

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 2009

Review report of Independent Auditor

To the Shareholders of Thai Union Frozen Products Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thai Union Frozen Products Public Company Limited and its subsidiaries as at 30 June 2009, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2009 and 2008, changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2009 and 2008, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews. I did not review the interim financial statements of overseas subsidiaries, Thai Union International, Inc. and its subsidiaries and PT Juifa International Foods, which are included in the consolidated financial statements for the three-month and six-month periods ended 30 June 2009 and 2008. The consolidated financial statements of these subsidiaries as at 30 June 2009 and 2008 presented total assets of Baht 12,290 million and Baht 12,511 million, respectively, and total revenues for the three-month and six-month periods then ended of Baht 7,660 million (2008: Baht 7,143 million) and Baht 15,744 million (2008: 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, insofar 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 reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide 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 2008 in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements and drew attention to the change in accounting policy on presentation of goodwill and negative goodwill in the consolidated financial statements, based on my report date 18 February 2009. The balance sheet as at 31 December 2008, 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: 29 July 2009

Thai Union Frozen Products Public Company Limited and its subsidiaries
Balance sheets

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|---|-------------------------------|---|-------------------------------|
| | | 30 June 2009 (Unaudited but reviewed) | 31 December 2008 (Audited) | 30 June 2009 (Unaudited but reviewed) | 31 December 2008 (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 580,989 | 556,782 | 38,074 | 28,084 |
| Current investments | | | | | |
| Bill of exchange | | - | 1,000,000 | - | 1,000,000 |
| Trade accounts receivable | 2 | | | | |
| Related companies | 3 | 47,272 | 31,044 | 1,614,166 | 1,982,980 |
| Others | | 6,905,117 | 7,225,471 | 1,086,098 | 1,405,188 |
| Total trade accounts receivable | | 6,952,389 | 7,256,515 | 2,700,264 | 3,388,168 |
| Less: Allowance for doubtful accounts | | (141,162) | (151,627) | (717) | (717) |
| Trade accounts receivable - net | | 6,811,227 | 7,104,888 | 2,699,547 | 3,387,451 |
| Short-term loans to subsidiaries | 3 | - | - | 1,295,756 | 1,196,832 |
| Short-term loans to other company | | 15,450 | 15,000 | 15,000 | 15,000 |
| Current portion of long-term loans to subsidiaries | 3 | - | - | - | 173,565 |
| Current portion of long-term loans to other companies | | 2,608 | 3,065 | - | - |
| Inventories - net | 4 | 16,190,354 | 19,228,747 | 3,921,044 | 3,654,821 |
| Other current assets | | | | | |
| Prepaid expenses | | 128,979 | 153,677 | 11,274 | 16,634 |
| Prepaid income tax | | 36,394 | 85,982 | 32,931 | 14,042 |
| Spareparts | | 103,911 | 97,448 | 15,588 | 15,287 |
| Interest receivables | 3 | 224 | 7,923 | 35,853 | 44,427 |
| Advance payments | | 35,907 | 115,309 | 12,162 | 3,235 |
| Current portion of forward exchange contracts receivables | | 130,726 | 128,784 | 60,112 | 111,346 |
| Value added tax refundable | | 154,731 | 173,069 | 65,721 | 60,845 |
| Others | | 129,999 | 145,393 | 28,359 | 46,682 |
| Total other current assets | | 720,871 | 907,585 | 262,000 | 312,498 |
| Total current assets | | 24,321,499 | 28,816,067 | 8,231,421 | 9,768,251 |

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 2009</u> | <u>31 December 2008</u> | <u>30 June 2009</u> | <u>31 December 2008</u> |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Non-current assets | | | | | |
| Restricted deposits with financial institutions | | 730 | 730 | - | - |
| Investments in subsidiaries - net | 5 | - | - | 3,343,953 | 3,345,868 |
| Investments in associates - net | 6 | 310,706 | 264,341 | 38,510 | 38,510 |
| Other long-term investments | 7 | 96,146 | 102,587 | 39,090 | 39,130 |
| Long-term loans to subsidiaries - net of current portion | 3 | - | - | 4,710,613 | 4,477,964 |
| Long-term loans to other companies - net of current portion | | 513 | 16,218 | - | - |
| Property, plant and equipment - net | 8 | 8,837,907 | 8,514,957 | 2,226,820 | 2,127,716 |
| Properties foreclosed - net | | 58,607 | 58,607 | 58,607 | 58,607 |
| Intangible assets - net | 9 | 757,023 | 754,474 | - | - |
| Other non-current assets | | | | | |
| Forward exchange contracts receivables - net of current portion | | 144,959 | 95,011 | 144,959 | 95,011 |
| Goodwill - net | | 295,435 | 301,466 | - | - |
| Leasehold rights - net | | 20,459 | 21,529 | - | - |
| Deferred tax assets | 13 | 625,769 | 650,856 | 11,517 | 11,034 |
| Others | | 193,867 | 268,438 | 11,988 | 13,539 |
| Total non-current assets | | 11,342,121 | 11,049,214 | 10,586,057 | 10,207,379 |
| Total assets | | 35,663,620 | 39,865,281 | 18,817,478 | 19,975,630 |

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 2009 (Unaudited but reviewed) | 31 December 2008 (Audited) | 30 June 2009 (Unaudited but reviewed) | 31 December 2008 (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from | | | | | |
| financial institutions | 10 | 6,076,292 | 10,659,179 | 1,362,215 | 3,289,678 |
| Trade accounts payable | | | | | |
| Related companies | 3 | 68,021 | 23,934 | 287,926 | 326,350 |
| Others | | 2,955,860 | 3,423,616 | 1,051,879 | 1,069,864 |
| Total trade accounts payable | | 3,023,881 | 3,447,550 | 1,339,805 | 1,396,214 |
| Short-term loans from subsidiaries | 3 | - | - | 687,900 | - |
| Short-term loans from related parties | 3 | - | 2,500 | - | 2,500 |
| Short-term loans from directors of subsidiary | 3 | - | 109,746 | - | - |
| Short-term loans from shareholders of subsidiary | | - | 400 | - | - |
| Current portion of long-term loans | 11 | 223,864 | 225,775 | - | - |
| Other current liabilities | | | | | |
| Corporate income tax payable | | 112,405 | 139,732 | 25,607 | 25,640 |
| Accrued expenses | 3 | 711,365 | 606,180 | 241,916 | 184,707 |
| Accounts payable - construction and asset purchase | | 108,455 | 66,284 | 33,888 | 16,184 |
| Billback | | 241,166 | 145,593 | - | - |
| Current portion of forward exchange contracts payable | | 30,995 | 170,690 | 6,064 | 60,530 |
| Others | | 613,791 | 648,025 | 131,021 | 167,024 |
| Total other current liabilities | | 1,818,177 | 1,776,504 | 438,496 | 454,085 |
| Total current liabilities | | 11,142,214 | 16,221,654 | 3,828,416 | 5,142,477 |
| Non-current liabilities | | | | | |
| Long-term loans - net of current portion | 11 | 1,311,897 | 1,416,042 | - | - |
| Debentures | 12 | 5,200,000 | 5,200,000 | 5,200,000 | 5,200,000 |
| Deferred tax liabilities | 13 | 285,014 | 293,153 | - | - |
| Forward exchange contracts payable - net of | | | | | |
| current portion | | 20,541 | 95,688 | 20,541 | 95,688 |
| Other non-current liabilities | | 381,680 | 408,019 | 29,115 | 24,920 |
| Total non-current liabilities | | 7,199,132 | 7,412,902 | 5,249,656 | 5,320,608 |
| Total liabilities | | 18,341,346 | 23,634,556 | 9,078,072 | 10,463,085 |

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 2009</u> | <u>31 December 2008</u> | <u>30 June 2009</u> | <u>31 December 2008</u> |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (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 | | | | | |
| 883,170,950 ordinary shares of Baht 1 each | | 883,171 | 883,171 | 883,171 | 883,171 |
| Premium on shares capital | | 4,518,797 | 4,518,797 | 4,518,797 | 4,518,797 |
| Unrealised loss | | | | | |
| Revaluation deficit on change in value of investments | 7 | (19,827) | (18,503) | (514) | (474) |
| Provision for changes in the value of pension fund | | (83,814) | (85,953) | - | - |
| Translation adjustment | | (88,768) | (47,418) | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | 89,000 | 89,000 | 89,000 | 89,000 |
| Unappropriated | | 10,048,686 | 9,023,177 | 4,248,952 | 4,022,051 |
| Equity attributable to the Company's shareholders | | 15,347,245 | 14,362,271 | 9,739,406 | 9,512,545 |
| Minority interest - equity attributable to minority shareholders | | | | | |
| of subsidiaries | | 1,975,029 | 1,868,454 | - | - |
| Total shareholders' equity | | 17,322,274 | 16,230,725 | 9,739,406 | 9,512,545 |
| Total liabilities and shareholders' equity | | 35,663,620 | 39,865,281 | 18,817,478 | 19,975,630 |
| | | - | - | - | - |

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

.....
Directors
.....

