



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. CS200319138

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

ALLIANCE TUNA INTERNATIONAL, INC.
(Amending Article VII thereof)

copy annexed, adopted on June 26, 2007 by a majority vote of the Board of Directors and on August 08, 2007 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 25th day of October, Two Thousand Seven.


BENITO A. CATARAN
Director

Company Registration and Monitoring Department

OK FOR PAYMENT

P
FAAD _____ CFRU _____
BY / BY _____
DATE 09.18.07 DATE _____
C R M D

COVER SHEET

Mr. Ardeante
09-18-07
0919200

SEC Registration Number: CS200319138

ALLIANCE TUNA INTERNATIONAL, INC.

Company's Full Name

Suite 1205, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City

Company's Address

MA. ERLINDA R. CALAÑGI
Contact Person

635-5241 to 44
Telephone Number

31 December
Fiscal Year Ending

June 15
Annual Meeting

Certificate of Increase of Capital Stock

[Empty Box]

Form Type

[Empty Box]

Dept. Requiring this Doc.

Amended AOI

Amended Articles Number/Section

[Empty Box]

Total No. of Stockholders

Total Amount of Borrowings

[Empty Box]

Domestic

[Empty Box]

Foreign

.....
To be accomplished by SEC Personnel concerned

[Empty Box]

File Number

[Empty Box]

LCU

[Empty Box]

Document ID

[Empty Box]

Cashier

170, 170
170
170, 170

Remarks: Please use black ink for scanning purposes

**AMENDED ARTICLES OF INCORPORATION
OF
ALLIANCE TUNA INTERNATIONAL, INC.
(Name of Corporation)**

Know All Men By These Presents:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

THAT WE HEREBY CERTIFY:

FIRST: That the name of this corporation shall be:

ALLIANCE TUNA INTERNATIONAL, INC.

SECOND: A. That the primary purpose of this corporation is to engage in the business of manufacturing goods such as CANNED TUNA & OTHER PROCESSED SEAFOODS and to trade the same on wholesale basis.

B. That the corporation shall have all the express powers of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established is at:

Suite 1205, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center,
Pasig City, Metro Manila.

FOURTH: That the term for which the corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH: That the names, nationalities, and residences of the incorporators are as follows:

Name	Nationality	Residence (Complete Address)
Alvin Y. Dee	Filipino	1205 East Tower PSEC, Ortigas Center, Pasig City
Jonathan Y. Dee	Filipino	1205 East Tower PSEC, Ortigas Center, Pasig City
Joanna Dee-Laurel	Filipino	1205 East Tower PSEC, Ortigas Center, Pasig City
Teresita S. Ladanga	Filipino	1205 East Tower PSEC, Ortigas Center, Pasig City
Arak Ratboriharn	Thai	3300/12 Elephant Tower, Tower A 14/F, Phaholyothin Road, Chatujak, Bangkok, Thailand

SIXTH: That the number of directors of the corporation shall be seven (7), two (2) of whom shall be independent; (As amended on June 6, 2006)

SEVENTH: That the authorized capital stock of the corporation is NINE HUNDRED FIFTY MILLION PESOS (Php950,000,000.00) in lawful money of the Philippines, divided into Nine Hundred Fifty Million (950,000,000) shares, with the par value of One Peso (Php1.00) per share. (As amended on January 19, 2004, December 14, 2005, and further amended on June 26, 2007 & August 8, 2007)

EIGHT: That the subscribers to the capital stock and the amount paid-in to their subscriptions are as follows:

Name	Nationality	No. of shares Subscribed	Amount Subscribed	Amount Paid
Alvin Y. Dee	Filipino	20,000	P 20,000.00	P 20,000.00
Jonathan Y. Dee	Filipino	20,000	20,000.00	20,000.00
Joanna Dee-Laurel	Filipino	19,999	19,999.00	19,999.00
Teresita S. Ladanga	Filipino	1	1.00	1.00
Arak Ratboriharn	Thai	340,000	340,000.00	40,000.00
Total		400,000	P 400,000.00	P 100,000.00

NINTH: That JOANNA DEE-LAUREL has been elected by the subscribers as Treasurer of the corporation to act as such until her successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer, she has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

TENTH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 25th day of August 2003 at Pasig City, Metro Manila.

