

THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARY COMPANIES  
REVIEW REPORT AND INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2007

## **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 subsidiary companies as at 30 June 2007, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2007, and the consolidated statements of changes in shareholders' equity, and cash flows for the six-month period ended 30 June 2007, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. I did not review the interim financial statements of overseas subsidiary companies, Thai Union International, Inc. and its subsidiary companies and PT Juifa International Foods, which are included in the consolidated financial statements for the three-month and six-month periods ended 30 June 2007. The consolidated financial statements of these subsidiary companies as at 30 June 2007 presented total assets of Baht 10,944 million and total revenues for the three-month and six-month periods then ended of Baht 6,691 million and Baht 13,194 million, respectively. The financial statements of these subsidiary companies were reviewed by other auditors whose reports have been furnished to me, and my review report, insofar as it relates to the amounts included for those subsidiary companies in the consolidated financial statements, is based solely on the reports of those auditors.

I conducted my review 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 review 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 subsidiary companies, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the year ended 31 December 2006 in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements, based on my audit and

the reports of the other auditors of the overseas subsidiary companies, under my report dated 22 February 2007. The consolidated and separate balance sheet as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report, except for the Company's restatement of these financial statements for the period of 2006 to reflect the change in accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, and the changes in differing accounting policies of the Company and its subsidiary companies in the consolidated financial statements, as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2006 of Thai Union Frozen Products Public Company Limited and its subsidiary companies and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor of our firm who reported, under her report dated 9 August 2006 and the report of the other auditor of the overseas subsidiary company, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, and in accordance with generally accepted accounting principles. On 1 January 2007, the Company has restated these financial statements to reflect the change in accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, and the changes in differing accounting policies of the Company and its subsidiary companies in the consolidated financial statements, as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 9 August 2007

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

AS AT 30 JUNE 2007 AND 31 DECEMBER 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		319,089	365,142	33,800	3,819
Trade accounts receivable	3				
Related companies	4	42,885	19,641	1,080,798	901,668
Others		5,819,702	5,324,993	683,436	705,021
Total trade accounts receivable		5,862,587	5,344,634	1,764,234	1,606,689
Less: Allowance for doubtful accounts		(158,662)	(129,404)	(432)	(432)
Trade accounts receivable - net		5,703,925	5,215,230	1,763,802	1,606,257
Short-term loans to subsidiary companies	4	-	-	473,223	521,660
Short-term loans to director and employees	4	84,290	-	-	-
Short-term loans to other companies		11,465	33,780	-	-
Inventories - net	5	11,819,669	12,082,776	1,915,019	2,267,719
Other current assets					
Prepaid expenses		108,124	144,175	12,751	10,354
Prepaid income tax		186,888	195,597	51,635	44,369
Spareparts		125,227	126,334	11,102	11,218
Advance payments		16,831	25,739	3,959	860
Current portion of forward exchange contracts receivables		61,397	77,663	19,979	33,636
Value added tax refundable		130,175	118,895	83,047	50,365
Others	4	94,671	50,504	65,527	32,168
Total other current assets		723,313	738,907	248,000	182,970
<b>Total current assets</b>		<b>18,661,751</b>	<b>18,435,835</b>	<b>4,433,844</b>	<b>4,582,425</b>

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

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS (Continued)

AS AT 30 JUNE 2007 AND 31 DECEMBER 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>Non-current assets</b>					
Restricted deposits with financial institutions		442	442	-	-
Investment - net	6				
Subsidiary companies		-	-	3,325,408	3,340,522
Associated companies		279,612	242,194	43,560	43,560
Total investments - net		279,612	242,194	3,368,968	3,384,082
Long-term investments	7	72,424	72,231	4,549	4,654
Long-term loans to subsidiary companies	4	-	-	4,784,755	4,984,554
Long-term loans to other company		16,667	18,750	-	-
Property, plant and equipment - net	8	6,400,342	6,054,203	1,588,367	1,514,579
Properties foreclosed - net		54,854	65,940	54,854	65,940
Leasehold rights - net		17,745	18,531	-	-
Intangible assets - net	9	778,019	844,790	-	-
Goodwill - net		206,240	224,599	-	-
Deferred tax assets	13	357,383	366,950	18,815	15,181
Other non-current assets	6	597,471	455,987	408,312	325,392
<b>Total non-current assets</b>		<b>8,781,199</b>	<b>8,364,617</b>	<b>10,228,620</b>	<b>10,294,382</b>
<b>Total assets</b>		<b>27,442,950</b>	<b>26,800,452</b>	<b>14,662,464</b>	<b>14,876,807</b>

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

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS (Continued)

AS AT 30 JUNE 2007 AND 31 DECEMBER 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	10	5,168,252	5,277,391	1,184,488	1,539,032
Trade accounts payable					
Related companies	4	49,609	21,553	214,635	243,845
Others		2,201,002	2,110,726	536,013	494,735
Total trade accounts payable		2,250,611	2,132,279	750,648	738,580
Current portion of long-term loans	11	205,000	91,800	-	-
Short-term loans from subsidiary company	4	-	-	657,900	829,600
Short-term loans from shareholders of subsidiary companies	4	64,599	123,100	-	-
Other current liabilities					
Corporate income tax payable		117,029	51,067	33,771	-
Accrued expenses	4	505,301	428,245	158,867	124,397
Accounts payable - construction and asset purchase		61,938	45,574	22,715	26,600
Billback		213,179	224,239	-	-
Others		516,266	572,289	147,717	119,959
Total other current liabilities		1,413,713	1,321,414	363,070	270,956
<b>Total current liabilities</b>		<b>9,102,175</b>	<b>8,945,984</b>	<b>2,956,106</b>	<b>3,378,168</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	11	601,734	3,630,691	-	3,260,772
Debentures	12	3,200,000	-	3,200,000	-
Deferred tax liabilities	13	278,714	286,564	-	-
Other non-current liabilities		147,397	169,277	41,504	39,724
<b>Total non-current liabilities</b>		<b>4,227,845</b>	<b>4,086,532</b>	<b>3,241,504</b>	<b>3,300,496</b>
<b>Total liabilities</b>		<b>13,330,020</b>	<b>13,032,516</b>	<b>6,197,610</b>	<b>6,678,664</b>

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

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS (Continued)

AS AT 30 JUNE 2007 AND 31 DECEMBER 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>Shareholders' equity</b>					
Share capital					
Registered					
885,090,950 ordinary shares of Baht 1 each		885,091	885,091	885,091	885,091
Issued and paid-up					
874,055,950 ordinary shares of Baht 1 each		874,056	874,056	874,056	874,056
Premium on shares capital		4,411,978	4,411,978	4,411,978	4,411,978
Subscription received in advance from exercise					
of warrants	14	26,959	-	26,959	-
Unrealised loss on changes in the value					
of investments	7	(1,893)	(2,086)	(476)	(371)
Provision for changes in the value of pension fund		(22,800)	(23,790)	-	-
Currency translation differences		(55,467)	(11,968)	-	-
Retained earnings					
Appropriated - statutory reserve		89,000	89,000	89,000	89,000
Unappropriated		7,339,360	6,975,830	3,063,337	2,823,480
Equity attributable to the Company's shareholders		12,661,193	12,313,020	8,464,854	8,198,143
Minority interest - equity attributable to minority shareholders					
of subsidiary companies		1,451,737	1,454,916	-	-
<b>Total shareholders' equity</b>		<b>14,112,930</b>	<b>13,767,936</b>	<b>8,464,854</b>	<b>8,198,143</b>
<b>Total liabilities and shareholders' equity</b>		<b>27,442,950</b>	<b>26,800,452</b>	<b>14,662,464</b>	<b>14,876,807</b>
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The accompanying notes are an integral part of the financial statements.

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DIRECTORS

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(UNAUDITED BUT REVIEWED)

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006 (Restated)	2007	2006 (Restated)
<b>Revenues</b>				
Sales	13,728,380	13,185,997	3,334,093	3,149,013
Other income				
Interest income	7,016	546	89,837	87,194
Dividend income	95	90	491,960	386,652
Compensation from accounts payable	1,498	8,715	-	4,390
Tax coupon received	29,780	9,655	6,047	-
Exchange gains	39,638	-	25,988	-
Others	71,161	50,024	15,618	20,562
Total other income	149,188	69,030	629,450	498,798
Share of profit of associated companies accounted for under the equity method	278	4,849	-	-
<b>Total revenues</b>	<b>13,877,846</b>	<b>13,259,876</b>	<b>3,963,543</b>	<b>3,647,811</b>
<b>Expenses</b>				
Cost of sales	11,897,585	11,266,445	3,036,291	2,754,753
Selling and administrative expenses	1,285,351	1,443,924	241,796	295,062
Exchange loss	-	10,096	-	3,503
Other expenses	710	1,263	149	121
<b>Total expenses</b>	<b>13,183,646</b>	<b>12,721,728</b>	<b>3,278,236</b>	<b>3,053,439</b>
Income before interest expense, income tax and minority interest	694,200	538,148	685,307	594,372
Interest expense	(135,269)	(148,407)	(68,694)	(66,282)
Income tax (expense) (note 13)	(80,855)	25,928	(23,829)	654
Income after corporate income tax	478,076	415,669	592,784	528,744
Net income of minority interest	(47,868)	(74,943)	-	-
<b>Net income for the period</b>	<b>430,208</b>	<b>340,726</b>	<b>592,784</b>	<b>528,744</b>
				(Unit: Baht)
<b>Basic earnings per share (note 15)</b>				
Net income	0.49	0.39	0.68	0.61
Weighted average number of ordinary shares (thousand shares)	874,094	869,316	874,094	869,316
<b>Diluted earnings per share (note 15)</b>				
Net income	0.49	0.39	0.68	0.60
Weighted average number of ordinary shares (thousand shares)	877,560	875,103	877,560	875,103