Thai Union Frozen Products Public Company Limited and its subsidiaries
Income statements
For the three-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------|--------------------------------------|------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Revenues | | | | |
| Sales | 17,195,046 | 16,792,267 | 4,849,539 | 4,343,721 |
| Other income | | | | |
| Interest income | 873 | 4,087 | 81,255 | 63,899 |
| Dividend income | 45 | 60 | 385,463 | 263,796 |
| Compensation from accounts payable | 9,024 | 711 | 8,907 | 693 |
| Tax coupon received | 20,323 | 17,441 | 3,307 | 2,262 |
| Exchange gains | 36,658 | - | 58,812 | - |
| Others | 47,535 | 85,642 | 20,418 | 41,141 |
| Total other income | 114,458 | 107,941 | 558,162 | 371,791 |
| Total revenues | 17,309,504 | 16,900,208 | 5,407,701 | 4,715,512 |
| Expenses | | | | |
| Cost of sales | 14,417,243 | 14,562,943 | 4,289,909 | 3,792,214 |
| Selling expenses | 876,368 | 899,499 | 210,978 | 201,740 |
| Administrative expenses | 631,636 | 395,237 | 145,238 | 68,880 |
| Management benefit expenses | 11,888 | 10,342 | 11,888 | 10,342 |
| Exchange loss | - | 329,467 | - | 156,053 |
| Other expenses | 1,097 | 6,464 | 130 | 717 |
| Total expenses | 15,938,232 | 16,203,952 | 4,658,143 | 4,229,946 |
| Income before share of income from investments | | | | |
| in associates | 1,371,272 | 696,256 | 749,558 | 485,566 |
| Share of income from investments in associates | 13,021 | 1,103 | - | - |
| Income before finance cost and corporate income tax | 1,384,293 | 697,359 | 749,558 | 485,566 |
| Finance cost | (147,609) | (127,694) | (85,263) | (49,927) |
| Income before corporate income tax | 1,236,684 | 569,665 | 664,295 | 435,639 |
| Corporate income tax (Note 13) | (117,585) | (55,021) | (7,594) | (23,525) |
| Net income for the period | 1,119,099 | 514,644 | 656,701 | 412,114 |
| Net income attributable to: | | | | |
| Equity holders of the parent | 954,489 | 403,444 | 656,701 | 412,114 |
| Minority interests of the subsidiaries | 164,610 | 111,200 | | |
| | 1,119,099 | 514,644 | | |
| | | | | (Unit: Baht) |
| Earnings per share (Note 14) | | | | |
| Basic earnings per share | | | | |
| Net income attributable to equity holders of the parent | 1.08 | 0.46 | 0.74 | 0.47 |
| Diluted earnings per share | | | | |
| Net income attributable to equity holders of the parent | 1.08 | 0.46 | 0.74 | 0.47 |

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
Income statements
For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------|--------------------------------------|------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Revenues | | | | |
| Sales | 34,861,414 | 32,207,860 | 9,192,281 | 8,322,814 |
| Other income | | | | |
| Interest income | 5,901 | 4,164 | 168,365 | 126,594 |
| Dividend income | 45 | 60 | 405,969 | 263,796 |
| Compensation from accounts payable | 20,670 | 61,263 | 20,539 | 31,346 |
| Tax coupon received | 44,666 | 36,235 | 7,428 | 3,618 |
| Exchange gains | 163,763 | 114,897 | 152,913 | 41,585 |
| Others | 102,118 | 106,673 | 62,253 | 48,436 |
| Total other income | 337,163 | 323,292 | 817,467 | 515,375 |
| Total revenues | 35,198,577 | 32,531,152 | 10,009,748 | 8,838,189 |
| Expenses | | | | |
| Cost of sales | 29,946,818 | 28,370,621 | 8,284,466 | 7,441,118 |
| Selling expenses | 1,739,332 | 1,784,603 | 390,313 | 395,233 |
| Administrative expenses | 1,128,090 | 794,093 | 268,737 | 133,612 |
| Management benefit expenses | 23,140 | 20,076 | 23,140 | 20,076 |
| Other expenses | 2,835 | 8,655 | 441 | 2,108 |
| Total expenses | 32,840,215 | 30,978,048 | 8,967,097 | 7,992,147 |
| Income before share of income from investments | | | | |
| in associates | 2,358,362 | 1,553,104 | 1,042,651 | 846,042 |
| Share of income from investments in associates | 24,330 | 596 | - | - |
| Income before finance cost and corporate income tax | 2,382,692 | 1,553,700 | 1,042,651 | 846,042 |
| Finance cost | (316,166) | (279,783) | (172,518) | (96,852) |
| Income before corporate income tax | 2,066,526 | 1,273,917 | 870,133 | 749,190 |
| Corporate income tax (Note 13) | (213,753) | (124,854) | (25,019) | (40,060) |
| Net income for the period | 1,852,773 | 1,149,063 | 845,114 | 709,130 |
| Net income attributable to: | | | | |
| Equity holders of the parent | 1,607,525 | 981,427 | 845,114 | 709,130 |
| Minority interests of the subsidiaries | 245,248 | 167,636 | | |
| | 1,852,773 | 1,149,063 | | |
| | | | | (Unit: Baht) |
| Earnings per share (Note 14) | | | | |
| Basic earnings per share | | | | |
| Net income attributable to equity holders of the parent | 1.82 | 1.12 | 0.96 | 0.81 |
| Diluted earnings per share | | | | |
| Net income attributable to equity holders of the parent | 1.82 | 1.12 | 0.96 | 0.81 |

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash flows from (used in) operating activities | | | | |
| Net income before tax | 2,066,526 | 1,273,917 | 870,133 | 749,190 |
| Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities | | | | |
| Depreciation and amortisation | 526,693 | 481,009 | 141,891 | 108,490 |
| Amortisation of premium/discount from forward foreign exchange contracts | 89,133 | (2,565) | 94,325 | (19) |
| Reversal of allowance for doubtful accounts | (9,814) | (43,445) | - | - |
| Allowance for diminution in value of inventory (reversal) | (110,639) | (7,067) | 27,945 | (13,338) |
| Allowance for impairment of assets | 70,080 | - | - | - |
| Share of income from investments in associates | (24,330) | (596) | - | - |
| Loss (gain) on sale of investments | 1,032 | (291) | - | - |
| Loss (gain) on liquidation of subsidiary | (194) | - | 368 | - |
| Gain on sale / write-off of property, plant and equipment | (3,211) | (999) | (92) | (222) |
| Loss on amortisation leasehold right | 473 | - | - | - |
| Unrealised exchange loss (gain) | (227,514) | 127,642 | (167,613) | 44,396 |
| Dividend income | (45) | (60) | (405,969) | (263,796) |
| Interest income | (5,901) | (4,164) | (168,365) | (126,594) |
| Interest expense | 302,447 | 262,416 | 174,287 | 91,418 |
| Income from operating activities before change in operating assets and liabilities | 2,674,736 | 2,085,797 | 566,910 | 589,525 |
| Decrease (increase) in operating assets | | | | |
| Trade accounts receivable | 171,517 | (442,511) | 662,379 | 531,055 |
| Inventories | 2,956,251 | 638,663 | (297,856) | 20,657 |
| Other current assets | 107,278 | (23,324) | (510) | (35,562) |
| Other non-current assets | 68,817 | 897 | (80) | (238) |
| Increase (decrease) in operating liabilities | | | | |
| Trade accounts payable | (356,426) | (258,085) | (47,703) | 77,948 |
| Other current liabilities | 207,217 | 85,971 | 21,820 | 36,208 |
| Other non-current liabilities | (16,843) | 10,565 | 7,035 | 7,029 |
| Cash flows from operating activities | 5,812,547 | 2,097,973 | 911,995 | 1,226,622 |
| Cash paid for corporate income tax | (191,820) | (116,328) | (44,424) | (10,408) |
| Net cash from operating activities | 5,620,727 | 1,981,645 | 867,571 | 1,216,214 |

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash flows from (used in) investing activities | | | | |
| Increase in restricted deposits with financial institutions | - | (61) | - | - |
| Acquisitions of property, plant and equipment | (897,905) | (835,212) | (223,482) | (466,785) |
| Acquisitions of intangible assets | (13,124) | (89) | - | - |
| (Increase) decrease in short-term loans to subsidiaries | - | - | (68,308) | 80,611 |
| Increase in short-term loans to other companies | (450) | (14,700) | - | (15,000) |
| (Increase) decrease in long-term loans to subsidiaries | - | - | (116,500) | 37,633 |
| (Increase) decrease in long-term loans to other companies | 1,205 | (2,875) | - | - |
| Increase in investment in associates | (22,035) | - | - | - |
| Liquidation of subsidiary | (11) | - | 1,547 | - |
| Interest received | 10,958 | 4,207 | 176,940 | 107,498 |
| Dividend received | 45 | 60 | 405,969 | 263,796 |
| Proceeds from sale of investments | 3,664 | 8,090 | - | - |
| Proceeds from disposal of property, plant and equipment | 11,846 | 7,065 | 283 | 267 |
| Net cash from (used in) investing activities | (905,807) | (833,515) | 176,449 | 8,020 |
| Cash flows from (used in) financing activities | | | | |
| Decrease in bank overdrafts and short-term loans | | | | |
| from financial institutions | (4,503,150) | (352,009) | (1,927,463) | (530,366) |
| Increase (decrease) in short-term loans from subsidiaries | - | - | 687,900 | (97,400) |
| Decrease in short-term loans from shareholders of subsidiary | (400) | - | - | - |
| Decrease in short-term loans from associate | (2,500) | - | (2,500) | - |
| Decrease in short-term loans from directors of subsidiary | (106,560) | (30,000) | - | - |
| Decrease in long-term loans from shareholders of subsidiary | - | (25,494) | - | - |
| Decrease in long-term loans | (103,044) | (171,585) | - | - |
| Decrease in financial lease payable | - | (22,900) | - | - |
| Share subscriptions received in advance from exercise | | | | |
| of warrants | - | 11,610 | - | 11,610 |
| Cash paid for interest expense | (323,308) | (277,783) | (173,754) | (91,987) |
| Decrease in minority interest - equity attributable to minority | | | | |
| shareholders of subsidiaries | (102,476) | (60,098) | - | - |
| Dividend paid | (618,213) | (492,116) | (618,213) | (492,116) |
| Net cash used in financing activities | (5,759,651) | (1,420,375) | (2,034,030) | (1,200,259) |
| Increase in translation adjustment | 68,938 | 143,709 | - | - |
| Net increase (decrease) in cash and cash equivalents | (975,793) | (128,536) | (990,010) | 23,975 |
| Cash and cash equivalents at beginning of period | 1,556,782 | 485,405 | 1,028,084 | 1,717 |
| Cash and cash equivalents at end of period | 580,989 | 356,869 | 38,074 | 25,692 |
| Supplement cash flows information | | | | |
| Non-cash items | | | | |
| Undue installments for acquisitions of property, plant and equipment | 108,455 | 181,926 | 33,888 | 22,905 |
| Unrealised loss on changes in the value of investment | 1,324 | 5,554 | 40 | 21 |
| Transfer of land to pay down other current liabilities | 3,394 | - | - | - |

