

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2008 and 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 subsidiaries as at 30 June 2008, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2008 and 2007, the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2008 and 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 reviews. I did not review the interim financial statements of overseas subsidiaries, Thai Union International, Inc. and its subsidiaries and PT Juifa International Foods, which are included in the consolidated financial statements for the three-month and six-month periods ended 30 June 2008. The consolidated financial statements of these subsidiaries as at 30 June 2008 presented total assets of Baht 12,511 million and total revenues for the three-month and six-month periods then ended of Baht 7,143 million and Baht 14,197 million, respectively. The financial statements of these subsidiaries were reviewed by other auditors whose reports have been furnished to me, and my review report, in so far as it relates to the amounts included for those subsidiaries 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 reviews and the review reports of other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Thai Union Frozen Products Public Company Limited and its subsidiaries, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the year ended 31 December 2007 in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements and drew attention to the change in accounting policy for recording investments in subsidiaries and associates 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 subsidiaries in the consolidated financial statements, based on my audit and the reports of the other auditors of the overseas subsidiaries, under my report dated 22 February 2008. The consolidated and separate balance sheet as at 31 December 2007, 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.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited
Bangkok: 6 August 2008

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2008</u>	<u>31 December 2007</u>	<u>30 June 2008</u>	<u>31 December 2007</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		356,869	485,405	25,692	1,717
Trade accounts receivable	3				
Related companies	4	40,762	15,195	1,100,753	1,546,486
Others		7,085,915	6,559,541	1,036,038	1,082,522
Total trade accounts receivable		7,126,677	6,574,736	2,136,791	2,629,008
Less: Allowance for doubtful accounts		(127,634)	(169,337)	(717)	(717)
Trade accounts receivable - net		6,999,043	6,405,399	2,136,074	2,628,291
Short-term loans to related parties	4	-	1,500	384,074	121,104
Short-term loans to other company		15,000	300	15,000	-
Current portion of long-term loans to subsidiary	4	-	-	167,037	192,923
Current portion of long-term loan to other company		1,500	2,083	-	-
Inventories - net	5	15,233,738	15,945,239	3,131,728	3,138,225
Other current assets					
Prepaid expenses		94,802	150,189	10,686	19,093
Prepaid income tax		171,683	92,306	49,496	39,088
Spareparts		121,194	132,670	13,606	13,882
Advance payments		107,107	42,435	8,745	7,474
Current portion of forward exchange contracts receivables		178,356	31,419	158,871	8,675
Value added tax refundable		144,773	114,227	92,988	48,365
Others	4	85,239	93,954	44,974	46,482
Total other current assets		903,154	657,200	379,366	183,059
Total current assets		23,509,304	23,497,126	6,238,971	6,265,319

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>30 June 2008</u>	<u>31 December 2007</u>	<u>30 June 2008</u>	<u>31 December 2007</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Non-current assets					
Restricted deposits with financial institutions		730	669	-	-
Investments in subsidiaries - net	6	-	-	3,320,368	3,320,368
Investments in associates - net	7	253,523	255,821	43,560	43,560
Long-term investments	8	76,832	90,602	4,519	4,540
Long-term loans to subsidiaries - net of current portion	4	-	-	4,242,518	4,470,791
Long-term loans to other companies		20,125	16,667	-	-
Property, plant and equipment - net	9	8,108,812	7,728,002	2,036,111	1,678,608
Properties foreclosed - net		60,142	60,342	60,142	60,341
Leasehold rights - net		16,790	17,420	-	-
Intangible assets - net	10	691,499	705,831	-	-
Goodwill - net		291,989	206,705	-	-
Deferred tax assets	14	339,646	370,603	13,566	13,898
Other non-current assets		362,795	626,074	214,730	476,047
Total non-current assets		<u>10,222,883</u>	<u>10,078,736</u>	<u>9,935,514</u>	<u>10,068,153</u>
Total assets		<u>33,732,187</u>	<u>33,575,862</u>	<u>16,174,485</u>	<u>16,333,472</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	11	8,590,975	8,939,339	2,164,061	2,687,169
Trade accounts payable					
Related companies	4	99,183	32,729	416,530	243,679
Others		2,584,552	2,943,642	729,949	814,998
Total trade accounts payable		2,683,735	2,976,371	1,146,479	1,058,677
Current portion of long-term loans	12	202,773	178,181	-	-
Short-term loans from related parties	4	8,000	8,000	108,000	205,400
Short-term loans from director of subsidiary	4	-	30,000	-	-
Other current liabilities					
Corporate income tax payable		140,754	75,340	39,728	-
Accrued expenses	4	574,063	541,072	173,581	145,044
Accounts payable - construction and asset purchase		181,926	163,711	22,905	23,852
Billback		166,291	190,880	-	-
Others		796,787	563,065	223,868	156,153
Total other current liabilities		1,859,821	1,534,068	460,082	325,049
Total current liabilities		13,345,304	13,665,959	3,878,622	4,276,295
Non-current liabilities					
Long-term loan from shareholder of subsidiary	4	-	26,222	-	-
Long-term loans - net of current portion	12	1,536,615	1,735,349	-	-
Debentures	13	3,200,000	3,200,000	3,200,000	3,200,000
Deferred tax liabilities	14	277,743	276,397	-	-
Other non-current liabilities		115,795	102,226	38,961	28,878
Total non-current liabilities		5,130,153	5,340,194	3,238,961	3,228,878
Total liabilities		18,475,457	19,006,153	7,117,583	7,505,173

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Balance sheets (Continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	30 June 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
Shareholders' equity					
Share capital					
Registered					
885,090,950 ordinary shares of Baht 1 each		885,091	885,091	885,091	885,091
Issued and paid-up					
878,794,950 ordinary shares of Baht 1 each		878,795	878,795	878,795	878,795
Premium on shares capital		4,481,688	4,481,688	4,481,688	4,481,688
Subscription received in advance from					
exercise of warrants	15	11,610	-	11,610	-
Unrealised loss on changes in the value					
of investments	8	(13,715)	(8,161)	(506)	(485)
Provision for changes in the value of pension fund		(6,405)	(6,440)	-	-
Translation adjustment		(74,188)	(73,045)	-	-
Retained earnings					
Appropriated - statutory reserve		89,000	89,000	89,000	89,000
Unappropriated		8,298,702	7,724,167	3,596,315	3,379,301
Equity attributable to the Company's shareholders		13,665,487	13,086,004	9,056,902	8,828,299
Minority interest - equity attributable to minority shareholders					
of subsidiaries		1,591,243	1,483,705	-	-
Total shareholders' equity		15,256,730	14,569,709	9,056,902	8,828,299
Total liabilities and shareholders' equity		33,732,187	33,575,862	16,174,485	16,333,472
		-	-	-	-

