

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 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 30 September 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 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 and nine-month periods ended 30 September 2010 and 2009. The financial statements of these subsidiaries present total assets of Baht 11,774 million and Baht 12,745 million, respectively, and total revenues for the three-month and nine-month periods then ended of Baht 7,648 million (2009: Baht 7,307 million) and Baht 22,323 million (2009: Baht 23,051 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: 27 October 2010

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Assets					
Current assets					
Cash and cash equivalents		993,472	728,375	31,161	98,031
Trade accounts receivable	2				
Related parties	3	43,780	57,444	1,792,280	1,709,082
Unrelated parties		6,286,981	6,601,565	876,018	1,010,257
Total trade accounts receivable		6,330,761	6,659,009	2,668,298	2,719,339
Less: Allowance for doubtful accounts		(181,030)	(157,969)	(5,688)	(8,498)
Trade accounts receivable - net		6,149,731	6,501,040	2,662,610	2,710,841
Short-term loans to subsidiaries	3	-	-	1,559,558	1,564,907
Current portion of long-term loans to subsidiaries	3	-	-	2,724,669	1,159,291
Current portion of long-term loans to other companies		1,516	1,445	-	-
Inventories - net	4	16,703,270	15,892,970	3,084,253	3,884,980
Other current assets					
Prepaid expenses		74,155	134,272	7,535	16,035
Prepaid income tax		99,506	147,201	50,991	28,111
Spareparts		137,078	115,261	22,174	19,274
Interest receivables	3	750	-	28,576	38,080
Advance payments		36,526	325,305	3,835	52,123
Current portion of forward exchange contracts receivables		1,173,816	117,263	925,385	52,912
Value added tax refundable		160,827	153,815	61,702	79,789
Current portion of unamortized discount		54,557	24,872	39,539	14,350
Others		111,093	75,527	13,043	20,706
Total other current assets		1,848,308	1,093,516	1,152,780	321,380
Total current assets		25,696,297	24,217,346	11,215,031	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)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets					
Restricted deposits with financial institution		1,057	990	-	-
Investments in subsidiaries - net	5	-	-	3,471,453	3,343,953
Investments in associates	6	442,198	401,792	66,231	66,231
Other long-term investments - net	7	77,489	86,871	39,144	39,106
Long-term loans to subsidiaries	3	-	-	1,483,431	3,444,750
Long-term loans to other companies		29,210	10,333	-	-
Property, plant and equipment - net	8	10,140,755	9,279,978	2,827,805	2,365,439
Properties foreclosed - net		57,057	57,057	57,057	57,057
Intangible assets - net	9	634,105	700,002	-	-
Other non-current assets					
Forward exchange contracts receivables		243,641	211,286	243,641	211,286
Goodwill - net		270,341	290,507	-	-
Leasehold rights - net		18,338	19,715	-	-
Deferred tax assets	13	495,704	525,004	14,667	17,390
Unamortized discount		235,835	3,570	235,835	3,570
Others		60,688	65,492	4,016	6,509
Total non-current assets		12,706,418	11,652,597	8,443,280	9,555,291
Total assets		38,402,715	35,869,943	19,658,311	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	
		30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	10	7,372,218	5,601,268	1,733,819	883,333
Trade accounts payable					
Related parties	3	91,143	32,935	273,983	240,465
Unrelated parties		2,411,362	2,596,660	830,420	1,016,612
Total trade accounts payable		2,502,505	2,629,595	1,104,403	1,257,077
Short-term loans from subsidiaries	3	-	-	43,260	978,610
Current portion of long-term loans	11	376,500	183,760	-	-
Current portion of debentures	12	4,700,000	1,500,000	4,700,000	1,500,000
Other current liabilities					
Corporate income tax payable		124,759	151,680	-	-
Accrued expenses	3	980,054	652,706	334,666	175,570
Accounts payable - construction and asset purchase		109,014	169,970	50,326	26,935
Billback		159,623	357,454	-	-
Current portion of forward exchange contracts payable		66,856	51,193	64,837	23,537
Current portion of unamortized premium		138,903	38,996	119,052	18,027
Others		545,624	702,744	160,502	184,877
Total other current liabilities		2,124,833	2,124,743	729,383	428,946
Total current liabilities		17,076,056	12,039,366	8,310,865	5,047,966
Non-current liabilities					
Long-term loans	11	918,070	1,264,304	-	-
Debentures	12	500,000	3,700,000	500,000	3,700,000
Deferred tax liabilities	13	249,832	274,407	-	-
Forward exchange contracts payable		390,078	-	390,078	-
Other non-current liabilities		130,673	181,101	26,301	47,846
Total non-current liabilities		2,188,653	5,419,812	916,379	3,747,846
Total liabilities		19,264,709	17,459,178	9,227,244	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	
		30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)	30 September 2010 (Unaudited but reviewed)	31 December 2009 (Audited)
Shareholders' equity					
Share capital					
Registered					
1,000,000,000 ordinary shares of Baht 1 each					
(31 December 2009: 885,090,950 ordinary shares					
of Baht 1 each)					
	14	1,000,000	885,090	1,000,000	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	(17,317)	(19,362)	(461)	(499)
Provision for changes in the value of pension fund					
		(12,379)	(13,561)	-	-
Translation adjustment					
		(205,976)	(99,417)	-	-
Retained earnings					
Appropriated - statutory reserve					
		89,000	89,000	89,000	89,000
Unappropriated					
		11,727,540	10,972,493	4,940,560	5,008,440
Equity attributable to the Company's shareholders					
		16,982,836	16,331,121	10,431,067	10,498,909
Minority interest - equity attributable to minority shareholders					
of subsidiaries					
		2,155,170	2,079,644	-	-
Total shareholders' equity					
		19,138,006	18,410,765	10,431,067	10,498,909
Total liabilities and shareholders' equity					
		38,402,715	35,869,943	19,658,311	19,294,721
		-	-	-	-

