in profit or loss | <u>522,851</u>                                | <u>236,649</u> | <u>107,200</u>       | <u>90,313</u> |

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 September<br>2013 | 31 December<br>2012 | 30 September<br>2013 | 31 December<br>2012 |
| <b>Deferred tax assets</b>            |                      |                     |                      |                     |
| Tax losses brought forward            | 508                  | 503                 | -                    | -                   |
| Tax effect of non-deductible expenses |                      |                     |                      |                     |
| Allowance for diminution in value of  |                      |                     |                      |                     |
| Account receivable                    | 21                   | 20                  | 5                    | 5                   |
| Inventories                           | 106                  | 135                 | 1                    | 1                   |
| Asset value                           | 7                    | 7                   | 7                    | 7                   |

(Unaudited but reviewed)

(Unit: Million Baht)

|  | Consolidated         |              | Separate             |             |
|--|----------------------|--------------|----------------------|-------------|
|  | financial statements |              | financial statements |             |
|  | 30 September         | 31 December  | 30 September         | 31 December |
|  | 2013                 | 2012         | 2013                 | 2012        |
| Others                                   | 18                   | 12           | -                    | -           |
| Provision for long-term employee benefit | 54                   | 51           | 8                    | 10          |
| Accrued liabilities                      | 172                  | 168          | -                    | -           |
| Inventory cost capitalisation            | 217                  | 212          | -                    | -           |
| Others                                   | 63                   | 56           | 36                   | 27          |
| <b>Total</b>                             | <b>1,166</b>         | <b>1,164</b> | <b>57</b>            | <b>50</b>   |
| <b>Deferred tax liabilities</b>          |                      |              |                      |             |
| Depreciation and amortisation            | 648                  | 603          | 2                    | 2           |
| Intangible assets                        | 3,954                | 3,784        | -                    | -           |
| Prepaid expense                          | 17                   | 16           | -                    | -           |
| Other reserves                           | 220                  | 213          | -                    | -           |
| Surplus on revaluation of assets         | 321                  | 181          | 45                   | 45          |
| Others                                   | 107                  | 128          | 1                    | 3           |
| <b>Total</b>                             | <b>5,267</b>         | <b>4,925</b> | <b>48</b>            | <b>50</b>   |

## 17. Earnings per share

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

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

(Unaudited but reviewed)

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

| For the three-month period ended 30 September 2012  |                               |                           |                                   |                               |      |
|---|-------------------------------|---------------------------|-----------------------------------|-------------------------------|------|
| Profit for the period   |                               | Weighted average          | 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                          |      |
| <b>Basic earnings per share</b>   |                               |                           |                                   |                               |      |
| Profit attributable to equity holders of the Company  | 1,613                         | 1,230                     | 1,147.6                           | 1.41                          | 1.07 |
| Add: Interest expense from convertible bond recognised during the period                      | 23                            | 23                        | -                                 |                               |      |
| Effect of dilutive potential ordinary shares  | -                             | -                         | 45.3                              |                               |      |
| <b>Diluted earnings per share</b>   |                               |                           |                                   |                               |      |
| Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share | 1,636                         | 1,253                     | 1,192.9                           | 1.37                          | 1.05 |

| For the nine-month period ended 30 September 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                          |      |
| <b>Basic earnings per share</b>   |                               |                           |                                   |                               |      |
| Profit attributable to equity holders of the Company  | 4,081                         | 2,741                     | 1,044.3                           | 3.91                          | 2.62 |
| Add: Interest expense from convertible bond recognised during the period                      | 70                            | 70                        | -                                 |                               |      |
| Effect of dilutive potential ordinary shares  | -                             | -                         | 45.3                              |                               |      |
| <b>Diluted earnings per share</b>   |                               |                           |                                   |                               |      |
| Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary share | 4,151                         | 2,811                     | 1,089.6                           | 3.81                          | 2.58 |

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

## 18. Segment information

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

(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 nine-month periods ended 30 September 2013 and 2012, respectively.

