

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended
31 March 2010 and 2009

Review report of Independent Auditor

To the Shareholders of Thai Union Frozen Products Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thai Union Frozen Products Public Company Limited and its subsidiaries as at 31 March 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2010 and 2009, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. I did not review the interim financial statements of overseas subsidiaries, Thai Union International, Inc. and its subsidiaries and PT Juifa International Foods, which are included in the consolidated financial statements for the three-month periods ended 31 March 2010 and 2009. The financial statements of these subsidiaries present total assets of Baht 11,247 million and Baht 13,481 million, respectively, and total revenues for the three-month periods then ended of Baht 7,321 million and Baht 8,084 million, respectively. The financial statements of these subsidiaries were reviewed by other auditors, whose reports have been furnished to me, and my review report, insofar as it relates to the amounts of the various transactions of those subsidiaries included in the consolidated financial statements, is based on the reports of those auditors.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews and the review reports of other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Thai Union Frozen Products Public Company Limited and its subsidiaries, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the year ended 31 December 2009 in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements, based on my report dated 12 February 2010. The balance sheet as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on, based partially on the reports of other auditors of the overseas subsidiaries. I have not performed any other audit procedures subsequent to the date of that report.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 28 April 2010

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Assets					
Current assets					
Cash and cash equivalents		663,070	728,375	35,690	98,031
Trade accounts receivable	2				
Related parties	3	70,924	57,444	1,647,934	1,709,082
Unrelated parties		6,559,634	6,601,565	1,044,857	1,010,257
Total trade accounts receivable		6,630,558	6,659,009	2,692,791	2,719,339
Less: Allowance for doubtful accounts		(174,059)	(157,969)	(2,831)	(8,498)
Trade accounts receivable - net		6,456,499	6,501,040	2,689,960	2,710,841
Account receivable - subsidiary	3	-	-	44,319	-
Short-term loans to related parties	3	-	-	1,559,657	1,564,907
Current portion of long-term loans to subsidiaries	3	-	-	1,127,690	1,159,291
Current portion of long-term loans to other companies		658	1,445	-	-
Inventories - net	4	15,105,153	15,892,970	3,460,770	3,884,980
Other current assets					
Prepaid expenses		125,008	134,272	18,466	16,035
Prepaid income tax		75,588	147,201	35,818	28,111
Spareparts		123,420	115,261	21,481	19,274
Interest receivables	3	9	-	37,072	38,080
Advance payments		180,639	325,305	23,283	52,123
Current portion of forward exchange contracts receivables		282,294	117,263	165,055	52,912
Value added tax refundable		168,245	153,815	72,274	79,789
Others		87,759	100,399	29,641	35,056
Total other current assets		1,042,962	1,093,516	403,090	321,380
Total current assets		23,268,342	24,217,346	9,321,176	9,739,430

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2010	31 December 2009	31 March 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets					
Restricted deposits with financial institution		990	990	-	-
Investments in subsidiaries - net	5	-	-	3,369,453	3,343,953
Investments in associates	6	402,154	401,792	66,231	66,231
Other long-term investments - net	7	86,621	86,871	39,120	39,106
Long-term loans to subsidiaries - net of current portion	3	-	-	3,350,849	3,444,750
Long-term loans to other companies - net of current portion		20,747	10,333	-	-
Property, plant and equipment - net	8	9,696,180	9,279,978	2,622,365	2,365,439
Properties foreclosed - net		57,057	57,057	57,057	57,057
Intangible assets - net	9	678,444	700,002	-	-
Other non-current assets					
Forward exchange contracts receivables		312,266	211,286	312,266	211,286
Goodwill - net		283,934	290,507	-	-
Leasehold rights - net		18,871	19,715	-	-
Deferred tax assets	13	508,096	525,004	16,515	17,390
Others		68,034	69,062	7,783	10,079
Total non-current assets		12,133,394	11,652,597	9,841,639	9,555,291
Total assets		35,401,736	35,869,943	19,162,815	19,294,721

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	10	5,227,640	5,601,268	1,284,660	883,333
Trade accounts payable					
Related parties	3	57,683	32,935	218,872	240,465
Unrelated parties		2,735,823	2,596,660	955,312	1,016,612
Total trade accounts payable		2,793,506	2,629,595	1,174,184	1,257,077
Account payable - subsidiary	3	-	-	98,357	-
Short-term loans from subsidiaries	3	-	-	808,740	978,610
Current portion of long-term loans	11	142,848	183,760	-	-
Current portion of debentures		1,500,000	1,500,000	1,500,000	1,500,000
Other current liabilities					
Corporate income tax payable		274,314	151,680	9,453	-
Accrued expenses	3	625,618	652,706	244,709	175,570
Accounts payable - construction and asset purchase		160,107	169,970	23,977	26,935
Billback		252,609	357,454	-	-
Others		672,620	792,933	231,418	226,441
Total other current liabilities		1,985,268	2,124,743	509,557	428,946
Total current liabilities		11,649,262	12,039,366	5,375,498	5,047,966
Non-current liabilities					
Long-term loans	11	1,243,058	1,264,304	-	-
Debentures	12	3,700,000	3,700,000	3,700,000	3,700,000
Deferred tax liabilities	13	266,015	274,407	-	-
Other non-current liabilities		176,174	181,101	24,435	47,846
Total non-current liabilities		5,385,247	5,419,812	3,724,435	3,747,846
Total liabilities		17,034,509	17,459,178	9,099,933	8,795,812

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	31 March 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Shareholders' equity					
Share capital					
Registered					
885,090,950 ordinary shares of Baht 1 each		885,090	885,090	885,090	885,090
Issued and paid-up					
883,170,950 ordinary shares of Baht 1 each		883,171	883,171	883,171	883,171
Share premium		4,518,797	4,518,797	4,518,797	4,518,797
Unrealised loss					
Revaluation deficit on change in value of investments	7	(14,724)	(19,362)	(485)	(499)
Provision for changes in the value of pension fund		(13,176)	(13,561)	-	-
Translation adjustment		(135,969)	(99,417)	-	-
Retained earnings					
Appropriated - statutory reserve		89,000	89,000	89,000	89,000
Unappropriated		10,920,544	10,972,493	4,572,399	5,008,440
Equity attributable to the Company's shareholders		16,247,643	16,331,121	10,062,882	10,498,909
Minority interest - equity attributable to minority shareholders of subsidiaries					
		2,119,584	2,079,644	-	-
Total shareholders' equity		18,367,227	18,410,765	10,062,882	10,498,909
Total liabilities and shareholders' equity		35,401,736	35,869,943	19,162,815	19,294,721
		-	-	-	-