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

Directors

Thai Union Frozen Products Public Company Limited and its subsidiaries
Income statements
For the three-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Sales	17,437,548	16,931,346	5,385,380	5,529,605
Other income				
Interest income	1,036	80	69,617	80,887
Dividend income	217	220	866,400	628,957
Compensation from accounts payable	7,965	459	6,222	349
Tax coupon received	25,592	32,100	4,258	3,593
Exchange gain	372,547	167,224	167,993	85,203
Others	105,972	45,890	38,155	24,366
Total other income	513,329	245,973	1,152,645	823,355
Total revenues	17,950,877	17,177,319	6,538,025	6,352,960
Expenses				
Cost of sales	15,254,052	14,181,849	4,939,275	4,885,620
Selling expenses	886,626	918,885	240,664	254,124
Administrative expenses	559,993	684,455	136,364	109,116
Management benefit expenses	12,176	11,491	12,176	11,491
Other expenses	833	356	229	266
Total expenses	16,713,680	15,797,036	5,328,708	5,260,617
Income before share of income from investments				
in associates	1,237,197	1,380,283	1,209,317	1,092,343
Share of income from investments in associates	6,827	16,469	-	-
Income before finance cost and corporate income tax	1,244,024	1,396,752	1,209,317	1,092,343
Finance cost	(130,243)	(142,708)	(66,369)	(83,322)
Income before corporate income tax	1,113,781	1,254,044	1,142,948	1,009,021
Corporate income tax (Note 13)	(132,975)	(108,979)	(680)	(19,246)
Net income for the period	980,806	1,145,065	1,142,268	989,775
Net income attributable to:				
Equity holders of the parent	817,036	1,017,878	1,142,268	989,775
Minority interests of the subsidiaries	163,770	127,187		
	980,806	1,145,065		
				(Unit: Baht)
Earnings per share				
Basic earnings per share				
Net income attributable to equity holders of the parent	0.92	1.15	1.29	1.12

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
Income statements
For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Sales	50,858,826	51,792,760	15,575,725	14,721,886
Other income				
Interest income	2,851	5,981	225,975	249,252
Dividend income	217	265	1,191,679	1,034,926
Compensation from accounts payable	60,653	21,129	58,650	20,888
Tax coupon received	80,943	76,766	17,798	11,021
Exchange gain	678,804	330,987	309,187	238,116
Others	292,564	147,798	120,586	86,552
Total other income	1,116,032	582,926	1,923,875	1,640,755
Total revenues	51,974,858	52,375,686	17,499,600	16,362,641
Expenses				
Cost of sales	43,767,442	44,128,668	14,450,315	13,170,086
Selling expenses	2,674,415	2,658,215	697,322	644,437
Administrative expenses	1,590,881	1,812,336	378,745	377,786
Management benefit expenses	35,147	34,631	35,147	34,631
Other expenses	3,672	3,191	1,321	707
Total expenses	48,071,557	48,637,041	15,562,850	14,227,647
Income before share of income from investments				
in associates	3,903,301	3,738,645	1,936,750	2,134,994
Share of income from investments in associates	16,218	40,799	-	-
Income before finance cost and corporate income tax	3,919,519	3,779,444	1,936,750	2,134,994
Finance cost	(392,874)	(458,874)	(215,064)	(255,840)
Income before corporate income tax	3,526,645	3,320,570	1,721,686	1,879,154
Corporate income tax (Note 13)	(559,676)	(322,732)	(23,236)	(44,265)
Net income for the period	2,966,969	2,997,838	1,698,450	1,834,889
Net income attributable to:				
Equity holders of the parent	2,521,377	2,625,403	1,698,450	1,834,889
Minority interests of the subsidiaries	445,592	372,435		
	<u>2,966,969</u>	<u>2,997,838</u>		
				(Unit: Baht)
Earnings per share				
Basic earnings per share				
Net income attributable to equity holders of the parent	<u>2.85</u>	<u>2.97</u>	<u>1.92</u>	<u>2.08</u>

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 nine-month periods ended 30 September 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	3,526,645	3,320,570	1,721,686	1,879,154
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	839,153	799,720	240,740	218,466
Amortisation of premium/discount from forward foreign exchange contracts	(39,764)	123,914	(42,760)	118,593
Allowance for doubtful accounts (reversal)	26,373	(5,787)	(2,810)	-
Allowance for diminution in value of inventory (reversal)	66,560	(1,232)	7,606	46,107
Allowance for loss on impairment of assets (reversal)	(9,678)	207,904	-	-
Share of income from investments in associates	(16,218)	(40,799)	-	-
Loss on sale of investment	1,214	1,032	-	-
Loss on liquidation of subsidiaries	-	1,387	-	368
Gain on disposal / write-off of assets	(6,864)	(2,995)	(462)	(24)
Loss on write-off of leasehold right	776	747	-	-
Unrealised exchange gain	(255,317)	(337,482)	(101,354)	(219,851)
Dividend income	(217)	(265)	(1,191,679)	(1,034,926)
Interest income	(2,851)	(5,981)	(225,975)	(249,252)
Interest expense	357,566	435,263	211,660	256,508
Income from operating activities before change in operating assets and liabilities	4,487,378	4,495,996	616,652	1,015,143
Decrease (increase) in operating assets				
Trade accounts receivable	(35,022)	438,059	(7,621)	300,221
Inventories	(1,609,092)	1,530,806	783,785	(652,670)
Other current assets	272,227	121,390	49,644	(5,303)
Other non-current assets	1,257	97,336	2,492	(48)
Increase (decrease) in operating liabilities				
Trade accounts payable	(34,673)	(772,659)	(137,988)	(188,784)
Other current liabilities	49,605	385,793	146,459	75,931
Other non-current liabilities	(40,958)	8,505	(21,888)	6,736
Cash flows from operating activities	3,090,722	6,305,226	1,431,535	551,226
Cash paid for corporate income tax	(589,804)	(377,063)	(43,393)	(78,655)
Net cash from operating activities	2,500,918	5,928,163	1,388,142	472,571

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Increase in restricted deposits with financial institutions	(67)	(259)	-	-
Acquisitions of property, plant and equipment	(1,968,885)	(1,564,607)	(668,952)	(361,062)
Acquisitions of intangible assets	(1,720)	(12,800)	-	-
Acquisitions of leasehold rights	(1,352)	(1,438)	-	-
Increase in short-term loans to subsidiaries	-	-	(68,000)	(60,307)
Increase in short-term loans to other companies	-	(300)	-	-
Decrease (increase) in long-term loans to subsidiaries	-	-	31,538	(116,500)
Decrease (increase) in long-term loans to other companies	(19,155)	2,283	-	-
Increase in investment in subsidiaries	-	-	(127,500)	-
Increase in investment in associates	(35,688)	(71,791)	-	(27,721)
Liquidation of subsidiaries	-	244	-	1,546
Interest received	2,101	11,112	235,480	256,090
Dividend received	11,717	265	1,191,679	1,034,926
Proceeds from sale of investments	19,072	3,665	-	-
Proceeds from disposal of property, plant and equipment	186,138	15,293	19,695	558
Net cash from (used in) investing activities	(1,807,839)	(1,618,333)	613,940	727,530
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	2,051,009	(3,021,017)	855,068	(755,947)
Increase (decrease) in short-term loans from subsidiaries	-	-	(935,350)	263,180
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	(150,206)	(158,606)	-	-
Cash paid for interest expense	(376,669)	(453,490)	(222,340)	(255,354)
Decrease in minority interest - equity attributable to minority shareholders of subsidiaries	(363,491)	(215,673)	-	-
Dividend paid	(1,766,330)	(1,430,727)	(1,766,330)	(1,430,727)
Net cash used in financing activities	(605,687)	(5,388,573)	(2,068,952)	(2,181,348)
Increase in translation adjustment	177,705	135,049	-	-
Net increase (decrease) in cash and cash equivalents	265,097	(943,694)	(66,870)	(981,247)
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	993,472	613,088	31,161	46,837
Supplement cash flows information				
Non-cash items				
Undue installments for acquisition of property, plant and equipment	109,014	78,503	50,326	34,231
Unrealised loss (gain) on changes in the value of investments	(2,045)	(157)	(38)	31
Transfer of land to pay down other current liabilities	-	3,394	-	-