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



(UNAUDITED BUT REVIEWED)

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006 (Restated)	2007	2006 (Restated)
<b>Revenues</b>				
Sales	26,529,895	26,907,077	6,215,932	6,342,852
Other income				
Interest income	9,445	798	182,212	137,298
Dividend income	215	90	503,966	405,402
Compensation from accounts payable	57,688	54,992	30,722	27,632
Tax coupon received	48,899	26,190	9,194	-
Exchange gains	137,404	-	74,494	-
Others	118,264	124,096	34,486	24,673
Total other income	371,915	206,166	835,074	595,005
Share of profit of associated companies accounted for under the equity method	3,656	13,886	-	-
<b>Total revenues</b>	<b>26,905,466</b>	<b>27,127,129</b>	<b>7,051,006</b>	<b>6,937,857</b>
<b>Expenses</b>				
Cost of sales	22,854,696	22,856,521	5,551,456	5,656,918
Selling and administrative expenses	2,578,033	3,034,978	484,560	604,386
Exchange loss	-	5,731	-	3,697
Other expenses	2,073	3,327	380	326
<b>Total expenses</b>	<b>25,434,802</b>	<b>25,900,557</b>	<b>6,036,396</b>	<b>6,265,327</b>
Income before interest expense, income tax and minority interest	1,470,664	1,226,572	1,014,610	672,530
Interest expense	(263,143)	(284,966)	(142,289)	(103,169)
Income tax expense (note 13)	(147,978)	(56,210)	(38,106)	(2,950)
Income after corporate income tax	1,059,543	885,396	834,215	566,411
Net income of minority interest	(101,655)	(129,295)	-	-
<b>Net income for the period</b>	<b>957,888</b>	<b>756,101</b>	<b>834,215</b>	<b>566,411</b>
				(Unit: Baht)
<b>Basic earnings per share (note 15)</b>				
Net income	1.10	0.87	0.95	0.65
Weighted average number of ordinary shares (thousand shares)	874,075	869,299	874,075	869,299
<b>Diluted earnings per share (note 15)</b>				
Net income	1.09	0.86	0.95	0.65
Weighted average number of ordinary shares (thousand shares)	877,543	875,480	877,543	875,480

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

(UNAUDITED BUT REVIEWED)

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006 (Restated)	2007	2006 (Restated)
<b>Cash flows from (used in) operating activities</b>				
Net income for the period	957,888	756,101	834,215	566,411
Adjustments to reconcile net income to net cash provided by (used in) operating activities				
Net income of minority interest in subsidiary companies	101,655	129,295	-	-
	<u>1,059,543</u>	<u>885,396</u>	<u>834,215</u>	<u>566,411</u>
Adjustment for:				
Depreciation and amortisation	449,321	455,864	99,551	97,333
Amortisation of premium/discount from forward contracts	-	-	-	834
Share of profit of associated companies accounted for under the equity method	(3,656)	(13,886)	-	-
Gain on sale of investment in subsidiary company	-	(1,580)	-	-
Gain on disposal / write-off of assets	(3,962)	(2,213)	(385)	(1,184)
Loss on disposal of properties foreclosed	9,078	3,600	9,078	3,600
Loss on impairment of assets (reversal)	(51)	10,000	-	10,000
Deferred income tax	(2,898)	20,053	(3,634)	(1,853)
Unrealised exchange gains	(2,466)	(228,203)	(23,017)	(15,275)
Allowance for doubtful accounts	29,976	44,493	-	-
Allowance for diminution in value of inventory (reversal)	28,220	(14,727)	36,050	(8,289)
Income from operating activities before change in operating assets and liabilities	<u>1,563,105</u>	<u>1,158,797</u>	<u>951,858</u>	<u>651,577</u>
Decrease (increase) in operating assets				
Trade accounts receivable	(631,698)	133,196	(162,269)	573,142
Inventories	(23,851)	(907,628)	315,909	165,652
Other current assets	(2,867)	(41,238)	(76,704)	(139,952)
Other non-current assets	(68,030)	(5,670)	353	(16,464)
Increase (decrease) in operating liabilities				
Trade accounts payable	157,497	(122,961)	21,822	(117,461)
Other current liabilities	83,317	(6,042)	99,203	183,882
Other non-current liabilities	(590)	2,269	168	10,881
Net cash from operating activities	<u>1,076,883</u>	<u>210,723</u>	<u>1,150,340</u>	<u>1,311,257</u>

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

(UNAUDITED BUT REVIEWED)

## THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## STATEMENTS OF CASH FLOWS (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006 (Restated)	2007	2006 (Restated)
<b>Cash flows from (used in) investing activities</b>				
Proceeds from sale of investment	-	2,010	-	-
Proceed from sale of investment in associated company	-	3,699	-	-
Proceeds from return of capital of subsidiary company	-	-	35,514	-
Increase in investments in subsidiary company	-	-	(20,400)	-
Increase in investment in associated company	(34,850)	-	-	-
Decrease (increase) in short-term loans to subsidiary companies	-	-	47,000	(46,100)
Increase in short-term loans to director and employees	(84,290)	-	-	-
Decrease in short-term loans to other companies	22,315	353	-	-
Increase in long-term loans to subsidiary companies	-	-	-	(3,477,451)
Acquisitions of property, plant and equipment	(763,841)	(528,072)	(177,444)	(141,833)
Proceeds from disposal of property, plant and equipment	9,091	-	606	-
Proceeds from disposal of properties foreclosed	2,008	9,096	2,008	2,795
Acquisitions of intangible assets	(3,631)	(5,853)	-	-
Dividend received	-	18,750	-	-
Net cash used in investing activities	(853,198)	(500,017)	(112,716)	(3,662,589)
<b>Cash flows from (used in) financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(8,034)	167,179	(354,544)	(683,112)
Increase (decrease) in short-term loans from subsidiary companies	-	-	(171,700)	84,100
Increase in short-term loans from associated company	-	13,000	-	13,000
Decrease in short-term loans from shareholders of subsidiary	(58,501)	-	-	-
Increase (decrease) in long-term loans	(2,757,285)	451,025	(3,114,000)	3,494,715
Decrease in financial lease payable	(22,900)	(68,700)	-	-
Increase in debentures	3,200,000	-	3,200,000	-
Share subscriptions received in advance from exercise of warrants	26,959	31,791	26,959	31,791
Decrease in minority interest - equity attributable to minority shareholders of subsidiary companies	(104,834)	(33,948)	-	-
Dividend paid	(594,358)	(556,340)	(594,358)	(556,340)
Net cash from (used in) financing activities	(318,953)	4,007	(1,007,643)	2,384,154
<b>Effect of exchange rate change to cash and cash equivalents</b>	49,215	282,112	-	-
Net increase (decrease) in cash and cash equivalents	(46,053)	(3,175)	29,981	32,822
Cash and cash equivalents at beginning of period	365,142	470,198	3,819	6,798
Cash and cash equivalents at end of period	319,089	467,023	33,800	39,620
<b>Supplement cash flows information</b>				
Cash paid during the period for				
Interest expense	263,572	225,328	145,513	47,653
Corporate income tax	119,580	129,014	27,410	-
Non-cash items				
Undue installments for acquisitions of property, plant and equipment	61,938	64,078	22,715	23,078
Unrealised loss (gain) on changes in the value of investment	193	(4,918)	(105)	(19)

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

(UNAUDITED BUT REVIEWED)

THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements								Minority interest - equity attributable to minority shareholders of subsidiary companies	Total
	Issued and paid-up share capital	Premium on shares capital	Subscription	Unrealised gain (loss) on changes in the value of investments	Provision for changes in the value of pension fund	Currency translation differences	Retained earnings			
			received in advance from exercise of warrants				Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2006 - as previously reported</b>	869,281	4,333,429	-	2,049	(26,751)	85,667	89,000	6,342,612	1,124,927	12,820,214
Cumulative effect of the change in accounting policies (Note 2)	-	-	-	-	-	(402)	-	(318,370)	-	(318,772)
<b>Balance as at 1 January 2006 - as restated</b>	869,281	4,333,429	-	2,049	(26,751)	85,265	89,000	6,024,242	1,124,927	12,501,442
Subscription received in advance from exercise of warrants	-	-	31,791	-	-	-	-	-	-	31,791
Unrealised loss on changes in the value of investments	-	-	-	(4,918)	-	-	-	-	-	(4,918)
Provision for changes in the value of pension fund	-	-	-	-	1,822	-	-	-	-	1,822
Currency translation differences	-	-	-	-	-	(59,515)	-	-	-	(59,515)
Items not recognised in income statements	-	-	31,791	(4,918)	1,822	(59,515)	-	-	-	(30,820)
Net income for the period - restated	-	-	-	-	-	-	-	756,101	129,295	885,396
Dividend paid (Note 16)	-	-	-	-	-	-	-	(556,340)	(49,948)	(606,288)
Increase in capital in subsidiary company	-	-	-	-	-	-	-	-	16,000	16,000
<b>Balance as at 30 June 2006</b>	<b>869,281</b>	<b>4,333,429</b>	<b>31,791</b>	<b>(2,869)</b>	<b>(24,929)</b>	<b>25,750</b>	<b>89,000</b>	<b>6,224,003</b>	<b>1,220,274</b>	<b>12,765,730</b>
<b>Balance as at 1 January 2007 - as previously reported</b>	874,056	4,411,978	-	(2,086)	(23,790)	(54,458)	89,000	7,353,507	1,454,916	14,103,123
Cumulative effect of the change in accounting policies (Note 2)	-	-	-	-	-	42,490	-	(377,677)	-	(335,187)
<b>Balance as at 1 January 2007 - restated</b>	874,056	4,411,978	-	(2,086)	(23,790)	(11,968)	89,000	6,975,830	1,454,916	13,767,936
Subscription received in advance from exercise of warrants (Note 14)	-	-	26,959	-	-	-	-	-	-	26,959
Unrealised gain on changes in the value of investments	-	-	-	193	-	-	-	-	-	193
Provision for changes in the value of pension fund	-	-	-	-	990	-	-	-	-	990
Currency translation differences	-	-	-	-	-	(43,499)	-	-	-	(43,499)
Items not recognised in income statements	-	-	26,959	193	990	(43,499)	-	-	-	(15,357)
Net income for the period	-	-	-	-	-	-	-	957,888	101,655	1,059,543
Dividend paid (Note 16)	-	-	-	-	-	-	-	(594,358)	(124,434)	(718,792)
Additional investment in subsidiary company	-	-	-	-	-	-	-	-	19,600	19,600
<b>Balance as at 30 June 2007</b>	<b>874,056</b>	<b>4,411,978</b>	<b>26,959</b>	<b>(1,893)</b>	<b>(22,800)</b>	<b>(55,467)</b>	<b>89,000</b>	<b>7,339,360</b>	<b>1,451,737</b>	<b>14,112,930</b>

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

(UNAUDITED BUT REVIEWED)

THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Separate financial statements								Total
	Issued and paid-up share capital	Premium on shares capital	Subscription received in	Unrealised gain (loss) on changes in the value of investments	Provision for changes in the value of pension fund	Currency translation differences	Retained earnings		
			advance from exercise of warrants				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2006 - as previously reported</b>	869,281	4,333,429	-	2,049	(26,751)	85,667	89,000	6,342,612	11,695,287
Cumulative effect of the change in accounting policy (Note 2)	-	-	-	(2,594)	26,751	(85,667)	-	(3,711,839)	(3,773,349)
<b>Balance as at 1 January 2006 - as restated</b>	869,281	4,333,429	-	(545)	-	-	89,000	2,630,773	7,921,938
Subscription received in advance from exercise of warrants	-	-	31,791	-	-	-	-	-	31,791
Unrealised loss on changes in the value of investments	-	-	-	(19)	-	-	-	-	(19)
Items not recognised in income statements	-	-	31,791	(19)	-	-	-	-	31,772
Net income for the period - restated	-	-	-	-	-	-	-	566,411	566,411
Dividend paid (Note 16)	-	-	-	-	-	-	-	(556,340)	(556,340)
<b>Balance as at 30 June 2006</b>	869,281	4,333,429	31,791	(564)	-	-	89,000	2,640,844	7,963,781
<b>Balance as at 1 January 2007 - as previously reported</b>	874,056	4,411,978	-	(2,086)	(23,790)	(54,458)	89,000	7,353,507	12,648,207
Cumulative effect of the change in accounting policy (Note 2)	-	-	-	1,715	23,790	54,458	-	(4,530,027)	(4,450,064)
<b>Balance as at 1 January 2007 - restated</b>	874,056	4,411,978	-	(371)	-	-	89,000	2,823,480	8,198,143
Subscription received in advance from exercise of warrants (Note 14)	-	-	26,959	-	-	-	-	-	26,959
Unrealised loss on changes in the value of investments	-	-	-	(105)	-	-	-	-	(105)
Items not recognised in income statements	-	-	26,959	(105)	-	-	-	-	26,854
Net income for the period	-	-	-	-	-	-	-	834,215	834,215
Dividend paid (Note 16)	-	-	-	-	-	-	-	(594,358)	(594,358)
<b>Balance as at 30 June 2007</b>	874,056	4,411,978	26,959	(476)	-	-	89,000	3,063,337	8,464,854

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

(UNAUDITED BUT REVIEWED)

THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARY COMPANIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2007 AND 2006

**1. GENERAL INFORMATION**

Thai Union Frozen Products Public Company Limited (hereinafter referred to as “the Company”) was incorporated as a public limited company under Thai laws and listed in the Stock Exchange of Thailand on 22 November 1994. The Company operates its business in Thailand and its subsidiary companies operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiary companies are also engaged in the packaging and printing and pet food businesses. The principal activities of the overseas subsidiary companies 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. The Company’s registered office is located at 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn.

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41, “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the income statements, 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.

## 1.2 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 2006. There have been no changes in the composition of the group of company during the current period.

The percentages of the total assets and total revenues of the subsidiary companies in relation to the total assets and total revenues as included in the consolidated financial statements for the six-month period ended 30 June 2007 are as follows:

Company's name	Percentage of total assets included in the consolidated balance sheet	Percentage of total revenues included in the consolidated income statements
Thai Union Manufacturing Co., Ltd. and its subsidiary company	13.55	18.66
Songkla Canning Pcl. and its subsidiary company		
Thai Union Seafood Co., Ltd.	14.87	9.10
T-Holding Co., Ltd.	2.49	0.79
Thai Union Numhong Co., Ltd.	1.19	1.50
Thai Union Feedmill Co., Ltd. and its subsidiary companies	0.01 8.55	- 6.41
Thai Union Graphic Co., Ltd.	0.96	0.25
Thai Union International, Inc. (TUI) and its subsidiary companies	38.95	47.72
PT Juifa International Foods	0.93	1.32

## 1.3 Adoption of new accounting standards during the period

The Federation of Accounting Professions (FAP) has issued Notification No. 9/2550 regarding Thai Accounting Standards (TAS), which was announced in the Royal Gazette. This Notification mandates the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures
TAS 49	Construction Contracts

**a) Thai Accounting Standards effective for the current year**

Thai Accounting Standards No. 44, 45 and 46 become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements in order to comply with the revised Thai Accounting Standards No. 44 and 45, as discussed in Note 2.

**b) Thai Accounting Standards not effective for the current year**

Thai Accounting Standards No. 25, 33 and 49 will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. However, the management has assessed the effect of these revised accounting standards and believes that they will not significantly impact on the financial statements for the year in which they are initially applied.

**1.4 Significant accounting policies**

These 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 2006, except for the change in accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method and the change in the accounting policies between the Company and its subsidiary companies in the consolidated financial statements, as described in Note 2.



## 2. CHANGE IN ACCOUNTING POLICIES

During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method, in compliance with Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investments in the subsidiary and associated companies had originally been recorded using the cost method. The effects of the change to the separate income statements for the three-month and six-month periods ended 30 June 2007 are to increase net income by Baht 162 million (Baht 0.19 per share) and decrease net income by Baht 124 million (Baht 0.14 per share), respectively (2006: increasing by Baht 188 million (Baht 0.22 per share) and decreasing by Baht 190 million (Baht 0.22 per share), respectively). The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy” in the separate statements of changes in shareholders’ equity.

In addition, during the first quarter of the current year, the Company changed the method for recording inventory of the overseas subsidiaries from the weighted average to first-in-first-out method, changed the method of recording goodwill and intangible assets of the overseas subsidiaries from using impairment tests at least annually to amortising them over their estimated useful lives of 20 years, and has not recorded interest rate swap of the overseas subsidiaries to fair value. The Company recorded the effects of these changes in recording of the accounting transactions of changed the results from the overseas subsidiaries as an adjustment against the beginning balance of retained earnings, and restated the financial statements presented herein for comparative purposes as though the Company had always recorded such transactions. The change have the effects of decreasing net income in the consolidated income statements for the three-month and six-month periods ended 30 June 2007 by Baht 10.7 million (Baht 0.01 per share) and by Baht 0.7 million (Baht 0.001 per share) (2006: decreasing by Baht 2.0 million (Baht 0.002 per share) and Baht 19.5 million (Baht 0.02 per share), respectively). The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policies” in the consolidated statements of changes in shareholders’ equity.