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 subsidiaries**Income statements****For the three-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues				
Sales	16,792,267	13,728,380	4,343,721	3,334,093
Other income				
Interest income	4,087	7,016	63,899	89,837
Dividend income	60	95	263,796	491,960
Compensation from accounts payable	711	1,498	693	-
Tax coupon received	17,441	29,780	2,262	6,047
Exchange gains	-	39,638	-	25,988
Others	57,970	71,161	41,166	15,618
Total other income	80,269	149,188	371,816	629,450
Share of income from investments in associates	1,103	278	-	-
Total revenues	<u>16,873,639</u>	<u>13,877,846</u>	<u>4,715,537</u>	<u>3,963,543</u>
Expenses				
Cost of sales	14,551,891	11,897,585	3,792,214	3,036,291
Selling and administrative expenses	1,296,982	1,285,351	284,227	241,796
Exchange loss	329,466	-	156,053	-
Other expenses	6,464	710	717	149
Total expenses	<u>16,184,803</u>	<u>13,183,646</u>	<u>4,233,211</u>	<u>3,278,236</u>
Income before interest expense and income tax	688,836	694,200	482,326	685,307
Interest expense	(119,171)	(135,269)	(46,687)	(68,694)
Corporate income tax (Note 14)	(55,021)	(80,855)	(23,525)	(23,829)
Net income for the period	<u>514,644</u>	<u>478,076</u>	<u>412,114</u>	<u>592,784</u>
Net income attributable to:				
Equity holders of the parent	403,444	430,208	412,114	592,784
Minority interests of the subsidiaries	111,200	47,868		
	<u>514,644</u>	<u>478,076</u>		
				(Unit: Baht)
Earnings per share (Note 16)				
Basic earnings per share				
Net income attributable to equity holders of the parent	<u>0.46</u>	<u>0.49</u>	<u>0.47</u>	<u>0.68</u>
Diluted earnings per share				
Net income attributable to equity holders of the parent	<u>0.46</u>	<u>0.49</u>	<u>0.47</u>	<u>0.68</u>

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries**Income statements****For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues				
Sales	32,207,860	26,529,895	8,322,814	6,215,932
Other income				
Interest income	4,164	9,445	126,594	182,212
Dividend income	60	215	263,796	503,966
Compensation from accounts payable	61,263	57,688	31,346	30,722
Tax coupon received	36,235	48,899	3,618	9,194
Exchange gains	114,897	137,404	41,585	74,494
Others	106,673	118,264	48,436	34,486
Total other income	323,292	371,915	515,375	835,074
Share of income from investments in associates	596	3,656	-	-
Total revenues	32,531,748	26,905,466	8,838,189	7,051,006
Expenses				
Cost of sales	28,355,544	22,854,696	7,441,118	5,551,456
Selling and administrative expenses	2,631,216	2,578,033	554,355	484,560
Other expenses	8,655	2,073	2,108	380
Total expenses	30,995,415	25,434,802	7,997,581	6,036,396
Income before interest expense and income tax	1,536,333	1,470,664	840,608	1,014,610
Interest expense	(262,416)	(263,143)	(91,418)	(142,289)
Corporate income tax (Note 14)	(124,854)	(147,978)	(40,060)	(38,106)
Net income for the period	1,149,063	1,059,543	709,130	834,215
Net income attributable to:				
Equity holders of the parent	981,427	957,888	709,130	834,215
Minority interests of the subsidiaries	167,636	101,655		
	<u>1,149,063</u>	<u>1,059,543</u>		
				(Unit: Baht)
Earnings per share (Note 16)				
Basic earnings per share				
Net income attributable to equity holders of the parent	<u>1.12</u>	<u>1.10</u>	<u>0.81</u>	<u>0.95</u>
Diluted earnings per share				
Net income attributable to equity holders of the parent	<u>1.12</u>	<u>1.09</u>	<u>0.81</u>	<u>0.95</u>

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries**Statements of cash flows****For the six-month periods ended 30 June 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from (used in) operating activities				
Net income before tax	1,273,917	1,207,521	749,190	872,321
Adjustments to reconcile net income to net cash provided by (paid from) operating activities				
Depreciation and amortisation	481,009	449,321	108,490	99,551
Amortisation of premium/discount from forward contracts	(2,565)	-	(19)	-
Allowance for doubtful accounts (reversal)	(43,445)	29,976	-	-
Allowance for diminution in value of inventory (reversal)	(7,067)	28,220	(13,338)	36,050
Reversal of loss on impairment of assets	-	(51)	-	-
Share of profit from investments in associates	(596)	(3,656)	-	-
Gain on sale of investment in common stock	(291)	-	-	-
Gain on disposal / write-off of assets	(999)	(3,962)	(222)	(385)
Loss on disposal of properties foreclosed	-	9,078	-	9,078
Unrealised exchange losses (gains)	127,642	(2,466)	44,396	(23,017)
Dividend income	(60)	(215)	(263,796)	(503,966)
Interest income	(4,164)	(9,445)	(126,594)	(182,212)
Interest expense	262,416	263,143	91,418	142,289
Income from operating activities before change in operating assets and liabilities	2,085,797	1,967,464	589,525	449,709
Decrease (increase) in operating assets				
Trade accounts receivable	(442,511)	(631,698)	531,055	(162,269)
Inventories	638,663	(23,851)	20,657	315,909
Other current assets	(23,324)	34,034	(35,562)	(25,881)
Other non-current assets	897	(68,030)	(238)	353
Increase (decrease) in operating liabilities				
Trade accounts payable	(258,085)	157,497	77,948	21,822
Other current liabilities	85,971	17,960	36,208	68,656
Other non-current liabilities	10,565	(590)	7,029	168
Cash flows from (used in) operating activities				
Cash paid for interest expense	(277,783)	(263,572)	(91,987)	(145,513)
Cash paid for corporate income tax	(116,328)	(119,580)	(10,408)	(27,410)
Net cash from operating activities	1,703,862	1,069,634	1,124,227	495,544

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries
Statements of cash flows (continued)
For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from (used in) investing activities				
Increase in restricted deposits with financial institutions	(61)	-	-	-
Acquisitions of property, plant and equipment	(835,212)	(763,841)	(466,785)	(177,444)
Acquisitions of intangible assets	(89)	(3,631)	-	-
Decrease in short-term loans to subsidiaries	-	-	80,611	47,000
Increase in short-term loans to director and employees	-	(84,290)	-	-
(Increase) decrease in short-term loans to other companies	(14,700)	22,315	(15,000)	-
Decrease in long-term loans to subsidiaries	-	-	37,633	-
Increase in long-term loans to other companies	(2,875)	-	-	-
Increase in investments in subsidiary	-	-	-	(20,400)
Increase in investment in associates	-	(34,850)	-	-
Interest received	4,207	7,034	107,498	150,830
Dividend received	60	215	263,796	503,966
Proceeds from sale of investment	8,090	-	-	-
Proceeds from return of capital of subsidiary	-	-	-	35,514
Proceeds from disposal of property, plant and equipment	7,065	9,091	267	606
Proceeds from disposal of properties foreclosed	-	2,008	-	2,008
Net cash from (used in) investing activities	(833,515)	(845,949)	8,020	542,080
Cash flows from (used in) financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(352,009)	(8,034)	(530,366)	(354,544)
Decrease in short-term loans from subsidiaries	-	-	(97,400)	(171,700)
Decrease in short-term loans from shareholders of subsidiary	-	(58,501)	-	-
Decrease in long-term loans from directors of subsidiary	(30,000)	-	-	-
Decrease in long-term loans from shareholders of subsidiary	(25,494)	-	-	-
Decrease in long-term loans	(171,585)	(2,757,285)	-	(3,114,000)
Decrease in financial lease payable	(22,900)	(22,900)	-	-
Increase in debentures	-	3,200,000	-	3,200,000
Share subscriptions received in advance from exercise				
of warrants	11,610	26,959	11,610	26,959
Decrease in minority interest - equity attributable to minority				
shareholders of subsidiaries	(60,098)	(104,834)	-	-
Dividend paid	(492,116)	(594,358)	(492,116)	(594,358)
Net cash used in financing activities	(1,142,592)	(318,953)	(1,108,272)	(1,007,643)
Effect of exchange rate change to cash				
 and cash equivalents	143,709	49,215	-	-
Net increase (decrease) in cash and cash equivalents	(128,536)	(46,053)	23,975	29,981
Cash and cash equivalents at beginning of period	485,405	365,142	1,717	3,819
Cash and cash equivalents at end of period	356,869	319,089	25,692	33,800
Supplement cash flows information				
Non-cash items				
Undue installments for acquisitions of property, plant				
and equipment	181,926	61,938	22,905	22,715
Unrealised loss (gain) on changes in the value of investment	5,554	(193)	21	105