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
	Issued and paid-up share capital	Share premium	Revaluation	Provision for	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders	Minority interest - equity	Total
			deficit on changes in the value of investments	changes in value of pension fund		Appropriated	Unappropriated		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	9,059,374	14,398,468	1,832,257	16,230,725
Income and expenses recognised directly in equity:										
Investments in available-for-sale securities										
Gain recognised in shareholders' equity	-	-	157	-	-	-	-	157	-	157
Provision for changes in the value of pension fund	-	-	-	3,296	-	-	-	3,296	-	3,296
Translation adjustment	-	-	-	-	(48,129)	-	-	(48,129)	294	(47,835)
Net income and expenses recognised directly in equity	-	-	157	3,296	(48,129)	-	-	(44,676)	294	(44,382)
Net income for the period	-	-	-	-	-	-	2,625,403	2,625,403	372,435	2,997,838
Total income and expenses for the period	-	-	157	3,296	(48,129)	-	2,625,403	2,580,727	372,729	2,953,456
Dividend paid (Note 16)	-	-	-	-	-	-	(1,430,727)	(1,430,727)	(215,060)	(1,645,787)
Decrease in minority interest	-	-	-	-	-	-	-	-	(906)	(906)
Balance as at 30 September 2009	<u>883,171</u>	<u>4,518,797</u>	<u>(18,346)</u>	<u>(82,657)</u>	<u>(95,547)</u>	<u>89,000</u>	<u>10,254,050</u>	<u>15,548,468</u>	<u>1,989,020</u>	<u>17,537,488</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	-	-	2,045	-	-	-	-	2,045	-	2,045
Provision for changes in the value of pension fund	-	-	-	1,182	-	-	-	1,182	-	1,182
Translation adjustment	-	-	-	-	(106,559)	-	-	(106,559)	(6,575)	(113,134)
Net income and expenses recognised directly in equity	-	-	2,045	1,182	(106,559)	-	-	(103,332)	(6,575)	(109,907)
Net income for the period	-	-	-	-	-	-	2,521,377	2,521,377	445,592	2,966,969
Total income and expenses for the period	-	-	2,045	1,182	(106,559)	-	2,521,377	2,418,045	439,017	2,857,062
Dividend paid (Note 16)	-	-	-	-	-	-	(1,766,330)	(1,766,330)	(485,991)	(2,252,321)
Increase in investment in subsidiary	-	-	-	-	-	-	-	-	122,500	122,500
Balance as at 30 September 2010	<u>883,171</u>	<u>4,518,797</u>	<u>(17,317)</u>	<u>(12,379)</u>	<u>(205,976)</u>	<u>89,000</u>	<u>11,727,540</u>	<u>16,982,836</u>	<u>2,155,170</u>	<u>19,138,006</u>

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and paid-up share capital	Share premium	Revaluation deficit on changes in value of investments	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2009	883,171	4,518,797	(474)	89,000	4,022,051	9,512,545
Expenses recognised directly in equity:						
Investments in available-for-sale securities						
Loss recognised in shareholders' equity	-	-	(31)	-	-	(31)
Net expenses recognised directly in equity	-	-	(31)	-	-	(31)
Net income for the period	-	-	-	-	1,834,889	1,834,889
Total income and expenses for the period	-	-	(31)	-	1,834,889	1,834,858
Dividend paid (Note 16)	-	-	-	-	(1,430,727)	(1,430,727)
Balance as at 30 September 2009	883,171	4,518,797	(505)	89,000	4,426,213	9,916,676
Balance as at 1 January 2010	883,171	4,518,797	(499)	89,000	5,008,440	10,498,909
Income recognised directly in equity:						
Investments in available-for-sale securities						
Gain recognised in shareholders' equity	-	-	38	-	-	38
Net income recognised directly in equity	-	-	38	-	-	38
Net income for the period	-	-	-	-	1,698,450	1,698,450
Total income for the period	-	-	38	-	1,698,450	1,698,488
Dividend paid (Note 16)	-	-	-	-	(1,766,330)	(1,766,330)
Balance as at 30 September 2010	883,171	4,518,797	(461)	89,000	4,940,560	10,431,067

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to interim financial statements

30 September 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.

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 Adoption of new accounting standards

During the current period, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

- b) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

1.4 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 nine-month period ended 30 September 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	19.60	18.56
Songkla Canning Pcl. and subsidiaries	15.23	9.61
Thai Union Seafood Co., Ltd.	2.90	2.08
T-Holding Co., Ltd.	1.33	1.96
Thai Union Feedmill Co., Ltd. and subsidiaries	5.77	7.02
Thai Union Graphic Co., Ltd.	1.28	0.33
Thai Union International, Inc. (TUI) and subsidiaries	30.16	42.24
PT Juifa International Foods	0.50	0.71

1.5 Significant accounting policies

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

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	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Age of receivable</u>				
Trade accounts receivable				
- related parties				
Not yet due	17,968	26,699	1,524,812	1,261,860
Overdue				
1 - 30 days	25,812	30,659	182,110	239,910
31 - 60 days	-	86	78,410	123,959
61 - 90 days	-	-	2,857	71,613
91 - 120 days	-	-	4,012	-
121 - 180 days	-	-	79	-
181 - 365 days	-	-	-	11,740
Total trade accounts receivable				
- related parties	43,780	57,444	1,792,280	1,709,082
Trade accounts receivable				
- unrelated parties				
Not yet due	4,891,101	5,189,768	757,700	864,530
Overdue				
1 - 30 days	1,060,503	1,069,917	82,971	119,887
31 - 60 days	94,661	105,380	20,055	7,917
61 - 90 days	36,099	40,898	3,943	4,891
91 - 120 days	36,635	37,332	1,928	3,719
121 - 180 days	20,961	29,714	-	4,660
181 - 365 days	34,534	42,006	8,603	4,037
Over 365 days	112,487	86,550	818	616
Total trade accounts receivable				
- unrelated parties	6,286,981	6,601,565	876,018	1,010,257
Total trade accounts receivable	6,330,761	6,659,009	2,668,298	2,719,339
Less: Allowance for doubtful accounts	(181,030)	(157,969)	(5,688)	(8,498)
Trade accounts receivable - net	6,149,731	6,501,040	2,662,610	2,710,841

(Unaudited but reviewed)

As at 30 September 2010, certain trade accounts receivable of three overseas subsidiaries have secured their credit facilities as mentioned in Note 10.