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

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Directors
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Thai Union Frozen Products Public Company Limited and its subsidiaries
Income statements
For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales		16,328,895	17,666,368	4,968,891	4,342,742
Other income					
Interest income		483	5,028	77,419	87,110
Dividend income		-	-	307,419	20,506
Compensation from accounts payable		49,727	11,646	49,492	11,632
Tax coupon received		25,904	24,343	3,638	4,121
Exchange gains		233,072	127,105	121,501	94,101
Others		102,151	54,583	40,192	41,848
Total other income		411,337	222,705	599,661	259,318
Total revenues		16,740,232	17,889,073	5,568,552	4,602,060
Expenses					
Cost of sales		14,089,490	15,529,575	4,693,984	3,994,557
Selling expenses		865,918	862,964	211,588	179,335
Administrative expenses		460,463	496,454	117,836	123,512
Management benefit expenses		11,536	11,252	11,536	11,252
Other expenses		1,753	1,738	889	311
Total expenses		15,429,160	16,901,983	5,035,833	4,308,967
Income before finance cost and corporate income tax		1,311,072	987,090	532,719	293,093
Finance cost		(133,592)	(168,557)	(75,262)	(87,255)
Share of income from investments in associates		4,361	11,309	-	-
Income before corporate income tax		1,181,841	829,842	457,457	205,838
Corporate income tax	13	(223,686)	(96,168)	(10,329)	(17,425)
Net income for the period		958,155	733,674	447,128	188,413
Net income attributable to:					
Equity holders of the parent		831,220	653,036	447,128	188,413
Minority interests of the subsidiaries		126,935	80,638		
		958,155	733,674		
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Net income attributable to equity holders of the parent		0.94	0.74	0.51	0.21

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Net income before tax	1,181,841	829,842	457,457	205,838
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	278,538	259,951	81,312	67,805
Amortisation of premium/discount from forward foreign exchange contracts	(16,471)	57,287	(13,860)	38,751
Allowance for doubtful accounts (reversal)	17,055	12,335	(5,667)	-
Allowance for diminution in value of inventories (reversal)	1,777	(71,244)	(2,405)	241
Share of income from investments in associates	(4,361)	(11,309)	-	-
Loss on sale of investment	1,214	1,032	-	-
Loss (gain) on liquidation of subsidiary	-	(194)	-	368
Loss (gain) on sale/write-off of property, plant and equipment	(27,079)	(733)	(153)	17
Loss on write-off of leasehold rights	256	227	-	-
Unrealised exchange gains	(60,167)	(60,977)	(42,089)	(71,374)
Dividend income	-	-	(307,419)	(20,506)
Interest income	(483)	(5,028)	(77,419)	(87,110)
Interest expense	120,648	164,364	73,943	90,224
Income from operating activities before change in operating assets and liabilities	1,492,768	1,175,553	163,700	224,254
Decrease (increase) in operating assets				
Trade accounts receivable	(110,451)	(339,318)	(4,822)	992,235
Inventories	570,168	2,773,802	422,575	(217,422)
Other current assets	108,192	86,102	361	(837)
Other non-current assets	(923)	7,673	1,682	(97)
Increase (decrease) in operating liabilities				
Trade accounts payable	139,388	(728,777)	(65,075)	(220,325)
Other current liabilities	(199,140)	(105,309)	92,005	(47,316)
Other non-current liabilities	(169)	(3,283)	(22,575)	2,368
Cash flows from operating activities	1,999,833	2,866,443	587,851	732,860
Cash paid for corporate income tax	(36,647)	(32,336)	(7,707)	(13,097)
Net cash from operating activities	1,963,186	2,834,107	580,144	719,763

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
Statements of cash flows (Continued)
For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from investing activities				
Acquisitions of property, plant and equipment	(859,479)	(391,232)	(255,440)	(124,277)
Acquisitions of intangible assets	(1,000)	(538)	-	-
Acquisitions of leasehold rights	(143)	-	-	-
Increase in short-term loans to subsidiaries	-	-	(18,000)	(68,308)
Decrease in short-term loans to other companies	-	507	-	-
Increase in long-term loans to subsidiaries	-	-	-	(165,750)
Increase in long-term loans to other companies	(9,665)	-	-	-
Increase in investment in subsidiary (Note 6)	-	-	(25,500)	-
Liquidation of subsidiary	-	(11)	-	1,547
Interest income	475	10,077	78,427	92,396
Dividend received	4,000	-	307,419	20,506
Proceeds from sale of investment	3,482	3,665	-	-
Proceeds from disposal of property, plant and equipment	195,944	1,870	218	121
Net cash from (used in) investing activities	(666,386)	(375,662)	87,124	(243,765)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(302,059)	(2,997,104)	401,327	(1,385,305)
Decrease in short-term loans from subsidiaries	-	-	(169,870)	-
Decrease in short-term loans from associate	-	(2,500)	-	(2,500)
Decrease in short-term loans from director of subsidiaries	-	(106,560)	-	-
Decrease in long-term loans	(60,379)	(66,305)	-	-
Increase in long-term loans from director of subsidiary	-	36,578	-	-
Cash paid for interest expense	(132,209)	(150,849)	(77,897)	(81,875)
Decrease in minority interest - equity attributable to minority shareholders of subsidiaries	(86,081)	(14,196)	-	-
Dividend paid	(883,169)	-	(883,169)	-
Net cash used in financing activities	(1,463,897)	(3,300,936)	(729,609)	(1,469,680)
Increase (decrease) in translation adjustment	101,792	(6,904)	-	-
Net decrease in cash and cash equivalents	(65,305)	(849,395)	(62,341)	(993,682)
Cash and cash equivalents at beginning of period	728,375	1,556,782	98,031	1,028,084
Cash and cash equivalents at end of period	663,070	707,387	35,690	34,402
Supplement cash flows information				
Non-cash items:				
Undue installments for acquisitions of fixed assets	160,107	177,707	122,334	28,504
Unrealised loss (gains) on changes in the value of investments	(4,638)	3,294	(14)	(19)
Transfer of land to pay down other current liabilities	-	3,394	-	-
Sales of assets but has not yet received	-	-	44,319	-