**3. 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 June 2007	31 December 2006	30 June 2007	31 December 2006
<b><u>Age of receivable</u></b>				
<b>Trade accounts receivable -</b>				
<b>  related companies</b>				
Not yet due	9,492	13,416	915,636	675,967
Overdue				
1 - 30 days	33,375	5,965	121,211	151,730
31 - 60 days	18	260	17,926	40,026
61 - 90 days	-	-	-	33,945
91 - 120 days	-	-	4,821	-
181 - 365 days	-	-	21,204	-
<b>Total trade accounts receivable -</b>				
<b>  related companies</b>	<b>42,885</b>	<b>19,641</b>	<b>1,080,798</b>	<b>901,668</b>
<b>Trade accounts receivable - others</b>				
Not yet due	4,304,184	3,936,271	525,289	510,659
Overdue				
1 - 30 days	1,079,283	1,066,013	138,058	169,089
31 - 60 days	184,132	138,194	11,706	10,867
61 - 90 days	63,980	45,610	3,108	3,951
91 - 120 days	48,256	31,678	2,128	2,906
121 - 180 days	31,365	21,767	-	3,430
181 - 365 days	37,617	19,002	-	957
Over 365 days	70,885	66,458	3,147	3,162
<b>Total trade accounts receivable</b>				
<b>  - others</b>	<b>5,819,702</b>	<b>5,324,993</b>	<b>683,436</b>	<b>705,021</b>
<b>Total trade accounts receivable</b>	<b>5,862,587</b>	<b>5,344,634</b>	<b>1,764,234</b>	<b>1,606,689</b>
Less: Allowance for doubtful accounts	(158,662)	(129,404)	(432)	(432)
<b>Trade accounts receivable - net</b>	<b>5,703,925</b>	<b>5,215,230</b>	<b>1,763,802</b>	<b>1,606,257</b>

**4. RELATED PARTY TRANSACTIONS**

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the three-month periods ended 30 June				
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<b>Transactions with subsidiary companies:</b>					
(Eliminated from consolidated financial statements)					
Sales	-	-	1,358,481	1,251,114	Cost plus margin
Dividend received	-	-	503,751	386,652	As declared
Interest income	-	-	87,523	87,176	3.70 - 6.20 percent per annum (2006: 5.05 - 6.55 percent per annum)
Purchases of goods	-	-	218,890	148,207	Cost plus margin
Interest expense	-	-	7,924	3,360	3.70 - 6.05 percent per annum (2006: 3.80 - 6.55 percent per annum)
<b>Transactions with associated companies:</b>					
Purchases of goods	2,382	2,491	-	-	Cost plus margin
Purchases service expense	2,625	3,892	2,560	3,319	Near market price
<b>Transactions with related companies:</b>					
Sales	79,542	121,131	27,243	50,720	Cost plus margin
Purchases of goods	429,994	395,644	243,333	210,295	Cost plus margin
Interest income	1,955	-	-	-	10 percent per annum

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the six-month periods ended 30 June				
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<b>Transactions with subsidiary companies:</b>					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,541,171	2,147,375	Cost plus margin
Dividend received	-	-	503,751	386,652	As declared
Interest income	-	-	177,247	137,280	3.70 - 6.60 percent per annum (2006: 4.40 - 6.55 percent per annum)
Purchases of goods	-	-	502,705	421,903	Cost plus margin
Interest expense	-	-	18,505	6,642	3.70 - 6.60 percent per annum (2006: 3.80 - 6.55 percent per annum)

## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the six-month periods ended 30 June				
	2007	2006	2007	2006	
<b>Transactions with associated companies:</b>					
Purchases of goods	4,300	4,389	-	-	Cost plus margin
Purchase service expense	5,594	7,649	5,246	6,578	Near market price
Dividend received	-	18,750	-	18,750	As declared
<b>Transactions with related companies:</b>					
Sales	163,703	226,073	56,373	95,716	Cost plus margin
Purchase of goods	829,722	952,843	481,493	448,164	Cost plus margin
Interest income	2,628	-	-	-	10 percent per annum

The Company and its subsidiary companies 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 six-month periods ended 30 June 2007, insurance premiums paid through that company amounted to Baht 12.8 million and Baht 19.0 million, respectively.

During the current period, the Company pays salaries, meeting allowances and gratuities to its directors and management totaling Baht 15.1 million.

In addition, the Company allotted warrants to purchase the ordinary shares to directors of the Company and its subsidiaries, as discussed in Note 14.

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary company
Thai Union Manufacturing Co., Ltd.	Subsidiary company
Thai Union Seafood Co., Ltd.	Subsidiary company
T-Holding Co., Ltd.	Subsidiary company
Thai Union Numhong Co., Ltd.	Subsidiary company
Thai Union Feedmill Co., Ltd.	Subsidiary company
Thai Union Graphic Co., Ltd.	Subsidiary company
Thai Union International, Inc. (TUI)	Subsidiary company
PT Juifa International Foods	Subsidiary company
COSI Trading (Shanghai) Co., Ltd.	Subsidiary company (Held by subsidiary company)
Tri-Union Seafoods, LLC	Subsidiary company (Held by subsidiary company)
Tri-Union Samoa Packing Corporation	Subsidiary company (Held by subsidiary company)
Tri-Union Frozen Foods, LLC	Subsidiary company (Held by subsidiary company)
Empress International, Ltd. (Empress)	Subsidiary company (Held by subsidiary company)
Empress International of California Ltd.	Subsidiary company (Held by subsidiary company)

(UNAUDITED BUT REVIEWED)

List of related companies	Relationship
Empress International Midwest Ltd.	Subsidiary company (Held by subsidiary company)
Asian-Pacific Can Co., Ltd.	Subsidiary company (Held by subsidiary company)
Marine Biotech Co., Ltd.	Subsidiary company (Held by subsidiary company)
Thai Marine Development Products Co., Ltd.	Subsidiary company (Held by subsidiary company)
High Health (Thailand) Co., Ltd.	Subsidiary company (Held by subsidiary company)
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	Associated company
Thai Quality Shrimp Co., Ltd.	Associated company (Held by subsidiary company)
Century Trading (Shanghai) Co., Ltd.	Associated company (Held by subsidiary company)
Sudamar Cia, Ltda.	Associated company (Held by subsidiary company)
Maison Mer S.A.	Associated company (Held by subsidiary company)
Societe Internationale Agroalimentaire	Associated company (Held by subsidiary company)
Chansiri Real Estate Co., Ltd.	Common major shareholders/Common directors
Venturetec Marketing Co., Ltd.	Common major shareholders/Common directors
Geminai & Associate 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
Pae Ekawat	Common directors
Lucky Surimi Products Co., Ltd.	Common directors
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	Common directors
Ahead Way International Co., Ltd.	Common directors

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 June	31 December	30 June	31 December
	2007	2006	2007	2006
<b><u>Trade accounts receivable - related companies</u></b>				
<b><u>Subsidiary companies</u></b>				
(Eliminated from consolidated financial statements)				
Empress International, Ltd.	-	-	315,147	212,725
Tri-Union Seafoods, LLC	-	-	337,568	285,994
Tri-Union Frozen Foods, LLC	-	-	182,186	133,214
Thai Union Manufacturing Co., Ltd.	-	-	84,962	125,398
T-Holding Co., Ltd.	-	-	148,375	112,370

## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006
Songkla Canning Pcl.	-	-	1,064	5,364
Thai Union Seafood Co., Ltd.	-	-	1,970	3,818
Asian-Pacific Can Co., Ltd.	-	-	4,821	10,616
Others	-	-	73	147
Total trade accounts receivable - subsidiary companies	-	-	1,076,166	889,646
<u>Associated companies</u>				
Trade accounts receivable - associated companies	8	80	-	19
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	4,693	5,602	4,632	5,495
Jana Fish Industries Limited	1,429	1,627	-	-
Venturetec Marketing Co., Ltd.	-	6,508	-	6,508
Lucky Surimi Products Co., Ltd.	7,076	5,824	-	-
Ahead Way International Co., Ltd.	29,679	-	-	-
Total trade accounts receivable - related companies	42,877	19,561	4,632	12,003
Total	42,885	19,641	1,080,798	901,668
<b><u>Short-term loans to subsidiary companies</u></b>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	34,423	35,860
Songkla Canning Pcl.	-	-	412,800	354,900
Thai Union Graphic Co., Ltd.	-	-	26,000	57,000
Thai Union Seafood Co., Ltd.	-	-	-	73,900
Total	-	-	473,223	521,660
<b><u>Short-term loans to director and employees</u></b>				
Director and employees - subsidiary company	84,290	-	-	-
<b><u>Long-term loans to subsidiary companies</u></b>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	2,719,393	2,832,948
Thai Union Manufacturing Co., Ltd.	-	-	2,065,362	2,151,606
Total	-	-	4,784,755	4,984,554
<b><u>Other current assets - others</u></b>				
<b><u>Interest receivable</u></b>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	37,526	5,586
Songkla Canning Pcl.	-	-	429	149
Thai Union Graphic Co., Ltd.	-	-	52	148
Thai Union Seafood Co., Ltd.	-	-	-	31
Thai Union Manufacturing Co., Ltd.	-	-	8,181	8,893
Total	-	-	46,188	14,807

## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006
<b>Trade accounts payable - related companies</b>				
<u>Subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	36,005	28,203
Asian-Pacific Can Co., Ltd.	-	-	79,667	87,089
Thai Union Graphic Co., Ltd.	-	-	13,300	11,409
T-Holding Co., Ltd.	-	-	3,860	8,931
Tri-Union Seafoods, LLC	-	-	1,452	1,517
Empress International, Ltd.	-	-	2,339	10,494
Songkla Canning Pcl.	-	-	417	80,395
Thai-Union Seafood Co., Ltd.	-	-	39,652	331
Others	-	-	2,109	652
Total trade accounts payable - subsidiary companies	-	-	178,801	229,021
<u>Associated companies</u>				
Trade accounts payable - associated companies	972	1,239	21	-
<u>Related companies</u>				
Pae Ekawat	35,813	14,824	35,813	14,824
T.C. Union Global Pcl.	3,365	844	-	-
T.C. Union Agrotech Co., Ltd.	9,129	4,624	-	-
Others	330	22	-	-
Total trade accounts payable - related companies	48,637	20,314	35,813	14,824
Total	49,609	21,553	214,635	243,845
<b>Short-term loans from subsidiary company</b>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	657,900	829,600
<b>Short-term loans from shareholders of subsidiaries</b>				
Mr.Prasert Boonmechote	-	38,000	-	-
Mr. Cheng Niruttinanon	64,599	30,000	-	-
Mr.Thawil Nandatheero	-	22,800	-	-
Mr.Rittirong Boonmechote	-	17,100	-	-
Ms.Orawan Sirivarasant	-	9,975	-	-
Other shareholders	-	5,225	-	-
Total	64,599	123,100	-	-

## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006
<b>Accrued expenses</b>				
<b>Accrued interest</b>				
Thai Union Manufacturing Co., Ltd.	-	-	1,135	468
	-	-	1,135	468
<b>Others</b>				
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	8,449	22,685	5,119	10,773
Total	8,449	22,685	6,254	11,241

The movements of loans to/from related companies during the six-month period ended 30 June 2007 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					Due date
	1 January 2007	Additional loans	Repayment	Revaluation	30 June 2007	
<b>Short-term loans to director and employees</b>						
Director and employees						
- subsidiary company	-	110,065	(24,635)	(1,140)	84,290	26.8.2007
<b>Short-term loans from shareholders of subsidiaries</b>						
Mr.Prasert Boonmechote	38,000	-	(38,000)	-	-	-
Mr. Cheng Niruttinanon	30,000	35,510	-	(911)	64,599	3.11.2007 and 19.3.2008
Mr.Thawil Nandatheero	22,800	-	(22,800)	-	-	-
Mr.Rittirong Boonmechote	17,100	-	(17,100)	-	-	-
Ms.Orawan Sirivarasant	9,975	-	(9,975)	-	-	-
Other shareholders	5,225	-	(5,225)	-	-	-
	123,100	35,510	(93,100)	(911)	64,599	

(Unit: Thousand Baht)

	Separate financial statements					Due date
	1 January 2007	Additional loans	Repayment	Revaluation	30 June 2007	
<b>Short-term loans to subsidiary companies</b>						
Thai Union International, Inc.	35,860	-	-	(1,437)	34,423	at call
Songkla Canning Pcl.	354,900	1,455,600	(1,397,700)	-	412,800	at call
Thai Union Graphic Co., Ltd.	57,000	10,000	(41,000)	-	26,000	16.7.2007 and 25.7.2007
Thai Union Seafood Co., Ltd.	73,900	431,250	(505,150)	-	-	
	521,660	1,896,850	(1,943,850)	(1,437)	473,223	



## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Separate financial statements					Due date
	1 January 2007	Additional loans	Repayment	Revaluation	30 June 2007	
<b><u>Long-term loans to subsidiary companies</u></b>						
Thai Union International, Inc.	2,832,948	-	-	(113,555)	2,719,393	31.7.2008 - 30.9.2012
Thai Union Manufacturing Co., Ltd.	2,151,606	-	-	(86,244)	2,065,362	7.9.2007
	<u>4,984,554</u>	<u>-</u>	<u>-</u>	<u>(199,799)</u>	<u>4,784,755</u>	
<b><u>Short-term loans from subsidiary company</u></b>						
Thai Union Manufacturing Co., Ltd.	<u>829,600</u>	<u>2,052,250</u>	<u>(2,223,950)</u>	<u>-</u>	<u>657,900</u>	at call, 16.7.2007 and 25.7.2007

As at 30 June 2007, the Company had outstanding loans totalling USD 60 million (Baht 2,065 million) under promissory notes to Thai Union Manufacturing Co., Ltd., subject to interest at the rate of 6.2 percent per annum and due within 2007. However, the Company does not intend to call the loans within one year and has therefore presented the loans as long-term loans to subsidiary companies.

As at 30 June 2007, the Company had an outstanding loan of USD 80 million (Baht 2,754 million) to Thai Union International, Inc., on which interest is charged at the rates of LIBOR plus 2.5 percent per annum and 3-month LIBOR plus 1.25 percent per annum and 3-month LIBOR plus 2.5 percent per annum.

(UNAUDITED BUT REVIEWED)

**5. INVENTORY / ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY**

As at 30 June 2007, two overseas subsidiary companies has mortgaged the certain inventories of those companies to financial institutions to secure its credit facilities as mentioned in Note 10.

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2007 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2007	85,526	21,691
Add: Allowance made during the period	88,792	46,315
Less: Allowance reversed during the period	(60,302)	(10,265)
Less: Write-off for obsolete and damaged stock	(270)	-
Currency translation differences	(739)	-
Balance as at 30 June 2007	<u>113,007</u>	<u>57,741</u>

**6. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES**

These represent investments in ordinary shares in the following subsidiary and associated companies.

Consolidated financial statements						
Company's name	Nature of business	Country of incorporation	Paid-up capital		Investments proportion	
			<u>30 June 2007</u>	<u>31 December 2006</u>	<u>30 June 2007</u>	<u>31 December 2006</u>
					Percent	Percent
<b>Investments in associated companies</b>						
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	Baht 150.0 million	Baht 150.0 million	25.00	25.00
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	Baht 150.0 million	Baht 150.0 million	20.00	20.00
Thai Quality Shrimp Co., Ltd.	Shrimp breeding and species developer	Thailand	Baht 8.0 million	Baht 8.0 million	25.49	25.49
Century Trading (Shanghai) Co., Ltd.	Importer & Exporter of food products	China	USD 4.0 million	USD 2.0 million	45.04	45.04
Sudamar Cia, Ltda.	Quality control	Ecuador	USD 0.3 million	USD 0.3 million	50.00	50.00
Maison Mer S.A.	Shrimp cooker	France	USD 1.9 million	USD 1.9 million	24.00	24.00
Societe Internationale Agroalimentaire	Shrimp importer	France	USD 0.8 million	USD 0.8 million	24.00	24.00

## (UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

## Consolidated financial statements

Company's name	Cost method		Equity method	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006
<b>Investments in associated companies</b>				
Lucky Union Foods Co., Ltd.	37,500	37,500	191,495	178,900
Biz Dimension Co., Ltd.	6,060	6,060	18,124	15,004
Thai Quality Shrimp Co., Ltd.	4,000	4,000	3,509	5,788
Century Trading (Shanghai) Co., Ltd.	75,900	41,050	41,439	16,369
Sudamar Cia, Ltda.	838	838	-	-
Maison Mer S.A.	8,395	8,395	16,720	17,446
Societe Internationale Agroalimentaire	5,543	5,543	8,325	8,687
	<u>138,236</u>	<u>103,386</u>	<u>279,612</u>	<u>242,194</u>

## Separate financial statements

Company's name	Nature of business	Country of incorporation	Paid-up capital		Investments proportion	
			30 June 2007	31 December 2006	30 June 2007	31 December 2006
					Percent	Percent
<b>Investments in subsidiary companies</b>						
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 200 million	Baht 200 million	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70 million	Baht 70 million	90.00	90.00
Thai Union Numhong Co., Ltd.	Manufacturer & exporter of canned vegetables and fruit	Thailand	Baht 125 million	Baht 125 million	100.00	100.00
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 300 million	Baht 260 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
COSI Trading (Shanghai) Co., Ltd. (100 percent held by Thai Union Manufacturing Co., Ltd.)	Not yet commence its operation	China	USD 0.2 million	USD 0.2 million	90.08	90.08

## (UNAUDITED BUT REVIEWED)

## Separate financial statements

Company's name	Nature of business	Country of incorporation	Paid-up capital		Investments proportion	
			30 June 2007	31 December 2006	30 June 2007	31 December 2006
					Percent	Percent
Tri-Union Seafoods, LLC (100 percent held by TUI)	Manufacturer & distributor of canned tuna and seafood	USA	USD 32.1 million	USD 32.1 million	100.00	100.00
Tri-Union Samoa Packing Corporation (100 percent held by Tri-Union Seafoods, LLC)	Manufacturer & distributor of canned tuna and seafood	USA	-	-	100.00	100.00
Tri-Union Frozen Foods, LLC (70 percent held by TUI)	Importer and distributor of frozen seafood	USA	USD 3 million	USD 3 million	70.00	70.00
Empress International, Ltd. (Empress) (100 percent held by TUI)	Importer and distributor of frozen shrimp and seafood	USA	USD 1	USD 1	100.00	100.00
Empress International of California Ltd. (100 percent held by Empress)	Sales office	USA	-	-	100.00	100.00
Empress International Midwest Ltd. (100 percent held by Empress)	Sales office	USA	-	-	100.00	100.00
Asian-Pacific Can Co., Ltd. (90.5 percent held by Songkla Canning Pcl.)	Manufacturer & distributor of packaging for food products	Thailand	Baht 80 million	Baht 80 million	81.85	81.85
High Health Thailand Co., Ltd. (60 percent held by Thai Union Feedmill Co., Ltd.)	Shrimp breeding and rearing	Thailand	Baht 40 million	Baht 40 million	30.60	30.60
Marine Biotech Co., Ltd. (51 percent held by Thai Union Feedmill Co., Ltd.)	Distributor of aquaculture supplies	Thailand	Baht 5 million	Baht 5 million	26.01	26.01
Thai Marine Development Products Co., Ltd. (99.99 percent held by Thai Union Feedmill Co., Ltd.)	Shrimp breeding and rearing	Thailand	Baht 15 million	Baht 15 million	50.99	50.99
<b>Investments in associated companies</b>						
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	Baht 150 million	Baht 150 million	25.00	25.00
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	Baht 150 million	Baht 150 million	20.00	20.00
<b>Investments in associated companies held by subsidiaries</b>						
Thai Quality Shrimp Co., Ltd. (49.99 percent held by Thai Union Feedmill Co., Ltd.)	Shrimp breeding and species developer	Thailand	Baht 8 million	Baht 8 million	25.49	25.49
Century Trading (Shanghai) Co., Ltd. (50 percent held by Thai Union Manufacturing Co., Ltd.)	Importer & Exporter of food products	China	USD 4 million	USD 2 million	45.04	45.04
Sudamar Cia, Ltda. (50 percent held by Empress)	Quality control	Ecuador	USD 0.3 million	USD 0.3 million	50.00	50.00
Maison Mer S.A. (24 percent held by Empress)	Shrimp cooker	France	USD 1.9 million	USD 1.9 million	24.00	24.00
Societe Internationale Agroalimentaire (24 percent held by Empress)	Shrimp importer	France	USD 0.8 million	USD 0.8 million	24.00	24.00

