

Independent Auditor's Report

To the Shareholders of Thai Union Frozen Products Public Company Limited

I have audited the accompanying consolidated financial statements of Thai Union Frozen Products Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

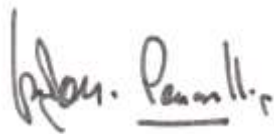
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Union Frozen Products Public Company Limited and its subsidiaries and of Thai Union Frozen Products Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited
Bangkok: 24 February 2014

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2013	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012
Assets					
Current assets					
Cash and cash equivalents	6	1,620,733,842	1,400,044,853	69,190,002	62,334,789
Short-term investment	7	1,593,720,000	-	1,593,720,000	-
Trade and other receivables	8,9	13,948,340,827	11,918,157,723	3,367,595,407	4,196,393,140
Short-term loans to subsidiaries	9	-	-	80,000,000	1,417,041,200
Short-term loans to other companies		2,958,144	11,652,013	-	5,465,000
Current portion of long-term loans to subsidiaries	9	-	-	724,893,875	-
Current portion of long-term loans to other companies		4,116,389	6,954,524	-	1,608,338
Inventories	10	36,917,346,432	33,290,478,541	5,019,971,420	4,871,029,878
Other current assets					
Prepaid income tax		210,550,144	127,239,879	76,604,805	60,357,391
Current portion of forward exchange contracts receivables		4,416,493	240,052,680	3,766,952	130,727,848
Value added tax refundable		360,128,163	461,043,103	33,167,458	68,340,536
Others		881,998,439	881,003,687	144,607,784	73,173,048
Total other current assets		1,457,093,239	1,709,339,349	258,146,999	332,598,823
Total current assets		55,544,308,873	48,336,627,003	11,113,517,703	10,886,471,168
Non-current assets					
Restricted bank deposits	11	11,093,803	13,649,287	-	-
Investments in associates	12	1,289,600,593	1,806,273,171	155,573,639	929,033,585
Investments in subsidiaries	13	-	-	16,442,429,520	14,063,001,850
Investments in joint venture	14	578,939,615	-	-	-
Other long-term investments	15	33,919,431	32,317,276	-	-
Long-term loans to subsidiaries - net of current portion	9	-	-	23,863,646,852	21,129,712,775
Long-term loans to other companies - net of					
current portion		10,871,831	24,121,373	-	1,260,000
Property, plant and equipment	16	21,472,833,289	17,923,268,913	4,188,048,894	3,849,580,950
Goodwill		12,791,945,754	11,536,447,404	-	-
Others intangible assets	17	14,696,284,206	13,278,430,015	4,445,278	2,929,189
Other non-current assets					
Forward exchange contracts receivables					
- net of current portion		48,275,500	97,167,200	48,275,500	97,167,200
Leasehold rights		204,929,425	204,308,926	-	-
Advance payment for purchase of property,					
plant and equipment		97,089,256	37,734,173	-	-
Deferred tax assets	24	1,328,856,000	1,163,761,179	31,497,750	50,086,434
Unamortised discount from forward exchange contracts		29,581,420	157,955,797	29,581,420	157,955,797
Others		151,753,855	146,586,104	20,343,697	40,165,074
Total non-current assets		52,745,973,978	46,422,020,818	44,783,842,550	40,320,892,854
Total assets		108,290,282,851	94,758,647,821	55,897,360,253	51,207,364,022

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2013	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	29,374,817,980	22,511,200,366	11,473,312,757	9,787,924,156
Trade and other payables	9,19	9,802,404,454	10,544,727,744	1,593,911,988	1,928,711,772
Current portion of long-term loans	20	779,500,000	399,000,000	450,000,000	112,500,000
Current portion of debentures	21	3,297,649,536	500,000,000	3,297,649,536	500,000,000
Income tax payable		235,338,189	116,397,844	110,449,932	-
Other current liabilities		3,440,727,862	1,477,549,180	1,926,162,378	201,891,448
Total current liabilities		46,930,438,021	35,548,875,134	18,851,486,591	12,531,027,376
Non-current liabilities					
Long-term loans - net of current portion	20	3,442,645,296	2,424,826,880	3,297,722,485	2,137,500,000
Debentures - net of current portion	21	3,441,968,780	6,733,847,032	3,441,968,780	6,733,847,032
Convertible bond	22	2,713,756,045	2,439,562,712	2,713,756,045	2,439,562,712
Provision for long-term employee benefits	23	1,718,005,641	1,476,893,699	377,386,130	341,674,259
Deferred tax liabilities	24	5,534,565,671	4,925,039,153	47,887,494	49,902,896
Forward exchange contracts payable - net of current portion		709,677,314	339,211,088	625,211,000	324,647,375
Other non-current liabilities		452,117,488	526,758,955	83,019,089	154,334,132
Total non-current liabilities		18,012,736,235	18,866,139,519	10,586,951,023	12,181,468,406
Total liabilities		64,943,174,256	54,415,014,653	29,438,437,614	24,712,495,782
Shareholders' equity					
Share capital	25				
Registered					
1,202,000,000 ordinary shares of Baht 1 each		1,202,000,000	1,202,000,000	1,202,000,000	1,202,000,000
Issued and paid-up					
1,147,593,829 ordinary shares of Baht 1 each		1,147,593,829	1,147,593,829	1,147,593,829	1,147,593,829
Share premium		17,500,508,871	17,500,508,871	17,500,508,871	17,500,508,871
Retained earnings					
Appropriated - statutory reserve	26	120,200,000	120,200,000	120,200,000	120,200,000
Unappropriated		18,716,270,733	17,699,516,062	7,511,030,410	7,546,976,011
Other components of shareholders' equity		2,051,805,259	747,611,124	179,589,529	179,589,529
Equity attributable to owners of the Company		39,536,378,692	37,215,429,886	26,458,922,639	26,494,868,240
Non-controlling interests of the subsidiaries		3,810,729,903	3,128,203,282	-	-
Total shareholders' equity		43,347,108,595	40,343,633,168	26,458,922,639	26,494,868,240
Total liabilities and shareholders' equity		108,290,282,851	94,758,647,821	55,897,360,253	51,207,364,022

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 year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Sales	9, 28	112,812,594,229	106,697,622,358	23,457,148,276	25,071,942,048
Other income					
Dividend income		5,904,000	72,000	835,437,467	1,421,743,357
Interest income		14,704,705	11,796,393	1,026,379,407	987,553,868
Exchange gains		51,774,083	496,804,699	100,291,708	217,898,692
Others		1,392,317,105	472,831,214	554,120,471	222,018,667
Total other income		1,464,699,893	981,504,306	2,516,229,053	2,849,214,584
Total revenues		114,277,294,122	107,679,126,664	25,973,377,329	27,921,156,632
Expenses					
Cost of sales		98,590,391,272	90,335,525,090	21,562,120,190	22,649,962,345
Selling expenses		5,060,281,049	4,826,874,163	692,676,898	878,763,235
Administrative expenses		5,173,919,602	4,666,036,936	857,433,919	720,930,137
Total expenses		108,824,591,923	99,828,436,189	23,112,231,007	24,249,655,717
Profit before share of profit from investments in associates and joint ventures, finance cost and income tax expenses					
		5,452,702,199	7,850,690,475	2,861,146,322	3,671,500,915
Share of profit from investments in associates and joint ventures					
		175,795,934	69,830,149	-	-
Profit before finance cost and income tax expenses		5,628,498,133	7,920,520,624	2,861,146,322	3,671,500,915
Finance cost		(1,654,909,119)	(2,328,874,222)	(855,088,580)	(706,000,826)
Profit before income tax expenses		3,973,589,014	5,591,646,402	2,006,057,742	2,965,500,089
Income tax expenses	24	(494,616,168)	(120,158,878)	(205,929,525)	(30,365,070)
Profit for the year		3,478,972,846	5,471,487,524	1,800,128,217	2,935,135,019
Profit attributable to:					
Equity holders of the Company		2,852,828,488	4,693,736,006	1,800,128,217	2,935,135,019
Non-controlling interests of the subsidiaries		626,144,358	777,751,518		
		3,478,972,846	5,471,487,524		
Earnings per share					
29					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.49	4.39	1.57	2.74
Diluted earnings per share					
Profit attributable to equity holders of the Company		2.47	4.29	1.57	2.71

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the year	3,478,972,846	5,471,487,524	1,800,128,217	2,935,135,019
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	1,406,488,173	88,925,545	-	-
Gain on change in value of available-for-sale investments, net of income tax	4,851,646	5,373,974	-	-
Gain (loss) on change in the value of pension fund	(12,886,232)	39,803,020	-	-
Gain on revaluation of land, net of income tax	-	725,773,616	-	179,589,529
Actuarial losses, net of income tax	-	(391,975,886)	-	(128,882,502)
Increase in other reserves	7,718,563	7,369,252	-	-
Other comprehensive income for the year	1,406,172,150	475,269,521	-	50,707,027
Total comprehensive income for the year	4,885,144,996	5,946,757,045	1,800,128,217	2,985,842,046
Total comprehensive income attributable to:				
Equity holders of the Company	4,191,396,101	5,108,557,144	1,800,128,217	2,985,842,046
Non-controlling interests of the subsidiaries	693,748,895	838,199,901		
	4,885,144,996	5,946,757,045		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	3,973,589,014	5,591,646,402	2,006,057,742	2,965,500,089
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,238,134,174	1,902,394,522	402,754,290	335,581,784
Amortisation of premium/discount from forward foreign exchange contracts	72,506,413	71,257,387	72,212,043	75,921,504
Amortisation of issue cost of convertible bond, debentures and long-term loans from financial institutions	12,371,202	676,369,715	12,371,202	11,678,945
Loss on write-off of unclaimed prepaid income tax	-	7,981,413	-	7,981,413
Allowance for doubtful accounts	80,841,482	1,871,776	1,529,429	97,797
Decrease of inventory to net realisable value (reversal)	494,367,773	308,412,675	97,610,178	(28,312,207)
Reversal of allowance for loss on impairment of assets	(3,517,526)	(28,702,970)	-	(29,365,348)
Allowance for loss on impairment of intangible assets	2,506,826	-	-	-
Allowance for loans to other companies	10,000,000	-	-	-
Reversal of allowance for impairment loss of investments	-	-	-	(26,136,437)
Share of profit from investments in associates and joint venture	(175,795,934)	(69,830,149)	-	-
Loss on sale of other investments	1,328,736	1,277,548	3,491,789	-
Provision for long-term employee benefits	213,398,696	190,278,148	41,666,008	25,755,163
Gain on transfer investment in associates to subsidiaries	(49,735,894)	-	-	-
Loss on dissolution of subsidiaries	58,200,188	-	-	-
Gain on fair value adjustment from investment in joint venture	(160,994,223)	-	-	-
Gain on sale investment in subsidiaries to joint venture	(37,691,845)	-	-	-
Gain on dissolution of subsidiaries	-	(24,209)	-	-
Loss (gain) on sale / write-off of property, plant and equipment and other intangible assets	(38,342,810)	167,823,203	8,095,967	155,811,526
Loss on write-off of leasehold right	-	4,189,487	-	-
Unrealised exchange loss (gain)	337,795,135	(168,914,350)	218,493,313	(29,795,259)
Gain on shares swap of investments in associates	-	(54,763,471)	-	(54,763,471)
Dividend income	(5,904,000)	(72,000)	(835,437,467)	(1,421,743,357)
Interest income	(14,704,705)	(11,796,393)	(1,026,379,407)	(987,553,868)
Interest expense	1,554,723,457	2,247,595,457	836,744,559	687,393,166
Profit from operating activities before change in operating assets and liabilities	8,563,076,159	10,836,994,191	1,839,209,646	1,688,051,440
Decrease (increase) in operating assets				
Trade and other receivables	(934,068,832)	(930,089,533)	837,250,719	(223,928,951)
Inventories	(1,620,946,259)	(7,805,934,416)	(247,620,249)	(1,201,128,853)
Other current assets	215,671,996	59,827,190	31,347,727	(63,592,655)
Other non-current assets	(59,016,526)	(97,530,874)	19,873,753	(24,510,095)
Increase (decrease) in operating liabilities				
Trade and other payables	(1,690,281,305)	2,623,837,551	(283,925,270)	517,297,852
Other current liabilities	(60,575,118)	74,789,851	(92,180,466)	(40,764,766)
Other non-current liabilities	(144,699,645)	94,249,717	(69,206,815)	61,468,027
Cash flows from operating activities	4,269,160,470	4,856,143,677	2,034,749,045	712,891,999
Cash paid for corporate income tax	(398,068,790)	(405,330,451)	(95,153,725)	(121,493,013)
Net cash from operating activities	3,871,091,680	4,450,813,226	1,939,595,320	591,398,986