(Sgd.)
ALVIN Y. DEE

(sgd.)
JONATHAN Y. DEE

(Sgd.)
JOANNA DEE-LAUREL

(sgd.)
TERESITA S. LADANGA

(Sgd.)
ARAK RATBORIHARN

WITNESSES:

(Sgd.)

(Sgd.)

ACKNOWLEDGMENT

Republic of the Philippines } S.c.
Pasig City }

BEFORE ME, a Notary Public in and for Pasig City, Philippines, this 25th day of August, 2003 personally appeared:

<u>Name</u>	<u>Comm. Tax Cert. No.</u>	<u>Date & Place Issued</u>
Alvin Y. Dee	02191479	01.06.03/Mandaluyong City
Jonathan Y. Dee	02191480	01.06.03/Mandaluyong City
Joanna Dee-Laurel	02191481	01.06.03/Mandaluyong City
Teresita S. Ladanga	23421483	03.26.03/Marikina City
Arak Ratboriharn	Passport # E545253	12.02.02/Bangkok, Thailand

all known to me and to me known to be the same persons who executed the foregoing Article of Incorporation and they acknowledged to me that the same is their free and voluntary act and deed.

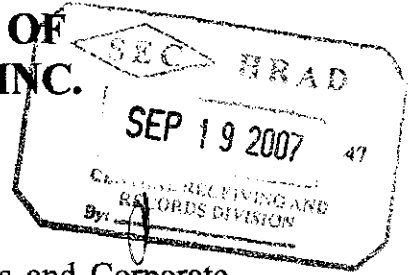
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

(Sgd.)

MARIA ROSARIO Z. DEL ROSARIO
Notary Public Until December 31, 2004
PTR No. 1589324; Pasig City; 4-09-03
IBP No. 584900; Rizal Chapter; 3-12-03

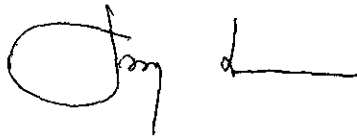
Doc. No. 135 ;
Page No. 28 ;
Book No. I ;
Series of 2003.

**DIRECTORS' CERTIFICATE OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
ALLIANCE TUNA INTERNATIONAL, INC.**

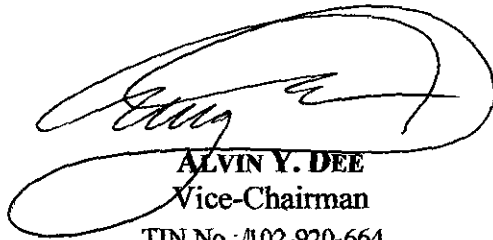


We, the undersigned members of the Board of Directors and Corporate Secretary, hereby certify that the Articles of Incorporation of **Alliance Tuna International, Inc.** (the Corporation), a corporation duly organized and existing under the laws of the Republic of the Philippines, with business address at Suite 1205, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, was amended increasing the authorized capital stock to **Php950,000,000.00** by an affirmative vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held for that purpose at the Sta. Maria Function Room of the Discovery Suites, 25 ADB Avenue, Ortigas Center, Pasig City on August 8, 2007 and approved by the unanimous vote of the members of the Board of Directors on June 26, 2007.

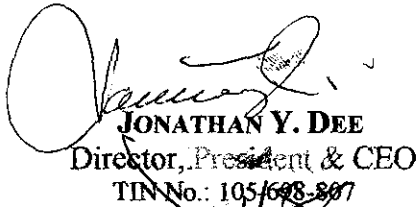
IN WITNESS WHEREOF, we have hereunto set our hands this August 8 2007 at Pasig City, Metro Manila, Philippines.