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

Separate financial statements

Company's name	Cost method	
	30 June 2007	31 December 2006
<b><u>Investments in subsidiary companies</u></b>		
Songkla Canning Pcl. and its subsidiary	1,379,791	1,379,791
Thai Union Manufacturing Co., Ltd. and its subsidiary	1,212,172	1,212,172
Thai Union Seafood Co., Ltd.	138,316	138,316
T-Holding Co., Ltd.	20,699	20,699
Thai Union Numhong Co., Ltd.	91,000	91,000
Thai Union Feedmill Co., Ltd. and its subsidiaries	153,000	132,600
Thai Union Graphic Co., Ltd.	45,331	45,331
Thai Union International, Inc. and its subsidiaries	325,771	325,771
PT Juiifa International Foods	74,550	110,064
Total	3,440,630	3,455,744
Less: Allowance for loss on impairment of investments	(115,222)	(115,222)
Net	3,325,408	3,340,522
<b><u>Investments in associated companies</u></b>		
Lucky Union Foods Co., Ltd.	37,500	37,500
Biz Dimension Co., Ltd.	6,060	6,060
	43,560	43,560

During the first quarter of the current year, Thai Union Manufacturing Co., Ltd., the subsidiary, paid up additional 25 percent of the price of its shares in Century Trading (Shanghai) Co., Ltd., totalling USD 1 million.

During the second quarter of the current year, the Company additionally invested Baht 20.4 million to maintain its existing interest of 51 percent in Thai Union Feedmill Co., Ltd.

(UNAUDITED BUT REVIEWED)

Investments in some subsidiary and associated companies 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 subsidiary and associated companies are immaterial.

In June 2007, Thai Union Manufacturing Co., Ltd., the subsidiary, established 4 subsidiaries in Thailand and 1 subsidiary in Singapore to support the expansion in related businesses. The subsidiary paid the advance for share subscription amounting to Baht 40 million in those subsidiaries under the caption of "Other non-current assets" in the consolidated balance sheets.

## 7. LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2007		31 December 2006	
	Cost	Fair value	Cost	Fair value
<b>Long-term investments</b>				
Available-for-sale securities - Unit trusts	74,217	72,324	74,217	72,131
Unrealised loss on changes in the value of investments	(1,893)	-	(2,086)	-
Total available-for-sale securities	72,324	<u>72,324</u>	72,131	<u>72,131</u>
Other securities - Ordinary shares	100		100	
Total long-term investments	<u>72,424</u>		<u>72,231</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2007		31 December 2006	
	Cost	Fair value	Cost	Fair value
<b>Long-term investments</b>				
Available-for-sale securities - Unit trusts	5,025	4,549	5,025	4,654
Unrealised loss on changes in the value of investments	(476)	-	(371)	-
Total long-term investments	<u>4,549</u>	<u>4,549</u>	<u>4,654</u>	<u>4,654</u>

(UNAUDITED BUT REVIEWED)

Unrealised loss on changes in the value of investments as at 30 June 2007 and 31 December 2006 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Unrealised loss on changes in the value of investments in				
- the Company	(476)	(371)	(476)	(371)
- the subsidiary companies	(1,417)	(1,715)	-	-
Balance at equity method	<u>(1,893)</u>	<u>(2,086)</u>	<u>(476)</u>	<u>(371)</u>

## 8. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2007 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2007	6,054,203	1,514,579
Acquisitions during period - at cost	780,205	173,560
Disposals during period - net book value at disposal date	(5,129)	(221)
Depreciation for period	(403,767)	(99,551)
Currency translation differences	(25,170)	-
Net book value as at 30 June 2007	<u>6,400,342</u>	<u>1,588,367</u>

An overseas subsidiary companies have mortgaged the construction and machinery, with net book values totalling approximately USD 0.1 million (31 December 2006: USD 0.6 million), to financial institutions to secure their credit facilities, as mentioned in Note 10.

As at 30 June 2007, certain machinery of the local subsidiary company, which has net book value of Baht 191 million, was acquired under financial lease agreement with a financial institution.

## 9. INTANGIBLE ASSETS

The aggregate carrying value of the overseas subsidiary company's indefinite-lived intangible assets, consisting of trademarks, was USD 26 million as at 30 June 2007 (31 December 2006: USD 26 million). Finite lived intangible assets consist of the following:

(UNAUDITED BUT REVIEWED)

(Unit: Thousand USD)

	30 June 2007			31 December 2006		
	Accumulated		Net	Accumulated		Net
	Cost	amortisation		Cost	amortisation	
Customer relationships	4,237	(1,659)	2,578	4,237	(1,448)	2,789
Covenant not to compete	413	(324)	89	413	(282)	131
Total	<u>4,650</u>	<u>(1,983)</u>	<u>2,667</u>	<u>4,650</u>	<u>(1,730)</u>	<u>2,920</u>

As at 30 June 2007, the local subsidiary companies have intangible assets - net amounting to Baht 44.4 million (31 December 2006: Baht 44.1 million).

#### 10. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company entered into interest rate swap agreements for short-term loans from financial institutions to hedge interest rate risk, as mentioned in Note 19 c).

On 31 January 2007, an overseas subsidiary company entered into a new revolving credit facility with Bank of America N.A. to replace the existing two loans with two financial institutions. The credit facility, which expires on 31 January 2010, provides for borrowings and the issuance of letters of credit up to USD 30 million subject to limitations based on eligible accounts receivable and inventory and may be increased to USD 40 million under certain conditions. The issuance of letter of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at the subsidiary company's option, at LIBOR plus a margin of 1.25 percent per annum or the bank's prime rate less 0.25 percent per annum, subject to adjustment quarterly. An unused line fee is charged at 0.25 percent 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 company. As at 30 June 2007, the balance under this facility was USD 23 million with interest at LIBOR plus 1.25 percent per annum (6.6%), and was contingently liable for open letters of credit issued under this credit lines, totaling USD 18,000 and actual unused availability based upon substantially all of collateralised assets was approximately USD 7.0 million. The subsidiary company is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 June 2007, the subsidiary company determined it was in compliance with all of these covenants.



(UNAUDITED BUT REVIEWED)

Tri-Union Seafoods, LLC (Tri-U) maintains a revolving credit facility with Bank of America N.A., which replaced its previous revolving credit facility. The credit facility, which expires on 31 October 2009, provides for borrowings and the issuance of letters of credit up to USD 50 million subject to limitations based on eligible accounts receivable and inventory and may be increased to USD 70 million under certain conditions. 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 1.25 percent per annum or the bank's prime rate less 0.25 percent per annum, subject to adjustment quarterly. An unused line fee is charged at 0.25 percent 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 June 2007, the balance under the credit facility was USD 33 million with USD 32 million at LIBOR plus 1.25 percent per annum (6.6%) and USD 1 million at prime less 0.25 percent per annum (8.0%) and actual unused availability was approximately USD 16 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 June 2007.

Tri-Union Frozen Foods, LLC (TUFF) entered into a USD 20 million revolving line of credit facility with Rabobank International, which provides for advances up to 180 days and for the issuance of letters of credit of up to 364 days. The issuance of letters of credit reduces the borrowing capacity. Borrowings under the credit agreement bear interest at LIBOR plus a margin of 1.5 percent per annum or cost of funds (as defined in the facility) plus a margin of 1.5 percent per annum or the bank's prime rate depending on subsidiary's option. Advances under the facility are subject to limitations based on inventory and accounts receivable levels. The agreement remains in effect until terminated by either party with written notice of termination to the other. The facility is guaranteed by the Company and collateralised by TUFF's assets. As of 30 June 2007, the amount outstanding under the TUFF facility was USD 13.5 million with interest at rates ranging from 6.79 percent to 6.86 percent per annum. The subsidiary company was contingently liable for open letters of credit issued under this facility totaling USD 1.9 million, and actual unused availability was approximately USD 1.1 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 June 2007, TUFF determined it was in compliance with these covenants.