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease (increase) in restricted deposits with financial institutions	2,147,280	(1,742,870)	-	-
Increase in short-term investments	(1,593,720,000)	-	(1,593,720,000)	-
Acquisitions of property, plant and equipment	(4,206,425,735)	(3,615,104,967)	(813,426,967)	(859,456,519)
Acquisitions of intangible assets	(17,438,383)	(22,959,172)	(1,980,558)	(1,570,670)
Acquisitions of leasehold rights	(3,367,025)	(9,207,473)	-	-
Other investments	(1,350)	-	-	-
Decrease (increase) in short-term loans to subsidiaries	-	-	1,337,041,200	(1,356,907,200)
Decrease (increase) in short-term loans to other companies	8,693,869	(11,652,013)	5,465,000	(5,465,000)
Increase in long-term loans to subsidiaries	-	-	(1,127,723,524)	(3,845,397,970)
Decrease (increase) in long-term loans to other companies	6,369,684	(2,478,533)	2,868,338	(1,674,840)
Increase in investments in subsidiaries	-	-	(1,180,226,767)	(9,470,294,026)
Increase in investments in associates	(39,553,333)	(773,459,946)	-	(773,459,946)
Increase in other long-term investments	-	(200,368)	-	-
Dissolution of subsidiaries	-	24,209	-	-
Interest received	9,468,087	12,215,820	1,083,105,498	1,085,063,999
Dividend received	79,907,440	55,249,439	835,437,467	1,421,743,357
Proceeds from sale of investment in subsidiaries	602,181,622	-	79,480,740	-
Increase in investment joint ventures	(438,410,217)	-	-	-
Proceeds in acquisitions of subsidiaries	(324,572,169)	-	(508,713,486)	-
Proceeds from sale of investments	3,212,621	4,782,221	-	-
Proceeds from sales of property, plant and equipment and intangible assets	347,108,965	81,502,668	2,871,801	25,479,854
Net cash used in investing activities	(5,564,398,644)	(4,283,030,985)	(1,879,521,258)	(13,781,938,961)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	5,157,997,283	8,248,147,433	1,685,388,601	6,233,938,604
Increase (decrease) in long-term loans from financial institutions	1,105,120,000	(13,439,584,588)	1,435,622,300	-
Cash paid for deferred financial fee	(4,424,700)	-	(4,427,000)	-
Cash paid for debentures	(500,000,000)	-	(500,000,000)	-
Cash paid for interest expense	(1,563,586,125)	(2,256,563,390)	(834,254,741)	(685,902,735)
Proceeds from issued additional share capital	-	9,532,883,063	-	9,532,883,063
Decrease in non-controlling interests of the subsidiaries	(11,222,274)	(368,932,205)	-	-
Dividend paid	(1,835,548,009)	(1,883,952,342)	(1,835,548,009)	(1,883,952,342)
Net cash from (used in) financing activities	2,348,336,175	(168,002,029)	(53,218,849)	13,196,966,590
Increase (decrease) in translation adjustment	(434,340,222)	497,744,242	-	-
Net increase in cash and cash equivalents	220,688,989	497,524,454	6,855,213	6,426,615
Cash and cash equivalents at beginning of year	1,400,044,853	902,520,399	62,334,789	55,908,174
Cash and cash equivalents at end of year (Note 6)	1,620,733,842	1,400,044,853	69,190,002	62,334,789

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Supplement cash flows information				
Non-cash items:				
Undue installment of acquisition of property, plant and equipment	165,177,470	188,809,392	10,577,356	72,278,789
Unrealised gain on changes in the value of investments	(4,851,646)	(5,373,974)	-	-
Transfer of property, plant and equipment to leasehold rights	5,522,955	41,360,857	-	-
Transfer of property, plant and equipment to intangible assets	179,043,803	210,456,642	-	-
Increase in revaluation surplus on land	-	725,773,616	-	179,589,529
Transfer of other long-term investment to investment in associate	-	34,579,160	-	34,579,160
Increase in actuarial losses	-	(391,975,886)	-	(128,882,502)
Dividend announcement without paid	4,863,707	-	1,253,019	-
Transfer of investment in associate to investment in subsidiary	714,754,055	-	773,459,946	-

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
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	
Other comprehensive income														
Issued and fully paid-up share capital	Share premium	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus (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	Deficit on revaluation of investment in subsidiaries	Total other components of shareholders' equity				
		Appropriated	Unappropriated											
Balance as at 1 January 2012	956,329,407	8,158,890,230	100,000,000	15,247,385,852	68,413,684	(16,943,947)	(56,601,439)	-	468,234	-	(4,663,468)	24,457,942,021	2,658,935,586	27,116,877,607
Dividend paid (Note 33)	-	-	-	(1,883,952,342)	-	-	-	-	-	-	-	(1,883,952,342)	(485,032,213)	(2,368,984,555)
Total comprehensive income for the year	-	-	-	4,356,282,552	95,136,852	5,373,974	39,803,020	604,591,494	7,369,252	-	752,274,592	5,108,557,144	838,199,901	5,946,757,045
Issued ordinary shares capital (Note 25)	191,264,422	9,341,618,641	-	-	-	-	-	-	-	-	-	9,532,883,063	116,100,008	9,648,983,071
Unappropriated retained earnings transferred statutory reserve (Note 26)	-	-	20,200,000	(20,200,000)	-	-	-	-	-	-	-	-	-	-
Increased in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2012	1,147,593,829	17,500,508,871	120,200,000	17,699,516,062	163,550,536	(11,569,973)	(16,798,419)	604,591,494	7,837,486	-	747,611,124	37,215,429,886	3,128,203,282	40,343,633,168
Balance as at 1 January 2013	1,147,593,829	17,500,508,871	120,200,000	17,699,516,062	163,550,536	(11,569,973)	(16,798,419)	604,591,494	7,837,486	-	747,611,124	37,215,429,886	3,128,203,282	40,343,633,168
Dividend paid (Note 33)	-	-	-	(1,836,073,817)	-	-	-	-	-	-	-	(1,836,073,817)	(240,713,374)	(2,076,787,191)
Total comprehensive income for the year	-	-	-	2,852,828,488	1,338,883,636	4,851,646	(12,886,232)	-	7,718,563	-	1,338,567,613	4,191,396,101	693,748,895	4,885,144,996
Increase in proportion of investments in subsidiaries	-	-	-	-	-	-	-	-	-	(34,373,478)	(34,373,478)	(34,373,478)	7,607,722	(26,765,756)
Increase in shares capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	48,204,604	48,204,604
Increase in non-controlling interests from change in investment in subsidiaries (Note 2.2)	-	-	-	-	-	-	-	-	-	-	-	-	173,678,774	173,678,774
Balance as at 31 December 2013	1,147,593,829	17,500,508,871	120,200,000	18,716,270,733	1,502,434,172	(6,718,327)	(29,684,651)	604,591,494	15,556,049	(34,373,478)	2,051,805,259	39,536,378,692	3,810,729,903	43,347,108,595

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive	Total other	
					income	components of	
Revaluation Surplus on land	shareholders' equity						
Balance as at 1 January 2012	956,329,407	8,158,890,230	100,000,000	6,644,875,836	-	-	15,860,095,473
Dividend paid (Note 33)	-	-	-	(1,883,952,342)	-	-	(1,883,952,342)
Total comprehensive income for the year	-	-	-	2,806,252,517	179,589,529	179,589,529	2,985,842,046
Issued ordinary share capital (Note 25)	191,264,422	9,341,618,641	-	-	-	-	9,532,883,063
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	20,200,000	(20,200,000)	-	-	-
Balance as at 31 December 2012	<u>1,147,593,829</u>	<u>17,500,508,871</u>	<u>120,200,000</u>	<u>7,546,976,011</u>	<u>179,589,529</u>	<u>179,589,529</u>	<u>26,494,868,240</u>
Balance as at 1 January 2013	1,147,593,829	17,500,508,871	120,200,000	7,546,976,011	179,589,529	179,589,529	26,494,868,240
Dividend paid (Note 33)	-	-	-	(1,836,073,818)	-	-	(1,836,073,818)
Total comprehensive income for the year	-	-	-	1,800,128,217	-	-	1,800,128,217
Balance as at 31 December 2013	<u>1,147,593,829</u>	<u>17,500,508,871</u>	<u>120,200,000</u>	<u>7,511,030,410</u>	<u>179,589,529</u>	<u>179,589,529</u>	<u>26,458,922,639</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2013

1. General 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, printing and pet food businesses.

The principal activities of the overseas subsidiaries such as the subsidiaries in United States are the manufacture and distribution of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailing, and wholesaling, 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 (2012: two subsidiaries were located in Indonesia and Vietnam).

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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Union Frozen Products Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
<u>Held by the Company</u>				
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	90.08	90.08
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	90.44	90.44
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	90.00	90.00
Thai Union Feedmill Co., Ltd. (TFM)	Manufacturer & distributor of animal feeds	Thailand	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	-	88.78
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	100.00	100.00
Pakfood Pcl (PPC)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.06	-
<u>Held by subsidiaries</u>				
Tri-Union Seafoods, LLC (100% held by TUI)	Manufacturer & distributor of canned tuna and seafood	USA	100.00	100.00
Tri-Union Frozen Products, Inc. (TUFP) (82% held by TUI)	Importer and distributor of frozen seafood	USA	82.00	82.00
US Pet Nutrition, LLC (USPN) (99% held by TUI and 1% held by Tri-Union Seafoods, LLC)	Manufacturer & distributor of premium pet food	USA	100.00	100.00

Canadian Pet Nutrition, ULC (100% held by USPN)	Distributor of pet food	Canada	100.00	100.00
		Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
Asian-Pacific Can Co., Ltd. (90.5% held by Songkla Canning Pcl.)	Manufacturer & distributor of packaging for food products	Thailand	81.85	81.85
Yueh Chyang Canned Food Co., Ltd. (51% held by Songkla Canning Pcl.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	46.12	46.12
New Frontier Food Co., Ltd. (100% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of canned tuna and pet food	Thailand	90.08	-
Thai Quality Shrimp Co., Ltd. (95% held by TFM)	Shrimp breeding and species developer	Thailand	48.45	48.45
TMAC Co., Ltd. (51% held by TFM)	Shrimp breeding and rearing	Thailand	26.01	26.01
TCM Fishery Co., Ltd. (75% held by TMAC Co., Ltd) (2012: 75% held by TFM)	Shrimp breeding and rearing	Thailand	19.51	38.25
TMK Farm Co., Ltd. (80% held by TMAC Co., Ltd) (2012: 80% held by TFM)	Shrimp breeding and rearing	Thailand	20.81	40.80
Thai Union Hatchery Co., Ltd. (99.99% held by TMAC Co., Ltd) (2012: 99.99% held by TFM)	Shrimp breeding and rearing	Thailand	26.01	51.00
Thai Union European Seafood 1 SA (100% held by TUIH)	Holding company	Luxembourg	100.00	100.00
Thai Union France Holding 2 SAS (100% held by Thai Union European Seafood 1 SA)	Holding company	France	100.00	100.00
MW Brands SAS (100% held by Thai Union France Holding 2 SAS)	Headquarters activity	France	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
MW Brands Seychelles Limited (100% held by MW Brands SAS)	Exporter of canned Tuna	Seychelles	100.00	100.00
Etablissements Paul Paulet SAS (100% held by MW Brands SAS)	Manufacturer, importer, distributor and exporter of canned seafood	France	100.00	100.00
European Seafood Investment Portugal (74% held by MW Brands SAS and 26% held by Thai Union France Holding 2 SAS)	Manufacturer and exporter of canned sardines and mackerel	Portugal	100.00	100.00
Pioneer Food Cannery Limited (100% held by Etablissements Paul Paulet SAS)	Manufacturer of canned tuna	Ghana	100.00	100.00
Mareblu SRL (74% held by MW Brands SAS and 26% held by Thai Union France Holding 2 SAS)	Importer and distributor of canned seafood	Italy	100.00	100.00
UK Seafood Investments Limited (100% held by MW Brands SAS)	Holding company	United Kingdom	100.00	100.00
Indian Ocean Tuna Limited (60% held by MW Brands SAS)	Manufacturer and exporter of canned tuna	Seychelles	60.00	60.00
John West Foods Limited (100% held by UK Seafood Investments Limited)	Importer and distributor of canned seafood	United Kingdom	100.00	100.00
Irish Seafood Investments Limited (100% held by MW Brands SAS)	Importer and distributor of canned seafood	Ireland	100.00	100.00
John West Holland BV (100% held by Irish Seafood Investments Limited)	Importer and distributor of canned seafood	the Netherlands	100.00	100.00
TTV Limited (50% held by Etablissements Paul Paulet SAS)	Deep-sea fishing fleet operation	Ghana	50.00	50.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
Chaophraya Coldstorage Co., Ltd (100% held by PPC)	Property rental	Thailand	77.06	-
Okeanos Food Co., Ltd. (100% held by PPC)	manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.06	-
Okeanos Co., Ltd. (100% held by PPC)	Dormant	Thailand	77.06	-
Takzin Samut Co., Ltd. (100% held by PPC)	Dormant	Thailand	77.06	-

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 share holding in the subsidiary at the 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	158
Less: Non-controlling interests of subsidiary	(21)
Net asset value attributable to the Company's investment	137
Selling price	(79)
Loss from the disposal of investment in subsidiary	58

During the first quarter of the current year, Thai Union Manufacturing Co., Ltd. formed New Frontier Foods Co., Ltd. to engage in Manufacturer & exporter of canned tuna and pet food.