Supplement cash flows information

Non-cash items

| | | | | |
|--|---------|---------|--------|--------|
| Undue installments for acquisitions of property, plant and equipment | 108,455 | 181,926 | 33,888 | 22,905 |
| Unrealised loss on changes in the value of investment | 1,324 | 5,554 | 40 | 21 |
| Transfer of land to pay down other current liabilities | 3,394 | - | - | - |

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | | |
|---|----------------------------------|---------------|--|--|--|------------------------|-------------------|----------------|--|--|------------|
| Equity attributable to the parent's shareholders | | | | | | | | | | | |
| | Issued and paid-up share capital | | Subscription received in advance from exercise of warrants | Revaluation deficit on changes in the value of investments | Provision for changes in value of pension fund | Translation adjustment | Retained earnings | | Total equity attributable to the parent's shareholders | Minority interest - equity attributable to minority shareholders of subsidiaries | Total |
| | share capital | Share premium | | | | | Appropriated | Unappropriated | | | |
| Balance as at 1 January 2008 | 878,795 | 4,481,688 | - | (8,161) | (6,440) | (73,045) | 89,000 | 7,809,391 | 13,171,228 | 1,483,705 | 14,654,933 |
| Income and expenses recognised directly in equity: | | | | | | | | | | | |
| Subscription received in advance from exercise of warrants | - | - | 11,610 | - | - | - | - | - | 11,610 | - | 11,610 |
| Investments in available-for-sale securities | | | | | | | | | | | |
| Loss recognised in shareholders' equity | - | - | - | (5,554) | - | - | - | - | (5,554) | - | (5,554) |
| Provision for changes in the value of pension fund | - | - | - | - | 35 | - | - | - | 35 | - | 35 |
| Translation adjustment | - | - | - | - | - | (1,143) | - | - | (1,143) | - | (1,143) |
| Net income and expenses recognised directly in equity | - | - | 11,610 | (5,554) | 35 | (1,143) | - | - | 4,948 | - | 4,948 |
| Net income for the period | - | - | - | - | - | - | - | 981,427 | 981,427 | 167,636 | 1,149,063 |
| Total income and expenses for the period | - | - | 11,610 | (5,554) | 35 | (1,143) | - | 981,427 | 986,375 | 167,636 | 1,154,011 |
| Dividend paid (Note 15) | - | - | - | - | - | - | - | (492,116) | (492,116) | (60,115) | (552,231) |
| Increase in minority interest | - | - | - | - | - | - | - | - | - | 17 | 17 |
| Balance as at 30 June 2008 | 878,795 | 4,481,688 | 11,610 | (13,715) | (6,405) | (74,188) | 89,000 | 8,298,702 | 13,665,487 | 1,591,243 | 15,256,730 |
| Balance as at 1 January 2009 - as previously reported | 883,171 | 4,518,797 | - | (18,503) | (85,953) | (47,418) | 89,000 | 9,023,177 | 14,362,271 | 1,868,454 | 16,230,725 |
| Cumulative effect of the change in accounting policy (Note 1.5) | - | - | - | - | - | - | - | 36,197 | 36,197 | (36,197) | - |
| Balance as at 1 January 2009 - restated | 883,171 | 4,518,797 | - | (18,503) | (85,953) | (47,418) | 89,000 | 9,059,374 | 14,398,468 | 1,832,257 | 16,230,725 |
| Income and expenses recognised directly in equity: | | | | | | | | | | | |
| Investments in available-for-sale securities | | | | | | | | | | | |
| Loss recognised in shareholders' equity | - | - | - | (1,324) | - | - | - | - | (1,324) | - | (1,324) |
| Provision for changes in the value of pension fund | - | - | - | - | 2,139 | - | - | - | 2,139 | - | 2,139 |
| Translation adjustment | - | - | - | - | - | (41,350) | - | - | (41,350) | - | (41,350) |
| Net income and expenses recognised directly in equity | - | - | - | (1,324) | 2,139 | (41,350) | - | - | (40,535) | - | (40,535) |
| Net income for the period | - | - | - | - | - | - | - | 1,607,525 | 1,607,525 | 245,248 | 1,852,773 |
| Total income and expenses for the period | - | - | - | (1,324) | 2,139 | (41,350) | - | 1,607,525 | 1,566,990 | 245,248 | 1,812,238 |
| Dividend paid (Note 15) | - | - | - | - | - | - | - | (618,213) | (618,213) | (76,481) | (694,694) |
| Decrease in minority interest | - | - | - | - | - | - | - | - | - | (25,995) | (25,995) |
| Balance as at 30 June 2009 | 883,171 | 4,518,797 | - | (19,827) | (83,814) | (88,768) | 89,000 | 10,048,686 | 15,347,245 | 1,975,029 | 17,322,274 |

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 2009 and 2008

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | |
|---|--|------------------|--|--|-------------------|------------------|------------------|
| | Issued and paid-up share capital | Share premium | Subscription received in advance from exercise of warrants | Revaluation deficit on changes in value of investments | Retained earnings | | Total |
| | | | | | Appropriated | Unappropriated | |
| Balance as at 1 January 2008 | 878,795 | 4,481,688 | - | (485) | 89,000 | 3,379,301 | 8,828,299 |
| Income and expenses recognised directly in equity: | | | | | | | |
| Subscription received in advance from exercise of warrants | - | - | 11,610 | - | - | - | 11,610 |
| Investments in available-for-sale securities Loss recognised in shareholders' equity | - | - | - | (21) | - | - | (21) |
| Net income and expenses recognised directly in equity | - | - | 11,610 | (21) | - | - | 11,589 |
| Net income for the period | - | - | - | - | - | 709,130 | 709,130 |
| Total income and expenses for the period | - | - | 11,610 | (21) | - | 709,130 | 720,719 |
| Dividend paid (Note 15) | - | - | - | - | - | (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> |
| Balance as at 1 January 2009 | 883,171 | 4,518,797 | - | (474) | 89,000 | 4,022,051 | 9,512,545 |
| Income and expenses recognised directly in equity: | | | | | | | |
| Investments in available-for-sale securities Loss recognised in shareholders' equity | - | - | - | (40) | - | - | (40) |
| Net expenses recognised directly in equity | - | - | - | (40) | - | - | (40) |
| Net income for the period | - | - | - | - | - | 845,114 | 845,114 |
| Total income and expenses for the period | - | - | - | (40) | - | 845,114 | 845,074 |
| Dividend paid (Note 15) | - | - | - | - | - | (618,213) | (618,213) |
| Balance as at 30 June 2009 | <u>883,171</u> | <u>4,518,797</u> | <u>-</u> | <u>(514)</u> | <u>89,000</u> | <u>4,248,952</u> | <u>9,739,406</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 2009 and 2008

1. General information

1.1 Corporate information

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

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

The Company’s registered address is 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn. The Company has 3 branches in Bangkok and Samutsakorn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 34 (revised 2007), “Interim financial statements”, with the Company choosing to present 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.

(Unaudited but reviewed)

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

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 2008. There has been no change in the composition of the group of company during the current period.

The total assets and total revenues of the subsidiaries included in the consolidated financial statements for the six-month period ended 30 June 2009 are as follows:

| Company's name | Assets as a percentage to the consolidated total assets | Revenues as a percentage to the consolidated total revenues |
|--|---|---|
| Thai Union Manufacturing Co., Ltd. and subsidiaries | 18.78 | 18.13 |
| Songkla Canning Pcl. and subsidiaries | 13.08 | 9.20 |
| Thai Union Seafood Co., Ltd. | 2.30 | 1.87 |
| T-Holding Co., Ltd. | 1.22 | 1.67 |
| Thai Union Feedmill Co., Ltd. and subsidiaries | 6.37 | 5.31 |
| Thai Union Graphic Co., Ltd. | 1.08 | 0.30 |
| Thai Union International, Inc. (TUI) and subsidiaries | 33.96 | 44.08 |
| PT Juifa International Foods | 0.50 | 0.65 |

1.4 Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

(Unaudited but reviewed)

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale
and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007), TFRS 5 (revised 2007) and Accounting Treatment Guidance for Leasehold right will not have any significant impact on the financial statements for the current period.

b) Accounting standards which are not effective for the current year

| | | <u>Effective date</u> |
|-----------------------|--|-----------------------|
| TAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | 1 January 2012 |
| TAS 24 (revised 2007) | Related Party Disclosures | 1 January 2011 |
| TAS 40 | Investment Property | 1 January 2011 |

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

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 2008, except that an overseas subsidiary has changed its accounting policy regarding non-controlling interests to accord with FASB statement No. 160. In changing this accounting policy, the subsidiary had to restate the previous year's financial statements by presenting minority interest separately from retained earnings in the statements of changes in shareholders' equity, under the heading of "Cumulative effect of the change in accounting policy". The adjustment is immaterial to net income for the year 2008.