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and paid-up share capital	Premium on shares capital	Subscription received in advance from exercise of warrants	Unrealised gain (loss) on changes in the value of investments	Provision for changes in the value of pension fund	Translation adjustment	Retained earnings		Minority interest - equity attributable to minority shareholders of subsidiaries		Total
							Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2007	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 15)	-	-	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
Translation adjustment	-	-	-	-	-	(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 17)	-	-	-	-	-	-	-	(594,358)	(124,434)		(718,792)
Increase in investment in subsidiary	-	-	-	-	-	-	-	-	19,600		19,600
Balance as at 30 June 2007	<u>874,056</u>	<u>4,411,978</u>	<u>26,959</u>	<u>(1,893)</u>	<u>(22,800)</u>	<u>(55,467)</u>	<u>89,000</u>	<u>7,339,360</u>	<u>1,451,737</u>		<u>14,112,930</u>
Balance as at 1 January 2008 - as previously reported	878,795	4,481,688	-	(8,161)	(6,440)	(73,045)	89,000	7,724,167	1,483,705		14,569,709
Cumulative effect of the change in accounting policy (Note 2)	-	-	-	-	-	-	-	85,224	-		85,224
Balance as at 1 January 2008 - as restated	<u>878,795</u>	<u>4,481,688</u>	<u>-</u>	<u>(8,161)</u>	<u>(6,440)</u>	<u>(73,045)</u>	<u>89,000</u>	<u>7,809,391</u>	<u>1,483,705</u>		<u>14,654,933</u>
Subscription received in advance from											
exercise of warrants (Note 15)	-	-	11,610	-	-	-	-	-	-	-	11,610
Unrealised loss on changes in the value of investments	-	-	-	(5,554)	-	-	-	-	-	-	(5,554)
Provision for changes in the value of pension fund	-	-	-	-	35	-	-	-	-	-	35
Translation adjustment	-	-	-	-	-	(1,143)	-	-	-	-	(1,143)
Items not recognised in income statements	-	-	11,610	(5,554)	35	(1,143)	-	-	-	-	4,948
Net income for the period	-	-	-	-	-	-	-	981,427	167,636		1,149,063
Dividend paid (Note 17)	-	-	-	-	-	-	-	(492,116)	(60,115)		(552,231)
Increase in minority interest	-	-	-	-	-	-	-	-	17		17
Balance as at 30 June 2008	<u>878,795</u>	<u>4,481,688</u>	<u>11,610</u>	<u>(13,715)</u>	<u>(6,405)</u>	<u>(74,188)</u>	<u>89,000</u>	<u>8,298,702</u>	<u>1,591,243</u>		<u>15,256,730</u>

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

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on shares capital	Subscription received in advance from exercise of warrants	Unrealised gain (loss) on changes in the value of investments	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2007	874,056	4,411,978	-	(371)	89,000	2,823,480	8,198,143
Subscription received in advance from exercise of warrants (Note 15)	-	-	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 17)	-	-	-	-	-	(594,358)	(594,358)
Balance as at 30 June 2007	<u>874,056</u>	<u>4,411,978</u>	<u>26,959</u>	<u>(476)</u>	<u>89,000</u>	<u>3,063,337</u>	<u>8,464,854</u>
Balance as at 1 January 2008	878,795	4,481,688	-	(485)	89,000	3,379,301	8,828,299
Subscription received in advance from exercise of warrants (Note 15)	-	-	11,610	-	-	-	11,610
Unrealised loss on changes in the value of investments	-	-	-	(21)	-	-	(21)
Items not recognised in income statements	-	-	11,610	(21)	-	-	11,589
Net income for the period	-	-	-	-	-	709,130	709,130
Dividend paid (Note 17)	-	-	-	-	-	(492,116)	(492,116)
Balance as at 30 June 2008	<u>878,795</u>	<u>4,481,688</u>	<u>11,610</u>	<u>(506)</u>	<u>89,000</u>	<u>3,596,315</u>	<u>9,056,902</u>

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

30 June 2008 and 2007

1. General information

1.1 The Company's 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 on the Stock Exchange of Thailand on 22 November 1994. The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiaries are also engaged in the packaging and printing, pet food businesses and fishery. The principal activities of the overseas subsidiaries are the manufacture and distribution of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailers, wholesalers and food processors which are principally located in the United States and the manufacture and distribution of seafood which are principally located in Indonesia. The Company’s registered office is located at 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn. The Company has 3 branches in Bangkok and Samutsakorn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 (revised 2007), “Interim financial statements”, which the Company has presented condensed interim financial statements. However, the Company has presented the balance sheets, 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.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2007. There has been change in the composition of the group of company during the current period as follows:

In January 2008, Thai Quality Shrimp Co., Ltd., an associated company of Thai Union Feedmill Co., Ltd. is registered the capital reduction with the Ministry of Commerce, reduced its registered capital from Baht 8 million to Baht 4 million. As a result, the equity interest of Thai Union Feedmill Co., Ltd. increased from 49.99% to 95%. Consequently, that associated company will become a subsidiary.

The financial statement of Thai Quality Shrimp Co., Ltd is included in the consolidated financial statement even though the Company's shareholding is 48.45%. This is because the Company has control over the company through its board of directors, and is therefore regarded as a subsidiary.

The percentages of the total assets and total revenues of the subsidiaries in relation to the total assets and total revenues as included in the consolidated financial statements for the six-month period ended 30 June 2008 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	18.28	17.91
Songkla Canning Pcl. and its subsidiary	12.57	11.48
Thai Union Seafood Co., Ltd.	1.96	0.83
T-Holding Co., Ltd.	1.03	1.44
Thai Union Numhong Co., Ltd.	0.01	-
Thai Union Feedmill Co., Ltd.		
and its subsidiaries	6.89	5.49
Thai Union Graphic Co., Ltd.	0.95	0.38
Thai Union International, Inc. (TUI)		
and its subsidiaries	36.50	42.73
PT Juifa International Foods	0.59	0.91

1.4 Accounting Standards which are effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 29 (revised 2007), TAS 33 (revised 2007), TAS 39 (revised 2007) and TAS 49 (revised 2007) are not relevant to the business of the Company, whereas TAS 25 (revised 2007), TAS 31 (revised 2007), TAS 35 (revised 2007), TAS 41 (revised 2007), and TAS 51 do not have any significant impact on the financial statements for the current period. The following accounting standard has an impact to the financial statements for the current period.

TAS 43 (revised 2007) “Business Combinations”

TAS 43 (revised 2007) does not require the amortisation of goodwill acquired in a business combination. Such goodwill is instead to be tested for impairment, and measured at cost less accumulated impairment losses. This accounting standard applies to goodwill arising from business combinations for which the agreement date is on or after 1 January 2008. Previously recognised goodwill can be accounted for prospectively, with the Company discontinuing the amortisation of the goodwill and instead testing for impairment, as from the beginning of the first fiscal year starting on or after 1 January 2008. Previously recognised negative goodwill is adjusted to the opening balance of retained earnings, as from the beginning of the first fiscal year starting on or after 1 January 2008.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2007, except for the following change in the accounting policy.