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 31 December 2013 and the comprehensive income for the period from the investment date to 31 December 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. During the fourth quarter of the current year, the Company completed the purchase price allocation of PPC; however, the appraised price is not materially different from the book value, then the Company did not record good will allocation.

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)	
	<u>Fair value</u>	<u>Net book value</u>
Assets		
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	<u>3,340</u>	<u>2,844</u>
Liabilities		
Trade and other payables	215	215
Long-term loans	1,305	1,305
Other liabilities	70	62
Total liabilities	<u>1,590</u>	<u>1,582</u>
Net assets value	<u>1,750</u>	<u>1,262</u>
Equity of the Company (%)	<u>74.64</u>	

	(Unit: Million Baht)
	<u>Fair value</u>
Net asset value attributable to the company's investment	1,306
Negative goodwill	(24)
Purchase price	<u>1,282</u>
Less: Cash and cash equivalents of subsidiary	<u>(184)</u>
Cash paid for investment in PPC	1,098
Less: Cash paid for investment in associated PPC	<u>(773)</u>
Net cash paid for purchase of subsidiary PPC	<u><u>325</u></u>

During the second quarter of the current year, Thai Union Feedmill Co., Ltd. (TFM) restructured its investment in subsidiaries by selling its holdings in three subsidiaries namely Thai Union Hatchery Co., Ltd., TCM Fishery Co., Ltd., and TMK Farm Co., Ltd, to TMAC Co., Ltd., another joint venture of TFM. As a result of the transaction, these subsidiaries of TFM were no longer the subsidiaries of the Company. These consolidated financial statements included the statement of financial position of TFM and these subsidiaries as at the selling date and the comprehensive income for the period from the 1 January 2013 to the selling date of these investments.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

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

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

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
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

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

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014

		<u>Effective date</u>
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
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 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014

		<u>Effective date</u>
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from 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.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value of goods supplied, excluding value added tax, of goods supplied after deducting discount and allowances.

Sales of merchandise by an overseas subsidiary under commercial agreements are recognised when the subsidiary's distributor sells such merchandise. The overseas subsidiary may be reimbursed for bank charges, warehousing, and certain other costs incurred in connection with these agreements, and the subsidiary records such reimbursements as a deduction from cost of sales.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Tax coupon received

Subsidies granted by the Ministry of Finance in the form of tax coupons are recognised as income when the Company obtains written notification of approval of the tax coupon.

4.2 Cash and cash equivalents

Cash and cash equivalents included cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials, ingredients and packaging are valued at cost (average method).

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investment, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment and Depreciation

Land is stated at cost or revalued amount. Land improvement, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of land improvement, plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement, buildings and construction	-	5 - 40	years
Machinery and equipment	-	3 - 20	years
Furniture and fixtures	-	3 - 20	years
Motor vehicles	-	3 - 20	years

Depreciation of machinery and equipment, furniture and fixtures and motor vehicles of an overseas subsidiary is calculated on the declining balance basis over their estimated useful lives of 5 - 20 years. The effect of the difference in accounting policy is immaterial to profit or loss.

No depreciation is provided for land and construction in progress.

Equipment under a capital lease is stated at the present value of the minimum lease payments and amortised on a straight-line method over the lesser of the lease term or the estimated useful life of the equipment.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

		<u>Useful lives</u>
Trademarks	-	5, 10, 20, 40 years
Copyrights	-	3, 5, 10 years
Computer software	-	3, 5, 10 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation. Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the period of lease.

4.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining borrowing costs.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the leased assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Company and its subsidiaries recognised an impairment loss in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

The overseas subsidiary has a defined benefit plan covering all of its former production employees in American Samoa. The benefit are based on a percentage of contribution during each year of service. The overseas subsidiary makes annual contributions to the plan equal to the minimum required by applicable regulations.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

The Company and its subsidiaries record income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. Income tax of the overseas subsidiaries is provided for in the accounts based on the taxable profits determined in accordance with tax legislation of their countries.

Deferred tax

The Company and its subsidiaries record deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to share holders' equity.

4.19 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The Company and its subsidiaries recognise the net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts as income or expenses on an accrual basis.

Foreign currency option agreements

The notional amounts of the foreign currency option agreements utilised by the Company and its subsidiaries are not recognised as assets or liabilities upon inception of the agreements. Gain and loss from the translation are included in determining income.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases agreements

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgments and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets on the acquisition date, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

The Company and its subsidiaries recognise deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefit under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	4,534	4,410	781	1,282
Bank deposits	1,616,200	1,387,110	68,409	61,053
Bill of exchange	-	8,525	-	-
Total	1,620,734	1,400,045	69,190	62,335

As at 31 December 2013, bank deposits in savings accounts, fixed accounts and bill of exchange carried interests between 0.10% and 2.50% per annum (2012: between 0.10% and 2.47% per annum).

7. Short-term investment

As at 31 December 2013, short-term investment represented a fixed deposit at foreign financial institution totaling CYN 300 million. The fixed deposit carries interest at a rate of 3.05% per annum and will be due in July 2014.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	116,166	48,963	1,329,262	1,508,041
Past due				
1 - 30 days	41,258	6,149	595,317	712,228
31 - 60 days	-	-	125,788	33,971
61 - 90 days	-	-	-	-
91 - 120 days	65	-	65	-
181 - 365 days	1,071	-	-	-
Total trade receivables - related parties	158,560	55,112	2,050,432	2,254,240
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	10,651,694	9,322,154	883,504	1,448,326
Past due				
1 - 30 days	2,099,448	1,573,063	268,471	215,571
31 - 60 days	319,186	397,745	4,649	41,023
61 - 90 days	187,924	232,978	1,191	319
91 - 120 days	72,124	90,924	-	358
121 - 180 days	84,218	56,859	-	226
181 - 365 days	108,115	68,593	554	1,028
Over 365 days	208,821	174,903	26,477	24,719
Total trade receivables - unrelated parties	13,731,530	11,917,219	1,184,846	1,731,570
Total trade receivables	13,890,090	11,972,331	3,235,278	3,985,810
Less: Allowance for doubtful accounts	(344,789)	(251,190)	(27,145)	(25,616)
Total trade receivables - net	13,545,301	11,721,141	3,208,133	3,960,194
<u>Other receivables</u>				
Interest receivables - related parties	-	-	25,420	87,115
Interest receivables	5,393	156	4,996	27
Accrued income	132,632	150,041	122,024	137,035
Advance payment	265,015	46,820	7,022	12,022
Total other receivables	403,040	197,017	159,462	236,199
Total trade and other receivables - net	13,948,341	11,918,158	3,367,595	4,196,393

As at 31 December 2013, certain trade receivables of three overseas subsidiaries (2012: three overseas subsidiaries) have secured their credit facilities as mentioned in Note 18.

As at 31 December 2013, foreign currency trade receivables of two overseas subsidiaries amounting to Baht 1,776 million have been sold at a discount to financial institutions, with recourse.

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).

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 had 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 totaling of Baht 410 million. The Company recorded insurance recovery income 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 an additional compensation payment of Baht 287 million. The Company recorded the insurance recovery income in the income statement for the year ended 31 December 2013.

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	9,504	10,061	Cost plus margin
Dividend income	-	-	806	1,404	As declared
Interest income	-	-	1,021	987	1.44 - 5.50% per annum (2012: 1.22 - 6.25% per annum)
Other income	-	-	56	62	Near market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2013	2012	2013	2012	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Purchases of goods	-	-	1,797	1,827	Cost plus margin
Management fee	-	-	55	54	Contract price
Other expenses	-	-	129	105	Near market price
Transactions with associates:					
Sales	320	37	34	15	Cost plus margin
Dividend income	64	18	29	18	As declared
Other income	18	20	-	-	Near market price
Purchases of goods	204	193	-	182	Cost plus margin
Transactions with related companies:					
Sales	765	1,099	343	244	Cost plus margin
Purchases of goods	3,302	3,794	2,221	2,802	Cost plus margin
Transportation expense	44	48	4	7	Near market price
Acquisition of assets and expenses relating to assets	112	133	12	25	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 year 2013, insurance premiums paid through that company amounted to Baht 122 million (2012: Baht 84 million).

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary
T-Holding Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Pakfood Pcl (PPC)	Subsidiary
Tri-Union Seafoods, LLC (Tri-U)	Subsidiary (Held by subsidiary)
Tri-Union Frozen products, Inc. (TUFP)	Subsidiary (Held by subsidiary)
US Pet Nutrition, LLC (USPN)	Subsidiary (Held by subsidiary)
Canadian Pet Nutrition, ULC	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)

List of related companies	Relationship
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
New Frontier Food Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.	Subsidiary (Held by subsidiary)
TMAC Co., Ltd.*	Subsidiary (Held by subsidiary)
TCM Fishery Co., Ltd. *	Subsidiary (Held by subsidiary)
TMK Farm Co., Ltd. *	Subsidiary (Held by subsidiary)
Thai Union Hatchery Co., Ltd.*	Subsidiary (Held by subsidiary)
Thai Union European Seafood 1 S.A.	Subsidiary (Held by subsidiary)
Thai Union France Holding 2 SAS	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)
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
Geminai Watercrafts Co., Ltd.	Shareholders/ Director related to director
Factory Storage Service Co., Ltd.	Director related to director

List of related companies	Relationship
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
Darford International Inc.	Common director
Miss Rungtiwa Boonmechote	Relative of director
Pae Parichart Boonmechote	Relative of director

* Transferred to investment in joint venture during the year

** Ceased operation

The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	2,003,380	2,326,986
Associated companies	73,095	22,496	6,846	1,051
Related companies	85,465	32,616	65,626	13,318
Total trade and other receivables - related parties	<u>158,560</u>	<u>55,112</u>	<u>2,075,852</u>	<u>2,341,355</u>
<u>Trade and other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	378,660	337,790
Associated companies	6,148	12,305	1,575	11,367
Related companies	137,470	177,071	68,651	84,067
Total trade and other payables - related parties	<u>143,618</u>	<u>189,376</u>	<u>448,886</u>	<u>433,224</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union International, Inc.	-	-	-	1,337,041
Total	-	-	80,000	1,417,041
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	22,560,467	20,453,595
Thai Union International, Inc.	-	-	2,028,074	676,118
Total	-	-	24,588,541	21,129,713
Less: Current portion				
Thai Union International, Inc.	-	-	(724,894)	-
Net	-	-	23,863,647	21,129,713

During 2013, movements of loans to/from related parties were as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year			Balance as at
	1 January 2013	Increase	Decrease	Revaluation	31 December 2013
<u>Short-term loans to subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	-	7,710	(7,710)	-	-
Songkla Canning Pcl.	-	7,850	(7,850)	-	-
Thai Union Graphic Co., Ltd.	80,000	80,000	(80,000)	-	80,000
Thai Union International, Inc.	1,337,041	124,600	(1,544,150)	82,509	-
	1,417,041	220,160	(1,639,710)	82,509	80,000
<u>Long-term loans to subsidiaries</u>					
Thai Union Investment Holding Co., Ltd.	20,453,595	841,106	(1,017,159)	2,282,925	22,560,467
Thai Union International, Inc.	676,118	1,228,000	-	123,956	2,028,074
	21,129,713	2,069,106	(1,017,159)	2,406,881	24,588,541
<u>Short-term loans from subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	-	16,450	(16,450)	-	-
Songkla Canning Pcl.	-	11,500	(11,500)	-	-
	-	27,950	(27,950)	-	-