**11. LONG-TERM LOANS**

Long-term loans as at 30 June 2007 and 31 December 2006 consist of:

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
USD loans	277	3,585	-	3,261
Baht loans	530	137	-	-
Total	807	3,722	-	3,261
Less: Current portion	(205)	(92)	-	-
Net	<u>602</u>	<u>3,630</u>	<u>-</u>	<u>3,261</u>

Movements in the long-term loans account during the six-month period ended 30 June 2007 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2007	3,722	3,261
Add: Additional borrowings	397	-
Less: Repayment	(3,154)	(3,114)
Less: Unrealised gain on exchange	(158)	(147)
Balance as at 30 June 2007	<u>807</u>	<u>-</u>

On 21 July 2003, an overseas subsidiary company 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 percent 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 first quarter of 2006, the Company entered into a loan agreement with Calyon whereby it obtained a facility of USD 100 million at an interest rate of LIBOR plus 0.65 percent per annum. The Company has to draw down the loan within 6 months from the date of the agreement and the

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principal is to be repaid within January 2011. However, the Company paid the full amount of debts during the current quarter.

During the third quarter of 2006, a local subsidiary company entered into two loan agreements amounting to Baht 150 million from two local financial institutions, carrying interest at MLR minus 1.50 percent per annum, MLR minus 1.25 percent per annum and MLR minus 1.00 percent per annum. These loans are to be repaid within year 2010 and have guaranteed by a local subsidiary company.

During the current period, a local subsidiary company draw Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85 percent per annum, and THBFIX plus 0.5 percent per annum. These loans are to be repaid within year 2012.

## 12. DEBENTURES

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 percent per annum and the redemption in full is in June 2011.

The debentures contain covenants relating to various matters such as the maintenance of financial ratios and certain conditions in issuance of debentures agreement.

The movements of debentures for the six-month period ended 30 June 2007 are as follows:

(Unit: Million Baht)

	Consolidated financial statements and Separate financial statements
Balance as at 1 January 2007	-
Add: Debentures issued	3,200
Less: Debentures repayment	-
Balance as at 30 June 2007	<u>3,200</u>

## 13. CORPORATE INCOME TAX/DEFERRED TAX ASSETS (LIABILITIES)

Corporate income tax of the Company and local subsidiary companies have been calculated at the rate of 30 percent on the income from the non-promoted activities after adding back certain provisions and expenses which are disallowable for tax computation purposes.

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Corporate income tax of the overseas subsidiary companies have been calculated by applying the federal statutory rate.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the three-month periods ended 30 June				
	2007	2006	2007	2006
Income tax on taxable income	81,471	(29,366)	26,718	4,803
Currency translation differences	1,597	1,179	-	-
Expense (income) in deferred income tax	(2,213)	2,259	(2,889)	(5,457)
Income tax as included in income statements	<u>80,855</u>	<u>(25,928)</u>	<u>23,829</u>	<u>(654)</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the six-month periods ended 30 June				
	2007	2006	2007	2006
Income tax on taxable income	145,787	30,747	41,740	4,803
Currency translation differences	5,089	5,410	-	-
Expense (income) in deferred income tax	(2,898)	20,053	(3,634)	(1,853)
Income tax as included in income statements	<u>147,978</u>	<u>56,210</u>	<u>38,106</u>	<u>2,950</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Tax losses brought forward	133,812	139,618	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	9,718	8,323	130	130
Allowance for diminution in the value of inventories	5,862	2,614	4,292	658
Other allowance	15,194	16,558	14,393	14,393
Accrued liabilities	141,636	147,787	-	-
Inventory cost capitalisation	49,883	52,050	-	-
Others	1,278	-	-	-
Total	<u>357,383</u>	<u>366,950</u>	<u>18,815</u>	<u>15,181</u>

As at 30 June 2007, a local subsidiary company has deferred tax liabilities amounting to Baht 42.2 million (31 December 2006: Baht 38.4 million) and overseas subsidiary companies have deferred tax liabilities amounting to Baht 236.5 million or USD 6.8 million (31 December 2006: Baht 248.2 million or USD 6.9 million).

#### 14. ESOP

In August 2003, the Company issued warrants to purchase the ordinary shares to directors and employees of the Company and its subsidiaries (ESOP). The Company also issued 26 million additional ordinary shares, with a par value of Baht 1 each, to support the exercise of these named non-transferable warrants offered to directors and employees of the Company and its subsidiaries. The terms and conditions of this exercise are as follows:

- (1) The warrants, are named, non-transferable and have a life of 5 years.
- (2) The exercise price is the average closing price of the shares of the Company on SET in the 30 days before the exercise date discounted by Baht 8 and the exercise ratio is 1 warrant per 1 ordinary share.
- (3) Exercises of the warrants can be made on the 2 July of each year.

During the current period, the warrant holders exercised rights to purchase 4.7 million ordinary shares. The Company registered the additional shares with the Ministry of Commerce on 5 July 2007 and recorded subscription received in advance from the exercise of warrants amounting to Baht 27 million in shareholders' equity as at 30 June 2007. There are 6.3 million outstanding unexercised warrants offered to directors and employees of the Company and its subsidiaries as at 30 June 2007.

#### 15. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the three-month periods ended 30 June										
Consolidated financial statements		Separate financial statements		Weighted average number of		Earnings per share				
2007	2006	2007	2006	2007	2006	Consolidated financial statements		Separate financial statements		
Million Baht	Million Baht	Million Baht	Million Baht	Million shares	Million shares	2007	2006	2007	2006	
	(Restated)		(Restated)			Baht	Baht	Baht	Baht	
							(Restated)		(Restated)	
<b>Basic earnings per share</b>										
Net income	430.2	340.7	592.8	528.7	874.1	869.3	0.49	0.39	0.68	0.61
Dilutive effect of warrants conversion	-	-	-	-	3.5	5.8				
<b>Diluted earnings per share</b>										
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	430.2	340.7	592.8	528.7	877.6	875.1	0.49	0.39	0.68	0.60

## (UNAUDITED BUT REVIEWED)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements		Weighted average number of		Earnings per share			
	2007	2006	2007	2006	2007	2006	Consolidated financial statements		Separate financial statements	
	Million Baht	Million Baht	Million Baht	Million Baht	Million shares	Million shares	2007 Baht	2006 Baht	2007 Baht	2006 Baht
		(Restated)		(Restated)				(Restated)		(Restated)
<b>Basic earnings per share</b>										
Net income	957.9	756.1	834.2	566.4	874.0	869.3	1.10	0.87	0.95	0.65
Dilutive effect of warrants conversion	-	-	-	-	3.5	6.2				
<b>Diluted earnings per share</b>										
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	957.9	756.1	834.2	566.4	877.5	875.5	1.09	0.86	0.95	0.65

**16. DIVIDEND PAID**

Dividends declared in 2007 and 2006 consist of the following: -

(Unit: Baht)

	Approved by	Total dividends	Dividend per share
Dividends on income for the period 1 July 2006 to 31 December 2006	Annual General Meeting of the shareholders on 25 April 2007	594,358,046	0.68
Total for 2007		594,358,046	
Dividends on income for the period 1 July 2005 to 31 December 2005	Annual General Meeting of the shareholders on 25 April 2006	556,339,808	0.64
Total for 2006		556,339,808	

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cept for an overseas subsidiary company of which the principal business activity is overseas investments, the operations of the Company and its subsidiary companies principally involve the production, distribution and export of frozen seafood products, and these activities are carried out in Thailand and overseas. Their income come from both local and export sales. Financial information of the Company and its subsidiary companies presented by business segment for the three-month and six-month periods ended 30 June 2007 and 2006 is as follows:

## (UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(Restated)									
Sales										
- Local	579	473	1,975	1,967	2,554	2,440	(1,221)	(927)	1,333	1,513
- Export	13,873	13,266	255	252	14,128	13,518	(1,733)	(1,845)	12,395	11,673
Total sales	14,452	13,739	2,230	2,219	16,682	15,958	(2,954)	(2,772)	13,728	13,186
Segment operating profit	483	303	148	250	631	553	64	(7)	695	546
Unallocated income (expenses):										
Interest income									7	1
Selling and administrative expenses									(8)	(14)
Share of gain from investment in associated companies									-	5
Interest expense									(135)	(148)
Corporate income tax									(81)	26
Minority interest in gains of subsidiaries									(48)	(75)
Net income									430	341

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	(Restated)									
Sales										
- Local	1,004	844	3,765	3,772	4,769	4,616	(2,302)	(1,938)	2,467	2,678
- Export	26,899	26,924	431	441	27,330	27,365	(3,267)	(3,136)	24,063	24,229
Total sales	27,903	27,768	4,196	4,213	32,099	31,981	(5,569)	(5,074)	26,530	26,907
Segment operating profit	1,131	878	336	415	1,467	1,293	2	(7)	1,469	1,286
Unallocated income (expenses):										
Interest income									9	1
Selling and administrative expenses									(11)	(75)
Share of gain from investment in associated companies									4	14
Interest expense									(263)	(285)
Corporate income tax									(148)	(56)
Minority interest in gains of subsidiaries									(102)	(129)
Net income									958	756