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 30 September				
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,661,772	2,291,980	Cost plus margin
Dividend income	-	-	866,184	628,736	As declared
Interest income	-	-	69,515	80,885	2.25 - 6.40% per annum (2009: 1.87 - 6.25% per annum)
Other income	-	-	7,801	16,100	Near market price
Purchases of goods	-	-	288,741	271,815	Cost plus margin
Interest expense	-	-	2,803	3,165	1.70% per annum (2009: 1.55% per annum)
Management fee	-	-	10,136	16,164	Contract price
Other expenses	-	-	11,602	4,393	Near market price
Transactions with associates:					
Sales	4,863	679	1,583	28	Near market price
Other income	5,959	71	12	-	Near market price
Purchases of goods	2,563	2,137	-	-	Cost plus margin
Purchases service expense	185	245	105	165	Near market price
Transactions with related parties:					
Sales	255,521	271,938	43,631	73,233	Cost plus margin
Other income	84	85	84	85	Near market price
Purchases of goods	876,864	1,095,914	663,680	555,171	Cost plus margin
Transportation	12,240	12,874	3,901	4,374	Near market price
Expenses relating to assets	101,950	23,714	79,826	6,465	Near market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the nine-month periods ended 30 September				
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	6,997,716	5,110,625	Cost plus margin
Dividend income	-	-	1,179,963	1,034,661	As declared
Interest income	-	-	225,345	244,130	1.85 - 6.40% per annum (2009: 1.87 - 6.25% per annum)
Other income	-	-	25,830	37,225	Near market price
Sale of assets	-	-	44,319	-	Near market price
Purchases of goods	-	-	657,529	931,562	Cost plus margin
Purchase of assets	-	-	110,760	-	Near market price
Interest expense	-	-	9,948	5,496	1.10 - 1.70% per annum (2009: 1.55 - 5.04% per annum)
Management fee	-	-	30,408	30,408	Contract price
Other expenses	-	-	23,514	12,311	Near market price
Transactions with associates:					
Sales	12,022	746	3,866	95	Cost plus margin
Dividend income	11,500	-	11,500	-	As declared
Other income	9,342	214	28	-	Near market price
Purchases of goods	7,566	7,359	-	115	Cost plus margin
Purchase service expense	495	685	275	465	Near market price
Transactions with related parties:					
Sales	877,851	740,377	197,358	160,207	Cost plus margin
Other income	358	388	358	388	Near market price
Purchases of goods	2,224,333	2,435,087	1,519,836	1,318,350	Cost plus margin
Transportation	32,312	35,634	6,520	8,687	Near market price
Expenses relating to assets	198,810	64,637	137,758	25,243	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 and nine-month periods ended 30 September 2010, insurance premiums paid through that company amounted to Baht 16.0 million and Baht 38.9 million, respectively (2009: Baht 16.7 million and Baht 44.5 million, respectively).

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary

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

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Empress International, Ltd.	-	-	606,604	690,730
Tri-Union Seafoods, LLC	-	-	489,174	460,495
Tri-Union Frozen Foods, LLC	-	-	317,346	243,655
Thai Union Manufacturing Co., Ltd.	-	-	60,333	22,845
T-Holding Co., Ltd.	-	-	262,391	270,319
Songkla Canning Pcl.	-	-	19,459	2,890
Thai Union Seafood Co., Ltd.	-	-	27,880	2,971
Others	-	-	1,547	1,042
Total trade accounts receivable - subsidiaries	-	-	1,784,734	1,694,947
<u>Associates</u>				
Trade accounts receivable - associates	3,538	1,453	1,150	173
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	16,340	27,533	6,396	13,962
Jana Fish Industries Limited	6,180	4,763	-	-
Ahead Way International Co., Ltd.	17,722	23,249	-	-
Others	-	446	-	-
Total trade accounts receivable - related companies	40,242	55,991	6,396	13,962
Total	43,780	57,444	1,792,280	1,709,082
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	779,558	852,907
Thai Union Manufacturing Co., Ltd.	-	-	500,000	500,000
Songkla Canning Pcl.	-	-	200,000	200,000
Thai Union Graphic Co., Ltd.	-	-	80,000	12,000
Total	-	-	1,559,558	1,564,907
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	2,391,654	2,616,685
Thai Union Manufacturing Co., Ltd.	-	-	1,816,446	1,987,356
Total	-	-	4,208,100	4,604,041
Less: Current portion	-	-	(2,724,669)	(1,159,291)
Net	-	-	1,483,431	3,444,750
<u>Other current assets</u>				
<u>Interest receivable</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	19,687	29,095
Thai Union Manufacturing Co., Ltd.	-	-	7,521	8,102
Songkla Canning Pcl.	-	-	828	856
Thai Union Graphic Co., Ltd.	-	-	133	27
Others	-	-	407	-
Total	-	-	28,576	38,080