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefits expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	521	725	75	73
Post-employment benefits	34	33	7	4
Other long-term benefits	4	4	-	-
Termination benefits	19	18	-	-
Total	578	780	82	77

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	19,770,390	16,449,282	(928,825)	(473,601)	18,841,565	15,975,681
Work in process	247,355	137,864	-	(328)	247,355	137,536
Raw materials	10,290,450	10,752,836	(293,362)	(172,720)	9,997,088	10,580,116
Ingredients and packaging	1,813,344	1,638,343	(133,254)	(90,815)	1,680,090	1,547,528
Goods in transit	5,338,134	4,445,837	-	(12,995)	5,338,134	4,444,834
Spare parts	820,271	617,779	(7,157)	(1,003)	813,114	604,784
Total	38,279,944	34,041,941	(1,362,598)	(751,462)	36,916,346	33,290,479

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	2,107,943	1,690,448	(127,027)	(58,080)	1,980,916	1,632,368
Work in process	12,651	18,553	-	-	12,651	18,553
Raw materials	2,287,250	2,525,137	(25,859)	(4,051)	2,261,391	2,521,086
Ingredients and packaging	226,070	309,401	(18,724)	(10,866)	207,346	298,535
Goods in transit	536,356	377,517	-	(1,003)	536,356	376,514
Spare parts	21,311	23,974	-	-	21,311	23,974
Total	5,191,581	4,945,030	(171,610)	(74,000)	5,019,971	4,871,030

As at 31 December 2013, three overseas subsidiaries (2012: three overseas subsidiaries) mortgaged certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 18.

During the year 2012, the Company has written off damaged inventories for the net book value amounting to Baht 261 million from a fire incident in one section of the Company's plant located in Samutsakorn province, as mentioned in Note 8.

11. Restricted bank deposits

These represent fixed deposits pledged with financial institution to secure credit facilities.

12. Investments in associates

12.1 Details of 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	
			2013	2012	2013	2012	2013	2012
			(%)	(%)				
<u>Investments in associates, directly held by the Company</u>								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	381,161	329,523
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	23,248	21,934
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	197,654	120,816
Pakfood Pcl.	Manufacturer & distributor of frozen foods and aquatic animals	Thailand	-	49.97	-	773,460	-	734,987
<u>Investments in associates, directly held by subsidiaries</u>								
Century Trading (Shanghai) Co., Ltd. (50% held by Thai Union Manufacturing Co., Ltd.)	Importer & exporter of food products	The People's Republic of China	45.04	45.04	75,900	75,900	41,502	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	52,240	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	141,855	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	451,941	415,860
					<u>508,019</u>	<u>1,241,925</u>	<u>1,289,601</u>	<u>1,806,273</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			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>

12.2 Share of profit/loss and dividend received

During the years, the Company and its subsidiaries have recognised their share of profit (loss) from investments in associates in the consolidated financial statements, and dividend received in the separate financial statements as follows:

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2013	2012	2013	2012
Lucky Union Foods Co., Ltd.	69,137	38,637	17,500	7,500
Biz Dimension Co., Ltd.	5,714	4,623	4,400	2,400
Century Trading (Shanghai) Co., Ltd.	6,586	9,651	-	-
TN Fine Chemicals Co., Ltd.	5,394	6,362	-	-
LDH (La Doria) Limited	40,240	37,185	-	-
Avanti Feeds Limited	84,292	11,844	7,454	8,092
Pakfood Pcl.	(20,233)	(38,473)	-	-
Moresby International Holding Ltd.	5,321	-	-	-
Total	<u>196,451</u>	<u>69,830</u>	<u>29,354</u>	<u>17,992</u>

12.3 Fair value of investments in listed associated company

In respect of investment in associated company that is a listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

Company's name	Fair value as at 31 December 2012
Pakfood Pcl.	749.5

12.4 Financial information of associates

Financial information of associates are summarised below.

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit (loss) for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Lucky Union Foods Co., Ltd.	Baht 150 million	Baht 150 million	2,064	2,619	648	1,002	1,667	1,822	276	155
Biz Dimension Co., Ltd.	Baht 25 million	Baht 25 million	67	61	11	11	116	103	29	23
Avanti Feeds Limited	Rupee 90.8 million	Rupee 90.8 million	1,450	1,242	814	470	5,298	3,280	336	158
Pakfood Pcl.	-	Baht 300 million	-	3,550	-	1,905	-	6,642	-	(77)
Century Trading (Shanghai) Co., Ltd.	USD 4 million	USD 4 million	103	94	13	25	314	217	13	19
TN Fine Chemicals Co., Ltd.	Baht 90 million	Baht 90 million	98	110	5	6	77	91	11	13
Moresby International Holdings Inc.	USD 13.3 million	USD 9.4 million	458	295	131	-	16	-	16	-
LDH (La Doria) Limited	GBP 1 million	GBP 1 million	5,681	3,949	3,985	2,857	17,318	12,422	630	450

During the year 2012, the Company sold all of its investment in Avanti Thai Aqua Feeds Private Limited by swapping ordinary shares of Avanti Feeds Limited, and thus the investment proportion in Avanti Feeds Limited increased from 14.99% to 25.12%. The Company changed the recording of the investment in Avanti Feeds Limited from other long-term investment to investment in associated company. Gain on ordinary share swap, totaling Baht 54.8 million, is included in the income statement for the year ended 31 December 2012.

On 20 April 2012, the Company purchased 12 million ordinary shares of Pakfood Public Company Limited (PPC) (or 40% of the total 30 million issued and paid up shares of PPC) at a purchase price of Baht 51 per share, or a total of Baht 612 million. On 18 December 2012, the Company purchased 3 million ordinary shares of Pakfood Public Company Limited (PPC) at a purchase price of Baht 54 per share, or a total of Baht 161 million. As at 31 December 2012, the Company hold 15 million ordinary shares of PPC or 49.97% of the total issued and paid up shares of PPC. As at 31 December 2012, the Company had no control in PPC; therefore, the Company did not included the financial statements of PPC in the Company's consolidated financial statements.

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 and during the fourth quarter of the current year, the Company purchased 0.8 million ordinary shares of PPC at a purchase price of Baht 53.14 per share, or a total of Baht 42.3 million. As at 31 December 2013, the Company holds 25.4 million ordinary shares of PPC or 77.06% 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 31 December 2013 and the comprehensive income for the period from the investment date to 31 December 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' managements. These were unaudited by their external auditors due to time constraints. However, the values of the investments in associates are immaterial.

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2013	2012	2013	2012	2013	2012	2013	2012
			%	%				
Songkla Canning Pcl.	Baht 360 million	Baht 360 million	90.44	90.44	1,379,791	1,379,791	325,568	219,759
Thai Union Manufacturing Co., Ltd.	Baht 300 million	Baht 300 million	90.08	90.08	1,212,172	1,212,172	405,380	837,786
Thai Union Seafood Co., Ltd.	Baht 300 million	Baht 300 million	51.00	51.00	189,316	189,316	15,300	140,760
T-Holding Co., Ltd.	Baht 70 million	Baht 70 million	90.00	90.00	20,699	20,699	5,670	19,530
Thai Union Feedmill Co., Ltd.	Baht 500 million	Baht 500 million	51.00	51.00	255,000	255,000	49,725	137,700
Thai Union Graphic Co., Ltd.	Baht 40 million	Baht 40 million	74.00	74.00	45,331	45,331	4,440	7,400
Thai Union International, Inc. (TUI)	USD 98.6 million	USD 61.6 million	100.00	100.00	3,115,350	1,977,465	-	-
PT Juifa International Foods	-	USD 2.7 million	-	88.78	-	82,972	-	40,817
Thai Union Investment Holding Co., Ltd. (TUIH)	EUR 222 million	EUR 222 million	100.00	100.00	8,900,256	8,900,256	-	-
Pakfood Pcl.	Baht 330 million	-	77.06	-	1,324,515	-	-	-
Total					16,442,430	14,063,002	806,083	1,403,752

The Company

During the year 2012, the Company additionally invested EUR 200 million or Baht 7,975 million in Thai Union Investment Holding Co., Ltd. (TUIH).

During the year 2012, the Company additionally had invested USD 48.5 million or Baht 1,495.3 million in Thai Union International, Inc. (TUI).

During the first quarter of the current year, the Company increased investment in Pakfood Pcl (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 12. During the fourth quarter of the current year, the Company purchased 0.8 million ordinary shares of PPC at a purchase price of Baht 53.14 per share, or a total of Baht 42.3 million. As at 31 December 2013, the Company held 25.4 million ordinary shares of PPC or 77.06% of the total issued and paid up shares of PPC.

During the first quarter of the current year, the Company sold all of its investment in PT Juifa International Foods to third party for 23,970 shares, totally 88.78% of shareholding 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 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, the Company additionally invested USD 7.5 million or Baht 220.4 million in TUI.

During the fourth quarter of the current year, the Company additionally increased USD 15.5 million or Baht 502.2 million in TUI.

Thai Union Manufacturing Co., Ltd. and its subsidiary

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

On 28 December 2012, Board of Directors meeting No. 1/2013 of Thai Union Manufacturing Co., Ltd. passed resolution on forming New Frontier Foods Co., Ltd., in which it holds 1 million ordinary shares (100% of the 1 million issued and paid-up shares of such company) with a par value of Baht 10 per share, 25% paid up, for a total payment of Baht 2.5 million. The said company registered the incorporation with the Ministry of Commerce on 21 January 2013.

During the first quarter of the current year, Thai Union Manufacturing Co., Ltd. formed New Frontier Foods Co., Ltd., in which it holds 1 million ordinary shares (or 100% of the issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid up, for a total payment of Baht 10 million.

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

Thai Union Feedmill Co., Ltd. and its subsidiaries

During the year 2012, Thai Union Feedmill Co., Ltd. (TFM) formed TCM Fishery Co., Ltd., in which it holds 5.25 million ordinary shares (or 75% of the 7 million issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid-up, for a total payment of Baht 52.5 million.

During the year 2012, TFM formed TMK Farm Co., Ltd., in which it holds 12 million ordinary shares (or 80% of the 15 million issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid-up, for a total payment of Baht 120 million.

During the year 2012, TFM formed TMAC Co., Ltd. (TMAC), in which it holds 28.56 million ordinary shares (or 51% of the 56 million issued and paid-up shares of such company) with a par value of Baht 10 per share, 25% paid up, for a total payment of Baht 71.4 million.

On 9 January 2013, Thai Union Hatchery Co., Ltd., a subsidiary of TFM, 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 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 (Baht 10 each) to 20 million shares (Baht 10 each) to offset the said Company's unappropriated deficit.

During the first quarter of the current year, TMAC a joint venture of TFM 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. Therefore, a total payment was Baht 367.2 million.

During the second quarter of the current year, TFM restructured its investments in subsidiaries by selling its holdings in three subsidiaries to TMAC, another joint venture of TFM. The investments 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. As a result of these transaction, all of these subsidiaries of TFM were no longer the subsidiaries of the Company.

During the current year, TFM has entered into the joint venture agreement with a Japanese company for the jointly investment in TMAC. As a result, an investment in TMAC had been reclassified from an investment in subsidiary by a subsidiary to investment in joint venture; such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification amounting to Baht 161 million are recorded in the profit and loss statement for the year ended 31 December 2013.

Thai Union Investment Holding Co., Ltd. and subsidiaries

During the year 2012, Thai Union Investment Holding Co., Ltd. additionally invested EUR 210 million in Thai Union European Seafood 1 S.A. through the conversion of a part of the inter-company loan.

During the year 2012, Thai Union France Holding 2 SAS additionally invested EUR 61 million or Baht 2,363 million in MW Brands SAS (par value of Baht 473 million and share premium of Baht 1,890 million).

On 24 December 2012, Thai Union European Seafood 2 S.A., a subsidiary of Thai Union European Seafood 1 S.A. was liquidated and merged with Thai Union European Seafood 1 S.A., also the subsidiary of Thai Union Investment Holding Co., Ltd.

Thai Union Seafood Co., Ltd.