## (Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2013

|   | Production<br>and<br>distribution of<br>frozen and<br>canned food<br>products | Production<br>and<br>distribution of<br>of<br>packaging<br>products | Production<br>and<br>distribution of<br>animal feeds<br>and<br>agriculture<br>products | Distributor    | Total<br>segments | Eliminations       | Consolidated      |
|---|---|---|--|----------------|-------------------|--------------------|-------------------|
| <b>Revenue</b>                                |   |   |  |                |                   |                    |                   |
| External customers                            | 32,460,938  | 183,611   | 994,702  | 311,145        | 33,950,396        | (4,486,202)        | 29,464,194        |
| Inter-segment                                 | 949,042   | 712,810   | 8,979  | 2,006          | 1,672,837         | (1,672,837)        | -                 |
| <b>Total revenue</b>                          | <b>33,409,980</b>   | <b>896,421</b>  | <b>1,003,681</b>   | <b>313,151</b> | <b>35,623,233</b> | <b>(6,159,039)</b> | <b>29,464,194</b> |
| <b>Results</b>                                |   |   |  |                |                   |                    |                   |
| <b>Segment profit</b>                         | 1,902,390   | 87,535  | 74,965   | (8,778)        | 2,056,112         | (295,206)          | 1,760,906         |
| Finance cost                                  |   |   |  |                |                   |                    | (405,543)         |
| Share of profit from investment in associates |   |   |  |                |                   |                    | 59,740            |
| Other income                                  |   |   |  |                |                   |                    | 4,513             |
| <b>Profit before income tax expenses</b>      |   |   |  |                |                   |                    | 1,419,616         |
| Income tax expenses                           |   |   |  |                |                   |                    | (265,731)         |
| <b>Profit for the period</b>                  |   |   |  |                |                   |                    | <b>1,153,885</b>  |

(Unit: Thousand Baht)

For the three-month period ended 30 September 2012

|   | Production<br>and<br>distribution of<br>frozen and<br>canned food<br>products | Production<br>and<br>distribution of<br>of<br>packaging<br>products | Production<br>and<br>distribution of<br>animal feeds<br>and<br>agriculture<br>products | Distributor    | Total<br>segments | Eliminations       | Consolidated      |
|---|---|---|--|----------------|-------------------|--------------------|-------------------|
| <b>Revenue</b>                                |   |   |  |                |                   |                    |                   |
| External customers                            | 30,044,687  | 263,825   | 1,271,993  | 363,645        | 31,944,150        | (3,617,211)        | 28,326,939        |
| Inter-segment                                 | 1,583,276   | 812,366   | 149,288  | 1,412          | 2,546,342         | (2,546,342)        | -                 |
| <b>Total revenue</b>                          | <b>31,627,963</b>   | <b>1,076,191</b>  | <b>1,421,281</b>   | <b>365,057</b> | <b>34,490,492</b> | <b>(6,163,553)</b> | <b>28,326,939</b> |
| <b>Results</b>                                |   |   |  |                |                   |                    |                   |
| <b>Segment profit</b>                         | 1,977,249   | 119,399   | 74,084   | (32,213)       | 2,138,519         | 143,228            | 2,281,747         |
| Finance cost                                  |   |   |  |                |                   |                    | (338,398)         |
| Share of profit from investment in associates |   |   |  |                |                   |                    | 11,859            |
| Other income                                  |   |   |  |                |                   |                    | 21,479            |
| <b>Profit before income tax expenses</b>      |   |   |  |                |                   |                    | 1,976,687         |
| Income tax expenses                           |   |   |  |                |                   |                    | (144,530)         |
| <b>Profit for the period</b>                  |   |   |  |                |                   |                    | <b>1,832,157</b>  |

## (Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2013

|   | Production<br>and<br>distribution of<br>frozen and<br>canned food<br>products | Production<br>and<br>distribution of<br>of<br>packaging<br>products | Production<br>and<br>distribution of<br>animal feeds<br>and<br>agriculture<br>products | Distributor    | Total<br>segments | Eliminations        | Consolidated      |
|---|---|---|--|----------------|-------------------|---------------------|-------------------|
| <b>Revenue</b>                                |   |   |  |                |                   |                     |                   |
| External customers                            | 88,528,746  | 660,997   | 2,825,622  | 818,526        | 92,833,891        | (10,809,378)        | 82,024,513        |
| Inter-segment                                 | 3,336,461   | 2,380,101   | 48,190   | 5,265          | 5,770,017         | (5,770,017)         | -                 |
| <b>Total revenue</b>                          | <b>91,865,207</b>   | <b>3,041,098</b>  | <b>2,873,812</b>   | <b>823,791</b> | <b>98,603,908</b> | <b>(16,579,395)</b> | <b>82,024,513</b> |
| <b>Results</b>                                |   |   |  |                |                   |                     |                   |
| <b>Segment profit</b>                         | 3,600,397   | 300,903   | 118,974  | 6,772          | 4,027,046         | (186,945)           | 3,840,101         |
| Finance cost                                  |   |   |  |                |                   |                     | (1,134,171)       |
| Share of profit from investment in associates |   |   |  |                |                   |                     | 127,415           |
| Other expenses                                |   |   |  |                |                   |                     | (2,914)           |
| <b>Profit before income tax expenses</b>      |   |   |  |                |                   |                     | 2,830,431         |
| Income tax expenses                           |   |   |  |                |                   |                     | (522,851)         |
| <b>Profit for the period</b>                  |   |   |  |                |                   |                     | <b>2,307,580</b>  |