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	100,365	54,210
Asian-Pacific Can Co., Ltd.	-	-	62,743	67,167
Thai Union Graphic Co., Ltd.	-	-	5,303	12,415
T-Holding Co., Ltd.	-	-	11,823	17,705
Tri-Union Seafoods, LLC	-	-	12,480	12,277
Tri-Union Frozen Foods, LLC	-	-	-	8,649
Empress International, Ltd.	-	-	15,127	16,932
Thai Union Feedmill Co., Ltd.	-	-	39	-
Thai Union Seafood Co., Ltd.	-	-	10,466	7,580
Songkla Canning Pcl.	-	-	-	295
Phuket Fishing Pcl.	-	-	-	33,957
Others	-	-	-	1,105
Total trade accounts payable - subsidiaries	-	-	218,346	232,292
<u>Associates</u>				
Trade accounts payable - associates	1,434	1,964	53	69
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	32,257	21,518	-	-
Ekawat Products Co., Ltd.	52,886	6,227	52,886	6,227
Jana Fish Industries Limited	1,868	1,349	-	-
Miss Rungtiwa Boonmechote	2,484	1,877	2,484	1,877
Lucky Surimi Products Co., Ltd.	214	-	214	-
Total trade accounts payable - related companies	89,709	30,971	55,584	8,104
Total	91,143	32,935	273,983	240,465
<u>Short-term loans from subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	19,050	547,850
Songkla Canning Pcl.	-	-	24,210	430,760
Total	-	-	43,260	978,610
<u>Accrued expenses</u>				
<u>Accrued interest</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	178	462
Songkla Canning Pcl.	-	-	483	591
Others	-	-	87	-
Total	-	-	748	1,053
<u>Others</u>				
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	8,452	9,319	1,979	-
Waithai Co., Ltd.	2,393	3,465	269	64
Thaipatana Stainless Steel Co., Ltd.	22,379	8,086	17,251	1,154
Others	460	-	460	-
Total	33,684	20,870	19,959	1,218
Total	33,684	20,870	20,707	2,271

(Unaudited but reviewed)

The movements of loans to/from related parties during the nine-month period ended 30 September 2010 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 September 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)	(73,349)	779,558
Thai Union Manufacturing Co., Ltd.	500,000	20,000	(20,000)	-	500,000
Songkla Canning Pcl.	200,000	-	-	-	200,000
Thai Union Seafood Co., Ltd.	-	2,091,890	(2,091,890)	-	-
Thai Union Feedmill Co., Ltd.	-	96,000	(96,000)	-	-
Thai Union Graphic Co., Ltd.	12,000	80,000	(12,000)	-	80,000
	<u>1,564,907</u>	<u>2,324,135</u>	<u>(2,256,135)</u>	<u>(73,349)</u>	<u>1,559,558</u>
<u>Long-term loans to subsidiaries</u>					
Thai Union International, Inc.	2,616,685	1,134,000	(1,165,537)	(193,494)	2,391,654
Thai Union Manufacturing Co., Ltd.	1,987,356	-	-	(170,910)	1,816,446
	<u>4,604,041</u>	<u>1,134,000</u>	<u>(1,165,537)</u>	<u>(364,404)</u>	<u>4,208,100</u>
<u>Short-term loans from subsidiaries</u>					
Thai Union Manufacturing Co., Ltd.	547,850	3,642,390	(4,171,190)	-	19,050
Songkla Canning Pcl.	430,760	2,350,080	(2,756,630)	-	24,210
Thai Union Feedmill Co., Ltd.	-	752,230	(752,230)	-	-
	<u>978,610</u>	<u>6,744,700</u>	<u>(7,680,050)</u>	<u>-</u>	<u>43,260</u>

4. Inventory / allowance for diminution in value of inventory

As at 30 September 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 nine-month period ended 30 September 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	1,114,993	45,990
Less: Allowance reversed during the period	(1,048,624)	(38,384)
Translation adjustment	(4,023)	-
Balance as at 30 September 2010	<u>338,994</u>	<u>69,824</u>

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	
			30 September	31 December	30 September	31 December
			2010	2009	2010	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
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 500 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	
	30 September	31 December
	2010	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.	255,000	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	3,497,589	3,370,089
Less: Allowance for loss on impairment of investments	(26,136)	(26,136)
Net	3,471,453	3,343,953

During the first quarter of the current year, 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.

During the current quarter, Thai Union Feedmill Co., Ltd., subsidiary, increased in the registered share capital of Baht 200 million. The Company additionally invested Baht 102 million in this company.

Acquisition of MW Brands

On 27 July 2010, the meeting of the Company's Board of Directors approved the acquisition of MW Brands, which can be summarised as follow.

- Approval of the entry into Share Purchase Agreement and associated ancillary agreements in regards to the acquisition of shares and business of MW Brands Holdings SAS ("MW Brands"). MW Brands is a vertically integrated group, which manufactures and distributes the ambient seafood products through its brands. MW Brands, headquartered in France, has factories in strategic locations close to two major fishing grounds, Seychelles and Ghana, and also in Portugal and France. MW Brands market its products across Europe through four brands. The details of the transaction as prescribed in the Acquisition Rule as follows.
 - The Company and the Seller have entered into a sale and purchase agreement in relation to the Company's proposed acquisition of MW Brands on 27 July 2010. Completion of the Transaction is conditional on approval from the Extraordinary General Meeting of Shareholders, which will be held on 2 September 2010 and Competition Clearance. The Company is expecting to be engaged in the Transaction within 30 November 2010.
 - The purchaser, Thai Union EU Seafood 2 S.A. incorporated in Luxembourg for the purposes of the acquisition, which is wholly owned by the Company.
 - The Company will purchase 31,367,000 shares of MW Brands, equivalent to 100 % of the issued share capital as at 27 July 2010 of MW Brands and a maximum number of 417,517 additional shares of MW Brands to be issued upon exercise of stock-option granted by MW Brands together with the repayment of long-term debt and shareholders' debt for the amount equivalent to an enterprise value of Euro 680 million.

(Unaudited but reviewed)

- The Company has agreed to pay for 100% of the share capital of MW Brands as at 27 July 2010 from the sources of funds derived from domestic financial institutions and overseas for the total enterprise value of upto Euro 680 million (equivalent to Baht 28,496 million). The payment shall be made to the seller and its creditors on the closing date.
- Source of funds
 - Long-term loans from 3 leading domestic financial institutions for the total of up to Baht 15,000 million. Such loans will have maturities of 6 years and 8 years.
 - Long-term loans contract with 4 leading foreign financial institutions in the amount of Euro 340 million. Such loans will have maturities of 6 years and 7 years and collateral in the form of shares of MW Brands and its subsidiaries.
 - The Company will issue a convertible debenture to private placement investor worth Euro 60 million. The debenture will have a tenor of 4 years from the issue date and an annual coupon of 5% p.a. and an overall yield of 8% p.a. unless converted into common shares. The debenture can be converted into common shares at any time after the first year at a conversion price of Baht 56 per share (Revised).
- Approval of the execution of Credit Facility Agreements for the acquisition of shares and business of MW Brands Holdings SAS as described above.
- Approval of the reduction of the Company's registered capital from Baht 885,090,950 to Baht 883,170,950.
- Approval of the increase of the Company's registered capital in the additional amount of 116,829,050 shares (Baht 1 per share) from the current registered capital of Baht 883,170,950 and the new registered capital will be Baht 1,000,000,000 for the purpose of reserving the issuance of newly issued convertible debentures.
- Approval of the allotment of new ordinary shares from capital increase of the Company reserving for the issuance of convertible debentures as described above.