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

Pakfood Pcl (PPC)

On 25 January 2013, an 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 third quarter of the current year, an Extraordinary General Meeting of PPC's shareholders considered and approved the delisting of PPC's securities from the Stock Exchange of Thailand ("the SET"), whereby the Company, the major shareholder of PPC, was to conduct a tender offer for the securities of PPC for the purpose of delisting, with an offer price of Baht 53.14 per share during 29 August 2013 to 31 October 2013. The SET approved the delisting of PPC's securities on 15 November 2013.

14. Investments in joint venture

14.1 Details of investment in joint venture:

Investment in joint venture represent investment in entity which is jointly controlled by Thai Union Feedmill Company Limited (a subsidiary) and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding		Carrying amounts based on equity			
		percentage		Cost		method	
		2013	2012	2013	2012	2013	2012
		(%)	(%)				
TMAC Company Limited	distribution of shrimp feed and supplies for breeding and rearing of shrimp and the investment in companies which engaged in the breeding, rearing and distribution of shrimp	51	-	438,600	-	578,940	-
Total				438,600	-	578,940	-

14.2 Share of loss

During the years, the Company recognised its share of loss from investments in joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements	
	Share of loss from investments in joint venture during the year	
	2013	2012
TMAC Company Limited	20,655	-
Total	20,655	-

14.3 Summarised financial information of jointly controlled entities

a) TMAC Company Limited

The Company's proportionate shares of the assets, liabilities, revenues and expenses of a joint venture, according to proportion under joint venture agreement, are as follows:

		(Unit: Million Baht)	
		As at 31 December	
		2013	2012
Current assets		50	-
Non-current assets		182	-
		<u>232</u>	<u>-</u>
Current liabilities		(7)	-
Non-current liabilities		(1)	-
		<u>(8)</u>	<u>-</u>
Net assets		<u>224</u>	<u>-</u>

		(Unit: Million Baht)	
		For the year ended 31 December	
		2013	2012
Revenue		33	-
Cost of sales		(35)	-
Selling and administrative expenses		(13)	-
Loss before income tax income		(15)	-
Income tax income		4	-
Loss for the year		<u>(11)</u>	<u>-</u>

During the current year, TMAC called the remaining paid up of shares capital as mentioned in Note 13.

15. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2013		2012	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	41,563	<u>33,181</u>	46,104	<u>31,653</u>
Unrealised loss on changes in the value of investments	<u>(8,382)</u>		<u>(14,451)</u>	
Total available-for-sale securities	33,181		31,653	
Other investments				
- Ordinary shares	<u>738</u>		<u>664</u>	
Total other long-term investments	<u>33,919</u>		<u>32,317</u>	

During the year 2012, the Company swapped ordinary shares of Avanti Thai Aqua Feeds Private Limited with those of Avanti Feeds Limited, and thus the investment proportion in Avanti Feeds Limited increased from 14.99% to 25.12%. The Company also changed the recording of the investment in Avanti Feeds Limited from other long-term investment to investment in associated company, as mentioned in Note 12.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					Total
	Land and land improvements	Buildings and building improvements	Machineries and equipments	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	
Cost/Revalued amount							
As at 1 January 2012	1,671,300	7,196,963	16,516,413	726,834	714,727	1,915,305	28,741,542
Additions	180,895	16,807	457,234	70,393	55,859	2,927,354	3,708,542
Disposals/write off	(29)	(326,196)	(246,835)	(32,213)	(123,452)	(60,502)	(789,227)
Transfer to other assets	-	-	-	-	-	(251,817)	(251,817)
Revaluation	907,217	-	-	-	-	-	907,217
Transfer in (out)	35,385	896,941	1,419,151	16,902	74,667	(2,443,046)	-
Translation adjustment	(2,956)	(38,582)	(161,528)	(5,565)	(4,579)	(15,575)	(228,785)
As at 31 December 2012	2,791,812	7,745,933	17,984,435	776,351	717,222	2,071,719	32,087,472
Increase from investment in subsidiaries	348,900	1,177,782	1,430,069	66,670	67,030	6,879	3,097,330
Additions	120,998	17,513	454,152	44,481	14,867	3,530,784	4,182,795
Sales of investment in subsidiaries	(258,826)	(327,954)	(158,884)	(14,595)	(9,943)	(34,889)	(805,091)
Disposals/write off	(3,987)	(58,655)	(907,547)	(24,500)	(105,902)	(16,189)	(1,116,780)

(Unit: Thousand Baht)

Consolidated financial statements

	Consolidated financial statements						Total
	Revaluation basis	Cost basis					
	Land and land improvements	Buildings and building improvements	Machineries and equipments	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	
Transfer of investments from subsidiaries to joint ventures	-	-	-	(273)	-	-	(273)
Transfer to other assets	-	-	-	-	-	(184,567)	(184,567)
Transfer in (out)	48,151	750,538	1,697,292	(102,426)	55,680	(2,449,235)	-
Translation adjustment	9,345	250,438	701,097	27,518	14,828	35,960	1,039,186
As at 31 December 2013	3,056,393	9,555,595	21,200,614	773,226	753,782	2,960,462	38,300,072
Accumulated depreciation							
As at 1 January 2012	27,518	2,811,495	9,210,191	481,725	485,013	-	13,015,942
Depreciation for the year	4,964	310,046	1,334,920	35,735	60,833	-	1,746,498
Depreciation for disposals/ write off	-	(182,419)	(213,269)	(31,383)	(117,972)	-	(545,043)
Translation adjustment	(74)	(15,741)	(69,786)	(3,920)	(3,676)	-	(93,197)
As at 31 December 2012	32,408	2,923,381	10,262,056	482,157	424,198	-	14,124,200
Increase from investment in subsidiaries	-	357,413	707,948	52,422	46,410	-	1,164,193
Depreciation for the year	7,972	378,974	1,547,291	16,231	72,681	-	2,023,149
Sales of investment in subsidiaries	(17,925)	(115,501)	(93,654)	(9,669)	(3,989)	-	(240,738)
Depreciation for disposals/ write off	-	(47,788)	(646,673)	(22,640)	(95,032)	-	(812,133)
Transfer of investments from subsidiaries to joint ventures	-	-	-	(16)	-	-	(16)
Translation adjustment	372	107,773	390,158	19,950	9,265	-	527,518
As at 31 December 2013	22,827	3,604,252	12,167,126	538,435	453,533	-	16,786,173
Allowance for loss on impairment of assets							
As at 1 January 2012	-	65,626	5,014	-	-	-	70,640
Decrease during the year	-	(28,703)	-	-	-	-	(28,703)
Translation adjustment	-	-	(1,934)	-	-	-	(1,934)
As at 31 December 2012	-	36,923	3,080	-	-	-	40,003
Increase from acquisitions of subsidiaries	4,535	-	-	-	-	-	4,535
Decrease during the year	-	(662)	(2,855)	-	-	-	(3,517)
Translation adjustment	-	-	45	-	-	-	45
As at 31 December 2013	4,535	36,261	270	-	-	-	41,066
Net book value							
As at 31 December 2012	2,759,404	4,785,629	7,719,299	294,194	293,024	2,071,719	17,923,269
As at 31 December 2013	3,029,031	5,915,082	9,033,218	234,791	300,249	2,960,462	21,472,833
Depreciation for the years							
2012 (Baht 1,671 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)							1,746,498
2013 (Baht 1,982 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)							2,023,149

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvements	Buildings and building improvements	Machineries and equipment	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	
Cost /Revalued amount							
As at 1 January 2012	742,370	2,013,994	2,105,704	63,141	145,262	440,850	5,511,321
Additions	-	-	289,024	5,681	26,647	586,240	907,592
Disposals/write off	-	(302,120)	(48,371)	(13)	(29,242)	(37,577)	(417,323)
Revaluation	224,487	-	-	-	-	-	224,487
Transfer in (out)	13,470	309,553	128,842	25,827	17,359	(495,051)	-
As at 31 December 2012	980,327	2,021,427	2,475,199	94,636	160,026	494,462	6,226,077
Additions	28,320	-	237,351	4,387	2,198	479,470	751,726
Disposals/write off	-	-	(7,451)	(182)	(17,620)	(8,425)	(33,678)
Transfer in (out)	7,085	306,327	162,084	989	8,172	(484,657)	-
As at 31 December 2013	1,015,732	2,327,754	2,867,183	99,830	152,776	480,850	6,944,125
Accumulated depreciation							
As at 1 January 2012	-	705,513	1,393,301	42,126	100,062	-	2,241,002
Depreciation for the year	-	85,317	228,450	11,667	9,830	-	335,264
Depreciation for disposals/write off	-	(166,403)	(41,717)	(12)	(27,899)	-	(236,031)
As at 31 December 2012	-	624,427	1,580,034	53,781	81,993	-	2,340,235
Depreciation for the year	-	114,255	259,080	16,752	12,203	-	402,290
Depreciation for disposals/write off	-	-	(6,106)	(177)	(16,427)	-	(22,710)
As at 31 December 2013	-	738,682	1,833,008	70,356	77,769	-	2,719,815
Allowance for loss on impairment of assets							
As at 1 January 2012	-	65,626	-	-	-	-	65,626
Decrease during the year	-	(29,365)	-	-	-	-	(29,365)
As at 31 December 2012	-	36,261	-	-	-	-	36,261
Decrease during the year	-	-	-	-	-	-	-
As at 31 December 2013	-	36,261	-	-	-	-	36,261
Net book value							
As at 31 December 2012	980,327	1,360,739	895,165	40,855	78,033	494,462	3,849,581
As at 31 December 2013	1,015,732	1,552,811	1,034,175	29,474	75,007	480,850	4,188,049
Depreciation for the years							
2012 (Baht 302 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)							335,264
2013 (Baht 376 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)							402,290

During the year 2012, the Company and its subsidiaries hired an independent appraiser to evaluate their land price using market approach.

Breakdown of the land carried on the revaluation basis as at 31 December 2013 and 2012 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Historical cost	1,509,815	742,370
Surplus from revaluation	907,217	224,487
Revalued amount	2,417,032	966,857

As at 31 December 2013, the Company and its subsidiaries had equipment under finance lease agreements with net book values amounting to Baht 505 million (2012: Baht 520 million).

As at 31 December 2013, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 6,830 million (2012: Baht 5,767 million).

During the year 2012, the Company has written off damaged assets by Baht 123 million for the net book values of damaged assets from a fire incident in the Company's plant located in Samutsakorn province, as mentioned in Note 8.

As at 31 December 2012, an overseas subsidiary mortgaged some of its buildings and equipments to secure its credit facility, as mentioned in Note 18.

As at 31 December 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 20.

17. Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements							Total
	Licences	Trademarks	Customer relationships	Covenant not to complete	Computer software	Distributor relationships	Others	
Cost								
As at 1 January 2012	264	13,214	134	13	289	232	3	14,149
Additions	-	1	-	-	233	-	-	234
Disposal/write off	-	-	-	-	(5)	-	-	(5)
Translation adjustment	3	(164)	(5)	-	(4)	(3)	-	(173)
As at 31 December 2012	267	13,051	129	13	513	229	3	14,205
Additions	-	1	-	-	196	-	-	197
Disposal/write off	-	-	-	-	(5)	-	-	(5)
Translation adjustment	19	1,400	10	1	53	25	-	1,508
As at 31 December 2013	286	14,452	139	14	757	254	3	15,905
Amortisation								
As at 1 January 2012	27	281	113	13	177	9	-	620
Amortisation	12	2	13	-	101	16	-	144
Translation adjustment	-	(9)	(4)	-	(1)	-	-	(14)
As at 31 December 2012	39	274	122	13	277	25	-	750
Amortisation	10	1	8	-	162	12	-	193
Translation adjustment	1	19	9	1	32	4	-	66
As at 31 December 2013	50	294	139	14	471	41	-	1,009
Impairment								
As at 1 January 2012	-	179	-	-	-	-	-	179
Translation adjustment	-	(2)	-	-	-	-	-	(2)
As at 31 December 2012	-	177	-	-	-	-	-	177
Increase during the year	-	3	-	-	-	-	-	3
Translation adjustment	-	20	-	-	-	-	-	20
As at 31 December 2013	-	200	-	-	-	-	-	200
Net book value								
As at 31 December 2012	228	12,600	7	-	236	204	3	13,278
As at 31 December 2013	236	13,958	-	-	286	213	3	14,696

	(Unit: Million Baht)
	Separate financial statements
	Computer software
Cost	
At 1 January 2012	9.7
Additions	1.5
At 31 December 2012	11.2
Additions	2.0
At 31 December 2013	13.2
Amortisation	
At 1 January 2012	8.0
Amortisation	0.3
At 31 December 2012	8.3
Amortisation	0.5
At 31 December 2013	8.8
Net book value	
At 31 December 2012	2.9
At 31 December 2013	4.4

As at 31 December 2013 and 2012, an overseas subsidiary's trademark "Chicken of the sea" was used as collateral of credit facilities of an overseas subsidiary as mentioned in Note 18.