Goodwill on business combination

Goodwill on business combination is presented in the balance sheet at cost less accumulated impairment loss.

2. Change in accounting policy

During the current period, the Company changed its accounting policy for goodwill, in compliance with Accounting Standard No.43 (revised 2550) "Business Combinations", as mentioned in Note 1.4. Negative goodwill arising from business combinations before 1 January 2008 has been adjusted against the opening balance of retained earnings. The cumulative effect of the accounting change is presented under the heading of "Cumulative effect of the change in accounting policy" 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 2008	31 December 2007	30 June 2008	31 December 2007
<u>Age of receivable</u>				
Trade accounts receivable - related companies				
Not yet due	17,557	10,977	848,209	717,237
Overdue				
1 - 30 days	23,205	4,137	240,293	389,498
31 - 60 days	-	81	7,430	228,611
61 - 90 days	-	-	-	160,344
91 - 120 days	-	-	-	41,409
121 - 180 days	-	-	-	1,686
181 - 365 days	-	-	-	7,701
Over 365 days	-	-	4,821	-
Total trade accounts receivable - related companies	40,762	15,195	1,100,753	1,546,486

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Trade accounts receivable - others				
Not yet due	5,580,372	4,744,999	829,270	856,353
Overdue				
1 - 30 days	1,132,284	1,377,031	166,355	186,698
31 - 60 days	129,175	133,731	14,711	19,321
61 - 90 days	50,976	74,699	778	6,252
91 - 120 days	58,535	45,337	1,026	7,832
121 - 180 days	26,505	18,623	4,205	3,851
181 - 365 days	26,717	89,014	17,483	21
Over 365 days	81,351	76,107	2,210	2,194
Total trade accounts receivable				
- others	7,085,915	6,559,541	1,036,038	1,082,522
Total trade accounts receivable	7,126,677	6,574,736	2,136,791	2,629,008
Less: Allowance for doubtful accounts	(127,634)	(169,337)	(717)	(717)
Trade accounts receivable - net	<u>6,999,043</u>	<u>6,405,399</u>	<u>2,136,074</u>	<u>2,628,291</u>

As at 30 June 2008, certain trade accounts receivable of three overseas subsidiaries have secured their credit facilities as mention in Note 11.

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		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 June				
	2008	2007	2008	2007	
Transactions with subsidiary companies:					
(Eliminated from consolidated financial statements)					
Sales	-	-	1,334,609	1,358,481	Cost plus margin
Dividend received	-	-	263,736	503,751	As declared
Interest income	-	-	62,612	87,523	3.40 - 6.40% per annum (2007: 3.70 - 6.20% per annum)
Purchases of goods	-	-	471,647	218,890	Cost plus margin
Interest expense	-	-	4,514	7,924	3.20% per annum (2007: 3.70 - 6.05% per annum)
Transactions with associated companies:					
Purchases of goods	3,051	2,382	-	-	Cost plus margin
Purchases service expense	250	2,625	40	2,560	Near market price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 June				
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Transactions with related parties:					
Sales	425,628	79,542	54,594	27,243	Cost plus margin
Purchases of goods	1,176,608	429,994	463,137	243,333	Cost plus margin
Interest income	-	1,955	-	-	10% per annum

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Transactions with subsidiary companies:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,307,114	2,541,171	Cost plus margin
Dividend received	-	-	263,736	503,751	As declared
Interest income	-	-	126,391	177,247	3.40 - 6.40% per annum (2007: 3.70 - 6.60% per annum)
Purchases of goods	-	-	1,028,255	502,705	Cost plus margin
Interest expense	-	-	8,452	18,505	3.20 - 3.45% per annum (2007: 3.70 - 6.60% per annum)
Transactions with associated companies:					
Purchases of goods	6,391	4,300	3	-	Cost plus margin
Purchase service expense	350	5,594	100	5,246	Near market price
Transactions with related parties:					
Sales	534,897	163,703	98,577	56,373	Cost plus margin
Purchase of goods	1,889,832	829,722	760,003	481,493	Cost plus margin
Interest income	-	2,628	-	-	10% per annum

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common directors. During the three-month and six-month periods ended 30 June 2008, insurance premiums paid through that company amounted to Baht 5.8 million and Baht 19.3 million, respectively (2007: Baht 12.8 million and Baht 19.0 million, respectively).

The Company paid salaries and meeting allowances to its directors and management for the three-month and six-month periods ended 30 June 2008 totaling Baht 8.5 million and Baht 16.9 million, respectively (2007: Baht 7.2 million and Baht 15.1 million, respectively).

(Unaudited but reviewed)

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary
T-Holding Co., Ltd.	Subsidiary
Thai Union Numhong Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
PT Juifa International Foods	Subsidiary
Tri-Union Seafoods, LLC	Subsidiary (Held by subsidiary)
Tri-Union Samoa Packing Corporation	Subsidiary (Held by subsidiary)
Tri-Union Frozen Foods, LLC	Subsidiary (Held by subsidiary)
Empress International, Ltd. (Empress)	Subsidiary (Held by subsidiary)
Empress International of California Ltd.	Subsidiary (Held by subsidiary)
Empress International Midwest Ltd.	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Marine Biotech Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Marine Development Products Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Union Hatchery Co., Ltd.	Subsidiary (Held by subsidiary)
Phuket Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Samui Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Phang-nga Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Songkla Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Siam Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.	Subsidiary (Held by subsidiary)
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	Associated company
Century Trading (Shanghai) Co., Ltd.	Associated company (Held by subsidiary)
Chansiri Real Estate 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
Waithai 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

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
<u>Trade accounts receivable - related companies</u>				
<u>Subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Empress International, Ltd.	-	-	334,449	462,217
Tri-Union Seafoods, LLC	-	-	316,481	223,570
Tri-Union Samoa Packing Corporation	-	-	74,490	132,149
Tri-Union Frozen Foods, LLC	-	-	93,361	284,354
Thai Union Manufacturing Co., Ltd.	-	-	69,439	42,626
T-Holding Co., Ltd.	-	-	178,890	180,727
Songkla Canning Pcl.	-	-	4,824	3,516
Thai Union Seafood Co., Ltd.	-	-	14,112	206,551
Asian-Pacific Can Co., Ltd.	-	-	4,821	4,840
Others	-	-	60	66
Total trade accounts receivable - subsidiary companies	-	-	1,090,927	1,540,616
<u>Associated companies</u>				
Trade accounts receivable - associated companies	10	209	2	2
<u>Related companies</u>				
T.C. Union Agrotech Co., Ltd.	9,931	5,975	9,824	5,868
Jana Fish Industries Limited	3,619	1,166	-	-
Lucky Surimi Products Co., Ltd.	9,276	7,793	-	-
Ahead Way International Co., Ltd.	17,926	-	-	-
Others	-	52	-	-
Total trade accounts receivable - related companies	40,752	14,986	9,824	5,868
Total	40,762	15,195	1,100,753	1,546,486
<u>Short-term loans to related parties</u>				
<u>Subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	334,074	67,104
Thai Union Graphic Co., Ltd.	-	-	-	4,000
Asian-Pacific Can Co., Ltd.	-	-	50,000	50,000
	-	-	384,074	121,104
<u>Associated company</u>				
Thai Quality Shrimp Co., Ltd.	-	1,500	-	-
Total	-	1,500	384,074	121,104
<u>Long-term loans to subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	2,305,111	2,650,600
Thai Union Manufacturing Co., Ltd.	-	-	2,104,444	2,013,114
Total	-	-	4,409,555	4,663,714
Less: Current portion				
Thai Union International, Inc.	-	-	(167,037)	(192,923)
Net	-	-	4,242,518	4,470,791