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2012

|   | Production<br>and<br>distribution of<br>frozen and<br>canned food<br>products | Production<br>and<br>distribution of<br>of<br>packaging<br>products | Production<br>and<br>distribution of<br>animal feeds<br>and<br>agriculture<br>products | Distributor      | Total<br>segments | Eliminations        | Consolidated      |
|---|---|---|--|------------------|-------------------|---------------------|-------------------|
| <b>Revenue</b>                                |   |   |  |                  |                   |                     |                   |
| External customers                            | 85,431,493  | 949,858   | 3,652,752  | 1,059,841        | 91,093,944        | (10,705,086)        | 80,388,858        |
| Inter-segment                                 | 3,613,424   | 2,429,604   | 149,288  | 3,176            | 6,195,492         | (6,195,492)         | -                 |
| <b>Total revenue</b>                          | <b>89,044,917</b>   | <b>3,379,462</b>  | <b>3,802,040</b>   | <b>1,063,017</b> | <b>97,289,436</b> | <b>(16,900,578)</b> | <b>80,388,858</b> |
| <b>Results</b>                                |   |   |  |                  |                   |                     |                   |
| <b>Segment profit</b>                         | 5,613,857   | 436,133   | 513,846  | (4,121)          | 6,559,715         | 314,593             | 6,874,308         |
| Finance cost                                  |   |   |  |                  |                   |                     | (1,939,129)       |
| Share of profit from investment in associates |   |   |  |                  |                   |                     | 55,566            |
| Other expenses                                |   |   |  |                  |                   |                     | (30,668)          |
| <b>Profit before income tax expense</b>       |   |   |  |                  |                   |                     | 4,960,077         |
| Income tax expenses                           |   |   |  |                  |                   |                     | (236,649)         |
| <b>Profit for the period</b>                  |   |   |  |                  |                   |                     | <b>4,723,428</b>  |



(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 September 2013 and 31 December 2012:

(Unit: Thousand Baht)

| Segment assets         | Production and<br>distribution of<br>frozen and<br>canned food<br>products | Production and<br>distribution of<br>packaging products | Production and<br>distribution of animal<br>feeds and<br>agriculture products | Distributor | Consolidated |
|------------------------|--|---|---|-------------|--------------|
|                        | As at 30 September 2013  | 96,829,073  | 2,765,858   | 3,020,226   | 519,861      |
| As at 31 December 2012 | 88,702,106   | 2,577,565   | 2,924,762   | 554,215     | 94,758,648   |

## 19. Dividends

Dividends declared in 2013 and 2012 consist of the following:

|  | Approved by   | Total dividends<br>(Million Baht) | Dividend<br>per share<br>(Baht) |
|--|---|-----------------------------------|---------------------------------|
| Dividends on income for<br>the period 1 July 2012 to<br>31 December 2012 | Annual General Meeting<br>of the shareholders on<br>10 April 2013 | 1,148                             | 1.00                            |
| Dividends on income for<br>the interim period 2013                       | Board of Director's Meeting<br>on 13 August 2013                  | 688                               | 0.60                            |
| Total for 2013   |   | 1,836                             |                                 |
| Dividends on income for<br>the period 1 July 2011 to<br>31 December 2011 | Annual General Meeting<br>of the shareholders on<br>26 March 2012 | 622                               | 0.65                            |
| Dividends on income for<br>the interim period 2012                       | Board of Director's Meeting<br>on 8 August 2012                   | 1,262                             | 1.10                            |
| Total for 2012   |   | 1,884                             |                                 |