18. 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 35.1.

Tri-Union Frozen Products, Inc. (TUFPP)

TUFPP entered into an amended and restated credit agreement (TUFPP Credit Agreement) with Bank of America N.A. (BOA). The TUFPP Credit Agreement was initially made for USD 85 million revolving facility through 15 October 2013. The second through seventh amendments included the extended terms and increased credit line to USD 140 million

In April 2013, TUFPP entered into a seventh amendment (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 8.

On 5 August 2013, an eighth amendment (TUFPA Amendment No. 8) with BOA was executed and maintains of USD 140 million revolving credit, including a feature to expand credit line to USD 160 million, as needed. TUFPA Amendment No. 8 extends the TUFPA Credit Agreement until 5 August 2016, which was formerly ended on 15 October 2013.

On 11 December 2013, TUFPA entered into the TUFPA Amendment No. 9 with existing lenders to exercise its right to temporarily increase its USD 140 million revolving credit by USD 15 million to USD 155 million commencing on 11 December 2013 and ending on 11 June 2014. Term and conditions of the additional loans remain the same as previously established in the TUFPA Credit Agreement plus additional interest bearing of 0.25%.

Borrowings under the TUFPA Credit Agreement bear interest, at TUFPA'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 TUFPA Credit Agreement. The TUFPA Credit Agreement is secured by accounts receivable and inventories of TUFPA. This revolving credit agreement includes a requirement that all borrowers maintain a lockbox arrangement whereby cash receipts are used directly to repay the amounts outstanding under the TUFPA Credit Agreement. Therefore, all borrowings made under the TUFPA credit agreement will be classified as short-term.

As at 31 December 2013, the balance under the credit facility was USD 132 million (2012: USD 100 million) at interest rate between 1.42% to 3.50% per annum (2012: between 2.21% to 4.25% per annum) and actual unused availability, which is based upon substantially all of the collateralized assets, was approximately USD 20 million (2012: USD 36 million). TUFPA is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 31 December 2013, TUFPA determined it was in compliance with these covenants.

On 10 January 2014, TUFPA entered into the TUFPA Amendment No. 10 with existing lenders to exercise its right to temporarily increase its USD 155 million revolving credit by USD 5 million to USD 160 million commencing on 10 January 2014 and ending on 11 June 2014. Term and conditions of the additional loans remain the same as previously established in the TUFPA Credit Agreement plus additional interest bearing of 0.25%.

Tri-Union Seafoods, LLC (Tri-U)

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 31 December 2013, the balance under the credit facility was USD 90 million (2012: USD 96 million), with interest rate at 3.00% to 6.50% per annum (2012: interest rate at 3.00% to 6.50% per annum) and actual unused availability was approximately USD 8 million (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, and capital expenditures, transactions with affiliates, distributions, and dividends. As at 31 December 2013, Tri-U determined it was in compliance with these covenants.

Yueh Chyang Canned Food Co., Ltd. (YCC)

As at 31 December 2013, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from four financial institutions amounting to USD 26 million (2012: USD 14 million). The credit facilities bears interest rate at 1.86% to 2.50% per annum (2012: cost of fund plus 1% and 2.25% per annum). As at 31 December 2013, the balance under the credit facilities was USD 11 million (2012: USD 7 million). The unused availability was approximately USD 15 million (2012: USD 7 million). The credit facilities were secured by accounts receivable and inventories of YCC (2012: secured by accounts receivable, inventories, plant and equipment of YCC).

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties	57,897	85,302	410,578	381,475
Trade payables - unrelated parties	7,770,338	8,940,811	897,161	1,179,377
Accrued interest expenses to related parties	-	-	-	1
Accrued expenses - related parties	78,094	92,465	34,216	41,763
Accrued expenses	1,730,898	1,237,340	241,380	253,817
Other payables - construction and equipment purchase - related party	7,627	11,609	4,092	9,985
Other payables - construction and equipment purchase - unrelated parties	157,550	177,201	6,485	62,294
Total trade and other payables	<u>9,802,404</u>	<u>10,544,728</u>	<u>1,593,912</u>	<u>1,928,712</u>

20. Long-term loans

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
USD loans	1,623	9	1,614	-
Baht loans	2,603	2,815	2,138	2,250
Less: Deferred financial fees	(4)	-	(4)	-
Total	4,222	2,824	3,748	2,250
Less: Current portion	(779)	(399)	(450)	(112)
Net	<u>3,443</u>	<u>2,425</u>	<u>3,298</u>	<u>2,138</u>

During the second quarter of 2007, a local subsidiary drew Baht 380 million of two loan agreements from a local financial institution. The loans carry interest at 4.85% per annum, and THBFIX plus 0.5% per annum. The principles were repaid during the current year.

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

During the third quarter of 2011, the Company has entered into a 7-year loan agreement amounting to Baht 2,250 million with a local financial institution. The loan carries interest at THBFIX per annum and is to be repaid in quarterly installments, the first of which will be due in October 2013. The loan contains covenants relating to various matters stipulated in the agreement. As at 31 December 2013, the balance of this loan was Baht 2,138 million (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. The subsidiary is subject to restriction on the creation of lien or encumbrance over its property, plant and equipment. As at 31 December 2013, the balance of this loan was Baht 192 million (2012: Baht 237 million). The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2013, the subsidiary was unable to maintain the debt service coverage ratio. However, the subsidiary received the relaxation for not complying with such covenant from the bank in November 2013. The subsidiary therefore reclassified the loan as at 31 December 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.

During the fourth quarter of the current year, the Company has entered into loan agreement amounting to USD 49 million or Baht 1,614 million with a local financial institution. The loan carries interest at LIBOR plus 0.92% per annum which will be due on 27 July 2016, 27 July 2017 and 27 July 2018. The loan contains covenants relating to various matters stipulated in the agreement. As at 31 December 2013, the balance of this loan was USD 49 million or Baht 1,614 million.

21. 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 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.

The Company's debentures which are unsecured debentures with no trustee, issued with a registered certificate and unsubordinated are summarised below:

(Unit: Million Baht)					
Debentures	Interest rate (% p.a.)	Terms	Due date	Consolidated/ Separate financial statements	
				2013	2012
*Debentures # 1/2008 (2)	5.50	5 years	12 November 2013	-	500
**Debentures # 1/2011 (1)	4.51	3 years	27 July 2014	3,300	3,300
**Debentures # 1/2011 (2)	4.70	5 years	27 July 2016	1,950	1,950
**Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500
Total debentures - face value				6,750	7,250
Less: Unamortised portion of deferred transaction costs				(10)	(16)
Total debentures				6,740	7,234
Less: Debentures due within one year				(3,298)	(500)
Debentures - due over one year				3,442	6,734

- * Debentures # 1/2008, the Company issued the debentures on 12 November 2008 of Baht 1,500 million (1,500,000 units of debentures of Baht 1,000 each). Debentures # 1/2008 (1), 2-year debentures carry interest rate at 4.7% per annum of Baht 1,000 million, which redeemed on the maturity date in 2010. Debentures # 1/2008 (2), the 5-year debentures carry interest rate at 5.5% per annum of Baht 500 million, redemption was due on 12 November 2013. During the year, the Company has already redeemed these debentures.
- ** Debentures # 1/2011 the Company issued three debentures on 27 July 2011 of Baht 6,750 million (6,750,000 units of debentures of Baht 1,000 each), with interest rate at 4.51% to 5.02% per annum and the redemption is due in 2014, 2016 and 2021.

On 11 November 2013, the meeting of the Company's Board of Directors approved the issued four debentures 1/2014 amounting to Baht 8,250 million (8,250,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 3.58% to 5.18% per annum and the redemption is due in 2017, 2019, 2021 and 2024.

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

22. 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 this 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.

23. Provision for long-term employee benefits

The amount related to long-term employee benefits recognised in profit or loss and the statements of financial position are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	133,742	80,338	30,708	17,175
Interest cost	77,035	57,465	10,958	8,580
Long-term employee benefit expenses for the year	210,777	137,803	41,666	25,755
Line items under which such expenses are included in profit or loss				
Cost of sales	158,034	90,437	25,342	19,473
Selling and administrative expenses	52,743	47,366	16,324	6,282

The changes in the present value of the defined benefit obligation are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	1,474,661	966,024	341,674	190,433
Increase from buying subsidiary	46,523	-	-	-
Sale of investment in subsidiaries	(3,663)	-	-	-
Current service cost	133,742	80,338	30,708	17,175

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
Interest cost	77,035	57,465	10,958	8,580
Benefits paid during the year	(56,271)	(29,756)	(5,954)	(5,919)
Actuarial losses	23,385	407,786	-	131,405
Translation adjustment	28,426	(7,196)	-	-
Defined benefit obligation				
at end of year	<u>1,723,838</u>	<u>1,474,661</u>	<u>377,386</u>	<u>341,674</u>

Principal actuarial assumptions as at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.1 - 17.0	2.8 - 20.0	3.7	3.7
Future salary increase rate (depending on age of employee)	3.0 - 15.0	3.0 - 15.0	3.5 - 10.0	3.5 - 10.0
Staff turnover rate	1.0 - 30.0	1.0 - 30.0	2.5 - 30.0	2.5 - 30.0

Amounts of defined benefit obligation for the current and previous three years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Obligated amount adjusted as a result of experience	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statements	statements	statements	statements
Year 2013	1,723,838	377,386	-	-
Year 2012	1,474,661	341,674	323,133	112,228
Year 2011	966,024	190,433	6,459	-
Year 2010	540,345	-	(3,064)	-

The overseas subsidiary has a defined benefit plan as mentioned in Note 4.16. The amounts related to such defined benefit plan recognised in profit or loss and the statement of financial position are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Interest cost	926	2,265
Expected return on plan asset	1,357	(1,334)
Amortisation of net loss	339	745
Expenses recognition due to settlements	-	50,762
Long-term employee benefit expenses for the year	2,622	52,438

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Defined benefit obligation	21,100	29,421
Fair value of plan assets	(26,932)	(27,188)
Provisions for long-term employee benefits	(5,832)	2,233

The changes in the present value of the defined benefit obligation are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Defined benefit obligation at beginning of year	29,421	110,146
Interest cost	925	2,265
Benefits paid during the year	(1,512)	(1,427)
Actuarial losses	(9,225)	8,874
Translation adjustment	1,491	(2,565)
Settlement gain	-	(9,960)
Curtailments and settlements	-	(77,912)
Defined benefit obligation at end of year	21,100	29,421

The change in the fair value of plan assets is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2013	2012
Fair value of plan assets at beginning of year	27,188	70,467
Expected return on plan assets	(555)	124
Contributions	-	35,031
Benefits paid during the year	(1,512)	(1,241)
Settlements	-	(75,430)
Translation adjustments	1,811	(1,763)
Fair value of plan assets at end of year	<u>26,932</u>	<u>27,188</u>

The major categories of plan assets as a percentage of total plan assets are as follows:

	Consolidated financial statements	
	2013	2012
	%	%
Debt securities	100	100

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements	
	2013	2012
	(% per annum)	(% per annum)
Discount rate	4.9	4.1
Expected long-term rate of return on plan assets	8.0	8.0

Amounts of defined benefit obligation for the current and previous three years are as follows:

	(Unit: Thousand Baht)	
	Defined benefit obligation	Obligated amount adjusted as a result of experience
	Consolidated financial statements	Consolidated financial statements
Year 2013	(5,832)	(6,675)
Year 2012	2,233	4,951
Year 2011	39,679	998
Year 2010	44,304	(3,342)

24. Income tax

Income tax expenses of the Company and subsidiaries for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current income tax:				
Corporate income tax for the year	530	350	189	38
Translation adjustment	3	(1)	-	-
Expense (income) in deferred income tax	(38)	(229)	17	(8)
Income tax expense (income) reported in profit or loss	<u>495</u>	<u>120</u>	<u>206</u>	<u>30</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accounting profit before income tax	<u>3,974</u>	<u>5,592</u>	<u>2,006</u>	<u>2,966</u>
Applicable tax rate	10-35%	10-35%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	779	984	401	682
Tax adjust for prior year	12	(12)	-	(16)
Tax effect of intercompany transactions	(9)	1	-	-
Tax effect for:				
investment promotion (Note 28)	(248)	(713)	(56)	(264)
tax-exempt incomes and non-deductible expenses	(34)	(88)	(156)	(380)
Decrease in deferred tax assets	42	87	19	12
Decrease in deferred tax liabilities	(47)	(139)	(2)	(4)
Income tax expenses in income statements	<u><u>495</u></u>	<u><u>120</u></u>	<u><u>206</u></u>	<u><u>30</u></u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred tax assets				
Tax losses brought forward	465	503	-	-
Tax effect of non-deductible expenses				
Allowance for diminution in value of				
Accounts receivable	25	20	5	5
Inventories	189	135	2	1
Assets value	7	7	7	7
Others	77	12	-	-
Provision for long-term employee				
benefits	54	51	5	10
Accrued liabilities	191	168	-	-
Inventory cost capitalisation	268	212	-	-
Others	53	56	12	27
Total	<u>1,329</u>	<u>1,164</u>	<u>31</u>	<u>50</u>
Deferred tax liabilities				
Depreciation and amortisation	684	603	3	2
Intangible assets	4,197	3,784	-	-
Prepaid expense	15	16	-	-
Others reserves	227	213	-	-
Surplus on revaluation of land	321	181	45	45
Others	91	128	-	3
Total	<u>5,535</u>	<u>4,925</u>	<u>48</u>	<u>50</u>

The above deferred tax liabilities included the deferred tax liabilities of EUR 100 million from the appraised value of fair value of intangible assets at acquisition date.