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
<u>Other current assets - others</u>				
<u>Interest receivable</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	26,591	5,191
Asian-Pacific Can Co., Ltd.	-	-	136	158
Thai Union Graphic Co., Ltd.	-	-	-	10
Thai Union Manufacturing Co., Ltd.	-	-	5,785	8,321
Total	-	-	32,512	13,680
<u>Trade accounts payable - related companies</u>				
<u>Subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	164,629	68,159
Asian-Pacific Can Co., Ltd.	-	-	143,625	74,576
Thai Union Graphic Co., Ltd.	-	-	10,930	9,564
T-Holding Co., Ltd.	-	-	8,769	10,225
Tri-Union Seafoods, LLC	-	-	-	1,866
Empress International, Ltd.	-	-	1,137	11,113
Tri-Union Frozen Foods, LLC	-	-	1,552	2,274
Thai Union Seafood Co., Ltd.	-	-	2,076	29,034
Songkla Canning Pcl.	-	-	2,487	11,700
Others	-	-	-	1,601
Total trade accounts payable - subsidiary companies	-	-	335,205	220,112
<u>Associated company</u>				
Trade accounts payable - associated company	1,507	1,231	-	271
<u>Related companies</u>				
Pae Ekawat	81,325	23,296	81,325	23,296
T.C. Union Global Pcl.	1,226	2,488	-	-
T.C. Union Agrotech Co., Ltd.	14,611	5,714	-	-
Others	514	-	-	-
Total trade accounts payable - related companies	97,676	31,498	81,325	23,296
Total	99,183	32,729	416,530	243,679
<u>Short-term loans from related parties</u>				
<u>Subsidiary company</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	100,000	197,400
<u>Associated company</u>				
Biz Dimension Co., Ltd.	8,000	8,000	8,000	8,000
Total	8,000	8,000	108,000	205,400
<u>Short-term loans from director of subsidiary</u>				
Mr. Cheng Niruttinanon	-	30,000	-	-
<u>Accrued expenses</u>				
<u>Accrued interest</u>				
Thai Union Manufacturing Co., Ltd.	-	-	920	88
Biz Dimension Co., Ltd.	22	21	22	21
Total	22	21	942	109

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Others				
Biz Dimension Co., Ltd.	96	130	-	-
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	5,591	30,379	2,566	13,177
Waithai Co., Ltd.	3,669	-	85	-
Total	9,378	30,530	3,593	13,286
<u>Long-term loans from shareholder of subsidiary</u>				
Mr. Cheng Niruttinanon	-	26,222	-	-

The movements of loans to/from related companies during the six-month period ended 30 June 2008 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					Due date
	1 January 2008	Additional loans	Repayment	Revaluation	30 June 2008	
<u>Short-term loans from associated company</u>						
Biz Dimension Co., Ltd.	8,000	-	-	-	8,000	At call
<u>Short-term loans from director of subsidiary</u>						
Mr. Cheng Niruttinanon	30,000	-	(30,000)	-	-	
<u>Long-term loans from shareholder of subsidiary</u>						
Mr. Cheng Niruttinanon	26,222	-	(25,494)	(728)	-	

(Unit: Thousand Baht)

	Separate financial statements						
	1 January 2008	Additional loans	Repayment	Convert to short-term loan	Revaluation	30 June 2008	Due date
<u>Short-term loans to subsidiaries</u>							
Thai Union International, Inc.	67,104	-	(76,611)	335,519	8,062	334,074	8.8.2008 - 9.2.2009
Thai Union Graphic Co., Ltd.	4,000	-	(4,000)	-	-	-	
Asian-Pacific Can Co., Ltd.	50,000	-	-	-	-	50,000	At call
Thai Union Feedmill Co., Ltd.	-	4,100	(4,100)	-	-	-	
Songkla Canning Pcl.	-	4,800	(4,800)	-	-	-	
	121,104	8,900	(89,511)	335,519	8,062	384,074	
<u>Long-term loans to subsidiaries</u>							
Thai Union International, Inc.	2,650,600	544,788	(682,421)	(335,519)	127,663	2,305,111	22.6.2009 - 10.7.2012
Thai Union Manufacturing Co., Ltd.	2,013,114	100,000	-	-	(8,670)	2,104,444	17.1.2011 - 7.6.2011
	4,663,714	644,788	(682,421)	(335,519)	118,993	4,409,555	
<u>Short-term loans from related parties</u>							
Thai Union Manufacturing Co., Ltd.	197,400	1,995,250	(2,092,650)	-	-	100,000	At call
Biz Dimension Co., Ltd.	8,000	-	-	-	-	8,000	At call
	205,400	1,995,250	(2,092,650)	-	-	108,000	

As at 30 June 2008, the Company had an outstanding loan of USD 79 million (Baht 2,639 million) to Thai Union International, Inc., on which interest is charged at the rates of 4.85% per annum, 6.25% per annum and 6.40% per annum.

(Unaudited but reviewed)

5. Inventory / allowance for diminution in value of inventory

As at 30 June 2008, three overseas subsidiaries have mortgaged the certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 11.

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2008 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2008	67,831	28,659
Add: Allowance made during the period	55,895	18,908
Less: Allowance reversed during the period	(36,306)	(32,246)
Less: Write-off for obsolete and damaged stock	(26,656)	-
Translation adjustment	19	-
Balance as at 30 June 2008	<u>60,783</u>	<u>15,321</u>

6. Investments in subsidiaries

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Paid-up capital		Shareholding percentage	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007
					%	%
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 300 million	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40 million	Baht 40 million	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	USD 8.1 million	USD 8.1 million	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	USD 2.7 million	USD 2.7 million	76.50	76.50

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

Company's name	Cost	
	30 June 2008	31 December 2007
<u>Investments in subsidiaries</u>		
Songkla Canning Pcl.	1,379,791	1,379,791
Thai Union Manufacturing Co., Ltd.	1,212,172	1,212,172
Thai Union Seafood Co., Ltd.	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.	153,000	153,000
Thai Union Graphic Co., Ltd.	45,331	45,331
Thai Union International, Inc.	325,771	325,771
PT Juifa International Foods	69,510	69,510
Total	3,435,590	3,435,590
Less: Allowance for loss on impairment of investments	(115,222)	(115,222)
Net	3,320,368	3,320,368

On 14 December 2007, a meeting of the Board of Directors of the Company approved the acquisition of ordinary shares in Yueh Chyang Canned Food Co., Ltd. in Vietnam by Songkla Canning Pcl., its subsidiary. A total of USD 3.25 million is to be invested to acquire 51% interest in this company which completed in July 2008.

7. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
			%	%				
<u>Investments in associates, directly held by the Company</u>								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	202,518	202,302
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	6,060	6,060	21,622	20,112

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
			%	%				
Investments in associates, directly held by subsidiaries								
Thai Quality Shrimp Co., Ltd. (49.99% held by Thai Union Feedmill Co., Ltd.)	Shrimp breeding and species developer	Thailand	-	25.49	-	4,000	-	2,894
Century Trading (Shanghai) Co., Ltd. (50% held by Thai Union Manufacturing Co., Ltd.)	Importer & exporter of food products	The People's Republic of China	45.04	45.04	75,900	75,900	29,383	30,513
					119,460	123,460	253,523	255,821

(Unit: Thousand Baht)

		Separate financial statements				
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost	
			30 June 2008	31 December 2007	30 June 2008	31 December 2007
			%	%		
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	6,060	6,060
					43,560	43,560

Thai Quality Shrimp Co., Ltd., an associated of Thai Union Feedmill Co., Ltd., reduced its registered capital from Baht 8 million to Baht 4 million. As a result, the equity interest of Thai Union Feedmill Co., Ltd. increased from 49.99% to 95%. Consequently, that associated will become a subsidiary. The capital reduction is registered with the Ministry of Commerce in January 2008.