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
			Revaluation	Provision for	Translation	Retained earnings		Total equity	Minority interest - equity	Total
	Issued and paid-up share capital	Share premium	deficit on changes in the value of investments	changes in value of pension fund		Appropriated	Unappropriated	attributable to the parent's shareholders	attributable to minority shareholders of subsidiaries	
Balance as at 1 January 2009	883,171	4,518,797	(18,503)	(85,953)	(47,418)	89,000	9,023,177	14,362,271	1,868,454	16,230,725
Income and expenses recognised directly in equity:										
Investments in available-for-sale securities										
Loss recognised in shareholders' equity	-	-	(3,294)	-	-	-	-	(3,294)	-	(3,294)
Provision for changes in the value of pension fund	-	-	-	(1,550)	-	-	-	(1,550)	-	(1,550)
Translation adjustment	-	-	-	-	(15,894)	-	-	(15,894)	-	(15,894)
Net expenses recognised directly in equity	-	-	(3,294)	(1,550)	(15,894)	-	-	(20,738)	-	(20,738)
Net income for the period	-	-	-	-	-	-	653,036	653,036	80,638	733,674
Total income and expenses for the period	-	-	(3,294)	(1,550)	(15,894)	-	653,036	632,298	80,638	712,936
Dividend paid	-	-	-	-	-	-	-	-	(14,196)	(14,196)
Balance as at 31 March 2009	<u>883,171</u>	<u>4,518,797</u>	<u>(21,797)</u>	<u>(87,503)</u>	<u>(63,312)</u>	<u>89,000</u>	<u>9,676,213</u>	<u>14,994,569</u>	<u>1,934,896</u>	<u>16,929,465</u>
Balance as at 1 January 2010	883,171	4,518,797	(19,362)	(13,561)	(99,417)	89,000	10,972,493	16,331,121	2,079,644	18,410,765
Income and expenses recognised directly in equity:										
Investments in available-for-sale securities										
Gain recognised in shareholders' equity	-	-	4,638	-	-	-	-	4,638	-	4,638
Provision for changes in the value of pension fund	-	-	-	385	-	-	-	385	-	385
Translation adjustment	-	-	-	-	(36,552)	-	-	(36,552)	-	(36,552)
Net income and expenses recognised directly in equity	-	-	4,638	385	(36,552)	-	-	(31,529)	-	(31,529)
Net income for the period	-	-	-	-	-	-	831,220	831,220	126,935	958,155
Total income and expenses for the period	-	-	4,638	385	(36,552)	-	831,220	799,691	126,935	926,626
Dividend paid (Note 15)	-	-	-	-	-	-	(883,169)	(883,169)	(110,581)	(993,750)
Increase in investment in subsidiary	-	-	-	-	-	-	-	-	24,500	24,500
Decrease in minority interest	-	-	-	-	-	-	-	-	(914)	(914)
Balance as at 31 March 2010	<u>883,171</u>	<u>4,518,797</u>	<u>(14,724)</u>	<u>(13,176)</u>	<u>(135,969)</u>	<u>89,000</u>	<u>10,920,544</u>	<u>16,247,643</u>	<u>2,119,584</u>	<u>18,367,227</u>

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2010 and 2009

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Revaluation deficit	Retained earnings		Total
			on changes in value of investments	Appropriated	Unappropriated	
Balance as at 1 January 2009	883,171	4,518,797	(474)	89,000	4,022,051	9,512,545
Income and expenses recognised directly in equity:						
Investments in available-for-sale securities						
Gain recognised in shareholders' equity	-	-	19	-	-	19
Net income recognised directly in equity	-	-	19	-	-	19
Net income for the period	-	-	-	-	188,413	188,413
Total income for the period	-	-	19	-	188,413	188,432
Balance as at 31 March 2009	<u>883,171</u>	<u>4,518,797</u>	<u>(455)</u>	<u>89,000</u>	<u>4,210,464</u>	<u>9,700,977</u>
Balance as at 1 January 2010	883,171	4,518,797	(499)	89,000	5,008,440	10,498,909
Income and expenses recognised directly in equity:						
Investments in available-for-sale securities						
Gain recognised in shareholders' equity	-	-	14	-	-	14
Net income recognised directly in equity	-	-	14	-	-	14
Net income for the period	-	-	-	-	447,128	447,128
Total income for the period	-	-	14	-	447,128	447,142
Dividend paid (Note 15)	-	-	-	-	(883,169)	(883,169)
Balance as at 31 March 2010	<u>883,171</u>	<u>4,518,797</u>	<u>(485)</u>	<u>89,000</u>	<u>4,572,399</u>	<u>10,062,882</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 interim financial statements

31 March 2010 and 2009

1. General information

1.1 Corporate information

Thai Union Frozen Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand and listed on the Stock Exchange of Thailand on 22 November 1994.

The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiaries are also engaged in the packaging and printing, pet food businesses and fishery. The principal activities of the overseas subsidiaries are the manufacture and distribution of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailers, wholesalers and food processors which are principally located in the United States and the manufacture and distribution of seafood which are principally 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 3 branches in Bangkok and Samutsakorn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2007), “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

(Unaudited but reviewed)

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

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2009. There has been no change in the composition of the group of company during the current period.

The total assets and total revenues of the subsidiaries included in the consolidated financial statements for the three-month period ended 31 March 2010 are as follows:

Company's name	Assets as a percentage to the consolidated total assets	Revenues as a percentage to the consolidated total revenues
Thai Union Manufacturing Co., Ltd. and subsidiaries	18.94	19.05
Songkla Canning Pcl. and subsidiaries	14.27	9.36
Thai Union Seafood Co., Ltd.	3.22	1.37
T-Holding Co., Ltd.	1.29	1.86
Thai Union Feedmill Co., Ltd. and subsidiaries	5.76	5.85
Thai Union Graphic Co., Ltd.	1.18	0.40
Thai Union International, Inc. (TUI) and subsidiaries	31.25	42.96
PT Juifa International Foods	0.52	0.77

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

(Unaudited but reviewed)