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company reflected the changes in tax rates in its deferred tax calculation, as presented above.

25. Share capital

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

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

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

(Unit: Share)

	Consolidated financial statements/ Separate financial statements	
	31 December	
	2013	2012
Number of ordinary shares at the beginning of year	1,147,593,829	956,329,407
Increase in the number of ordinary shares due to share capital increase*	-	191,264,422
Number of ordinary shares at the end of year	<u>1,147,593,829</u>	<u>1,147,593,829</u>

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

26. Statutory reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salaries and wages and other employee benefits	11,551,506	9,978,011	2,315,994	2,343,165
Depreciation	2,023,149	1,746,498	402,290	335,264
Amortisation	210,242	155,897	464	317
Reversal of loss on impairment	-	(28,703)	-	(29,365)
Rental expenses under operating lease agreements	1,357,979	1,184,108	400,604	357,570
Raw materials, consumables used and finished goods purchased	65,581,917	66,383,009	17,319,639	18,322,331
Changes in of finished goods and work in progress	(2,682,394)	(2,587,955)	(411,593)	(438,734)

28. Promotional privileges

The Company has been granted promotional privileges by the Board of Investment to carry on the activity of producing frozen seafood, processed and semi-processed food and others. In addition, five subsidiaries were granted promotional privileges by the Board of Investment to produce frozen seafood, processed and semi-processed food, processed animal foods and others. Subject to certain imposed conditions, the tax privileges of the Company and these subsidiaries include the following:

- Exemption from corporate income tax on income from the promoted activities for a period of 8 years, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital for manufacturing frozen seafood and canned pet food, and for a period of 8 years for processed canned food or semi-canned food and frozen ready-meal commencing as from the date of first earning operating income.

In case that there are losses incurred during the corporate income tax exemption period, the Company and its subsidiaries are allowed to utilise the losses as a deduction against net income of future years after the expiry of the tax exemption period but with a time limit of 5 years after that period.

- Exemption from income tax on dividend paid to the shareholders from the income of the promoted operation during the corporate income tax exemption period.
- Exemption from import duty on raw materials and essential materials imported for use specifically in producing for export for a period of 1 year and/or 5 years as from the date of first import.
- Exemption from import duty on items which the promoted person imports for re-export for a period of 1 year and/or 5 years as from the date of first import.
- Five percent of any increment in export income over that of the preceding year is deductible from taxable income for a period of 10 years commencing as from the date of first earning operating income, provided that the export sales of that year are not lower than the average export sales of the past three years, except for the first two years.
- Exemption from import duty on machinery as approved by the Board.

In addition, subsidiaries have been accorded the following additional privileges:

- A fifty percent reduction of corporate income tax on their net income, for a period of five years after the corporate income tax exemption expired.
- Permission to double deduct the costs of transportation, electricity and water supply for corporate income tax purpose, for a period of ten years, commencing as from the date of first earning operating income.
- Permission to deduct 25 percent of the cost of public utilities, in addition to normal depreciation charges.

The Company's operation revenues for the years are below shown divided according to promoted and non-promoted activities.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Revenue from domestic sales	2,233,880	2,412,520	1,563,181	1,623,981	3,797,061	4,036,501
Revenue from export sales	19,173,849	19,843,900	486,238	1,191,541	19,660,087	21,035,441
Total revenues	<u>21,407,729</u>	<u>22,256,420</u>	<u>2,049,419</u>	<u>2,815,522</u>	<u>23,457,148</u>	<u>25,071,942</u>

29. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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 year or on the date the potential ordinary shares were issued.

	For the year ended 31 December 2013		
	Profit for the year		Earnings per share
	Consolidated financial statements	Weighted average number of ordinary shares	Consolidated financial statements
	Million Baht	Million share	Baht
Basic earnings per share			
Profit attributable to equity holders of the parent	2,853	1,147.6	<u>2.49</u>
Add: Interest expense from convertible bond recognised during the year	99	-	
Effect of dilutive potential ordinary shares	-	45.4	
Diluted earning per share			
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>2,952</u>	<u>1,193.0</u>	<u>2.47</u>

There was no disclosure of diluted earnings per share in the separate financial statements for the year ended 31 December 2013 since the effect of diluted earnings per share was antidilutive.

For the year ended 31 December 2012				
Profit for the year		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 share	Baht	Baht
Basic earnings per share				
Profit attributable to equity holders of the parent				
4,694	2,935	1,070.3	4.39	2.74
Add: Interest expense from convertible bond recognised during the year				
93	93			
Effect of dilutive potential ordinary shares				
-	-	45.3		
Diluted earning per share				
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares				
4,787	3,028	1,115.6	4.29	2.71

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

- Production and distribution of processed frozen and canned food products segment and
- Operation support and other business segment

The Company and its subsidiaries have no operating segments that 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. The Company measures segment performance based on operating profit or loss and total assets which on a same basis consistent with that used to measure operating profit or loss and total asset in the financial statements.

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

Information regarding of the Company and its subsidiaries' operation segments presented revenue profit and total assets for the years ended 31 December 2013 and 2012 is as follows:

(Unit: Thousand Baht)

For the year ended 31 December 2013

	Production and distribution of processed frozen and canned food products segment	Operation support and other business segment	Total reportable segments	Eliminations	Consolidated financial statements
Revenue from external customers	122,631,876	5,536,837	128,168,713	(15,356,119)	112,812,594
Inter-segment revenue	4,194,038	3,194,827	7,388,865	(7,388,865)	-
Interest revenue	1,107,837	3,555	1,111,392	(1,096,687)	14,705
Interest expense	2,640,751	39,265	2,680,016	(1,125,293)	1,554,723
Depreciation and amortisation	1,936,161	297,230	2,233,391	-	2,233,391
Share of profits from associates	40,240	-	40,240	135,556	175,796
Income tax expenses	424,602	82,751	507,353	(12,737)	494,616
Segment profit	3,585,633	407,631	3,993,264	(1,140,436)	2,852,828
Segment total assets					
Investment in associates and joint ventures accounted for by the equity method	17,595,364	442,600	18,037,964	(16,169,423)	1,868,541
Additions to non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	5,954,693	23,832	5,978,525	-	5,978,525

(Unit: Thousand Baht)

For the year ended 31 December 2012

	Production and distribution of processed frozen and canned food products segment	Operation support and other business segment	Total reportable segments	Eliminations	Consolidated financial statements
Revenue from external customers	113,465,439	7,826,081	121,291,520	(14,593,898)	106,697,622
Inter-segment revenue	4,987,183	3,265,748	8,252,931	(8,252,931)	-
Interest revenue	1,053,966	3,290	1,057,256	(1,045,460)	11,796
Interest expense	3,304,299	38,670	3,342,969	(1,095,374)	2,247,595
Depreciation and amortisation	1,596,436	293,233	1,889,669	12,726	1,902,395
Share of profits from associates	37,185	-	37,185	32,645	69,830
Income tax expenses or income	(18,057)	140,912	122,855	(2,696)	120,159
Segment profit	5,559,299	778,893	6,338,192	(1,644,456)	4,693,736
Segment total assets					
Investment in associates and joint ventures accounted for by the equity method	1,561,845	-	1,561,845	244,428	1,806,273
Additions to non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	3,350,989	600,525	3,951,514	-	3,951,514

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2013	2012
Revenue from external customers		
Thailand	8,445	10,530
United States	45,506	38,159
Japan	8,159	9,776
European countries	34,145	32,154
Others	16,558	16,079
Total	112,813	106,698
Non-current assets (other than financial instruments, deferred tax assets and net defined benefit assets)		
Thailand	16,469	13,352
United States	2,692	2,350
European countries	32,169	29,371
Others	120	172
Total	51,450	45,245

Major customers information

For the year 2013 and 2012, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

31. Provident fund

The Company, its local subsidiaries and their employees have jointly established provident funds under the Provident Fund Act B.E. 2530. The funds are contributed to on a monthly basis, by the employees at rates ranging from 2 to 5 percent of the basic salaries, and by the Company and its local subsidiaries at rates ranging from 2 to 10 percent, based on the length of employment. The Company's fund is managed by MFC Asset Management Pcl. and the local subsidiaries' funds are managed by Kasikorn Asset Management Co., Ltd. and TISCO Asset Management Co., Ltd.

During the year 2013, the Company and its local subsidiaries contributed approximately Baht 67 million (2012: Baht 52 million) to the funds.

32. Provision for changes in the value of pension fund

An overseas subsidiary has established a pension fund under which it matches participants' contributions under these plans at a rate of 50 percent of an employee's contribution up to a maximum of 6 percent of eligible compensation. The overseas subsidiary contributed USD 0.4 million to the fund in the year 2013 (2012: USD 0.5 million).

33. Dividends

Dividends declared in 2013 and 2012 consist of the following:

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

34. Commitments and contingent liabilities

34.1 Commitments

The Company and its subsidiaries have the following commitments:

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

		As at 31 December 2013					
		Payable within					
		Less than 1 year	1 to 5 years	More than 5 years	Total		
Office rental and service agreements	Baht	94 million	Baht 120 million	Baht 42 million	Baht	256 million	
	EUR	1 million	EUR 5 million	EUR 2 million	EUR	8 million	
Land lease agreements	Baht	1 million	Baht 1 million	Baht 2 million	Baht	4 million	
	USD	4 million	USD 11 million	-	USD	15 million	
	EUR	1 million	EUR 2 million	EUR 1 million	EUR	4 million	
Vehicle lease agreements	Baht	34 million	Baht 14 million	-	Baht	48 million	
	EUR	1 million	-	-	EUR	1 million	
Machine lease agreements	Baht	2 million	-	-	Baht	2 million	
	USD	1 million	USD 1 million	-	USD	2 million	
Computer & copy machine lease agreements	Baht	10 million	Baht 7 million	-	Baht	17 million	
Warehouse and factory construction agreements	Baht	130 million	-	-	Baht	130 million	
Purchase of machinery, equipment and vehicle agreements	Baht	22 million	-	-	Baht	22 million	
	USD	2 million	-	-	USD	2 million	
	EUR	1 million	-	-	EUR	1 million	
	Franc	3 million	-	-	Franc	3 million	
Advisory agreements	Baht	42 million	-	-	Baht	42 million	
Internet network service agreements	Baht	1 million	-	-	Baht	1 million	
Security service agreements	Baht	1 million	-	-	Baht	1 million	
Marketing and management service agreements	Baht	6 million	-	-	Baht	6 million	

		As at 31 December 2012					
		Payable within					
		Less than 1 year	1 to 5 years	More than 5 years	Total		
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 and 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 of machinery, equipment and vehicle agreements	Baht	54 million	-	-	Baht	54 million	
Advertising agreements	USD	3 million	-	-	USD	3 million	
Communication agreements	Baht	1 million	-	-	Baht	1 million	
Advisory agreements	Baht	11 million	-	-	Baht	11 million	
Marketing and management service agreements	Baht	4 million	Baht 2 million	-	Baht	6 million	
Internet network service agreements	Baht	3 million	-	-	Baht	3 million	

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

	As at 31 December					
	2013			2012		
The local subsidiary	Baht	128.4	million	Baht	214.2	million
The overseas subsidiary	USD	1.9	million	USD	1.9	million
The overseas associates	USD	-	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 year ended 2013 amounted to USD 1 million (2012: USD 1 million).
- 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, but the Court declined to hear. Each party has subsequently filed motions and are currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI has no accrual related to this matter as of 31 December 2013 and 2012.