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

(Unaudited but reviewed)

8. Long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2008		31 December 2007	
	Cost	Fair value	Cost	Fair value
Long-term investments				
Available-for-sale securities - Unit trusts	74,217	60,502	74,217	66,056
Unrealised loss on changes in the value of investments	(13,715)	-	(8,161)	-
Total available-for-sale securities	60,502	<u>60,502</u>	66,056	<u>66,056</u>
Other securities				
- Ordinary shares	16,230		24,446	
- Unit trust	100		100	
Total long-term investments	<u>76,832</u>		<u>90,602</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2008		31 December 2007	
	Cost	Fair value	Cost	Fair value
Long-term investments				
Available-for-sale securities - Unit trusts	5,025	4,519	5,025	4,540
Unrealised loss on changes in the value of investments	(506)	-	(485)	-
Total long-term investments	<u>4,519</u>	<u>4,519</u>	<u>4,540</u>	<u>4,540</u>

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2008 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2008	7,728,002	1,678,608
Acquisitions during period - at cost	852,637	465,838
Increase as a result of change in company shareholding in associate company	5,079	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Disposals during period - net book value at disposal date	(6,066)	(45)
Depreciation for period	(470,020)	(108,490)
Transfer from properties foreclosed	200	200
Translation adjustment	(1,020)	-
Net book value as at 30 June 2008	<u>8,108,812</u>	<u>2,036,111</u>

An overseas subsidiary has mortgaged the construction and machinery, with net book values totalling approximately USD 0.1 million (31 December 2007: USD 0.1 million), to financial institutions to secure their credit facilities, as mentioned in Note 11.

As at 30 June 2008, certain machinery of the local subsidiary, which has net book value of Baht 171 million, was acquired under financial lease agreement with a financial institution.

10. Intangible assets

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2008			31 December 2007		
	Cost	Accumulated amortisation	Net	Cost	Accumulated amortisation	Net
Copyrights	10	(2)	8	15	(5)	10
Trademarks	899	(288)	611	924	(310)	614
Customer relationships	142	(70)	72	143	(63)	80
Covenant not to compete	14	(14)	-	14	(12)	2
Total	<u>1,065</u>	<u>(374)</u>	<u>691</u>	<u>1,096</u>	<u>(390)</u>	<u>706</u>

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

The Company entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 20.3.

(Unaudited but reviewed)

An overseas subsidiary entered into a revolving credit facility with Bank of America N.A.. The credit facility, which expires in 31 January 2010, provides for borrowings and 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's option, at LIBOR plus a margin of 1.25% per annum or the bank's prime rate less 0.25% per annum, subject to adjustment quarterly. An unused line fee is charged at 0.25% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of the subsidiary. As at 30 June 2008, the balance under this facility was USD 29 million at interest rate between 3.73% to 4.75% per annum and actual unused availability based upon substantially all of collateralised assets was approximately USD 1 million. The subsidiary is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 June 2008, the subsidiary determined it was in compliance with all of these covenants.

Tri-Union Seafoods, LLC (Tri-U) entered into a revolving credit facility with Bank of America N.A. The credit facility, which expires on 31 October 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% per annum or the bank's prime rate less 0.25% per annum, subject to adjustment quarterly. An unused line fee is charged at 0.25% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U. As at 30 June 2008, the balance under the credit facility was USD 48 million with interest at rates ranging from 3.75% to 4.75% per annum and actual unused availability was approximately USD 1 million. Tri-U is subject to certain financial covenants including an interest coverage ratio and leverage ratio and others. However, Tri-U determined that it was not in compliance with interest coverage ratio covenant as of 30 June 2008 and has obtained a waiver from this financial institution. In connection with the waiver obtained in July 2008, Tri-U amended the credit facility and increased the amount available for borrowings and the issuance of letters of credit to USD 60 million. Borrowing under the credit facility will bear interest at LIBOR, plus a margin of 1.5% per annum or 1.75% per annum,

(Unaudited but reviewed)

the bank's prime rate, or the bank's prime rate, plus 0.25% per annum, depending upon the ratio of amounts outstanding to secured accounts receivable and inventory.

Tri-Union Frozen Foods, LLC (TUFF) entered into a USD 30 million revolving line of credit facility with Rabobank International, for advances up to 180 days and for the issuance of commercial 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% per annum or cost of funds (as defined in the facility) plus a margin of 1.5% 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 2008, the amount outstanding under the TUFF facility was USD 20.1 million with interest at rates ranging from 3.64% to 5.06 % per annum. The subsidiary was contingently liable for open letters of credit issued under this facility totally USD 2.1 million, and actual unused availability was approximately USD 2.6 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 2008, the subsidiary determined it was in compliance with these covenants.

12. Long-term loans

Long-term loans as at 30 June 2008 and 31 December 2007 consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
USD loans	199	232	-	-
Baht loans	1,541	1,681	-	-
Total	1,740	1,913	-	-
Less: Current portion	(203)	(178)	-	-
Net	1,537	1,735	-	-

(Unaudited but reviewed)

Movements in the long-term loans account during the six-month period ended 30 June 2008 are summarised below.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2008	1,913	-
Add: Additional borrowings	4	-
Less: Repayment	(176)	-
Less: Unrealised exchange gains	<u>(1)</u>	<u>-</u>
Balance as at 30 June 2008	<u><u>1,740</u></u>	<u><u>-</u></u>

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

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

During the second quarter of 2007, a local subsidiary draw Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85% per annum, and THBFIX plus 0.5% per annum. These loans are to be repaid within year 2012. As at 30 June 2008, the balance of this loan is Baht 301 million.

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. However, during this period, the above subsidiary had repaid principal amount of Baht 100 million. As at 30 June 2008, the balance of this loan is Baht 1,090 million.

13. 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% 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.

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

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

Corporate income tax of the overseas subsidiaries 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				
	2008	2007	2008	2007
Income tax on taxable income	60,035	81,471	25,159	26,718
Translation adjustment	(5,717)	1,597	-	-
Expense (income) in deferred income tax	703	(2,213)	(1,634)	(2,889)
Income tax as included in income statements	<u>55,021</u>	<u>80,855</u>	<u>23,525</u>	<u>23,829</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
For the six-month periods ended 30 June				
	2008	2007	2008	2007
Income tax on taxable income	92,551	145,787	39,728	41,740
Translation adjustment	2,025	5,089	-	-
Expense (income) in deferred income tax	30,278	(2,898)	332	(3,634)
Income tax as included in income statements	<u>124,854</u>	<u>147,978</u>	<u>40,060</u>	<u>38,106</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Tax losses brought forward	98,074	98,616	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	9,531	10,523	215	215
Allowance for devaluation in the value of inventories	4,713	3,415	1,609	1,941
Other allowance	16,941	16,928	11,742	11,742
Accrued liabilities	162,703	163,602	-	-
Inventory cost capitalisation	47,684	47,948	-	-
Others	-	29,571	-	-
Total	<u>339,646</u>	<u>370,603</u>	<u>13,566</u>	<u>13,898</u>

As at 30 June 2008, a local subsidiary has deferred tax liabilities amounting to Baht 49.8 million (31 December 2007: Baht 46.0 million) and overseas subsidiaries have deferred tax liabilities amounting to Baht 227.9 million or USD 6.8 million (31 December 2007: Baht 230.4 million or USD 6.8 million).