2. Trade accounts receivable

The balances of trade accounts receivable are classified by aging as presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
<u>Age of receivable</u>				
Trade accounts receivable - related parties				
Not yet due	30,170	26,699	1,282,052	1,261,860
Overdue				
1 - 30 days	40,683	30,659	143,479	239,910
31 - 60 days	-	86	37,179	123,959
61 - 90 days	-	-	93,702	71,613
91 - 120 days	-	-	76,237	-
121 - 180 days	71	-	15,285	-
181 - 365 days	-	-	-	11,740
Total trade accounts receivable - related parties	70,924	57,444	1,647,934	1,709,082
Trade accounts receivable - unrelated parties				
Not yet due	4,948,011	5,189,768	885,050	864,530
Overdue				
1 - 30 days	1,220,696	1,069,917	131,881	119,887
31 - 60 days	109,384	105,380	2,888	7,917
61 - 90 days	59,432	40,898	3,126	4,891
91 - 120 days	44,210	37,332	9,326	3,719
121 - 180 days	33,265	29,714	8,002	4,660
181 - 365 days	48,522	42,006	3,977	4,037
Over 365 days	96,114	86,550	607	616
Total trade accounts receivable - unrelated parties	6,559,634	6,601,565	1,044,857	1,010,257
Total trade accounts receivable	6,630,558	6,659,009	2,692,791	2,719,339
Less: Allowance for doubtful accounts	(174,059)	(157,969)	(2,831)	(8,498)
Trade accounts receivable - net	6,456,499	6,501,040	2,689,960	2,710,841

As at 31 March 2010, certain trade accounts receivable of three overseas subsidiaries have secured their credit facilities as mentioned in Note 10.

(Unaudited but reviewed)

3. Related party transactions

During the periods, the Company had significant business transactions with related parties which are related by way of common shareholders and/or common directors. Such transactions are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,104,004	1,170,196	Cost plus margin
Dividend income	-	-	303,419	20,506	As declared
Interest income	-	-	77,127	82,314	1.85 - 6.40% per annum (2009: 2.35 - 6.25% per annum)
Other income	-	-	9,832	8,033	Near market price
Sale of assets	-	-	44,319	-	Near market price
Purchases of goods	-	-	207,479	276,695	Cost plus margin
Purchase of assets	-	-	110,760	-	Contract price
Interest expense	-	-	3,682	397	1.30% per annum (2009: 3.65 - 5.04% per annum)
Management fee	-	-	10,136	7,122	Contract price
Other expenses	-	-	5,327	5,831	Near market price
Transactions with associates:					
Dividend income	4,000	-	4,000	-	As declared
Purchases of goods	2,109	3,062	-	-	Cost plus margin
Purchases service expense	150	225	90	165	Near market price
Transactions with related companies:					
Sales	336,609	210,310	86,774	38,018	Cost plus margin
Purchases of goods	676,957	634,819	409,263	331,801	Cost plus margin
Transportation	9,032	11,504	1,103	1,599	Near market price
Expenses relating to assets	18,088	12,464	4,212	10,834	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 the way of having common directors. During the three-month periods ended 31 March 2010 and 2009, insurance premiums paid through that company amounted to Baht 9.7 million and Baht 13.7 million, respectively.

(Unaudited but reviewed)

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary
T-Holding Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
PT Juifa International Foods	Subsidiary
Tri-Union Seafoods, LLC	Subsidiary (Held by subsidiary)
Tri-Union Samoa Packing Corporation	Subsidiary (Held by subsidiary)
Tri-Union Frozen Foods, LLC	Subsidiary (Held by subsidiary)
Empress International, Ltd. (Empress)	Subsidiary (Held by subsidiary)
Empress International of California Ltd.	Subsidiary (Held by subsidiary)
Empress International Midwest Ltd.	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Union Hatchary Co., Ltd.	Subsidiary (Held by subsidiary)
Phuket Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Samui Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Phang-nga Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Songkla Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Siam Fishing Pte. Ltd.	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.	Subsidiary (Held by subsidiary)
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	Associated company
Avanti Thai Aqua Feeds Private 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 Ltd.	Associated company (Held by subsidiary)
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
Hanhong Kanchang Registered Ordinary Partnership	Common major shareholders/Common directors
Ahead Way International Co., Ltd.	Common major shareholders/Common directors
Merchant Partners Securities Pcl.	Common shareholders/Common directors
Geminai & Associate Co., Ltd.	Common shareholders
Lucky Surimi Products Co., Ltd.	Common directors

(Unaudited but reviewed)

List of related companies	Relationship
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	Common directors
Pae Ekawat	Relative of director
Ekawat Products Co., Ltd.	Relative of director
Miss Rungtiwa Boonmechote	Relative of director

The Company had the following significant balances of assets and liabilities with its related companies:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Empress International, Ltd.	-	-	582,684	690,730
Tri-Union Seafoods, LLC	-	-	538,373	460,495
Tri-Union Frozen Foods, LLC	-	-	198,084	243,655
Thai Union Manufacturing Co., Ltd.	-	-	7,746	22,845
T-Holding Co., Ltd.	-	-	238,688	270,319
Songkla Canning Pcl.	-	-	50,743	2,890
Thai Union Seafood Co., Ltd.	-	-	15,092	2,971
Others	-	-	1,175	1,042
Total trade accounts receivable - subsidiaries	-	-	1,632,585	1,694,947
<u>Associates</u>				
Trade accounts receivable - associates	2,044	1,453	633	173
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	29,217	27,533	14,716	13,962
Jana Fish Industries Limited	5,724	4,763	-	-
Ahead Way International Co., Ltd.	33,928	23,249	-	-
Others	11	446	-	-
Total trade accounts receivable - related parties	68,880	55,991	14,716	13,962
Total	70,924	57,444	1,647,934	1,709,082
<u>Accounts receivable - subsidiary</u>				
(Eliminated from consolidated financial statements)				
Thai Union Feedmill Co., Ltd.	-	-	44,319	-
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	829,657	852,907
Thai Union Manufacturing Co., Ltd.	-	-	500,000	500,000
Songkla Canning Pcl.	-	-	200,000	200,000
Thai Union Graphic Co., Ltd.	-	-	30,000	12,000
Total	-	-	1,559,657	1,564,907