(Unaudited but reviewed)

- Approval of the issuance and offering of newly issued convertible debentures to specific investors (Private Placement) in the amount not exceeding Euro 60 million as described above.
- Approval of the allotment of remaining ordinary shares from those shares reserved for the issuance of convertible debentures, as preceding paragraph, to the existing shareholders on a pro rata basis (Right Offering) or to the investors on a Private Placement basis.
- Approval of the Company's incorporation of its new overseas subsidiary, commercially referred to as Thai Union Investment Holding on the territory of Republic of Mauritius under total registered capital of USD 1, which will be wholly owned by the Company. The purpose of the incorporation of Thai Union Investment Holding is to acquire MW Brands Holdings SAS.
- Approval of the appointment of the Company's appointment of CIMB Securities (Thailand) Co., Ltd. as an independent financial advisor to give the Company's directors and shareholders its professional opinions on the acquisition of MW Brands Holdings SAS.
- Approval of the date and agendas for the Extraordinary General Meeting of Shareholders No.1/2010 that shall be held on 2 September 2010.

On 2 September 2010, the Extraordinary General Meeting of Shareholders approved the acquisition of MW Brands, the execution of credit long-term loan agreements, the reduction and increase of the Company's registered capital and the issuance and offering of new convertible debentures. The debentures are to partially fund the acquisition of MW Brands' shares and business in accordance with the resolution of the Board of Directors meeting held on 27 July 2010. The Company subsequently received confirmation from the UK Office of Fair Trading regarding its anti-trust obligations in respect of the merger.

(Unaudited but reviewed)

6. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
			%	%				
Investments in associates, directly held by the Company								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	291,675	276,642
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	17,475	20,239
Avanti Thai Aqua Feeds Private Limited	Manufacturer & distributor of animal feeds	India	50.00	50.00	27,721	27,721	27,721	27,721
Investments in associates, directly held by subsidiary								
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	13,106	18,875
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	39,788	41,570
Moresby International Holdings Ltd. (33% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & distributor of canned tuna	British Virgin Island	29.73	29.73	52,433	16,745	52,433	16,745
					238,634	202,946	442,198	401,792

During the current quarter, Moresby International Holdings Ltd. increased in the registered share capital of USD 3.45 million. Thai Union Manufacturing additionally invested USD 1.15 million in this company.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			30 September 2010	31 December 2009	30 September 2010	31 December 2009
			%	%		
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 Thai Aqua Feeds Private Limited	Manufacturer & distributor of animal feeds	India	50.00	50.00	27,721	27,721
					66,231	66,231

(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			
	30 September 2010		31 December 2009	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	60,127	<u>42,810</u>	64,823	<u>45,461</u>
Unrealised loss on changes in the value of investments	<u>(17,317)</u>		<u>(19,362)</u>	
Total available-for-sale securities	42,810		45,461	
Other securities				
- Ordinary shares	34,579		50,988	
- Unit trust	<u>100</u>		<u>100</u>	
Total other long-term investments	77,489		96,549	
Less: Allowance for impairment of investments	<u>-</u>		<u>(9,678)</u>	
Other long-term investments - net	<u>77,489</u>		<u>86,871</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2010		31 December 2009	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	5,025	<u>4,564</u>	5,025	<u>4,526</u>
Unrealised loss on changes in the value of investments	<u>(461)</u>		<u>(499)</u>	
Total available-for-sales securities	4,564		4,526	
Other securities - ordinary shares	<u>34,580</u>		<u>34,580</u>	
Total other long-term investments	<u>39,144</u>		<u>39,106</u>	

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	1,938,046	722,343
Disposals during period - net book value at disposal date	(166,584)	(19,237)
Depreciation for period	(823,592)	(240,740)
Allowance for impairment	(12,690)	-
Translation adjustment	(74,403)	-
Net book value as at 30 September 2010	<u>10,140,755</u>	<u>2,827,805</u>

9. Intangible assets

(Unit: Million Baht)

Consolidated financial statements

	30 September 2010			31 December 2009		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
Copyrights	37	(4)	33	40	(5)	35
Trademarks	790	(261)	529	866	(287)	579
Patent	36	-	36	36	-	36
Customer relationships	128	(92)	36	141	(91)	50
Covenant not to compete	13	(13)	-	14	(14)	-
Total	<u>1,004</u>	<u>(370)</u>	<u>634</u>	<u>1,097</u>	<u>(397)</u>	<u>700</u>

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

The Company and subsidiaries entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 18.2.

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 30 September 2010, the balance under this facility was USD 22 million at interest rate between 4.50% to 5.75% per annum and actual unused availability was approximately USD 0.9 million. The subsidiary is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 September 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 47 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 30 September 2010, the balance under the credit facility was USD 43 million with interest rate of 3.31% per annum and actual unused availability was approximately USD 2.9 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 30 September 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 30 September 2010, the amount outstanding under the TUFF facility was USD 24 million with interest at rates ranging from 3.01% to 5.25% per annum and actual unused availability was approximately USD 5 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 30 September 2010, the subsidiary determined it was in compliance with these covenants.

11. Long-term loans

Long-term loans as at 30 September 2010 and 31 December 2009 consist of:

(Unit: Million Baht)

	Consolidated financial statements	
	30 September 2010	31 December 2009
USD loans	7	85
Baht loans	1,287	1,363
Total	1,294	1,448
Less: Current portion	(376)	(184)
Net	918	1,264

(Unaudited but reviewed)

Movements in the long-term loan account during the nine-month period ended 30 September 2010 are summarised below.

	(Unit: Million Baht) Consolidated financial statements
Balance as at 1 January 2010	1,448
Less: Repayment	(150)
Less: Unrealised exchange gain	(4)
Balance as at 30 September 2010	<u>1,294</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 credit facility expired in July 2010 with principal and interest all paid in full.