15. 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 2nd July of each year.

(Unaudited but reviewed)

During the current period, the warrant holders exercised rights to purchase 4.4 million ordinary shares. The Company registered the additional shares with the Ministry of Commerce on 8 July 2008 and recorded subscription received in advance from the exercise of warrants amounting to Baht 12 million in shareholders' equity. There are 1.9 million warrants as expired during the current year and there is no outstanding warrants as at 30 June 2008.

16. Reconciliation of diluted earnings per share

For the three-month periods ended 30 June									
Consolidated		Separate		Weighted		Earnings per share			
financial statements		financial statements		average number		financial statements		financial statements	
<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Million	Million	Million	Million	Million	Million	Baht	Baht	Baht	Baht
Baht	Baht	Baht	Baht	share	shares				
s									
Basic earnings per share									
Net income attributable to									
equity holders of the									
403.4	430.2	412.1	592.8	874.1	874.1	0.46	0.49	0.47	0.68
parent									
Dilutive effect of warrants									
conversion									
-	-	-	-	3.3	3.5				
Diluted earnings per share									
Net income of ordinary									
shareholders assuming									
the conversion of warrants									
to ordinary shares									
403.4	430.2	412.1	592.8	877.4	877.6	0.46	0.49	0.47	0.68

(Unaudited but reviewed)

For the six-month periods ended 30 June

	Consolidated		Separate		Weighted		Earnings per share			
	financial statements		financial statements		average number		Consolidated		Separate	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Million	Million	Million	Million	Million	Million	Baht	Baht	Baht	Baht
	Baht	Baht	Baht	Baht	share	shares				
					s					
Basic earnings per share										
Net income attributable to equity holders of the parent	981.4	957.9	709.1	834.2	874.1	874.0	1.12	1.10	0.81	0.95
Dilutive effect of warrants conversion		-	-	-	3.2	3.5				
	-									
Diluted earnings per share										
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	981.4	957.9	709.1	834.2	877.3	877.5	1.12	1.09	0.81	0.95

17. Dividend paid

Dividends declared in 2008 and 2007 consist of the following:

(Unit: Baht)

	Approved by	Total dividends	Dividend per share
Dividends on income for the period 1 July 2007 to 31 December 2007	Annual General Meeting of the shareholders on 21 April 2008	492,116,044	0.56
Total for 2008		492,116,044	
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	

18. Financial information by segment

Except for an overseas subsidiary of which the principal business activity is overseas investments, the operations of the Company and its subsidiaries principally involve the production, distribution and export of frozen seafood products, and these activities are carried out in Thailand and overseas. Their income comes from both local and export sales. Financial information of the Company and its subsidiaries presented by business segment for the three-month and six-month periods ended 30 June 2008 and 2007 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales										
- Local	927	579	2,422	1,975	3,349	2,554	(1,716)	(1,221)	1,633	1,333
- Export	16,595	13,873	227	255	16,822	14,128	(1,663)	(1,733)	15,159	12,395
Total sales	<u>17,522</u>	<u>14,452</u>	<u>2,649</u>	<u>2,230</u>	<u>20,171</u>	<u>16,682</u>	<u>(3,379)</u>	<u>(2,954)</u>	<u>16,792</u>	<u>13,728</u>
Segment operating income	381	483	301	148	682	631	4	64	686	695
Unallocated income (expenses):										
Interest income									4	7
Selling and administrative expenses									(3)	(8)
Share of income from investments in associates									1	-
Interest expense									(119)	(135)
Corporate income tax									(55)	(81)
Net income of minority interest									(111)	(48)
Net income attributable to equity holders of the parent									<u>403</u>	<u>430</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales										
- Local	1,675	1,004	4,552	3,765	6,227	4,769	(3,303)	(2,302)	2,924	2,467
- Export	32,019	26,899	396	431	32,415	27,330	(3,131)	(3,267)	29,284	24,063
Total sales	<u>33,694</u>	<u>27,903</u>	<u>4,948</u>	<u>4,196</u>	<u>38,642</u>	<u>32,099</u>	<u>(6,434)</u>	<u>(5,569)</u>	<u>32,208</u>	<u>26,530</u>
Segment operating income	958	1,131	570	336	1,528	1,467	7	2	1,535	1,469
Unallocated income (expenses):										
Interest income									4	9
Selling and administrative expenses									(4)	(11)
Share of income from investments in associates									1	4
Interest expense									(262)	(263)
Corporate income tax									(125)	(148)
Net income of minority interest									(168)	(102)
Net income attributable to equity holders of the parent									<u>981</u>	<u>958</u>

(Unaudited but reviewed)

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month and six-month periods ended 30 June 2008 and 2007 is as follows:

(Unit: Million Baht)

		For the three-month periods ended 30 June									
		Thailand		Overseas		Total		Elimination		Grand total	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales											
-	Frozen and canned food products	10,376	7,754	7,146	6,698	17,522	14,452	(3,271)	(2,090)	14,251	12,362
-	Other businesses	2,649	2,230	-	-	2,649	2,230	(108)	(864)	2,541	1,366
	Total sales	13,025	9,984	7,146	6,698	20,171	16,682	(3,379)	(2,954)	16,792	13,728
Segment income	operating									686	695

(Unit: Million Baht)

		For the six-month periods ended 30 June									
		Thailand		Overseas		Total		Elimination		Grand total	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales											
-	Frozen and canned food products	19,494	14,690	14,200	13,213	33,694	27,903	(5,138)	(3,818)	28,556	24,085
-	Other businesses	4,948	4,196	-	-	4,948	4,196	(1,296)	(1,751)	3,652	2,445
	Total sales	24,442	18,886	14,200	13,213	38,642	32,099	(6,434)	(5,569)	32,208	26,530
Segment income	operating									1,535	1,469

19. Commitments

As at 30 June 2008, the Company and its subsidiaries have the following commitments:

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

	2008	2009 - 2010	As from 2011	Total
Office rental and service agreements	Baht 12.6 million USD 0.1 million	Baht 49.7 million -	Baht 29.3 million -	Baht 91.6 million USD 0.1 million
Land lease agreements	Baht 0.6 million USD 1.6 million	Baht 1.9 million USD 4.4 million	Baht 6.1 million USD 2.7 million	Baht 8.6 million USD 8.7 million
Car lease agreements	Baht 2.2 million	Baht 2.6 million	-	Baht 4.8 million
Machinery and equipment lease agreements	Baht 9.9 million USD 0.1 million	- USD 0.2 million	- USD 0.1 million	Baht 9.9 million USD 0.4 million
Warehouse and factory construction agreements	Baht 30.7 million	Baht 1.0 million	-	Baht 31.7 million
Purchase machinery and equipment agreements	Baht 10.9 million USD 2.6 million CHF 0.7 million	- -	- -	Baht 10.9 million USD 2.6 million CHF 0.7 million
Advertising agreements	Baht 11.5 million	Baht 0.3 million	-	Baht 11.8 million

(Unaudited but reviewed)

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

	Amount		
The local subsidiaries	Baht	330.0	million
The overseas subsidiary	USD	1.9	million
The overseas associated companies	USD	2.3	million

- c) The overseas subsidiary has agreed to make payments under royalty agreements for the use of certain production machinery and equipment. The agreements require fixed payments plus an additional sum based on output. Total payments made under these arrangements for the three-month and six-month periods ended 30 June 2008 amounting to USD 0.2 million and USD 0.3 million, respectively.