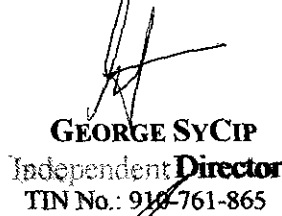
SURIYA LAPVISUTISIN
Chairman
Thai Passport No.: Z 073137



ALVIN Y. DEE
Vice-Chairman
TIN No.: 102-920-664



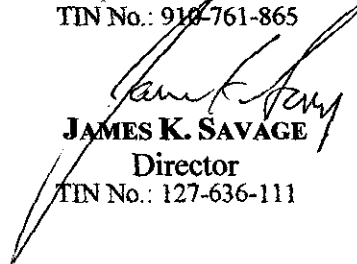
JONATHAN Y. DEE
Director, President & CEO
TIN No.: 105/698-887



GEORGE SYCIP
Independent Director
TIN No.: 918-761-865

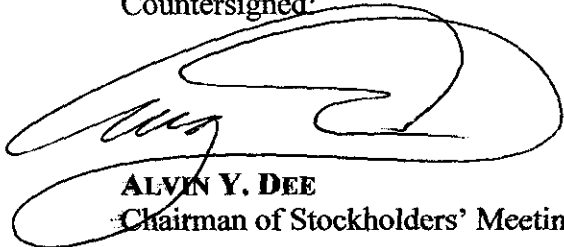


DONALD IAN MCBAIN
Director
Australian Passport No.: E7064658

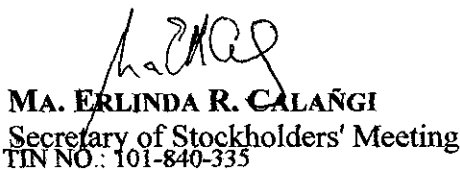


JAMES K. SAVAGE
Director
TIN No.: 127-636-111

Countersigned:



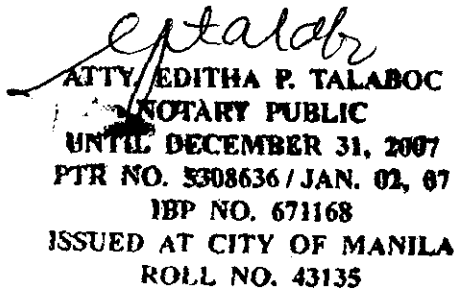
ALVIN Y. DEE
Chairman of Stockholders' Meeting



MA. ERLINDA R. CALANGI
Secretary of Stockholders' Meeting
TIN NO.: 101-840-335

AUG 08 2007 ; CITY OF MANILA

SUBSCRIBED AND SWORN to before me this _____ at _____. The affiants exhibiting to me their respective Tax Identification/Passports as indicated above above.



ATTY. EDITHA P. TALABOC
NOTARY PUBLIC
UNTIL DECEMBER 31, 2007
PTR NO. 5308636 / JAN. 02, 07
IBP NO. 671168
ISSUED AT CITY OF MANILA
ROLL NO. 43135

Doc. No. 116 ;
Page No. 24 ;
Book No. 99 ;
Series of 2007.



Republic of the Philippines
 Department of Finance
Securities and Exchange Commission
 SEC Bldg. EDSA, Greenhills, Mandaluyong City



COMPANY REGISTRATION AND MONITORING DEPARTMENT
 Financial Analysis and Audit Division

KA
 10/25
 gk

Name of Corporation : **ALLIANCE TUNA INTERNATIONAL, INC.**
Application : Increase of Capital Stock
Form of Payment : Stock Dividend
Date of Stockholders' Meeting : August 8, 2007

Capital Structure

Verification

	<u>PRESENT</u>	<u>INCREASE</u>	<u>TOTAL</u>
Authorized, par ₱ 1.00	₱ 700,000,000.00	₱ 250,000,000.00	₱ 950,000,000.00
Subscribed	535,099,610.00*	64,177,449.00	599,277,059.00
Paid-Up	535,099,610.00	64,177,449.00	599,277,059.00

* inclusive of treasury shares worth ₱ 287,538

a) List of Subscribers

The amount of ₱ 64,177,449.00 shall be subscribed and paid in full by way of stock dividends to be declared to stockholders of record as of the 15th trading day after the SEC approval.

b) Summary of the company's audited balance sheet as of December 31, 2006 is presented below:

ASSETS

Total Assets ₱ 685,091,966

LIABILITIES AND STOCKHOLDERS EQUITY

Total Liabilities		₱ 49,204,326
Stockholders' Equity		
Capital Stock	₱ 535,099,610	
Additional Paid In Capital	30,570,209	
Treasury Shares	(287,538)	
Retained Earnings	108,609,285	
Cumulative Translation Adjustments	(38,103,926)	
	₱ 635,887,640	
		₱ 685,091,966

c) Documents submitted:

1. Audited Financial Statements for the period ending December 31, 2006 (short form and comments on the balance sheet accounts and statement of income presented in functional currency) audited and rendered by Manabat Delgado Amper & Co. with Avelina A. Gille, Partner, signing in behalf of the Firm;
2. Supplemental Information and Independent Auditor's Report on the above financial statements translated into Philippine Pesos in accordance with PAS 21 rendered also by Manabat Delgado Amper & Co. with Avelina A. Gille, Partner, signing in behalf of the Firm;
3. Secretary's Certificate executed under oath on August 29, 2007 on the treatment of fractional shares;
4. Secretary's Certificate executed under oath on September 3, 2007 (a) *on the total amount subscribed and paid up prior to the declaration of the stock dividend* (b) *assertion that the stock dividend would be distributed on a pro rata basis to the stockholders of record* (c) *breakdown of the corporation's foreign equity*;

Remarks:

The Audited Financial Statements as of December 31, 2006 disclosed unappropriated retained earnings balance of **₱ 108,609,285** which is sufficient to cover the stock dividend under consideration worth ₱ 64,177,449.00 and the following accounts:

1. Accumulated equity in net income - **₱ 12,326,323.96**
2. Due from related parties - **₱ 11,371,875**
3. Treasury shares - **₱ 287,538**

Per Secretary's Certificate dated August 29, 2007, the ₱ 64,177,449.00 stock dividend represents 12% of the total outstanding and issued as of August 8, 2007 (₱ 534,812,072.00). Same amount shall be distributed pro-rata to all stockholders of record at the close of business of the 15th day after approval thereof by the Securities and Exchange Commission. The above mentioned secretary's certificate includes the foregoing provisions: (a) stock dividend for nominees will be credited in favor of the principal stockholder and (2) fractional shares of ½ or higher shall be given the option to pay for the difference to be entitled to whole shares on a first come first serve basis until the total number of shares issued shall have reached 64,177,449. Further, all fractional shares less than ½ and fractional shares shares of ½ or higher which have not been converted to whole shares shall be paid in cash.

Foreign equity before and after the increase in the authorized capital stock stood at **51.09%**.

The securities of the corporation are registered and listed in the Philippine Stock Exchange.


Recommendation:

In view of the foregoing, the increase in capital stock of **ALLIANCE TUNA INTERNATIONAL, INC.** may be given due course insofar as the subscription of ₱ 64,177,449.00 on the increase in capital stock and full payment thereon by way stock dividend are concerned.

Submitted by:

Reviewed and approved by:


JOSELITO M. GIRON
Securities Financial Specialist III


YOLANDA L. TAPALES
Assistant Director
Financial Analysis and Audit Division

October 25, 2007


QUEZON CITY,) Sc.

SECRETARY'S CERTIFICATE

I, **MA. ERLINDA R. CALAÑGI**, of legal age, Filipino, being the duly elected and incumbent Corporate Secretary of **ALLIANCE TUNA INTERNATIONAL, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with offices at Suite 1205, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, under oath, do hereby certify:

1. That at the special meeting of Stockholders of the Corporation held at its principal office on August 8, 2007, a Resolution declaring a stock dividend equivalent to 12 % of the total outstanding and issued shares equivalent to 64,177,449 shares was duly approved by the majority of the Board of Directors and ratified by the stockholders representing at least 2/3 of the outstanding capital stock;
2. That said stock dividend shall be distributed *pro rata* to all stockholders of record at the close of business of the 15th trading day after the approval thereof by the Securities and Exchange Commission. A list of the stockholders as of August 8, 2007 with their respective shareholdings is hereto attached as Annex "A".
3. That stock dividend for each nominee shall be credited in favor of the principal stockholder;
4. That stockholders entitled to fractional shares of 1/2 or higher shall be given the option to pay for the difference so as to entitle them to whole shares, on a first-come-first-served basis until the total number of shares issued herein as stock dividend shall have reached 64,177,449. All fractional shares of less than 1/2 and fractional shares of 1/2 or higher which have not been converted to whole shares will be paid in cash.