## 20. Commitments

### 20.1 Operating and other service agreement commitments

As at 30 September 2013 and 31 December 2012, the Company and its subsidiaries have the following commitments:

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

## (Unaudited but reviewed)

As at 30 September 2013

|  | Payable within   |  |                 |  |                   |  | Total            |
|--|------------------|--|-----------------|--|-------------------|--|------------------|
|  | Less than 1 year |  | 1 to 5 years    |  | More than 5 years |  |                  |
| Office rental and service agreements                 | Baht 89 million  |  | Baht 67 million |  | Baht 45 million   |  | Baht 201 million |
|  | EUR 1 million    |  | EUR 4 million   |  | EUR 1 million     |  | EUR 6 million    |
| Land lease agreements                                | Baht 1 million   |  | Baht 2 million  |  | Baht 2 million    |  | Baht 5 million   |
|  | USD 4 million    |  | USD 11 million  |  | USD 1 million     |  | USD 16 million   |
|  | EUR 1 million    |  | EUR 2 million   |  | EUR 1 million     |  | EUR 4 million    |
| Vehicle lease agreements                             | Baht 36 million  |  | Baht 24 million |  | -                 |  | Baht 60 million  |
|  | EUR 1 million    |  | -               |  | -                 |  | EUR 1 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 246 million |  | -               |  | -                 |  | Baht 246 million |
| Purchase machinery, equipment and vehicle agreements | Baht 20 million  |  | -               |  | -                 |  | Baht 20 million  |
|  | USD 2 million    |  | -               |  | -                 |  | USD 2 million    |
|  | EUR 1 million    |  | -               |  | -                 |  | EUR 1 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 13 million  |  | Baht 7 million  |  | -                 |  | Baht 20 million  |
| Advisory agreements                                  | -                |  | Baht 1 million  |  | -                 |  | Baht 1 million   |
| Marketing and management service agreements          | Baht 5 million   |  | Baht 1 million  |  | -                 |  | Baht 6 million   |

As at 31 December 2012

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

(Unaudited but reviewed)

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

|                         | <u>As at 30 September 2013</u> |               | <u>As at 31 December 2012</u> |               |
|-------------------------|--------------------------------|---------------|-------------------------------|---------------|
| 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 September 2013 and 2012 amounted to USD 0.7 million and USD 0.5 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 September 2013.

## **20.2 Guarantees**

- a) As at 30 September 2013, there were outstanding bank guarantees of approximately Baht 40 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 September 2013, there were outstanding bank guarantees of approximately Baht 176 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.

(Unaudited but reviewed)

- 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 10 million if its two joint ventures are called for repayment to a financial institution in accordance with the credit facility guarantee agreement.

## 21. Contingent liabilities

### 21.1 Forward foreign exchange contracts/currency option agreements

The Company and its subsidiaries have forward exchange contracts outstanding as summarised below.

| As at 30 September 2013 |                               |                             |                           |                                |                               |  |
|-------------------------|-------------------------------|-----------------------------|---------------------------|--------------------------------|-------------------------------|--|
| Foreign<br>currency     | Bought<br>amount<br>(Million) | Sold<br>Amount<br>(Million) | Contractual exchange rate |                                | Contractual maturity date     |  |
|                         |                               |                             | Bought                    | Sold                           |                               |  |
| <u>The Company</u>      |                               |                             |                           |                                |                               |  |
| USD                     | -                             | 202                         | -                         | 29.10 - 32.82 Baht against USD | October 2013 - June 2018      |  |
| JPY                     | -                             | 197                         | -                         | 0.31 - 0.33 Baht against JPY   | January 2014 - April 2014     |  |
| EUR                     | -                             | 462                         | -                         | 38.46 - 42.96 Baht against EUR | October 2013 - June 2017      |  |
| GBP                     | -                             | 1                           | -                         | 45.53 - 45.79 Baht against GBP | October 2013 - November 2013  |  |
| <u>Subsidiaries</u>     |                               |                             |                           |                                |                               |  |
| USD                     | -                             | 267                         | -                         | 28.96 - 32.80 Baht against USD | October 2013 - September 2014 |  |
| JPY                     | -                             | 332                         | -                         | 0.29 - 0.37 Baht against JPY   | November 2013 - February 2014 |  |
| USD                     | 21                            | -                           | 1.35 EUR against USD      | -                              | December 2014                 |  |
| GBP                     | 3                             | -                           | 1.56 GBP against USD      | -                              | December 2013                 |  |
| EUR                     | 47                            | -                           | 1.19 GBP against EUR      | -                              | December 2014                 |  |