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	2,545,357	2,616,685
Thai Union Manufacturing Co., Ltd.	-	-	1,933,182	1,987,356
Total	-	-	4,478,539	4,604,041
Less: Current portion				
Thai Union International, Inc.	-	-	(1,127,690)	(1,159,291)
Net	-	-	3,350,849	3,444,750
<u>Other current assets</u>				
<u>Interest receivable</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	28,223	29,095
Thai Union Manufacturing Co., Ltd.	-	-	7,940	8,102
Songkla Canning Pcl.	-	-	856	856
Thai Union Graphic Co., Ltd.	-	-	53	27
Total	-	-	37,072	38,080
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	22,147	54,210
Asian-Pacific Can Co., Ltd.	-	-	113,516	67,167
Thai Union Graphic Co., Ltd.	-	-	11,432	12,415
T-Holding Co., Ltd.	-	-	4,797	17,705
Tri-Union Seafoods, LLC	-	-	15,792	12,277
Tri-Union Frozen Foods, LLC	-	-	-	8,649
Empress International, Ltd.	-	-	10,430	16,932
Thai Union Feedmill Co., Ltd.	-	-	1,526	-
Thai Union Seafood Co., Ltd.	-	-	11,969	7,580
Songkla Canning Pcl.	-	-	2,188	295
Phuket Fishing Pcl.	-	-	-	33,957
Others	-	-	40	1,105
Total trade accounts payable - subsidiaries	-	-	193,837	232,292
<u>Associates</u>				
Trade accounts payable - associates	752	1,964	-	69
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	30,388	21,518	-	-
Ekawat Products Co., Ltd.	23,066	6,227	23,066	6,227
Jana Fish Industries Limited	1,508	1,349	-	-
Miss Rungtiwa Boonmechote	1,969	1,877	1,969	1,877
Total trade accounts payable - related companies	56,931	30,971	25,035	8,104
Total	57,683	32,935	218,872	240,465
<u>Account payable - subsidiary</u>				
(Eliminated from consolidated financial statements)				
Thai Union Feedmill Co., Ltd.	-	-	98,357	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
<u>Short-term loans from subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	503,990	547,850
Songkla Canning Pcl.	-	-	304,750	430,760
Total	-	-	808,740	978,610
<u>Accrued expenses</u>				
<u>Accrued interest</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	690	462
Songkla Canning Pcl.	-	-	574	591
	-	-	1,264	1,053
<u>Others</u>				
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	7,241	9,319	1,779	-
Waithai Co., Ltd.	2,450	3,465	60	64
Thaipatana Stainless Steel Co., Ltd.	7,043	8,086	1,186	1,154
Others	144	-	-	-
	16,878	20,870	3,025	1,218
Total	16,878	20,870	4,289	2,271

The movements of loans to/from related parties during the three-month period ended 31 March 2010 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2010
	Balance as at 1 January 2010	During the period			
		Increase	Decrease	Revaluation	
<u>Short-term loans to subsidiaries</u>					
Thai Union International, Inc.	852,907	36,245	(36,245)	(23,250)	829,657
Thai Union Manufacturing Co., Ltd.	500,000	-	-	-	500,000
Songkla Canning Pcl.	200,000	-	-	-	200,000
Thai Union Seafood Co., Ltd.	-	200,950	(200,950)	-	-
Thai Union Graphic Co., Ltd.	12,000	30,000	(12,000)	-	30,000
	1,564,907	267,195	(249,195)	(23,250)	1,559,657
<u>Long-term loans to subsidiaries</u>					
Thai Union International, Inc.	2,616,685	-	-	(71,328)	2,545,357
Thai Union Manufacturing Co., Ltd.	1,987,356	-	-	(54,174)	1,933,182
	4,604,041	-	-	(125,502)	4,478,539

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2010
	Balance as at	During the period			
	1 January 2010	Increase	Decrease	Revaluation	
Short-term loans from subsidiaries					
Thai Union Manufacturing Co., Ltd.	547,850	1,181,710	(1,225,570)	-	503,990
Songkla Canning Pcl.	430,760	757,760	(883,770)	-	304,750
	978,610	1,939,470	(2,109,340)	-	808,740

4. Inventory / allowance for diminution in value of inventory

As at 31 March 2010, three overseas subsidiaries have mortgaged the certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 10.

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2010 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2010	276,648	62,218
Add: Allowance made during the period	360,835	5,323
Less: Allowance reversed during the period	(359,058)	(7,728)
Translation adjustment	(1,577)	-
Balance as at 31 March 2010	276,848	59,813

5. Investments in subsidiaries

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			31 March 2010	31 December 2009	31 March 2010	31 December 2009
					%	%
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	Baht 360 million	Baht 360 million	90.44	90.44
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	Baht 300 million	Baht 300 million	90.08	90.08
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	Baht 300 million	Baht 250 million	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70 million	Baht 70 million	90.00	90.00

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			31 March 2010	31 December 2009	31 March 2010	31 December 2009
					%	%
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 300 million	Baht 300 million	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40 million	Baht 40 million	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	USD 8.1 million	USD 8.1 million	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	USD 2.7 million	USD 2.7 million	76.50	76.50

(Unit: Thousand Baht)

Company's name	Cost	
	31 March 2010	31 December 2009
<u>Investments in subsidiaries</u>		
Songkla Canning Pcl.	1,379,791	1,379,791
Thai Union Manufacturing Co., Ltd.	1,212,172	1,212,172
Thai Union Seafood Co., Ltd.	189,316	163,816
T-Holding Co., Ltd.	20,699	20,699
Thai Union Feedmill Co., Ltd.	153,000	153,000
Thai Union Graphic Co., Ltd.	45,331	45,331
Thai Union International, Inc.	325,770	325,770
PT Juifa International Foods	69,510	69,510
Total	3,395,589	3,370,089
Less: Allowance for loss on impairment of investments	(26,136)	(26,136)
Net	3,369,453	3,343,953

During the current quarter, Thai Union Seafood Co., Ltd., subsidiary, called-up the additional 25% of its share capital. The Company additionally invested Baht 25.5 million in this company.

(Unaudited but reviewed)

Investments in some associates were determined on the basis of financial information provided by those companies' management. These were unreviewed by their external auditors due to time constraints. However, the values of the investments in associates are immaterial.

7. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2010		31 December 2009	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	60,127	<u>45,403</u>	64,823	<u>45,461</u>
Unrealised loss on changes in the value of investments	(14,724)		(19,362)	
Total available-for-sale securities	45,403		45,461	
Other securities				
- Ordinary shares	50,796		50,988	
- Unit trust	100		100	
Total other long-term investments	96,299		96,549	
Less: Allowance for impairment of investments	(9,678)		(9,678)	
Other long-term investments - net	<u>86,621</u>		<u>86,871</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2010		31 December 2009	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	5,025	<u>4,540</u>	5,025	<u>4,526</u>
Unrealised loss on changes in the value of investments	(485)		(499)	
Total available-for-sales securities	4,540		4,526	
Other securities - ordinary shares	34,580		34,580	
Total other long-term investments	<u>39,120</u>		<u>39,106</u>	

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2010	9,279,978	2,365,439
Acquisitions during period - at cost	882,969	380,840
Disposals during period - net book value at disposal date	(182,374)	(42,602)
Depreciation for period	(273,070)	(81,312)
Reversal of allowance for impairment	13,509	-
Translation adjustment	(24,832)	-
Net book value as at 31 March 2010	<u>9,696,180</u>	<u>2,622,365</u>

An overseas subsidiary has mortgaged the construction and machinery, with net book values totalling approximately USD 0.1 million (31 December 2009: USD 0.1 million), to financial institutions to secure their credit facilities, as mentioned in Note 10.

9. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements					
	31 March 2010			31 December 2009		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
Copyrights	36	(1)	35	40	(5)	35
Trademarks	840	(279)	561	866	(287)	579
Patent	36	-	36	36	-	36
Customer relationships	137	(91)	46	141	(91)	50
Covenant not to compete	14	(14)	-	14	(14)	-
Total	<u>1,063</u>	<u>(385)</u>	<u>678</u>	<u>1,097</u>	<u>(397)</u>	<u>700</u>

10. 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 17.2.

Empress International Ltd. (Empress) entered into a revolving credit facility with Bank of America N.A.. The credit facility, which expires in 31 December 2010, provides for borrowings and issuance of letters of credit up to USD 23 million subject to limitations based on eligible accounts receivable and inventory. The issuance of letter of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at the subsidiary's option, at LIBOR, 1% minimum plus a margin of 3.5% per annum or the bank's prime rate plus 2.5% per annum, 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 the subsidiary. As at 31 March 2010, the balance under this facility was USD 15 million at interest rate between 4.5% to 5.75% per annum and actual unused availability based upon substantially all of collateralised assets was approximately USD 7 million. The subsidiary is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 31 March 2010, the subsidiary determined it was in compliance with these covenants.

Tri-Union Seafoods, LLC (Tri-U) entered into a revolving credit facility with Bank of America N.A. The credit facility, which expires on 31 October 2011, provides for borrowings and the issuance of letters of credit up to USD 40 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 3% per annum or LIBOR plus a margin of 3.25% per annum or the bank's prime rate plus 2% per annum or plus 2.25% per annum, 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. As at 31 March 2010, the balance under the credit facility was USD 25 million with interest rates of 3.25% per annum and actual unused availability was approximately USD 13 million. Tri-U is subject to certain financial covenants including an interest coverage ratio and leverage ratio and others. Tri-U determined it was in compliance with all of these covenants as of 31 March 2010.

(Unaudited but reviewed)

Tri-Union Frozen Foods, LLC (TUFF) entered into a revolving credit facility with Wells Fargo Foothill, LLC, which expires in 23 July in 2012, provides for borrowing and the issuance of letter of credit of up to USD 45 million subject to limitations based on eligible accounts receivable and inventory and may be increased to USD 75 million under certain conditions. The issuance of letters of credit reduces the borrowing capacity. Borrowings under the credit agreement bear interest, at TUFF's option, at LIBOR plus a margin of 2.75% per annum or the bank's base rate plus 2% per annum. The facility is guaranteed by the Company and collateralised by TUFF's accounts receivable and inventory. As of 31 March 2010, the amount outstanding under the TUFF facility was USD 17 million with interest at rates ranging from 2.98% to 5.25% per annum and actual unused availability was approximately USD 3 million.

TUFF is required to maintain certain financial covenants including a working capital ratio, and ratio of total liabilities to tangible net worth and other covenants. As of 31 March 2010, the subsidiary determined it was in compliance with these covenants.

11. Long-term loans

Long-term loans as at 31 March 2010 and 31 December 2009 consist of:

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	31 March	31 December
	2010	2009
USD loans	47	85
Baht loans	1,339	1,363
Total	1,386	1,448
Less: Current portion	(143)	(184)
Net	1,243	1,264

(Unaudited but reviewed)

Movements in the long-term loan account during the three-month period ended 31 March 2010 are summarised below.

	(Unit: Million Baht) Consolidated financial statements
Balance as at 1 January 2010	1,448
Less: Repayment	(60)
Less: Unrealised exchange loss	(2)
Balance as at 31 March 2010	<u>1,386</u>

On 21 July 2003, an overseas subsidiary entered into an agreement to borrow a total of USD 10 million from Standard Chartered Bank for use in the acquisition of Empress. Interest is charged at SIBOR plus 0.93% per annum, payable quarterly commencing from October 2003. Principal is to be repaid every six months commencing in July 2006. The Company has guaranteed repayment.

During the third quarter of 2006, a local subsidiary entered into two loan agreements amounting to Baht 150 million from two local financial institutions, carrying interest at MLR minus 1.25% per annum and MLR minus 1.00% per annum. These loans are to be repaid within year 2010 and have been guaranteed by a local subsidiary. As at 31 March 2010, the balance of this loan is Baht 81 million.

During the second quarter of 2007, a local subsidiary drew Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85% per annum, and THBFIX plus 0.5% per annum. These loans are to be repaid within year 2012. As at 31 March 2010, the balance of this loan is Baht 168 million.

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. However, during 2008, the above subsidiary had repaid principal amount of Baht 100 million. As at 31 March 2010, the balance of this loan is Baht 1,090 million.

12. 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 in another currency, for the purposes of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

On 7 June 2007, the Company issued Baht 3,200 million (3,200,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 3.91% per annum and the redemption in full is in June 2011.

On 12 November 2008, the Company issued the 2-year debentures of Baht 1,500 million (1,500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.7% per annum and the 5-year debentures of Baht 500 million (500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 5.5% per annum.

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

13. Corporate income tax/deferred tax assets (liabilities)

Corporate income tax of the Company and local subsidiaries has been calculated on the income from the non-promoted activities after adding back certain provisions and expenses which are disallowable for tax computation purposes.