34.2 Guarantees

- a) As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 32 million (2012: Baht 61 million and USD 2 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- b) As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 95 million and USD 9 million (2012: Baht 156 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.

- c) A local subsidiary' 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.

35. Financial instruments

35.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, short-term investments, restricted bank deposits, trade accounts receivable, loans, investments, accounts payable, short-term loans, long-term loans, debentures and convertible bond. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits at financial institutions, bank overdrafts, short-term borrowings, long-term borrowings, debentures and convertible bond. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including the Company and its subsidiaries had entered into interest rate swap agreements.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statement as at 31 December 2013

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	1-5 years	Over	Floating	Non- interest		
	1 year		5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	23	-	-	1,593	5	1,621	0.10 - 2.50
Short-term investment	1,594	-	-	-	-	1,594	3.05
Trade and other receivables	-	-	-	-	13,948	13,948	-
Restricted bank deposits	-	-	-	11	-	11	1.22
Short-term loans to other companies	3	-	-	-	-	3	2.62
Long-term loans to other companies	4	11	-	-	-	15	3.75 - 5.00
	<u>1,624</u>	<u>11</u>	<u>-</u>	<u>1,604</u>	<u>13,953</u>	<u>17,192</u>	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	20	-	-	9	-	29	1.13 - 3.50
Trade and other payables	-	-	-	-	9,802	9,802	-
Long-term loans	-	9	-	4,213	-	4,222	4.68
Debentures	3,298	1,946	1,496	-	-	6,740	4.68
Convertible bond	-	2,714	-	-	-	2,714	5.00
	<u>3,318</u>	<u>4,669</u>	<u>1,496</u>	<u>4,222</u>	<u>9,802</u>	<u>23,507</u>	

Consolidated financial statement as at 31 December 2012

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	1-5 years	Over	Floating	Non- interest		
	1 year		5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	9	-	-	1,310	81	1,400	0.10 - 2.47
Trade and other receivables	-	-	-	-	11,918	11,918	-
Restricted bank deposits	2	-	-	12	-	14	1.20 - 3.00
Short-term loans to other companies	12	-	-	-	-	12	3.05 - 7.50
Long-term loans to other companies	7	21	-	-	3	31	3.00 - 7.50
	<u>30</u>	<u>21</u>	<u>-</u>	<u>1,322</u>	<u>12,002</u>	<u>13,375</u>	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	16	-	-	7	-	23	1.11 - 4.01
Trade and other payables	-	-	-	-	10,545	10,545	-
Long-term loans	-	9	-	2,815	-	2,824	3.05 - 3.39
Debentures	500	5,239	1,495	-	-	7,234	4.68
Convertible bond	-	2,440	-	-	-	2,440	5.00
	<u>516</u>	<u>7,688</u>	<u>1,495</u>	<u>2,822</u>	<u>10,545</u>	<u>23,066</u>	

Separate financial statement as at 31 December 2013

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	1-5 years	Over	Floating	Non- interest		
	1 year		5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	68	1	69	0.10 - 2.50
Short-term investment	1,594	-	-	-	-	1,594	3.05
Trade and other receivables	-	-	-	-	3,368	3,368	-
Short-term loans to subsidiaries	80	-	-	-	-	80	3.00 - 3.40
Long-term loans to subsidiaries	-	652	18,101	5,836	-	24,589	1.44 - 5.50
	<u>1,674</u>	<u>652</u>	<u>18,101</u>	<u>5,904</u>	<u>3,369</u>	<u>29,700</u>	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	3,682	7,791	-	-	-	11,473	2.42
Trade and other payables	-	-	-	-	1,594	1,594	-
Long-term loans	-	-	-	3,748	-	3,748	1.10 - 3.48
Debentures	3,298	1,946	1,496	-	-	6,740	4.68
Convertible bond	-	2,714	-	-	-	2,714	5.00
	<u>6,980</u>	<u>12,451</u>	<u>1,496</u>	<u>3,748</u>	<u>1,594</u>	<u>26,269</u>	

Separate financial statement as at 31 December 2012

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	1-5 years	Over	Floating	Non- interest		
	1 year		5 years	interest rate	bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	14	48	62	0.10 - 2.50
Trade and other receivables	-	-	-	-	4,197	4,197	-
Short-term loans to subsidiaries	80	-	-	1,337	-	1,417	3.10 - 3.40
Short-term loans to other companies	5	-	-	-	-	5	7.50
Long-term loans to subsidiaries	-	-	15,798	5,332	-	21,130	1.11 - 5.50
Long-term loans to other companies	2	1	-	-	-	3	7.50
	<u>87</u>	<u>1</u>	<u>15,798</u>	<u>6,683</u>	<u>4,245</u>	<u>26,814</u>	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	9,788	-	-	-	-	9,788	1.28
Trade and other payables	-	-	-	-	1,929	1,929	-
Long-term loans	-	-	-	2,250	-	2,250	2.60
Debentures	500	5,239	1,495	-	-	7,234	4.68
Convertible bond	-	2,440	-	-	-	2,440	5.00
	<u>10,288</u>	<u>7,679</u>	<u>1,495</u>	<u>2,250</u>	<u>1,929</u>	<u>23,641</u>	

Interest rate swap transaction agreements

The Company and its subsidiaries entered into interest rate swap agreements to manage risk associated with the financial liabilities carrying floating interest. The details of short-term loans from financial institutions and long-term loans are set out in Notes 18 and 20. The details of the interest rate swap agreements outstanding as at 31 December 2013 and 2012 are as follows:

The Company

As at 31 December 2013				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 2,040 million (first 2 years) Baht 170 - 1,700 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.522%	October 2016
2	Baht 510 million (first 2 years) Baht 42.5 - 425 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.48%	October 2016
3	Baht 500 million	Floating rate 6-month THBFIX	Fixed rate 3.50%	August 2015
4	Baht 1,000 million	Fixed rate 1.25%	Floating rate 6-month THBFIX minus 1.75%	June 2017
5	Baht 997 million	Fixed rate 1.32%	Floating rate 6-month THBFIX minus 1.75%	June 2017
As at 31 December 2012				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 2,040 million (first 2 years) Baht 170 - 1,700 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.522%	October 2016
2	Baht 510 million (first 2 years) Baht 42.5 - 425 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.48%	October 2016
3	Baht 500 million	Floating rate 6-month THBFIX	Fixed rate 3.50%	August 2015

Subsidiaries

As at 31 December 2013 and 2012				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 88 million	Floating rate 3-month EURIBOR	Fixed rate 2.70 %	October 2017
2	EUR 123 million	Floating rate 3-month EURIBOR	Fixed rate 2.73 %	October 2017
3	USD 80 million	Floating rate 3-month LIBOR	Fixed rate 1.85 - 2.55%	February 2016

Cross currency and interest rate swap agreements

The Company

As at 31 December 2013					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 674 million	Floating rate 3-month THBFIX plus 2.31%	USD 22 million	Floating rate 3-month LIBOR plus 3.00%	June 2014
2	Baht 2,000 million	Fixed rate 1.78%	EUR 50 million	-	June 2015
3	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
4	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Floating rate 3-month LIBOR plus 0.20%	June 2016
5	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Fixed rate 1.54%	June 2016
6	Baht 442 million	Fixed rate 4.00%	USD 14 million	Floating rate 3-month LIBOR plus 0.92%	July 2018
7	Baht 1,106 million	Fixed rate 3.62%	USD 35 million	Floating rate 3-month LIBOR plus 0.92%	July 2017
As at 31 December 2012					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 1,134 million	Floating rate 3-month THBFIX	USD 35 million	Floating rate 3-month LIBOR-BBA plus 0.665%	July 2013
2	Baht 674 million	Floating rate 3-month THBFIX plus 2.31%	USD 22 million	Floating rate 3-month LIBOR plus 3.00%	June 2014
3	Baht 2,640 million	Fixed rate 1.78%	EUR 66 million	-	June 2015
4	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
5	Baht 285 million	Floating rate 3-month THBFIX	USD 9 million	Floating rate LIBOR plus 0.42%	July 2013

Subsidiary

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

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate.

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

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	634	311	74	31	32.76	30.58
JPY	276	149	576	239	0.31	0.35
EUR	506	513	61	61	44.96	40.50
VND	2,395	6,515	-	2,062	0.0016	0.0015

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

As at 31 December 2013						
Foreign currency	Bought amount (Million)	Sold Amount (Million)	Contractual exchange rate		Contractual maturity date	
			Bought	Sold		
<u>The Company</u>						
USD	-	182	-	29.80 - 33.25 Baht against USD	January 2014 - July 2018	
JPY	-	190	-	0.31 - 0.32 Baht against JPY	March 2014 - July 2014	
EUR	-	436	-	38.46 - 45.70 Baht against EUR	January 2014 - June 2017	
China Yuan	-	306	-	5.22 Baht against CYN	July 2014	
<u>Subsidiaries</u>						
USD	-	243	-	30.27 - 33.07 Baht against USD	January 2014 - December 2014	
JPY	-	97	-	0.30 - 0.33 Baht against JPY	January 2014 - May 2014	
USD	32	-	1.36 EUR against USD	-	December 2014	
EUR	84	-	0.84 GBP against EUR	-	December 2014	
GBP	37	-	1.62 GBP against USD	-	December 2014	

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

As at 31 December 2013, the Company and its local subsidiaries had outstanding option agreements with special conditions with financial institutions under which they had obligations to sell amounts of between USD 34 million up to USD 55 million (2012: between USD 28 million up to USD 67 million), depending on conditions stipulated in the agreements, at rates of Baht 29.80 to Baht 32.32 per USD 1 (2012: at rates of Baht 30.85 to Baht 32.30 per USD 1). These agreements will terminate within August 2014 (2012: December 2013) and the Company has outstanding option agreements with two local banks under which the Company has obligations to sell a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR 1. These agreements will terminate within May 2017. At the same time, the two local banks have obligations to buy a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR 1. These agreements will terminate within May 2017.

Moreover the overseas subsidiaries have outstanding option agreements as follow.

As at 31 December 2013						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date	
			Bought	Sold		
EUR	47.6	66.4	1.33 - 1.38 USD against EUR	1.33 - 1.38 USD against EUR	February 2014 - December 2014	
GBP	75.0	50.0	1.62 - 1.63 USD against GBP	1.62 USD against GBP	July 2014 - December 2014	

As at 31 December 2012						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date	
			Bought	Sold		
EUR	42.0	69.0	1.33 - 1.38 USD against EUR	1.33 - 1.38 USD against EUR	December 2013	
GBP	23.0	34.5	1.64 USD against GBP	1.64 USD against GBP	December 2013	
EUR	38.1	57.1	0.79 GBP against EUR	0.79 GBP against EUR	June 2013 - December 2013	

35.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt to equity ratio was 0.99:1 (2012: 1.35:1) and the Company's was 1.11:1 (2012: 0.93:1).

37. Events after the reporting period

On 24 February 2014, the meeting of the Company's Board of Directors No. 1/2014 passed the following solutions.

- Approve dividend payment of Baht 1.49 per share from its net operating profit of the year 2013, to the Company's shareholders. However, by the resolution of the meeting of the Company's Board of Directors No. 5/2013 held on 13 August 2013, the Company had paid out the interim dividend payment of Baht 0.60 per share from the six-month operating profit ended 30 June 2013, to the Company's shareholders totaling Baht 688 million on 9 September 2013. The remaining dividend is Baht 0.89 per share or totaling Baht 1,021 million. The dividend will be paid on 18 April 2014.
- Approved the increase of credit limit for issuance of debentures of the Company and/or its subsidiaries in an amounting of Baht 15,000 million, referred to Section 9 of the Annual General Meeting of Shareholders of 2011, up to Baht 25,000 million or the equivalent in other currencies, such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

38. Approval of financial statements

These financial statements were authorised for issue by the Audit Committee and the Company's management on 24 February 2014.