- d) Purchase commitments of the overseas subsidiaries

- TUI entered into contracts with independent fishing vessel operators to guarantee the supply of raw tuna. These contracts generally provide for the purchase of all fish caught by the respective vessel at the United Tuna Cooperative price and are renewable each year. Fish purchased under the terms of these contracts approximated 1% and 8% of total raw fish purchased for the three-month and six-month periods ended 30 June 2008.
- 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 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 5 - 10% of total inventory purchases by Empress.

(Unaudited but reviewed)

- Tri-U entered into an agreement with a vendor to supply cans and ends to Tri-U's American Samoa facility. This agreement expires on 31 December 2010. The overseas subsidiary is required to purchase a minimum quantity of cans and ends per year from the vendor, or the vendor may terminate the agreement within 18 months prior written notice. The price for cans and ends purchased through this agreement is variable within a range based on the quantity purchased by the overseas subsidiary. Either the overseas subsidiary or the vendor may elect to terminate the agreement within 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 2007, TUI renewed co-pack agreement with a third party whereby it supplies canned tuna products in compliance with the third party's specifications. The agreement is automatically renewed in one-year 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 is reimbursed for production costs. In connection with the agreement, the third party provided equipment which the overseas subsidiary installed in its facility and which it uses for its own production as well as for that under the co-pack agreement. The amount paid for the lease of the equipment is based on production and has the option to purchase the equipment upon termination of the agreement for cost plus interest, less lease payments previously made.

20. Contingent liabilities

20.1 Forward foreign exchange contracts

Significant forward exchange contracts outstanding are summarised below.

Buying / Selling forward foreign exchange contracts	Amount	Forward exchange rate
<u>As at 30 June 2008</u>		
<u>The Company</u>		
Selling forward foreign exchange contracts	USD 215 million against Baht	31.40 - 43.55
	JPY 29 million against Baht	0.3104 - 0.3123
Buying forward foreign exchange contracts	USD 18 million against Baht	32.44 - 33.15
<u>Subsidiaries</u>		
Selling forward foreign exchange contracts	USD 140 million against Baht	31.36 - 34.35
	EURO 1 million against Baht	47.92 - 50.67
Buying forward foreign exchange contracts	USD 1 million against Baht	32.44 - 32.98

20.2 Option agreements

As at 30 June 2008, the Company and its subsidiaries have outstanding option agreements with special conditions with financial institutions under which they have obligations to buy amounts of between USD 46 million to USD 92 million, dependent on conditions stipulated in the agreements, at rates ranging from Baht 31.95 to Baht 32.44 per USD 1. These agreements will terminate within December 2008.

As at 30 June 2008, the Company and its subsidiaries have outstanding option agreements with special conditions with financial institutions under which they have obligations to sell amounts of between USD 54 million to USD 130 million, dependent on conditions stipulated in the agreements, at rates ranging from Baht 31.60 to Baht 34.35 per USD 1. These agreements will terminate within December 2008.

20.3 Interest rate swap transaction agreements

Interest rate swap agreements

The Company

	Loan amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	USD 90 million	Float rate 3-month LIBOR plus 0.47 %	Fixed rate 3.81 - 3.94%	June 2011
2	USD 30 million	Fixed rate 3.94% as stipulated in the agreement	Float rate 3-month LIBOR plus 0.47% (7 Mar 08 to 7 Mar 09) Fixed rate 3.29% (7 Mar 09 to 7 Jun 11)	June 2011
3	USD 20 million	Float rate 3-month LIBOR plus 0.65 %	Float rate 3-month LIBOR minus 0.105 % plus stipulated rate in the agreement	January 2011
4	Baht 200 million	Float rate 6-month THBFIX	Fixed rate 4.22 %	July 2008
5	Baht 200 million (To convert contract 4)	Fixed rate 4.22% as stipulated in the agreement	Float rate 6-month THBFIX	July 2008
6	Baht 200 million	Float rate 6-month THBFIX	Fixed rate 4.64 %	September 2008
7	Baht 200 million (To convert contract 6)	Fixed rate 4.64% as stipulated in the agreement	Float rate 6-month THBFIX	September 2008

Subsidiaries

	Loan amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	USD 10 million	Fixed rate 3.00 %	Fixed rate 4.00 %	2010
2	USD 10 million (To convert contract 1)	Fixed rate 4.00 %	Fixed rate 3.00 %	2010
3	USD 40 million	Float rate 1-month LIBOR	Fixed rate 3.56 %	January 2011
4	USD 10 million	Float rate 1-month LIBOR	Fixed rate 3.07 %	January 2011
5	Baht 200 million	Float rate 3-month THBFIX	Fixed rate 3.32%	February 2010
6	Baht 100 million	Fixed rate 5.12%	Float rate 3-month THBFIX	February 2010

Cross currency swap agreements

The Company

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Terminal date
	Loan amount	Interest rate	Loan amount	Interest rate	
1	Baht 3,114 million	Fixed rate 3.91%	USD 90 million	Float rate 3-month LIBOR plus 0.47%	June 2011
2	Baht 1,561.8 million	Float rate 3-month THBFIX	USD 47 million	Fixed rate 3.58% to 4.4086%	July 2010 to July 2012

Subsidiary

	Currency and Interest Revenue Rate Swap agreement		Currency and Interest Expense Rate Swap agreement		Terminal date
	Loan amount	Interest rate	Loan amount	Interest rate	
1	Baht 683.8 million	Float rate 3-month THBFIX	USD 20 million	Float rate 3-month LIBOR	October 2008

20.4 Others

- a) In connection with TUI's production facilities in American Samoa, TUI may become obligated to remove its improvements and installations of property and equipment upon expiration of its lease agreement with the American Samoa Government, which expires on 30 September 2013. TUI has not recognised a liability related to the asset retirement obligations because TUI lacks sufficient information to reasonably estimate the fair value.
- b) The Office of the Attorney General of a US state filed a lawsuit against the three largest canned tuna companies in the US, including TUI, for failure to warn consumers that certain tuna contains mercury. 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, and a decision on the appeal is anticipated in 2008. 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.

(Unaudited but reviewed)

- c) In March 2008, the US Department of Commerce announced a preliminary anti-dumping (AD) rate for the Company and its subsidiary's shrimp exports to the US for the period of 1 February 2006 to 31 January 2007 from a rate of 5.95% (average rate of Thailand) to 15.3%. The Company and its subsidiary will pay AD USD 7.9 million for that period and the Company and its subsidiary have not recorded this amount in the accounts since the announcement is preliminary and not a final announcement. The Company has appointed a lawyer in US to negotiate with the US Department of Commerce before the formal announcement is made in September 2008. The opinion of the lawyer and the result of the negotiation up to now confirm that the Company will not have to pay the AD at the rate of 15.3%. The Company has therefore not recorded AD at the new rate in the Company's accounts. The mentioned AD rate was announced only for the above period.

21. Guarantees

- a) The Company's board of directors approved the issuance of corporate guarantees of USD 35.6 million (31 December 2007: USD 26.7 million) to several financial institutions to secure credit facilities of its subsidiaries and their loans.
- b) As at 30 June 2008, there were outstanding bank guarantees of approximately Baht 38.4 million (31 December 2007: Baht 35.8 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 2008, there were outstanding bank guarantees of approximately Baht 74.1 million (31 December 2007: Baht 65.7 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of businesses.

(Unaudited but reviewed)

22. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 30 June 2008:

(Unit: Thousand)

Foreign currency	Consolidated financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollars	2,833	24,039	-	13,608
Yen	14,490	195,575	14,490	194,878
EURO	32	792	-	424

23. Reclassification

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.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's management on 6 August 2008.