Corporate income tax of the overseas subsidiaries has been calculated by applying the federal statutory rate.

(Unaudited but reviewed)

Corporate income tax of the Company and subsidiaries for the three-month periods ended 31 March 2010 and 2009 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2010	2009	2010	2009
Income tax on taxable income	215,170	95,525	9,454	17,466
Translation adjustment	8,112	(7,197)	-	-
Expense (income) in deferred income tax	404	7,840	875	(41)
Income tax as included in income statements	<u>223,686</u>	<u>96,168</u>	<u>10,329</u>	<u>17,425</u>

The components of deferred tax assets as presented in balance sheets consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2010	2009	2010	2009
Tax losses brought forward	40,514	43,808	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	12,601	11,570	373	234
Allowance for devaluation in the value of inventories	13,027	14,426	7,179	8,193
Other allowance	710	10,282	8,963	8,963
Accrued liabilities	395,663	398,004	-	-
Inventory cost capitalisation	44,481	45,781	-	-
Others	1,100	1,133	-	-
Total	<u>508,096</u>	<u>525,004</u>	<u>16,515</u>	<u>17,390</u>

As at 31 March 2010, a local subsidiary has deferred tax liabilities amounting to Baht 40.5 million (31 December 2009: Baht 42.0 million) and overseas subsidiaries have deferred tax liabilities amounting to Baht 225.5 million or USD 7.0 million (31 December 2009: Baht 232.4 million or USD 7.0 million).

14. Financial information by segment

Except for an overseas subsidiary of which the principal business activity is overseas investments, the operations of the Company and its subsidiaries principally involve the production, distribution and export of frozen seafood products, and these activities are carried out in Thailand and overseas. Their income comes from both local and export sales. Financial information of the Company and its subsidiaries presented by business segment for the three-month periods ended 31 March 2010 and 2009 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Local	884	700	2,256	1,956	3,140	2,656	(1,021)	(1,109)	2,119	1,547
- Export	17,308	17,670	165	95	17,473	17,765	(3,263)	(1,646)	14,210	16,119
Total sales	<u>18,192</u>	<u>18,370</u>	<u>2,421</u>	<u>2,051</u>	<u>20,613</u>	<u>20,421</u>	<u>(4,284)</u>	<u>(2,755)</u>	<u>16,329</u>	<u>17,666</u>
Segment operating income	1,140	747	333	209	1,473	956	(162)	27	1,311	983
Unallocated income (expenses):										
Interest income									-	5
Share of income from investments in associates									4	11
Financial cost									(133)	(169)
Corporate income tax									(224)	(96)
Net income of minority interest									(127)	(81)
Net income attributable to equity holders of the parent									<u>831</u>	<u>653</u>

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month periods ended 31 March 2010 and 2009 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Thailand		Overseas		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Frozen and canned food products	10,470	10,040	7,722	8,330	18,192	18,370	(3,308)	(1,765)	14,884	16,605
- Other businesses	2,421	2,051	-	-	2,421	2,051	(976)	(990)	1,445	1,061
Total sales	<u>12,891</u>	<u>12,091</u>	<u>7,722</u>	<u>8,330</u>	<u>20,613</u>	<u>20,421</u>	<u>(4,284)</u>	<u>(2,755)</u>	<u>16,329</u>	<u>17,666</u>
Segment operating income									<u>1,311</u>	<u>983</u>

15. Dividends

On 22 March 2010, the Annual General Meeting of Shareholders passed resolution approving the payment of dividend of Baht 1 per share from its income for the period of 1 July 2009 to 31 December 2009 to the Company's shareholders, totaling Baht 883 million and paid on 29 March 2010.

16. Commitments

As at 31 March 2010, the Company and its subsidiaries have the following commitments:

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

	Payable within			Total
	Less than 1 year	1 - 5 years	More than 5 years	
Office rental and service agreements	Baht 29.4 million	Baht 38.1 million	Baht 8.7 million	Baht 76.2 million
Land lease agreements	Baht 0.8 million	Baht 3.7 million	Baht 4.3 million	Baht 8.8 million
	USD 2.7 million	USD 4.4 million	USD 0.3 million	USD 7.4 million
Car lease agreements	Baht 4.3 million	Baht 2.1 million	-	Baht 6.4 million
Machinery and equipment lease agreements	Baht 5.3 million	Baht 2.5 million	-	Baht 7.8 million
	USD 0.4 million	USD 1.0 million	USD 0.4 million	USD 1.8 million
Warehouse and factory construction agreements	Baht 86.7 million	-	-	Baht 86.7 million
Purchase machinery and equipment agreements	Baht 40.2 million	-	-	Baht 40.2 million
	USD 1.9 million	-	-	USD 1.9 million
	EUR 1.4 million	-	-	EUR 1.4 million
Advertising agreements	Baht 26.0 million	Baht 12.0 million	-	Baht 38.0 million
Communication agreements	Baht 1.0 million	Baht 2.8 million	-	Baht 3.8 million
Computer and copy machine lease agreements	Baht 16.6 million	Baht 13.9 million	-	Baht 30.5 million

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

	Amount
The local subsidiaries	Baht 381.0 million
The overseas subsidiary	USD 1.9 million
The overseas associates	USD 2.3 million

- c) The overseas subsidiary has agreed to make payments under royalty agreements for the use of certain production machinery and equipment. The agreements require fixed payments plus an additional sum based on output. Total payments made under these arrangements for the three-month period ended 31 March 2010 amounting to USD 0.1 million.
- d) Purchase commitments of the overseas subsidiaries
- TUI entered into contracts with independent fishing vessel operators to guarantee the supply of raw tuna. These contracts generally provide for the purchase of all fish caught by the respective vessel at the United Tuna Cooperative price and are renewable each year. Fish purchased under the terms of these contracts approximated 0% and 24% of total raw fish purchased for the three-month periods ended 31 March 2010 and 2009, respectively.
 - Tri-U entered into an agreement with a vendor to supply cans and ends to Tri-U's American Samoa facility. This agreement expires on 31 December 2010. The overseas subsidiary is required to purchase a minimum quantity of cans and ends per year from the vendor, or the vendor may terminate the agreement with 18 months prior written notice. The price for cans and ends purchased through this agreement is variable within a range based on the quantity purchased by the overseas subsidiary. Either the overseas subsidiary or the vendor may elect to terminate the agreement with 18 months prior written notice at any time after June 2009.
- e) Co-Pack agreement
- During the year 2007, TUI renewed co-pack agreement with a third party whereby it supplies canned tuna products in compliance with the third party's specifications. The agreement is automatically renewed in one-year extension indefinitely, unless either party gives the other party twelve months' written notice of termination. The third party supplies the raw materials, and the overseas subsidiary is reimbursed for production costs. In connection with the agreement, the third party provided equipment which the overseas subsidiary installed in its facility and which it uses for its own production as well as for that under the co-pack agreement. The amount paid for the lease of the equipment is based on production and the company has the option to purchase the equipment upon termination of the agreement for cost plus interest, less lease payments previously made.