2. Trade accounts receivable

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

| | (Unit: Thousand Baht) | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 |
| <u>Age of receivable</u> | | | | |
| Trade accounts receivable - | | | | |
| related companies | | | | |
| Not yet due | 24,431 | 12,465 | 1,210,297 | 797,429 |
| Overdue | | | | |
| 1 - 30 days | 22,841 | 18,579 | 118,923 | 544,106 |
| 31 - 60 days | - | - | 95,795 | 411,691 |
| 61 - 90 days | - | - | 98,964 | 219,108 |
| 91 - 120 days | - | - | 4,724 | 7,220 |
| 121 - 180 days | - | - | 22,549 | 3,357 |
| 181 - 365 days | - | - | 62,914 | 69 |
| Total trade accounts receivable - | | | | |
| related companies | <u>47,272</u> | <u>31,044</u> | <u>1,614,166</u> | <u>1,982,980</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 30 June | 31 December | 30 June | 31 December |
| | 2009 | 2008 | 2009 | 2008 |
| Trade accounts receivable - others | | | | |
| Not yet due | 5,179,828 | 5,455,020 | 933,733 | 1,047,543 |
| Overdue | | | | |
| 1 - 30 days | 1,181,219 | 1,255,124 | 87,846 | 206,010 |
| 31 - 60 days | 172,448 | 160,307 | 8,207 | 69,709 |
| 61 - 90 days | 106,512 | 114,656 | 7,055 | 43,219 |
| 91 - 120 days | 86,187 | 61,488 | 13,619 | 24,903 |
| 121 - 180 days | 36,636 | 53,222 | 19,319 | 8,655 |
| 181 - 365 days | 64,085 | 55,459 | 15,667 | 1,933 |
| Over 365 days | 78,202 | 70,195 | 652 | 3,216 |
| Total trade accounts receivable | | | | |
| - others | 6,905,117 | 7,225,471 | 1,086,098 | 1,405,188 |
| Total trade accounts receivable | 6,952,389 | 7,256,515 | 2,700,264 | 3,388,168 |
| Less: Allowance for doubtful accounts | (141,162) | (151,627) | (717) | (717) |
| Trade accounts receivable - net | 6,811,227 | 7,104,888 | 2,699,547 | 3,387,451 |

As at 30 June 2009, certain trade accounts receivable of three overseas subsidiaries have secured their credit facilities as mentioned in Note 10.

3. Related party transactions

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|---|---|-------------|----------------------|-------------|--|
| | financial statements | | financial statements | | |
| | For the three-month periods ended 30 June | | | | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | |
| Transactions with subsidiaries: | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales | - | - | 1,648,449 | 1,334,609 | Cost plus margin |
| Dividend income | - | - | 385,419 | 263,736 | As declared |
| Interest income | - | - | 80,931 | 62,612 | 2.35 - 5.90% per annum (2008: 3.40 - 6.40% per annum) |
| Other income | - | - | 13,092 | 3,273 | Near market price |
| Purchases of goods | - | - | 383,052 | 471,647 | Cost plus margin |
| Interest expense | - | - | 1,934 | 4,514 | 1.95% per annum (2008: 3.20% per annum) |
| Management fee | - | - | 7,122 | - | Contract price |
| Other expenses | - | - | 5,960 | 660 | Near market price |
| Transactions with associates: | | | | | |
| Purchases of goods | 2,160 | 3,051 | 115 | - | Cost plus margin |
| Purchases service expense | 215 | 250 | 135 | 40 | Near market price |
| Transactions with related companies: | | | | | |
| Sales | 258,129 | 425,628 | 48,956 | 54,594 | Cost plus margin |
| Purchases of goods | 704,354 | 1,176,608 | 431,378 | 463,137 | Cost plus margin |
| Transportation | 11,256 | 11,578 | 2,714 | 570 | Near market price |
| Expenses relating to assets | 28,459 | 18,374 | 7,944 | 14,409 | Near market price |

(Unit: Thousand Baht)

| | Consolidated | | Separate | | Transfer pricing policy |
|---|---|-------------|----------------------|-------------|--|
| | financial statements | | financial statements | | |
| | For the six-month periods ended 30 June | | | | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | |
| Transactions with subsidiaries: | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Sales | - | - | 2,818,645 | 2,307,114 | Cost plus margin |
| Dividend income | - | - | 405,925 | 263,736 | As declared |
| Interest income | - | - | 163,245 | 126,391 | 2.35 - 6.25% per annum (2008: 3.40 - 6.40% per annum) |
| Other income | - | - | 21,125 | 14,488 | Near market price |
| Purchases of goods | - | - | 659,747 | 1,028,255 | Cost plus margin |
| Interest expense | - | - | 2,331 | 8,452 | 1.95 - 5.04% per annum (2008: 3.20 - 3.45% per annum) |
| Management fee | - | - | 14,244 | - | Contract price |
| Other expenses | - | - | 11,791 | 1,320 | Near market price |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer pricing policy |
|---|---|-----------|----------------------------------|---------|-------------------------|
| | For the six-month periods ended 30 June | | | | |
| | 2009 | 2008 | 2009 | 2008 | |
| Transactions with associates: | | | | | |
| Purchases of goods | 5,222 | 6,391 | 115 | 3 | Cost plus margin |
| Purchase service expense | 440 | 350 | 300 | 100 | Near market price |
| Transactions with related parties: | | | | | |
| Sales | 468,439 | 534,897 | 86,974 | 98,577 | Cost plus margin |
| Purchases of goods | 1,339,173 | 1,889,832 | 763,179 | 760,003 | Cost plus margin |
| Transportation | 22,760 | 22,451 | 4,313 | 1,575 | Near market price |
| Expenses relating to assets | 40,923 | 38,396 | 18,778 | 31,891 | Near market price |

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common directors. During the three-month and six-month periods ended 30 June 2009, insurance premiums paid through that company amounted to Baht 14.1 million and Baht 27.8 million, respectively (2008: Baht 5.8 million and Baht 19.3 million, respectively).

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

| List of related companies | Relationship |
|--|---------------------------------|
| Songkla Canning Pcl. | Subsidiary |
| Thai Union Manufacturing Co., Ltd. | Subsidiary |
| 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) |
| Yueh Chyang Canned Food Co., Ltd. | Subsidiary (Held by subsidiary) |
| Marine Biotech Co., Ltd. | Subsidiary (Held by subsidiary) |
| Thai Union Hatchary Co., Ltd. | Subsidiary (Held by subsidiary) |
| Phuket Fishing Co., Ltd. | Subsidiary (Held by subsidiary) |
| Samui Fishing Co., Ltd. | Subsidiary (Held by subsidiary) |

(Unaudited but reviewed)

| List of related companies | Relationship |
|--|--|
| Phang-nga Fishing Co., Ltd. | Subsidiary (Held by subsidiary) |
| Songkla Fishing Co., Ltd. | Subsidiary (Held by subsidiary) |
| Siam Fishing Pte. Ltd. | Subsidiary (Held by subsidiary) |
| Thai Quality Shrimp Co., Ltd. | Subsidiary (Held by subsidiary) |
| Lucky Union Foods Co., Ltd. | Associated company |
| Biz Dimension Co., Ltd. | Associated company |
| Century Trading (Shanghai) Co., Ltd. | Associated company (Held by subsidiary) |
| TN Fine Chemicals Co., Ltd. | Associated company (Held by subsidiary) |
| Chansiri Real Estate Co., Ltd. | Common major shareholders/Common directors |
| Thai Union Securities Co., Ltd. | Common major shareholders/Common directors |
| Asian Pacific Thai Tuna Co., Ltd. | Common major shareholders/Common directors |
| T.C. Union Global Pcl. | Common major shareholders/Common directors |
| Jana Fish Industries Limited | Common major shareholders/Common directors |
| T.C. Union Agrotech Co., Ltd. | Common major shareholders/Common directors |
| Waithai Co., Ltd. | Common major shareholders/Common directors |
| Thaipatana Stainless Steel Co., Ltd. | Common major shareholders/Common directors |
| Hanhong Kanchang Registered Ordinary Partnership | Common major shareholders/Common directors |
| Ahead Way International Co., Ltd. | Common major shareholders/Common directors |
| Merchant Partners Securities Pcl. | Common shareholders/Common directors |
| Geminai & Associate Co., Ltd. | Common shareholders |
| Lucky Surimi Products Co., Ltd. | Common directors |
| Asia-Pacific Risk Consultants (Thailand) Co., Ltd. | Common directors |
| Pae Ekawat | Relative of director |
| Ekawat Products Co., Ltd. | Relative of director |
| Pae Rungtiwa Boonmechote | Relative of director |