As at 31 December 2012

(Unaudited but reviewed)

| Foreign<br>currency | Bought<br>amount<br>(Million) | Sold<br>Amount<br>(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 September 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 46 million up to USD 85 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 32.32 per USD 1 (31 December 2012: at rates of Baht 30.85 to Baht 32.30 per USD 1). These agreements will terminate within August 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 September 2013

| Foreign<br>currency | Bought<br>amount<br>(Million) | Sold<br>amount<br>(Million) | Contractual exchange rate   |                             | Contractual<br>maturity date  |
|---------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
|                     |                               |                             | Bought                      | Sold                        |                               |
| EUR                 | 64.8                          | 102.9                       | 1.33 - 1.38 USD against EUR | 1.33 - 1.38 USD against EUR | December 2013 - December 2014 |
| GBP                 | 62.9                          | 96.4                        | 1.56 - 1.64 USD against GBP | 1.56 - 1.64 USD against GBP | December 2013 - December 2014 |
| EUR                 | 12.1                          | 18.2                        | 0.81 - 0.84 GBP against EUR | 0.81 - 0.84 GBP against EUR | December 2013                 |

As at 31 December 2012

(Unaudited but reviewed)

| Foreign<br>currency | Bought<br>amount<br>(Million) | Sold<br>amount<br>(Million) | Contractual exchange rate   |                             | Contractual<br>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<br>currency | Financial assets     |                     | Financial liabilities |                     | Average exchange rate as at        |                     |
|---------------------|----------------------|---------------------|-----------------------|---------------------|------------------------------------|---------------------|
|                     | 30 September<br>2013 | 31 December<br>2012 | 30 September<br>2013  | 31 December<br>2012 | 30 September<br>2013               | 31 December<br>2012 |
|                     | (Million)            | (Million)           | (Million)             | (Million)           | (Baht per 1 foreign currency unit) |                     |
| USD                 | 351                  | 311                 | 20                    | 31                  | 31.39                              | 30.58               |
| JPY                 | 190                  | 149                 | 654                   | 239                 | 0.32                               | 0.35                |
| EUR                 | 529                  | 513                 | 61                    | 61                  | 42.36                              | 40.50               |
| VND                 | -                    | 6,515               | -                     | 2,062               | -                                  | 0.0015              |

## 21.2 Interest rate swap transaction agreements

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

### The Company

| As at 30 September 2013 and 31 December 2012 |   |  |  |                  |
|--|---|--|--|------------------|
|  | Principal amount  | Interest Revenue Rate<br>Swap agreements   | Interest Expense Rate<br>Swap agreements   | Termination date |
| 1  | Baht 2,040 million<br>(first 2 years)<br>Baht 170 - 1,700<br>million (remaining<br>4 years) | Floating rate 3-month<br>THBFIX plus 1.50%<br>(first 2 years)<br>Floating rate 3-month<br>THBFIX plus 1.75%<br>(remaining 4 years) | Fixed rate 4.52%                           | October 2016     |
| 2  | Baht 510 million<br>(first 2 years)<br>Baht 42.5 - 425<br>million (remaining<br>4 years)    | Floating rate 3-month<br>THBFIX plus 1.50%<br>(first 2 years)<br>Floating rate 3-month<br>THBFIX plus 1.75%<br>(remaining 4 years) | Fixed rate 4.48%                           | October 2016     |
| 3  | Baht 500 million  | Floating rate 6-month<br>THBFIX  | Fixed rate 3.50%                           | August 2015      |
| 4  | Baht 1,000 million  | Fixed rate 1.25%   | Floating rate 6-month<br>THBFIX less 1.75% | June 2017        |
| 5  | Baht 997 million  | Fixed rate 1.32%   | Floating rate 6-month<br>THBFIX less 1.75% | June 2017        |

(Unaudited but reviewed)