Executed in **QUEZON CITY**, on 29 AUG 2007


MA. ERLINDA R. CALAÑGI
 Corporate Secretary

SUBSCRIBED AND SWORN to before me on the date and 29 AUG 2007 in the place first above written. The affiant exhibiting to me her Community Tax Certificate No. 16893305 issued on January 25, 2007 in Mabini, Batangas.

JOEL G. GORDOLA
 Notary Public
 Commission No. 2501 (2006-2007) until Dec. 31, 2007
 Roll of Attorney No. 25103
 L.B.P. No. 66524 (CY 2006-2007) S.E. Chapter
 PTR No. 84599 (Jan. 08, 2007) QUEZON CITY

Doc. No. 168 ;
 Page No. 94 ;
 Book No. 174 ;
 Series of 2007.



SECURITIES TRANSFER SERVICES, INC.



CIP/3123/01/11/283

**ALLIANCE TUNA INTERNATIONAL INCORPORATED
CERTIFIED LIST OF STOCKHOLDERS
AS OF AUGUST 8, 2007**

Shareholder Number	Name	Number of Shares	Percentage
245000002	ERNESTO V. ABRANICA	1000.000	0.0002
245000003	MA. ELENA, T. ABRANICA	1000.000	0.0002
245000004	ROSARIO JESSICA, T. ABRANICA	2000.000	0.0004
245000006	CHONA D. AGOSTO	1000.000	0.0002
245000008	SOCRATES, L. ALERTA	4000.000	0.0007
245000014	GISLENDE MAE V. ARANCON	3000.000	0.0006
245000015	NANCY A. ARBIS	3000.000	0.0006
245000016	ROSEMARIE A. ARBIS	10000.000	0.0019
245000017	TITO A. ARBIS JR.	10000.000	0.0019
245000018	TITO D. ARBIS	20000.000	0.0037
245000019	QUINCIANO E. ARBOLADURA	3000.000	0.0006
245000020	ROSARIO LOURDES R. ARESPOCHAGA	2000.000	0.0004
245000021	ROLYNE D. BACUD	5000.000	0.0009
245000026	JAIME A. BENGZON	5000.000	0.0009
245000029	ANGELITA A. BOLOYOS	2000.000	0.0004
245000030	SOFRONILO L. BOLOYOS	3000.000	0.0006
245000034	RODELIO P. BUADO	10000.000	0.0019
245000036	MARLYN A. CAGAS	4000.000	0.0007
245000038	RODOLFO C. CALIXTO	3000.000	0.0006
245000039	ROBERT, M. CANDA	22000.000	0.0041
245000040	ROWENA T. CANDA	2000.000	0.0004
245000048	JUNA JOY A. CARTAGENA	7000.000	0.0013
245000049	RICHARD A. CARVAJAL	1000.000	0.0002
245000050	MARIO L. CASADOR	1000.000	0.0002
245000051	DOMINGO O. CASIÑO	2000.000	0.0004
245000053	AIDA, S. CASTRO	1000.000	0.0002
245000057	RODOLFO CASTRO	1000.000	0.0002
245000076	ALNORA D. CHUAN	1000.000	0.0002
245000081	LESTER PAUL, C. CRUZ	1000.000	0.0002
245000085	RENE L. DADO SR.	2000.000	0.0004
245000091	DANILO DE TORRES	1000.000	0.0002
245000092	GILDA C. DEANG	2000.000	0.0004
245000093	LAODICEA B. DEANG	1000.000	0.0002
245000094	JENNIFER Y. DEE ITF CARLOS DEE GONZALES	5000.000	0.0009
245000095	JENNIFER Y. DEE ITF EDWARD JOHN P. DEE	5000.000	0.0009
245000096	JENNIFER Y. DEE ITF ESPERANZA CARLA DEE-LAUREL	5000.000	0.0009
245000097	JENNIFER Y. DEE ITF FRANCIS P. DEE	5000.000	0.0009
245000098	JENNIFER Y. DEE ITF JOHANN DEE GONZALES	5000.000	0.0009
245000099	JENNIFER Y. DEE ITF MANUEL DEE GONZALES	5000.000	0.0009
245000100	JENNIFER Y. DEE ITF REGINA DEE GONZALES	5000.000	0.0009
245000101	JENNIFER Y. DEE ITF REGINA ISABEL DEE-LAUREL	5000.000	0.0009
245000102	JENNIFER Y. DEE ITF CHRISTOPHER L. DEE	5000.000	0.0009
245000103	JENNIFER Y. DEE ITF FRANCIS MARTIN D. GONZALEZ	5000.000	0.0009
245000104	JENNIFER Y. DEE ITF GABRIELLE L. DEE	5000.000	0.0009
245000106	JEANEFER, M. DERIT	10000.000	0.0019
245000107	NORIS J. DINGLASA	1000.000	0.0002
245000108	MA. TERESA C. DIVINO	2000.000	0.0004
245000110	SHERWIN R. DU	3000.000	0.0006