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

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June | 31 December | 30 June | 31 December |
| | 2009 | 2008 | 2009 | 2008 |
| <u>Trade accounts receivable - related companies</u> | | | | |
| <u>Subsidiary companies</u> | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Empress International, Ltd. | - | - | 338,530 | 647,619 |
| Tri-Union Seafoods, LLC | - | - | 469,255 | 398,749 |
| Tri-Union Samoa Packing Corporation | - | - | 158,854 | 278,527 |
| Tri-Union Frozen Foods, LLC | - | - | 378,540 | 399,395 |
| Thai Union Manufacturing Co., Ltd. | - | - | 18,812 | 11,625 |
| T-Holding Co., Ltd. | - | - | 231,322 | 216,256 |
| Songkla Canning Pcl. | - | - | 4,401 | 10,466 |
| Thai Union Seafood Co., Ltd. | - | - | 2,077 | 13,587 |
| Others | - | - | 639 | 980 |
| Total trade accounts receivable - subsidiary companies | - | - | 1,602,430 | 1,977,204 |
| <u>Associated companies</u> | | | | |
| Trade accounts receivable - associated companies | 15 | 10 | 15 | 4 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|---------------------|----------------------|---------------------|
| | financial statements | | financial statements | |
| | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 |
| Related companies | | | | |
| T.C. Union Agrotech Co., Ltd. | 24,518 | 5,772 | 11,721 | 5,772 |
| Jana Fish Industries Limited | 5,862 | 2,652 | - | - |
| Lucky Surimi Products Co., Ltd. | - | 7,775 | - | - |
| Ahead Way International Co., Ltd. | 16,856 | 14,436 | - | - |
| Others | 21 | 399 | - | - |
| Total trade accounts receivable - related companies | 47,257 | 31,034 | 11,721 | 5,772 |
| Total | 47,272 | 31,044 | 1,614,166 | 1,982,980 |
| Short-term loans to subsidiaries | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union International, Inc. | - | - | 533,756 | 624,832 |
| Thai Union Manufacturing Co., Ltd. | - | - | 500,000 | 300,000 |
| Songkla Canning Pcl. | - | - | 200,000 | 200,000 |
| Thai Union Graphic Co., Ltd. | - | - | 12,000 | 22,000 |
| Asian-Pacific Can Co., Ltd. | - | - | 50,000 | 50,000 |
| Total | - | - | 1,295,756 | 1,196,832 |
| Long-term loans to subsidiaries | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union International, Inc. | - | - | 2,677,255 | 2,568,755 |
| Thai Union Manufacturing Co., Ltd. | - | - | 2,033,358 | 2,082,774 |
| Total | - | - | 4,710,613 | 4,651,529 |
| Less: Current portion | | | | |
| Thai Union International, Inc. | - | - | - | (173,565) |
| Net | - | - | 4,710,613 | 4,477,964 |
| Other current assets | | | | |
| Interest receivable | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union International, Inc. | - | - | 26,756 | 30,376 |
| Thai Union Manufacturing Co., Ltd. | - | - | 7,917 | 7,533 |
| Songkla Canning Pcl. | - | - | 828 | 856 |
| Thai Union Graphic Co., Ltd. | - | - | 25 | 83 |
| Asian-Pacific Can Co., Ltd. | - | - | 103 | 179 |
| Total | - | - | 35,629 | 39,027 |
| Trade accounts payable - related companies | | | | |
| Subsidiary companies | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union Manufacturing Co., Ltd. | - | - | 70,008 | 138,924 |
| Asian-Pacific Can Co., Ltd. | - | - | 124,662 | 122,785 |
| Thai Union Graphic Co., Ltd. | - | - | 15,545 | 9,779 |
| T-Holding Co., Ltd. | - | - | 14,205 | 14,446 |
| Tri-Union Seafoods, LLC | - | - | 290 | 835 |
| Tri-Union Frozen Foods, LLC | - | - | 1,689 | - |
| Empress International, Ltd. | - | - | 6,396 | 6,183 |
| Thai Union Feedmill Co., Ltd. | - | - | 391 | 5,362 |
| Thai Union Seafood Co., Ltd. | - | - | 672 | 13,918 |
| Songkla Canning Pcl. | - | - | 657 | 4 |
| Phang-nga Fishing Co., Ltd. | - | - | 1,569 | - |
| Phuket Fishing Co., Ltd. | - | - | 24,573 | - |
| Total trade accounts payable - subsidiary companies | - | - | 260,657 | 312,236 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|
| | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 |
| <u>Associated companies</u> | | | | |
| Trade accounts payable - associated companies | 1,485 | 1,170 | 27 | 101 |
| <u>Related companies</u> | | | | |
| Pae Ekawat | - | 11,220 | - | 11,220 |
| T.C. Union Global Pcl. | - | 4,948 | - | - |
| T.C. Union Agrotech Co., Ltd. | 34,941 | 3,803 | - | - |
| Ekawat Products Co., Ltd. | 24,254 | 670 | 24,254 | 670 |
| Pae Rungtiwa Boonmechote | 2,988 | 2,123 | 2,988 | 2,123 |
| Jana Fish Industries Limited | 4,353 | - | - | - |
| Total trade accounts payable - related companies | 66,536 | 22,764 | 27,242 | 14,013 |
| Total | 68,021 | 23,934 | 287,926 | 326,350 |
| <u>Short-term loans from subsidiaries</u> | | | | |
| (Eliminated from consolidated financial statements) | | | | |
| Thai Union Manufacturing Co., Ltd. | - | - | 305,700 | - |
| Songkla Canning Plc. | - | - | 382,200 | - |
| Total | - | - | 687,900 | - |
| <u>Short-term loans from associated company</u> | | | | |
| Biz Dimension Co., Ltd. | - | 2,500 | - | 2,500 |
| Total | - | 2,500 | - | 2,500 |
| <u>Short-term loans from director of subsidiary</u> | | | | |
| Mr. Cheng Niruttinanon | - | 109,746 | - | - |
| <u>Accrued expenses</u> | | | | |
| <u>Accrued interest</u> | | | | |
| Thai Union Manufacturing Co., Ltd. | - | - | 328 | - |
| Songkla Canning Plc. | - | - | 684 | - |
| Biz Dimension Co., Ltd. | - | 8 | - | 8 |
| | - | 8 | 1,012 | 8 |
| <u>Others</u> | | | | |
| Biz Dimension Co., Ltd. | 96 | 140 | - | - |
| Asia-Pacific Risk Consultants (Thailand) Co., Ltd. | 7,011 | 35,231 | 2,255 | 15,678 |
| Waitai Co., Ltd. | 3,845 | 3,919 | 365 | 64 |
| Thaipatana Stainless Steel Co., Ltd. | 4,465 | 615 | 1,020 | 615 |
| Hanhong Kanchang Registered Ordinary Partnership | 325 | 3,208 | 81 | 2,802 |
| Total | 15,742 | 43,113 | 3,721 | 19,159 |

(Unaudited but reviewed)

The movements of loans to/from related companies during the six-month period ended 30 June 2009 are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | Balance as at 30 June 2009 |
|---|-----------------------------------|-------------------|-----------|-------------|-------------------------------|
| | Balance as at 1 January 2009 | During the period | | | |
| | | Increase | Decrease | Revaluation | |
| Short-term loans from related parties | | | | | |
| Biz Dimension Co., Ltd. | 2,500 | - | (2,500) | - | - |
| Short-term loans from director of subsidiaries | | | | | |
| Mr. Cheng Niruttinanon | 109,746 | 36,578 | (143,138) | (3,186) | - |

(Unit: Thousand Baht)

| | Separate financial statements | | | | Balance as at 30 June 2009 |
|---|---------------------------------|-------------------|--------------------|-----------------|-------------------------------|
| | Balance as at 1 January 2009 | During the period | | | |
| | | Increase | Decrease | Revaluation | |
| Short-term loans to subsidiaries | | | | | |
| Thai Union International, Inc. | 624,832 | 96,058 | (217,750) | 30,616 | 533,756 |
| Thai Union Manufacturing Co., Ltd. | 300,000 | 200,000 | - | - | 500,000 |
| Songkla Canning Pcl. | 200,000 | - | - | - | 200,000 |
| Thai Union Seafood Co., Ltd. | - | 525,150 | (525,150) | - | - |
| Thai Union Feedmill Co., Ltd. | - | 16,400 | (16,400) | - | - |
| Thai Union Graphic Co., Ltd. | 22,000 | - | (10,000) | - | 12,000 |
| Asian-Pacific Can Co., Ltd. | 50,000 | - | - | - | 50,000 |
| | <u>1,196,832</u> | <u>837,608</u> | <u>(769,300)</u> | <u>30,616</u> | <u>1,295,756</u> |
| Long-term loans to subsidiaries | | | | | |
| Thai Union International, Inc. | 2,568,755 | 331,500 | (215,000) | (8,000) | 2,677,255 |
| Thai Union Manufacturing Co., Ltd. | 2,082,774 | - | - | (49,416) | 2,033,358 |
| | <u>4,651,529</u> | <u>331,500</u> | <u>(215,000)</u> | <u>(57,416)</u> | <u>4,710,613</u> |
| Short-term loans from subsidiaries | | | | | |
| Thai Union Manufacturing Co., Ltd. | - | 867,150 | (561,450) | - | 305,700 |
| Songkla Canning Pcl. | - | 1,161,700 | (779,500) | - | 382,200 |
| Thai Union Feedmill Co., Ltd. | - | 89,500 | (89,500) | - | - |
| | <u>-</u> | <u>2,118,350</u> | <u>(1,430,450)</u> | <u>-</u> | <u>687,900</u> |
| Short-term loans from associated company | | | | | |
| Biz Dimension Co., Ltd. | 2,500 | - | (2,500) | - | - |

4. Inventory / allowance for diminution in value of inventory

As at 30 June 2009, three overseas subsidiaries have mortgaged certain of their inventories to financial institutions to secure their credit facilities as mentioned in Note 10.