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 2013 and have been guaranteed by a local subsidiary. As at 30 September 2010, the balance of this loan is Baht 69 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 30 September 2010, the balance of this loan is Baht 128 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 30 September 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 and nine-month periods ended 30 September 2010 and 2009 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
For the three-month periods ended 30 September				
	2010	2009	2010	2009
Income tax on taxable income	117,840	108,568	(859)	20,615
Translation adjustment	16,373	5,442	-	-
Expense (income) in deferred income tax	(1,238)	(5,031)	1,539	(1,369)
Income tax as included in income statements	<u>132,975</u>	<u>108,979</u>	<u>680</u>	<u>19,246</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
For the nine-month periods ended 30 September				
	2010	2009	2010	2009
Income tax on taxable income	554,951	305,373	20,513	46,117
Translation adjustment	23,898	15,514	-	-
Expense (income) in deferred income tax	(19,173)	1,845	2,723	(1,852)
Income tax as included in income statements	<u>559,676</u>	<u>322,732</u>	<u>23,236</u>	<u>44,265</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Tax losses brought forward	41,803	43,808	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	16,497	11,570	1,341	234
Allowance for devaluation in the value of inventories	21,764	14,426	4,363	8,193
Other allowance	9,495	10,282	8,963	8,963
Accrued liabilities	363,319	398,004	-	-
Inventory cost capitalisation	41,792	45,781	-	-
Others	1,034	1,133	-	-
Total	<u>495,704</u>	<u>525,004</u>	<u>14,667</u>	<u>17,390</u>

As at 30 September 2010, a local subsidiary has deferred tax liabilities amounting to Baht 37.4 million (31 December 2009: Baht 42.0 million) and overseas subsidiaries have deferred tax liabilities amounting to Baht 212.4 million or USD 7.0 million (31 December 2009: Baht 232.4 million or USD 7.0 million).

14. Registered share capital

On 2 September 2010, the Extraordinary General Meeting of Shareholders of the Company approved the following resolutions relating to changes in the Company's registered share capital.

- 1) Approved the reduction of registered share capital of the Company from Baht 885,090,950 to Baht 883,170,950.
- 2) Approved the increase of registered share capital of the Company from Baht 883,170,950 to Baht 1,000,000,000.

The above reduction and increase of registered share capital were made for the purposes of the acquisition of MW Brands, as described in Note 5. The Company registered the reduction and increase in its registered share capital with the Ministry of Commerce on 10 September 2010 and 13 September 2010, respectively.

15. 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 and nine-month periods ended 30 September 2010 and 2009 is as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Frozen and canned									
	food products		Other businesses		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Local	944	902	2,907	2,502	3,851	3,404	(1,370)	(1,172)	2,481	2,232
- Export	18,497	17,903	135	145	18,632	18,048	(3,675)	(3,348)	14,957	14,700
Total sales	19,441	18,805	3,042	2,647	22,483	21,452	(5,045)	(4,520)	17,438	16,932
Segment operating income	969	1,244	367	226	1,336	1,470	(82)	(89)	1,254	1,381
Unallocated income and expenses:										
Interest income									1	-
Administrative expenses									(19)	(1)
Share of income from investments										
in associates									7	17
Financial cost									(130)	(143)
Corporate income tax									(132)	(109)
Net income of minority interest									(164)	(127)
Net income attributable to equity holders of the parent									817	1,018

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Frozen and canned									
	food products		Other businesses		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Local	2,736	2,334	7,669	6,922	10,405	9,256	(3,517)	(3,419)	6,888	5,837
- Export	53,765	52,920	481	388	54,246	53,308	(10,275)	(7,352)	43,971	45,956
Total sales	56,501	55,254	8,150	7,310	64,651	62,564	(13,792)	(10,771)	50,859	51,793
Segment operating income	2,975	3,156	1,035	702	4,010	3,858	(88)	(124)	3,922	3,734
Unallocated income and expenses:										
Interest income									3	6
Administrative expenses									(22)	(2)
Share of income from investments										
in associates									16	41
Financial cost									(393)	(459)
Corporate income tax									(559)	(323)
Net income of minority interest									(446)	(372)
Net income attributable to equity holders of the parent									2,521	2,625

(Unaudited but reviewed)

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month and nine-month periods ended 30 September 2010 and 2009 is as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Thailand		Overseas		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Frozen and canned food products	11,229	11,146	8,212	7,659	19,441	18,805	(2,471)	(3,561)	16,970	15,244
- Other businesses	3,042	2,647	-	-	3,042	2,647	(2,574)	(959)	468	1,688
Total sales	14,271	13,793	8,212	7,659	22,483	21,452	(5,045)	(4,520)	17,438	16,932
Segment operating income									1,254	1,381

(Unit: Million Baht)

	For the nine-month periods ended 30 September									
	Thailand		Overseas		Total		Elimination		Grand total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales										
- Frozen and canned food products	32,808	31,278	23,693	23,976	56,501	55,254	(9,308)	(7,775)	47,193	47,479
- Other businesses	8,150	7,310	-	-	8,150	7,310	(4,484)	(2,996)	3,666	4,314
Total sales	40,958	38,588	23,693	23,976	64,651	62,564	(13,792)	(10,771)	50,859	51,793
Segment operating income									3,922	3,734

16. Dividends

Dividends declared in 2010 and 2009 consist of the following:

	Approved by	Total dividends	Dividend
			per share
Final dividends for 2009	Annual General Meeting of the shareholders on 22 March 2010	883,170,950	1.0
Interim dividends for 2010	Board of Directors' meeting on 4 August 2010	883,170,950	1.0
Total for 2010		1,766,341,900	
Final dividends for 2008	Annual General Meeting of the shareholders on 9 April 2009	618,213,295	0.7
Interim dividends for 2009	Board of Directors' meeting on 4 August 2009	812,513,268	0.92
Total for 2009		1,430,726,563	

17. Commitments

As at 30 September 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 26.6 million	Baht 30.9 million	Baht 8.1 million	Baht 65.6 million
Land lease agreements	Baht 0.8 million	Baht 2.7 million	Baht 3.0 million	Baht 6.5 million
	USD 2.5 million	USD 3.4 million	USD 0.3 million	USD 6.2 million
Car lease agreements	Baht 4.7 million	Baht 1.7 million	-	Baht 6.4 million
Machinery and equipment lease agreements	Baht 22.0 million	Baht 2.0 million	-	Baht 24.0 million
	USD 0.4 million	USD 1.0 million	USD 0.3 million	USD 1.7 million
Warehouse and factory construction agreements	Baht 212.1 million	-	-	Baht 212.1 million
Purchase machinery and equipment agreements	Baht 29.0 million	-	-	Baht 29.0 million
	USD 0.8 million	-	-	USD 0.8 million
	EUR 1.4 million	-	-	EUR 1.4 million
Advertising agreements	Baht 18.2 million	Baht 6.8 million	-	Baht 25.0 million
Communication agreements	Baht 1.1 million	Baht 2.4 million	-	Baht 3.5 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 and nine-month periods ended 30 September 2010 amounting to USD 0.2 million and USD 0.3 million, respectively.

d) Purchase commitments of the Company and 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. TUI has not renewed these contracts in 2010. Fish purchased under the terms of these contracts approximated 0% and 18% of total raw fish purchased for the nine-month periods ended 30 September 2010 and 2009, respectively.
- Tri-U entered into an agreement with a vendor to supply cans and ends to Tri-U through 31 December 2010. In May 2010, Tri-U renegotiated a new contract with the same vendor retroactively effective from 1 January 2010 through 31 December 2012. The price for cans and ends purchased through this agreement is based on market prices, variable within a range depending on the quantity purchased by Tri-U. Either Tri-U or the vendor may elect to terminate the agreement with 6 months' prior written notice at any time after July 2012.
- The Company has entered into contracts farming program with several independent shrimp farmers to guarantee the supply of shrimps. These contracts stipulated conditions with regard to price and quantity to be supplied and are effective for a period of not over one year.