(Unaudited but reviewed)

17. Contingent liabilities

17.1 Forward foreign exchange contracts

Significant forward exchange contracts outstanding are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>As at 31 March 2010</u>				
<u>The Company</u>				
US dollar	2	280	32.68 - 32.75	32.29 - 43.00
Japanese yen	57	104	0.35 - 0.37	0.35 - 0.37
Euro	-	3	-	49.38 - 50.16
<u>Subsidiaries</u>				
US dollar	-	154	-	32.36 - 34.57
Euro	2	2	44.62 - 49.06	44.77 - 50.33
Japanese yen	150	-	0.36	-

As at 31 March 2010, the Company and its subsidiaries have outstanding option agreements with special conditions with a financial institution under which they have obligations to buy amounts of between USD 2 million up to USD 4 million, depending on conditions stipulated in the agreements, at rates ranging from Baht 32.42 to Baht 32.72 per USD 1. These agreements will terminate within June 2010.

As at 31 March 2010, the Company and its subsidiaries have outstanding option agreements with special conditions with a financial institution under which they have obligations to sell amounts of between USD 56 million up to USD 121 million, depending on conditions stipulated in the agreements, at rates Baht 32.42 to Baht 33.66 per USD 1. These agreements will terminate within December 2010.

17.2 Interest rate swap transaction agreements

Interest rate swap agreements

The Company

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	USD 90 million	Float rate 3-month LIBOR plus 0.47 %	Fixed rate 3.81 - 3.94%	June 2011
2	USD 30 million	Fixed rate 3.94% as stipulated in the agreement	Float rate 3-month LIBOR plus 0.47% (7 Mar 08 to 7 Mar 09) Fixed rate 3.29% (7 Mar 09 to 7 Jun 11)	June 2011
3	USD 20 million	Float rate 3-month LIBOR plus 0.65 %	Float rate 3-month LIBOR minus 0.105 % plus stipulated rate in the agreement	January 2011
4	Baht 500 million	Fixed rate 4.7%	Floated rate 3-month FDR plus 3.19%	November 2010

Subsidiaries

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	USD 10 million	Float rate 3-month SIBOR	Fixed rate 2.965%	July 2010
2	USD 10 million (To convert contract 1)	Fixed rate 2.965 %	Floated rate 3-month SIBOR	July 2010
3	USD 10 million	Float rate 3-month SIBOR	Fixed rate 4.12%	July 2010
4	Baht 300 million	Float rate 3-month THBFX	Fixed rate 3.98%	August 2010

Cross currency swap agreements

The Company

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Terminal date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 3,114 million	Fixed rate 3.91%	USD 90 million	Float rate 3-month LIBOR plus 0.47%	June 2011
2	Baht 1,561.8 million	Float rate 3-month THBFX	USD 47 million	Fixed rate 3.58% to 4.4086%	July 2010 to July 2012
3	Baht 455.8 million	Fixed rate 3.57%	USD 13.75 million	Float rate 3-month LIBOR plus 3.00%	December 2010
4	USD 30 million	Fixed rate 3.29%	Baht 1,004.10 million	Float rate 6-month THBFX plus 0.66%	December 2011

17.3 Others

- a) In connection with TUI's production facilities in American Samoa, TUI may become obligated to remove its improvements and installations of property and equipment upon expiration of its lease agreement with the American Samoa Government, which expires on 30 September 2013. TUI has not recognised a liability related to the asset retirement obligations because TUI lacks sufficient information to reasonably estimate the fair value.
- b) The Office of the Attorney General of a US state filed a lawsuit against the three largest canned tuna companies in the US, including TUI, for failure to warn consumers that certain tuna contains mercury. Such case was dismissed on 8 January 2007. However, the plaintiff filed a notice of appeal and the appeal was granted on 19 August 2008. TUI filed a petition for an en banc appeal, which was denied. On 13 January 2009, TUI filed a petition with the Supreme Court, which the Court has declined to hear. Each party has subsequently filed motions and are currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI has no accrual related to this matter as of 31 March 2010.
- c) In March 2008, the US Department of Commerce announced a preliminary anti-dumping (AD) rate for the Company and its subsidiary's shrimp exports to the US for the period of 1 February 2006 to 31 January 2007 from a rate of 5.95% (average rate of Thailand) to 15.3%. The Company and its subsidiary will pay AD USD 7.9 million for that period and the Company and its subsidiary have not recorded this amount in the accounts since the announcement is preliminary and not a final announcement. The Company has appointed a lawyer in US to negotiate with the US Department of Commerce. In September 2008, the announcement is finalised at a rate of 2.85% for the Company and its subsidiary. The Company and its subsidiary will receive the different amount. However, the management of the Company and its subsidiary have not recorded this amount because it is in the process of refunding.

18. Guarantees

- a) The Company's board of directors approved the issuance of corporate guarantees of USD 46.2 million (31 December 2009: USD 47.3 million) to several financial institutions to secure credit facilities of its subsidiaries and their loans.
- b) As at 31 March 2010, there were outstanding bank guarantees of approximately Baht 51 million and USD 6 million (31 December 2009: Baht 49.5 million and USD 6 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- c) As at 31 March 2010, there were outstanding bank guarantees of approximately Baht 111.2 million (31 December 2009: Baht 108.8 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of businesses.

19. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 31 March 2010.

Foreign currency	(Unit: Thousand)			
	Consolidated		Separate	
	financial statements		financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollar	15,218	18,163	14,000	11,658
Japanese yen	7,599	535,368	7,599	441,873
Euro	-	668	-	321
Singapore dollar	-	692	-	-

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's management on 28 April 2010.