(Unaudited but reviewed)

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2009 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| Balance as at 1 January 2009 | 325,332 | 17,864 |
| Add: Allowance made during the period | 173,469 | 31,564 |
| Less: Allowance reversed during the period | (284,108) | (3,619) |
| Translation adjustment | (1,951) | - |
| Balance as at 30 June 2009 | <u>212,742</u> | <u>45,809</u> |

5. Investments in subsidiaries

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

| Company's name | Nature of business | Country of incorporation | Paid-up capital | | Shareholding percentage | |
|---------------------------------------|---|-----------------------------|------------------|------------------|-------------------------|-------------|
| | | | 30 June | 31 December | 30 June | 31 December |
| | | | 2009 | 2008 | 2009 | 2008 |
| | | | | % | % | |
| 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 250 million | Baht 250 million | 51.00 | 51.00 |
| T-Holding Co., Ltd. | Distributor | Thailand | Baht 70 million | Baht 70 million | 90.00 | 90.00 |
| Thai Union Numhong Co., Ltd. | Liquidation | Thailand | - | Baht 125 million | - | 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)

| Company's name | Cost | |
|---|-----------------|---------------------|
| | 30 June 2009 | 31 December 2008 |
| <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. | 163,816 | 163,816 |
| T-Holding Co., Ltd. | 20,699 | 20,699 |
| Thai Union Numhong Co., Ltd. | - | 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 | 3,370,090 | 3,461,090 |
| Less: Allowance for loss on impairment of investments | (26,137) | (115,222) |
| Net | 3,343,953 | 3,345,868 |

Thai Union Numhong Co., Ltd. has registered its dissolution with the Ministry of Commerce on 18 September 2008. Its liquidation was registered with the Ministry of Commerce on 6 January 2009.

During the second quarter of the current year, an overseas subsidiary (TUI) approved a restructuring plan to cease packing and canning operations in American Samoa, and begin canning operations in Georgia State. The packing and canning operations in American Samoa are currently scheduled to cease on 30 September 2009. TUI recorded expenses of these plans for the three-month and six-month periods ended 30 June 2009 amounting to Baht 163.1 million (USD 4.7 million). These expenses comprise employee severance payments, and write-offs of machinery, equipment and wastage as a result of the closure. Severance will be paid only to those employees who continue working until the date that the packing and canning operations cease in American Samoa.

On 18 June 2009, Marine Biotech Co., Ltd., a subsidiary of Thai Union Feedmill Co., Ltd, registered its dissolution with the Ministry of Commerce. It is now in the process of liquidation.

(Unaudited but reviewed)

6. Investments in associates

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Consolidated financial statements | | | | | |
|---|--|--------------------------------|-----------------------------------|------------------|--------------|------------------|---|------------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
| | | | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 |
| | | | % | % | | | | |
| Investments in associates, directly held by the Company | | | | | | | | |
| Lucky Union Foods Co., Ltd. | Manufacturer & exporter of crab sticks | Thailand | 25.00 | 25.00 | 37,500 | 37,500 | 245,642 | 222,534 |
| Biz Dimension Co., Ltd. | E-Commerce under website | Thailand | 20.00 | 20.00 | 1,010 | 1,010 | 18,512 | 16,740 |
| Investments in associates, directly held by subsidiary | | | | | | | | |
| Century Trading (Shanghai) Co., Ltd. (50% held by Thai Union Manufacturing Co., Ltd.) | Importer & exporter of food products | The People's Republic of China | 45.04 | 45.04 | 75,900 | 75,900 | 24,517 | 25,067 |
| TN. Fine Chemicals Co., Ltd. (49% held by Thai Union Manufacturing Co., Ltd.) | Manufacturer & exporter of by-products from seafoods | Thailand | 44.14 | - | 22,035 | - | 22,035 | - |
| | | | | | 136,445 | 114,410 | 310,706 | 264,341 |

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Separate financial statements | | | |
|-----------------------------|--|--------------------------|-------------------------------|------------------|--------------|------------------|
| | | | Shareholding percentage | | Cost | |
| | | | 30 June 2009 | 31 December 2008 | 30 June 2009 | 31 December 2008 |
| | | | % | % | | |
| Lucky Union Foods Co., Ltd. | Manufacturer & exporter of crab sticks | Thailand | 25.00 | 25.00 | 37,500 | 37,500 |
| Biz Dimension Co., Ltd. | E-Commerce under website | Thailand | 20.00 | 20.00 | 1,010 | 1,010 |
| | | | | | 38,510 | 38,510 |

On 30 March 2009, a meeting of the Board of Directors of Thai Union Manufacturing Co., Ltd., its subsidiary, approved joint investment to set-up a new company, "TN Fine Chemicals Co., Ltd.". The purpose of the investment is to manufacture and export by-products from seafoods. This subsidiary invests 49% of its registered capital of Baht 90 million. In April 2009, the subsidiary paid Baht 22 million.

Investments in some 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 associated companies are immaterial.

(Unaudited but reviewed)

7. Other long-term investments

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------|------------------|------------|
| | 30 June 2009 | | 31 December 2008 | |
| | Cost | Fair value | Cost | Fair value |
| Other long-term investments | | | | |
| Available-for-sale securities - Unit trusts | 64,824 | 44,997 | 69,520 | 51,017 |
| Unrealised loss on changes in the value of investments | (19,827) | - | (18,503) | - |
| Total available-for-sale securities | 44,997 | 44,997 | 51,017 | 51,017 |
| Other securities | | | | |
| - Ordinary shares | 51,049 | | 51,470 | |
| - Unit trust | 100 | | 100 | |
| Total other long-term investments | 96,146 | | 102,587 | |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|-------------------------------|------------|------------------|------------|
| | 30 June 2009 | | 31 December 2008 | |
| | Cost | Fair value | Cost | Fair value |
| Other long-term investments | | | | |
| Available-for-sale securities - Unit trusts | 5,025 | 4,511 | 5,025 | 4,551 |
| Unrealised loss on changes in the value of investments | (514) | - | (474) | - |
| Total available-for-sales securities | 4,511 | 4,511 | 4,551 | 4,551 |
| Other securities - ordinary shares | 34,579 | | 34,579 | |
| Total other long-term investments | 39,090 | | 39,130 | |

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2009 are summarised below.

| | (Unit: Thousand Baht) | |
|--|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Net book value as at 1 January 2009 | 8,514,957 | 2,127,716 |
| Acquisitions during period - at cost | 947,405 | 241,186 |
| Disposals during period - net book value at disposal date | (8,635) | (191) |
| Depreciation for period | (515,834) | (141,891) |
| Transfer of asset to pay down debt | (3,394) | - |
| Allowance for impairment of assets | (70,080) | - |
| Translation adjustment | (26,512) | - |
| Net book value as at 30 June 2009 | <u>8,837,907</u> | <u>2,226,820</u> |

An overseas subsidiary has mortgaged the construction and machinery, with net book values totaling approximately USD 0.1 million (31 December 2008: USD 0.1 million), to financial institutions to secure their credit facilities, as mentioned in Note 10.

9. Intangible assets

(Unit: Million Baht)

| | Consolidated financial statements | | | | | |
|-------------------------|-----------------------------------|-----------------------------|------------|------------------|-----------------------------|------------|
| | 30 June 2009 | | | 31 December 2008 | | |
| | Cost | Accumulated amortisation | Net | Cost | Accumulated amortisation | Net |
| Copyrights | 39 | (2) | 37 | 13 | (3) | 10 |
| Trademarks | 918 | (293) | 625 | 942 | (301) | 641 |
| Patent | 36 | - | 36 | 36 | - | 36 |
| Customer relationships | 144 | (85) | 59 | 147 | (80) | 67 |
| Covenant not to compete | 14 | (14) | - | 14 | (14) | - |
| Total | <u>1,151</u> | <u>(394)</u> | <u>757</u> | <u>1,152</u> | <u>(398)</u> | <u>754</u> |

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

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

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 letters of credit reduces the amount of borrowing capacity. Borrowings under the credit facility amended on 29 May 2009 bear interest, at the subsidiary's option, at LIBOR, 1% minimum plus a margin of 3.5% per annum or the bank's prime rate plus 2.50% per annum, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of the subsidiary. As at 30 June 2009, the balance under this facility was USD 10 million at interest rate between 4.50% to 5.75% per annum and actual unused availability based upon substantially all of collateralised assets was approximately USD 19 million. The subsidiary is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 30 June 2009, the subsidiary determined it was in compliance with the interest coverage ratio covenant. The Company has committed to provide any necessary funds to replace, in full, any bank debt which may be required to be repaid through at least 1 July 2010.

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 60 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 1.5% per annum or 1.75% per annum, the bank's prime rate, or the bank's prime rate plus 0.25% per annum, subject to quarterly adjustment. An unused line fee is charged at 0.25% or 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U. As at 30 June 2009, the balance under the credit facility was USD 48 million with interest rate at 1.9% per annum and actual unused availability was approximately USD 10 million. Tri-U is subject to certain financial covenants including an interest

(Unaudited but reviewed)

coverage ratio and leverage ratio and others. Tri-U determined it was in compliance with all of these covenants as of 30 June 2009.

Tri-Union Frozen Foods, LLC (TUFF) entered into a USD 30 million revolving line of credit facility with Rabobank International, for advances up to 90 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 cost of funds (as defined in the facility) plus a margin of 2.5% 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 2009, the amount outstanding under the TUFF facility was USD 21.0 million with interest at rates ranging from 2.80% to 2.89% per annum. The subsidiary was contingently liable to open letters of credit issued under this facility totally USD 0.9 million, and actual unused availability was approximately USD 8.2 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 2009, the subsidiary determined it was in compliance with these covenants.