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. TUI provided the third party 12 months' written notice on 30 April 2009 to terminate the agreement. 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 return the equipment upon termination of the agreement.

18. Contingent liabilities**18.1 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 30 September 2010</u>				
<u>The Company</u>				
US dollar	-	347	-	30.41 - 43.00
Yen	-	179	0.37	0.34 - 0.37
Euro	301	303	39.00 - 42.22	39.10 - 50.20
<u>Subsidiaries</u>				
US dollar	1	247	30.76 - 32.33	30.48 - 34.23
Euro	-	2	-	39.27 - 50.02

As at 30 September 2010, the Company and its subsidiaries have outstanding option agreements with special conditions with financial institutions under which they have obligations to sell amounts of between USD 42 million up to USD 84 million, depending on conditions stipulated in the agreements, at rates Baht 30.90 to Baht 33.66 per USD 1. These agreements will terminate within March 2011.

18.2 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%	Float rate 3-month FDR plus 3.19%	November 2010

(Unaudited but reviewed)

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
5	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% remaining 4 years)	Fixed rate 4.505%	November 2016
6	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% remaining 4 years)	Fixed rate 4.505%	November 2016
7	Baht 2,040 million (first 2 years) Baht 170-1,700 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% remaining 4 years)	Fixed rate 4.56%	November 2016
8	Baht 900 million (first 2 years) Baht 75-750 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% remaining 4 years)	Fixed rate 4.4875%	November 2016
9	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% remaining 4 years)	Fixed rate 4.48%	November 2016

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 397.8 million	Float rate 3-month THBFIX	USD 12 million	Fixed rate 4.4086%	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 THBFIX plus 0.66%	December 2011
5	Baht 1,134 million	Float rate 3-month THBFIX - Reuters	USD 35 million	Float rate 3-month LIBOR-BBA plus 0.665%	July 2013

18.3 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. However, such contingent liability as mentioned in the Note 21 has been waived, resulting from the execution of sale the plant.

Asset retirement obligations recorded by TUI relate primarily to the retirement of buildings and leasehold improvements subject to ground leases in connection with TUI's warehouse facility in California. TUI estimated the fair value of the costs associated with removal and remediation of certain assets to their condition before TUI obtained rights to use of the related asset was USD 1.1 million as of 30 September 2010.

- 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

(Unaudited but reviewed)

subsequently filed motions and are currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI has no accrual related to this matter as of 30 September 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.
- d) TUI received a demand letter from the former shareholders of an overseas subsidiary in connection with the earn-out provisions of the purchase agreement. TUI intends to rigorously defend itself against any claim that may be made in connection with this matter and the outcome of any such claim cannot be determined at this time. Accordingly, no amounts have been accrued as of 30 September 2010.
- e) TUI may be required to pay anti-dumping duties in excess of cash deposit amounts on product imported from several suppliers located in Vietnam since 2006. During 2009, management reversed USD 1.8 million of an accrual recorded for this matter in the financial statements as at 31 December 2008. The reversal was recorded upon the U.S. Department of Commerce's issuance of review results and confirming results, indicating that no further payments were required. The domestic industry has filed an appeal of the conclusions reached by the U.S. Department of Commerce with the U.S. Court of International Trade. The ultimate outcome of this matter cannot be determined at this time.
- f) An overseas subsidiary received grants of USD 1.2 million from government agencies in Georgia during the current period. In order to retain the funds received from these grants, the subsidiary must achieve certain levels of capital investments and maintain certain levels of employment. Based on the

(Unaudited but reviewed)

requirements of the grant agreements, the subsidiary has achieved sufficient required levels of compliance with the terms of the grants to retain USD 0.6 million of the funds during the nine-month period ended 30 September 2010, which has been recorded as other income in the consolidated statements of income. The remaining deferred grant revenue of USD 0.6 million is recorded in other long-term liabilities on the consolidated balance sheets. The subsidiary expects to meet the remaining requirements that are necessary to recognise the deferred grant revenue within the next four years.

19. Guarantees

- a) The Company's board of directors approved the issuance of corporate guarantees of USD 45.0 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 30 September 2010, there were outstanding bank guarantees of approximately Baht 59.3 million and USD 5 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 30 September 2010, there were outstanding bank guarantees of approximately Baht 107.5 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.

20. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 30 September 2010.

(Unit: Thousand)

Foreign currency	Consolidated financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollar	15,705	41,824	14,000	11,566
Yen	47,483	556,944	47,483	527,251
Singapore dollar	-	3,578	-	-

21. Subsequent events

On 5 October 2010, an overseas subsidiary sold its canning facility in American Samoa including all equipment and machinery, to a third party. American Samoa Government (ASG) has issued to the subsidiary the 2009 - 2010 Tax Exemption Certificate and the waiver of all environmental liabilities with unconditional mutual termination of the current land lease. In return, the subsidiary has forgiven income tax receivable amount USD 0.4 million due from ASG with the remaining balance to be paid in three installments.

On 15 October 2010, overseas subsidiaries entered into an amended and restated credit agreement for an USD 85 million revolving credit facility with a financial institution. This agreement expires on 15 October 2013.

On 27 October 2010, the Company transferred additional capital of EUR 22 million to Thai Union Investment Holding (a subsidiary), which is located in Republic of Mauritius for an acquisition of MW Brands Holding SAS, as mentioned in Note 5.

22. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current period classification but no effect to previously reported net income or shareholders' equity. The significant reclassification are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Current portion of unamortized				
discount of forward contracts	24,872	-	14,350	-
Other current assets - others	75,527	100,399	20,706	35,056
Unamortized discount of forward				
contracts	3,570	-	3,570	-
Non-current assets - others	65,492	69,062	6,509	10,079
Current portion of forward				
exchange contracts payables	51,193	-	23,537	-
Current portion of unamortized				
premium of forward contracts	38,996	-	18,027	-
Other current liabilities - others	702,744	792,933	184,877	226,441

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's management on 27 October 2010.