Financial information of the Company and its subsidiary companies presented by geographical segment for the three-month and six-month periods ended 30 June 2007 and 2006 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Thailand		Overseas		Total		Elimination		Grand total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Sales										
- Frozen and canned food products	7,754	7,359	6,698	6,380	14,452	13,739	(2,090)	(1,353)	12,362	12,386
- Other businesses	2,230	2,219	-	-	2,230	2,219	(864)	(1,419)	1,366	800
Total sales	9,984	9,578	6,698	6,380	16,682	15,958	(2,954)	(2,772)	13,728	13,186
Segment operating profit									695	546

## (UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Thailand		Overseas		Total		Elimination		Grand total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Sales										
- Frozen and canned										
food products	14,690	14,777	13,213	12,991	27,903	27,768	(3,818)	(3,484)	24,085	24,284
- Other businesses	4,196	4,213	-	-	4,196	4,213	(1,751)	(1,590)	2,445	2,623
Total sales	18,886	18,990	13,213	12,991	32,099	31,981	(5,569)	(5,074)	26,530	26,907
Segment operating profit									1,469	1,286

**18. COMMITMENTS**

As at 30 June 2007, the Company and its subsidiary companies have the following commitments:

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

		2007	2008 - 2009	As from 2010	Total
Office rental and service agreements	Baht	11.7 million	Baht 18.6 million	Baht 35.0 million	Baht 65.3 million
Land lease agreements	Baht	7.5 million	Baht 21.3 million	Baht 46.7 million	Baht 75.5 million
	USD	1.7 million	USD 5.0 million	USD 3.9 million	USD 10.6 million
Car lease agreements	Baht	2.2 million	Baht 3.6 million	-	Baht 5.8 million
Machinery and equipment					
lease agreement	USD	0.1 million	USD 0.3 million	USD 0.1 million	USD 0.5 million
Computer lease agreement	Baht	1.0 million	Baht 1.8 million	-	Baht 2.8 million
Warehouse and factory					
construction agreements	Baht	9.5 million	Baht 3.4 million	-	Baht 12.9 million
Purchase machinery and					
equipment agreements	Baht	25.5 million	-	-	Baht 25.5 million
	CHF	0.5 million	-	-	CHF 0.5 million
Advertising agreement	Baht	9.3 million	-	-	Baht 9.3 million

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

	Amount
The overseas subsidiary company	USD 1.9 million
The local associated company	Baht 30.0 million
The overseas associated companies	USD 2.3 million



- c) The overseas subsidiary company 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 six-month periods ended 30 June 2007 amounting to USD 0.2 million and USD 0.3 million, respectively.
- d) Purchase commitments of the overseas subsidiary companies
- 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 purchases under the terms of these contracts approximated 12 percent of total raw fish purchases for the three-month and six-month periods ended 30 June 2007.
  - In order to ensure procurement of frozen seafood, primarily shrimp products, from certain suppliers, Empress has entered into various purchase agreements with them ranging in length from one to four years. These agreements typically require either the purchase of a minimum amount of product during the year, or they require the company to purchase a portion, or in certain cases all, of the selected products produced by the supplier. The overseas subsidiary company considers these agreements necessary to maintain a consistent supply of quality products and believes these commitments are within the normal requirements of the business. These purchase commitments have represented approximately 10 - 15 percent of total inventory purchases by Empress. Since the acquisition, Empress has entered into purchase commitments with the Company and a local subsidiary company to procure inventory.

- 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 company 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 company. Either the overseas subsidiary company or the vendor may elect to terminate the agreement with 18 months' prior written notice at any time after June 2009.
- Tri-U has a transportation contract with a freight carrier in which Tri-U agrees to transport a minimum amount of containers to and from American Samoa per calendar year. This agreement is in effect until 15 November 2009. Rates vary based on the contents of each shipment.

e) Co-Pack agreement

During the year 2004, TUI entered into a three-year 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 extensions 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 company is reimbursed for production costs. In connection with the agreement, the third party provided equipment which the overseas subsidiary company 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 has the option to purchase the equipment upon termination of the agreement for cost plus interest, less lease payments previously made.

- f) As the result of TUI's acquisition of the stock of Empress in 2003, TUI has payment commitments to the sellers of such stock, who are entitled to shares of future profits until July 2008, if certain annual net profit targets of Empress are achieved. The earn-outs are payable annually.

**19. CONTINGENT LIABILITIES**

## a) Forward foreign exchange contracts

Significant forward exchange contracts outstanding are summarised below.

Buying / Selling forward foreign exchange contracts	Amount	Forward exchange rate	b)	Option agr
<u>As at 30 June 2007</u>				
<u>The Company</u>				
Selling forward foreign exchange contracts	USD 171.69 million against Baht	34.22 - 43.55	A	
	JPY 10.69 million against Baht	0.2820	s	
<u>Subsidiary companies</u>				
Selling forward foreign exchange contracts	USD 55.77 million against Baht	34.32 - 37.13	at	
	EURO 0.14 million against Baht	46.65 - 46.70	3	
Buying forward foreign exchange contracts	EURO 0.12 million against Baht	46.30 - 46.41	0	
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e 2007, the Company and its subsidiary companies have outstanding option agreements under which they will sell “put option” USD 15.08 - 26.90 million at rates from Baht 35.45 to Baht 37.60 per USD 1.

As at 30 June 2007, the Company and its subsidiary companies have outstanding option agreements under which they will buy “put option” USD 19.5 million at rates ranging from Baht 34.50 to Baht 34.63 per USD 1.

c) Interest rate swap transaction agreements

During the year 2004, the overseas subsidiary company entered into two interest rate swap agreements to convert the variable interest rate payments on credit facilities of USD 10 million from Citicorp USA, Inc. and USD 10 million from Standard Chartered Bank to fixed rates of 3 percent and 3 percent, respectively. In July 2005, the above subsidiary entered into two additional interest rate swap agreements. The first agreement was entered to reverse the effect of one of the 2004 swap agreements and the second agreement was entered to convert one of the credit facilities to a fixed rate of 4 percent. During February 2006, one of the 2004 swap agreements was cancelled, resulting in a loss of USD 0.2 million. The remaining swap agreements terminate in 2010.

During the year 2005, the Company entered into two interest rate swap agreements with The Hongkong and Shanghai Banking Corporation Limited for short-term loans from financial institutions amounting to Baht 400 million, as mentioned in Note 10. Under these, interest was to be paid at fixed rates of 4.22 and 4.64 percent, respectively. In March 2007, the Company entered into two additional interest rate swap agreements, which reverse the effect of the 2005 swap agreements. These agreements terminate in 2008.

During the year 2006, the Company entered into three interest rate swap agreements on USD 80 million, to swap a rate of 3-month LIBOR plus 0.65 percent to a fixed rate of 5.79 percent on a nominal amount of USD 60 million and to swap a rate of 3-month LIBOR plus 0.65 percent to a rate of 3-month LIBOR minus 0.105 percent plus stipulated rate in the agreements on a nominal amount of USD 20 million.

During the current quarter, the Company entered into two additional interest rate swap agreements to reverse the effect of the above agreement to swap a fixed rate of 5.79 percent to a rate of 3-month LIBOR plus 0.47 percent on a nominal amount of USD 60 million. The above agreements terminate in 2011. In addition, the Company entered into a cross currency swap agreement with a contract value equivalent to USD 90 million, whereby Baht-denominated debt from the issuance of Baht debenture, subject to interest at a rate of 3.91 percent per annum is to be converted to USD liabilities subject to interest at 3-month LIBOR plus 0.47 percent, in order to match both cash flows and currency with long-term loans provided to group companies. The agreement terminates in 2011.

d) Others

- 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.
- 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. TUI and the other producers have agreed to provide indemnification for related damages. However, on 10 May 2006 a decision was issued in the tuna companies' favor on all issues contained in the lawsuit. The Office of Attorney General of a US state filed an objection to the decision, but on 29 September 2006, the Superior Court of this state rendered its decision that the objections raised were without merit. However, on 18 January 2007 the Office of Attorney General of the state filed notice of appeal but TUI is presently unable to estimate the amount of any damage. The Office of Attorney General of a US state filed notice of appeal in 2007, and a decision on the appeal is anticipated in late 2007. In addition, other states in the US have filed similar suits against TUI and TUI is presently unable to estimate the amount of any damages.

**20. GUARANTEES**

- a) The Company's board of directors approved the issuance of corporate guarantees of USD 27.8 million (31 December 2006: Baht 1,234 million and USD 23.9 million) to several financial institutions to secure credit facilities of its subsidiary companies and their loans.
- b) As at 30 June 2007, there were outstanding bank guarantees of approximately Baht 33.4 million and USD 0.04 million (31 December 2006: Baht 32.8 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 June 2007, there were outstanding bank guarantees of approximately Baht 61.0 million (31 December 2006: Baht 60.9 million) issued by banks on behalf of the subsidiary companies in respect of certain performance bonds as required in the normal course of businesses.

**21. FINANCIAL INSTRUMENTS**

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 30 June 2007:

Foreign currency	(Unit: Thousand)			
	Consolidated		Separate	
	financial statements		financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollars	26,113	13,255	11,069	8,836
Yen	-	132,303	-	128,114
EURO	34	97	22	50

**22. RECLASSIFICATION**

In addition to the changes in accounting policies as mentioned in Note 2, which affects the previously reported net income and shareholders' equity, certain other amounts in the financial statements for the prior period have been reclassified to conform to the current period's classification, but with no effect to previously reported net income or shareholders' equity other than from the change in accounting policy.

**23. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorised for issue by the Audit Committee and the Company's management on 9 August 2007.