11. Long-term loans

Long-term loans as at 30 June 2009 and 31 December 2008 consist of:

| | (Unit: Million Baht) | |
|-----------------------|--------------------------------------|---------------------|
| | Consolidated financial statements | |
| | 30 June 2009 | 31 December 2008 |
| USD loans | 124 | 165 |
| Baht loans | 1,412 | 1,477 |
| Total | 1,536 | 1,642 |
| Less: Current portion | (224) | (226) |
| Net | 1,312 | 1,416 |

(Unaudited but reviewed)

Movements in the long-term loan account during the six-month period ended 30 June 2009 are summarised below.

| | (Unit: Million Baht) Consolidated financial statements |
|--------------------------------|--|
| Balance as at 1 January 2009 | 1,642 |
| Less: Repayment | (103) |
| Less: Unrealised exchange gain | (3) |
| Balance as at 30 June 2009 | <u>1,536</u> |

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

During the third quarter of 2006, a local subsidiary entered into two loan agreements amounting to Baht 150 million from two local financial institutions, carrying interest at MLR minus 1.25% per annum and MLR minus 1.00% per annum. These loans are to be repaid within year 2010 and have been guaranteed by a local subsidiary. As at 30 June 2009, the balance of this loan is Baht 100.0 million.

During the second quarter of 2007, a local subsidiary drew Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85% per annum, and THBFIX plus 0.5% per annum. These loans are to be repaid within year 2012. As at 30 June 2009, the balance of this loan is Baht 222.0 million.

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. However, during 2008, the above subsidiary had repaid principal amount of Baht 100 million. As at 30 June 2009, the balance of this loan is Baht 1,090 million.

12. Debentures

On 26 October 2005, a meeting of the Company's Board of Directors approved the issuance of debentures of the Company and/or its subsidiary companies in an amount of up to Baht 8,500 million or the equivalent in another currency, for the purposes of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

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

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

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

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

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

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

(Unaudited but reviewed)

Corporate income tax of the Company and subsidiaries for the three-month and six-month periods ended 30 June 2009 and 2008 is as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| For the three-month periods ended 30 June | | | | |
| | 2009 | 2008 | 2009 | 2008 |
| Income tax on taxable income | 101,280 | 60,035 | 8,036 | 25,159 |
| Translation adjustment | 17,269 | (5,717) | - | - |
| Expense (income) in deferred income tax | (964) | 703 | (442) | (1,634) |
| Income tax as included in income statements | <u>117,585</u> | <u>55,021</u> | <u>7,594</u> | <u>23,525</u> |

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| For the six-month periods ended 30 June | | | | |
| | 2009 | 2008 | 2009 | 2008 |
| Income tax on taxable income | 196,805 | 92,551 | 25,502 | 39,728 |
| Translation adjustment | 10,072 | 2,025 | - | - |
| Expense (income) in deferred income tax | 6,876 | 30,278 | (483) | 332 |
| Income tax as included in income statements | <u>213,753</u> | <u>124,854</u> | <u>25,019</u> | <u>40,060</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 | 31 December | 30 June | 31 December |
| | 2009 | 2008 | 2009 | 2008 |
| Tax losses brought forward | 265,224 | 272,188 | - | - |
| Tax effect of non-deductible expenses | | | | |
| Allowance for doubtful accounts | 10,402 | 10,822 | 179 | 179 |
| Allowance for devaluation in the value of inventories | 4,769 | 13,986 | 1,987 | 1,504 |
| Other allowance | 11,342 | 11,304 | 9,351 | 9,351 |
| Accrued liabilities | 244,943 | 251,194 | - | - |
| Inventory cost capitalisation | 89,089 | 91,362 | - | - |
| Total | <u>625,769</u> | <u>650,856</u> | <u>11,517</u> | <u>11,034</u> |

(Unaudited but reviewed)

As at 30 June 2009, a local subsidiary has deferred tax liabilities amounting to Baht 45.0 million (31 December 2008: Baht 48.1 million) and overseas subsidiaries have deferred tax liabilities amounting to Baht 240.0 million or USD 7.1 million (31 December 2008: Baht 245.1 million or USD 7.0 million).

14. Reconciliation of diluted earnings per share

| For the three-month periods ended 30 June | | | | | | | | | |
|--|-----------------|----------------------------------|-----------------|---|-------------------|--------------------------------------|-------------|----------------------------------|-------------|
| | | | | Weighted average number of ordinary shares | | Earnings per share | | | |
| Consolidated financial statements | | Separate financial statements | | | | Consolidated financial statements | | Separate financial statements | |
| <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Million Baht | Million Baht | Million Baht | Million Baht | Million share | Million shares | Baht | Baht | Baht | Baht |
| Basic earnings per share | | | | | | | | | |
| Net income attributable to equity holders of the parent | | | | | | | | | |
| 954.5 | 403.4 | 656.7 | 412.1 | 883.2 | 874.1 | 1.08 | 0.46 | 0.74 | 0.47 |
| Dilutive effect of warrants conversion | | | | | | | | | |
| - | - | - | - | - | 3.3 | | | | |
| Diluted earnings per share | | | | | | | | | |
| Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares | | | | | | | | | |
| 954.5 | 403.4 | 656.7 | 412.1 | 883.2 | 877.4 | 1.08 | 0.46 | 0.74 | 0.47 |

| For the six-month periods ended 30 June | | | | | | | | | |
|---|-----------------|----------------------------------|-----------------|---|-------------------|--------------------------------------|-------------|----------------------------------|-------------|
| | | | | Weighted average number of ordinary shares | | Earnings per share | | | |
| Consolidated financial statements | | Separate financial statements | | | | Consolidated financial statements | | Separate financial statements | |
| <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Million Baht | Million Baht | Million Baht | Million Baht | Million share | Million shares | Baht | Baht | Baht | Baht |
| Basic earnings per share | | | | | | | | | |
| Net income attributable to equity holders of the parent | | | | | | | | | |
| 1,607.5 | 981.4 | 845.1 | 709.1 | 883.2 | 874.1 | 1.82 | 1.12 | 0.96 | 0.81 |
| Dilutive effect of warrants conversion | | | | | | | | | |
| - | - | - | - | - | 3.2 | | | | |
| Diluted earnings per share | | | | | | | | | |
| Net income of ordinary shareholders assuming | | | | | | | | | |

(Unaudited but reviewed)

| | | | | | | | | | | |
|----------------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| the conversion of warrants | | | | | | | | | | |
| to ordinary shares | <u>1,607.5</u> | <u>981.4</u> | <u>845.1</u> | <u>709.1</u> | <u>883.2</u> | <u>877.3</u> | <u>1.82</u> | <u>1.12</u> | <u>0.96</u> | <u>0.81</u> |

(Unaudited but reviewed)

No calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2009 is required for warrant since the warrants were expired during the third quarter of prior year.

15. Dividend paid

Dividends declared in 2009 and 2008 consist of the following:

| | Approved by | Total dividends | Dividend per share |
|--|---|-----------------|-----------------------|
| Dividends on income for the period 1 July 2008 to 31 December 2008 | Annual General Meeting of the shareholders on 9 April 2009 | 618,213,295 | 0.70 |
| Total for 2009 | | 618,213,295 | |
| 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 | |

16. 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 2009 and 2008 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 | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Sales | | | | | | | | | | |
| - Local | 732 | 927 | 2,464 | 2,422 | 3,196 | 3,349 | (1,138) | (1,716) | 2,058 | 1,633 |
| - Export | 17,347 | 16,595 | 148 | 227 | 17,495 | 16,822 | (2,358) | (1,663) | 15,137 | 15,159 |
| Total sales | 18,079 | 17,522 | 2,612 | 2,649 | 20,691 | 20,171 | (3,496) | (3,379) | 17,195 | 16,792 |
| Segment operating income | 1,165 | 389 | 267 | 303 | 1,432 | 692 | (62) | 4 | 1,370 | 696 |
| Unallocated income (expenses): | | | | | | | | | | |
| Interest income | | | | | | | | | 1 | 4 |
| Administrative expenses | | | | | | | | | (1) | (4) |
| Share of income from investments in associates | | | | | | | | | 13 | 1 |
| Financial cost | | | | | | | | | (147) | (128) |
| Corporate income tax | | | | | | | | | (117) | (55) |
| Net income of minority interest | | | | | | | | | (164) | (111) |
| Net income attributable to equity holders of the parent | | | | | | | | | 955 | 403 |

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

| | Frozen and canned food products | | Other businesses | | Total | | Elimination | | Grand total | |
|--|------------------------------------|--------|------------------|-------|--------|--------|-------------|---------|-------------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | Sales | | | | | | | | | |
| - Local | 1,432 | 1,675 | 4,420 | 4,552 | 5,852 | 6,227 | (2,247) | (3,303) | 3,605 | 2,924 |
| - Export | 35,017 | 32,019 | 243 | 396 | 35,260 | 32,415 | (4,004) | (3,131) | 31,256 | 29,284 |
| Total sales | 36,449 | 33,694 | 4,663 | 4,948 | 41,112 | 38,642 | (6,251) | (6,434) | 34,861 | 32,208 |
| Segment operating income | 1,912 | 973 | 476 | 573 | 2,388 | 1,546 | (35) | 7 | 2,353 | 1,553 |
| Unallocated income (expenses): | | | | | | | | | | |
| Interest income | | | | | | | | | 6 | 4 |
| Administrative expenses | | | | | | | | | (1) | (4) |
| Share of income from investments in associates | | | | | | | | | 24 | 1 |
| Financial cost | | | | | | | | | (316) | (280) |
| Corporate income tax | | | | | | | | | (213) | (125) |
| Net income of minority interest | | | | | | | | | (245) | (168) |
| Net income attributable to equity holders of the parent | | | | | | | | | 1,608 | 981 |

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month and six-month periods ended 30 June 2009 and 2008 is as follows:

(Unit: Million Baht)