Subsidiaries

| As at 30 September 2013 |                  |  |  |                  |
|-------------------------|------------------|--|--|------------------|
|                         | Principal amount | Interest Revenue Rate<br>Swap agreements | Interest Expense Rate<br>Swap agreements | Termination date |
| 1                       | EUR 84 million   | Float rates 3-month<br>EURIBOR           | Fixed rate 2.70%                         | October 2017     |
| 2                       | EUR 117 million  | Float rates 3-month<br>EURIBOR           | Fixed Rate 2.73%                         | October 2017     |
| 3                       | USD 80 million   | Float rate 3-month<br>LIBOR              | Fixed rate 1.85 - 2.55%                  | February 2016    |

| As at 31 December 2012 |                  |  |  |                  |
|------------------------|------------------|--|--|------------------|
|                        | Principal amount | Interest Revenue Rate<br>Swap agreements | Interest Expense Rate<br>Swap agreements | Termination date |
| 1                      | EUR 88 million   | Float rate 3-month<br>EURIBOR            | Fixed rate 2.70 %                        | October 2017     |
| 2                      | EUR 123 million  | Float rate 3-month<br>EURIBOR            | Fixed rate 2.73 %                        | October 2017     |
| 3                      | USD 80 million   | Float rate 3-month<br>LIBOR              | Fixed rate 1.85 - 2.55%                  | February 2016    |

## Cross currency and interest rate swap agreements

The Company

| As at 30 September 2013 |   |   |   |   |                  |
|-------------------------|---|---|---|---|------------------|
|                         | Currency and Interest Revenue Rate<br>Swap agreements |   | Currency and Interest Expense Rate<br>Swap agreements |   | Termination date |
|                         | Principal amount                                      | Interest rate                                 | Principal amount                                      | Interest rate                             |                  |
| 1                       | Baht 674 million                                      | Floating rate<br>3-month THBFX<br>plus 2.31%  | USD 22 million  | Floating rate 3-month<br>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<br>6-month THBFX<br>minus 1.75% | EUR 50 million  | -   | June 2017        |
| 4                       | Baht 614 million                                      | Floating rate<br>3-month THBFX                | USD 20 million  | Floating rate 3-month<br>LIBOR plus 0.20% | June 2016        |
| 5                       | Baht 614 million                                      | Floating rate<br>3-month THBFX                | USD 20 million  | Fixed rate 1.54%                          | June 2018        |

| As at 31 December 2012 |   |   |   |  |                  |
|------------------------|---|---|---|--|------------------|
|                        | Currency and Interest Revenue Rate<br>Swap agreements |   | Currency and Interest Expense Rate<br>Swap agreements |  | Termination date |
|                        | Principal amount                                      | Interest rate                                 | Principal amount                                      | Interest rate                                    |                  |
| 1                      | Baht 1,134 million                                    | Floating rate<br>3-month THBFX                | USD 35 million  | Floating rate 3-month<br>LIBOR-BBA plus<br>0.67% | July 2013        |
| 2                      | Baht 674 million                                      | Floating rate<br>3-month THBFX<br>plus 2.31%  | USD 22 million  | Floating rate 3-month<br>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<br>6-month THBFX<br>minus 1.75% | EUR 50 million  | -  | June 2017        |
| 5                      | Baht 285 million                                      | Floating rate<br>3-month THBFX                | USD 9 million   | Floating rate LIBOR<br>plus 0.42%                | July 2013        |

(Unaudited but reviewed)

Subsidiary

| As at 30 September 2013 and 31 December 2012 |   |   |   |                  |                  |
|--|---|---|---|------------------|------------------|
|  | Currency and Interest Revenue Rate<br>Swap agreements |   | Currency and Interest Expense Rate<br>Swap agreements |                  | Termination date |
|  | Principal amount                                      | Interest rate                                 | Principal amount                                      | Interest rate    |                  |
| 1  | Baht 976 million                                      | Floating rate<br>3-month THBFIX<br>plus 2.94% | USD 32 million  | Fixed rate 5.65% | March 2015       |

**22. Events after reporting date**

On 4 November 2013, the Company purchased 796,789 ordinary shares of Pakfood Public Company Limited (PPC) (or 2.41% of the total fully issued and paid-up shares of PPC) for a total payment of Baht 42.34 million. As a result of the transaction, the investment proportion in PPC increased from 74.64% to 77.05%.

**23. 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 11 November 2013.