For the three-month periods ended 30 June

| | Thailand | | Overseas | | Total | | Elimination | | Grand total | |
|--------------------------------------|----------|--------|----------|-------|--------|--------|-------------|---------|-------------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | Sales | | | | | | | | | |
| - Frozen and canned food products | 10,092 | 10,376 | 7,987 | 7,146 | 18,079 | 17,522 | (2,449) | (3,271) | 15,630 | 14,251 |
| - Other businesses | 2,612 | 2,649 | - | - | 2,612 | 2,649 | (1,047) | (108) | 1,565 | 2,541 |
| Total sales | 12,704 | 13,025 | 7,987 | 7,146 | 20,691 | 20,171 | (3,496) | (3,379) | 17,195 | 16,792 |
| Segment operating income | | | | | | | | | 1,370 | 696 |

(Unit: Million Baht)

For the six-month periods ended 30 June

| | Thailand | | Overseas | | Total | | Elimination | | Grand total | |
|--------------------------------------|----------|--------|----------|--------|--------|--------|-------------|---------|-------------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | Sales | | | | | | | | | |
| - Frozen and canned food products | 20,132 | 19,494 | 16,317 | 14,200 | 36,449 | 33,694 | (4,214) | (5,138) | 32,235 | 28,556 |
| - Other businesses | 4,663 | 4,948 | - | - | 4,663 | 4,948 | (2,037) | (1,296) | 2,626 | 3,652 |
| Total sales | 24,795 | 24,442 | 16,317 | 14,200 | 41,112 | 38,642 | (6,251) | (6,434) | 34,861 | 32,208 |
| Segment operating income | | | | | | | | | 2,353 | 1,553 |

17. Commitments

As at 30 June 2009, the Company and its subsidiaries have the following commitments:

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

| | Payable within | | | Total |
|---|---|-------------------------------------|-------------------------------------|--|
| | Less than 1 year | 1 - 5 years | More than 5 years | |
| Office rental and service agreements | Baht 28.0 million USD 0.05 million | Baht 42.8 million - | Baht 9.7 million - | Baht 80.5 million USD 0.05 million |
| Land lease agreements | Baht 1.0 million USD 2.7 million | Baht 3.9 million USD 4.9 million | Baht 5.0 million USD 0.8 million | Baht 9.9 million USD 8.4 million |
| Car lease agreements | Baht 2.5 million | Baht 0.6 million | - | Baht 3.1 million |
| Machinery and equipment lease agreements | Baht 3.7 million USD 0.22 million | - USD 0.71 million | - USD 0.15 million | Baht 3.7 million USD 1.08 million |
| Warehouse and factory construction agreements | Baht 63.5 million | Baht 158.6 million | - | Baht 222.1 million |
| Purchase machinery and equipment agreements | Baht 60.8 million EUR 3.5 million JPY 1.6 million | Baht 71.3 million - - | - - - | Baht 132.1 million EUR 3.5 million JPY 1.6 million |
| Advertising agreements | Baht 10.2 million | - | - | Baht 10.2 million |
| Communication agreements | Baht 0.7 million | Baht 2.7 million | - | Baht 3.4 million |
| Computer and copy machine lease agreements | Baht 18.2 million | Baht 22.5 million | - | Baht 40.7 million |
| Copyright agreements | Baht 10.3 million | Baht 1.7 million | - | Baht 12.0 million |

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

| | Amount |
|-----------------------------------|--------------------|
| The local subsidiaries | Baht 406.5 million |
| The local associated company | Baht 22.0 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 2009 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 28% of total raw fish purchased for the six-month period ended 30 June 2009.
- 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.
- Tri-U entered into an agreement with a vendor to supply cans and ends to Tri-U's American Samoa facility. This agreement expires on 31 December 2010. The overseas subsidiary is required to purchase a minimum quantity of cans and ends per year from the vendor, or the vendor may terminate the agreement with 18 months prior written notice. The price for cans and ends purchased through this agreement is variable within a range based on the quantity purchased by the overseas subsidiary. Either the overseas subsidiary or the vendor may elect to terminate the agreement with 18 months prior written notice at any time after June 2009.
- 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 extension indefinitely, unless either party gives the other party twelve months written notice of termination. The third party supplies the raw materials, and the overseas subsidiary is reimbursed for production costs. In connection with the agreement, the third party provided equipment which the overseas subsidiary installed in its facility and which it uses for its own production as well as for that under the co-pack agreement. The amount paid for the lease of the equipment is based on production and the Company has the option to purchase the equipment upon termination of the agreement for cost plus interest, less lease payments previously made.

18. Contingent liabilities

18.1 Forward foreign exchange contracts

Significant forward exchange contracts outstanding are summarised below.

| Foreign currency | Bought amount | Sold amount | Contractual exchange rate | |
|---------------------------|---------------|-------------|------------------------------------|-----------------|
| | | | Bought | Sold |
| | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| <u>As at 30 June 2009</u> | | | | |
| <u>The Company</u> | | | | |
| US dollar | 6 | 233 | 33.98 - 34.92 | 33.40 - 43.00 |
| Japanese yen | - | 276 | - | 0.3556 - 0.3839 |
| Euro | 4 | 1 | 44.56 - 48.47 | 46.14 - 48.15 |
| <u>Subsidiaries</u> | | | | |
| US dollar | 26 | 148 | 33.27 - 35.86 | 33.54 - 36.66 |
| Euro | 4 | - | 47.71 - 48.11 | - |

As at 30 June 2009, the Company and its subsidiaries have outstanding option agreements with special conditions with a financial institution under which they have obligations to buy amounts of between USD 6 million to USD 11 million, depending on conditions stipulated in the agreements, at rates ranging from Baht 33.80 to Baht 35.00 per USD 1. These agreements will terminate within November 2009.

(Unaudited but reviewed)

As at 30 June 2009, the Company and its subsidiaries have outstanding option agreements with special conditions with a financial institution under which they have obligations to sell amounts of between USD 15 million to USD 25 million, depending on conditions stipulated in the agreements, at rates ranging from Baht 34.31 to Baht 34.51 per USD 1. These agreements will terminate within September 2009.

18.2 Interest rate swap transaction agreements

Interest rate swap agreements

The Company

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

Subsidiaries

| | Principal 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 |
| 7 | Baht 300 million | Float rate 3-month THBFIX | Fixed rate 3.98% | August 2010 |

Cross currency swap agreements

The Company

| | Currency and interest revenue rate swap agreements | | Currency and interest expense rate swap agreements | | Terminal date |
|---|--|---------------------------|--|---|------------------------|
| | Principal amount | Interest rate | Principal amount | Interest rate | |
| 1 | Baht 3,114 million | Fixed rate 3.91% | USD 90 million | Float rate 3-month LIBOR plus 0.47% | June 2011 |
| 2 | Baht 1,561.8 million | Float rate 3-month THBFIX | USD 47 million | Fixed rate 3.58% to 4.4086% | July 2010 to July 2012 |
| 3 | Baht 484.9 million | Fixed rate 5.00% | USD 13.75 million | Float rate 3-month LIBOR plus 2.36% to 3.245% | December 2009 |

18.3 Others

- a) In connection with TUI's production facilities in American Samoa, TUI may become obligated to remove its improvements and installations of property and equipment upon expiration of its lease agreement with the American Samoa Government, which expires on 30 September 2013. TUI has not recognised a liability related to the asset retirement obligations because TUI lacks sufficient information to reasonably estimate the fair value.
- 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 pending. TUI is presently unable to predict the probable outcome of this matter, and as such, TUI has no accrual related this matter as of 30 June 2009.
- c) Other states in the US have filed similar suits against TUI, for failure to warn consumers of the potential health hazards of mercury in tuna. On 13 January 2009, TUI filed a petition with the U.S. Supreme Court. TUI is presently unable to predict the probable outcome of this matter, and as such, TUI has no accrual related this matter as of 30 June 2009.

(Unaudited but reviewed)

- d) In March 2008, the US Department of Commerce announced a preliminary anti-dumping (AD) rate for the Company and its subsidiary's shrimp exports to the US for the period of 1 February 2006 to 31 January 2007 from a rate of 5.95% (average rate of Thailand) to 15.3%. The Company and its subsidiary will pay AD USD 7.9 million for that period and the Company and its subsidiary have not recorded this amount in the accounts since the announcement is preliminary and not a final announcement. The Company has appointed a lawyer in US to negotiate with the US Department of Commerce. In September 2008, the announcement is finalised at a rate of 2.85% for the Company and its subsidiary. The Company and its subsidiary will receive the different amount. However, the management of the Company and its subsidiary have not recorded this amount because it is in the process of refunding.

19. Guarantees

- a) The Company's board of directors approved the issuance of corporate guarantees in the name of Company and subsidiaries of USD 49.4 million (31 December 2008: USD 34.5 million) to several financial institutions to secure credit facilities of its subsidiaries and their loans.
- b) As at 30 June 2009, there were outstanding bank guarantees of approximately Baht 42.9 million (31 December 2008: Baht 40.9 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 2009, there were outstanding bank guarantees of approximately Baht 95.1 million (31 December 2008: Baht 87.0 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.

20. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 30 June 2009.

| Foreign currency | (Unit: Thousand) | | | |
|------------------|--------------------------------------|-------------|----------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | Assets | Liabilities | Assets | Liabilities |
| US dollar | 8,089 | 14,007 | 4,000 | 6,205 |
| Japanese yen | - | 1,092,679 | - | 864,885 |
| Euro | - | 335 | 326 | - |
| Singapore dollar | - | 2,531 | - | - |

21. Subsequent event

On 23 July 2009, Tri-Union Frozen Foods, LLC (TUFF) entered into a new revolving credit facility with a financial institution to replace the existing TUFF facility with Rabobank International. The new facility, which expires in 23 July 2012, provides for borrowing and the issuance of letters of credit amounting to USD 45 million, under various conditions stipulated in the agreement. The new facility is secured by the Company and accounts receivable and inventory of TUFF.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's management on 29 July 2009.