ALLIANCE RATED
 CERTIFIED LIST OF STOCKHOLDERS
 AS OF AUGUST 1, 2011
SECURITIES TRANSFER SERVICES, INC.



CIP/3123/01/11/283

Shareholder Number	Name	Number of Shares	Percentage
2450000114	CHERYL P. ECHAVIA	1000.000	0.0002
2450000115	JAYME T. ECHAVIA	1000.000	0.0002
2450000116	CARMELITO, A. EDROLIN, JR.	5000.000	0.0009
2450000117	TEOFISTO L. EMACTAO JR.	2000.000	0.0004
2450000118	KATRINA D. ESCAY	1000.000	0.0002
2450000119	HERNA P. ESTAÑO	1000.000	0.0002
2450000122	JAIME C. FLORES	4000.000	0.0007
2450000124	MARIA LUZ S. FLORES	3000.000	0.0006
2450000125	ROMMEL L. FLORES	2000.000	0.0004
2450000128	NARCISO T. GALAURA JR.	2000.000	0.0004
2450000129	ROSALIE A. GALAURA	1000.000	0.0002
2450000133	JAIME S. GATCHALIAN	5000.000	0.0009
2450000134	RHODORA T. GATCHALIAN	5000.000	0.0009
2450000136	ROMER P. GEROY	2000.000	0.0004
2450000143	RAUL D. HOJILLA	1000.000	0.0002
2450000144	GLANIELO A. HULGUIN	1000.000	0.0002
2450000145	EMILIO MARTIN G. INFANTE	20000.000	0.0037
2450000147	AGNES U. JAYME	1000.000	0.0002
2450000148	EDWIN L. JAYME	2000.000	0.0004
2450000149	HELEN M. JICKAIN	2000.000	0.0004
2450000150	ORLANDO D. JICKAIN	1000.000	0.0002
2450000151	PETER KAWSEK JR.	3500000.000	0.6541
2450000152	ALEC S. LADANGA	20000.000	0.0037
2450000153	MOSHE S. LADANGA	20000.000	0.0037
2450000154	YURI S. LADANGA	20000.000	0.0037
2450000161	CHERRYL V. LAROYA	1000.000	0.0002
2450000162	ILUMINADA V. LAROYA	1000.000	0.0002
2450000165	SERGIO ROMMEL R. LEYBLE	4000.000	0.0007
2450000166	SOPHIA U. LIM	15000.000	0.0028
2450000176	MA. REGINA CHRISTIE LOMARDA	1000.000	0.0002
2450000182	DIOSDADA A. MAHUMOC	1000.000	0.0002
2450000189	RUBEN T. MINA	3000.000	0.0006
2450000191	BIERNIE S. MORALES	2000.000	0.0004
2450000193	TERESITA G. MORALES	1000.000	0.0002
2450000195	RODEL V. MORIL	1000.000	0.0002
2450000196	OSCAR P. MUCHO JR.	1000.000	0.0002
2450000198	HERMINIA B. NARCISO	20000.000	0.0037
2450000199	NATHANIEL G. NARCISO	30000.000	0.0056
2450000202	ZAIDE P. NECOR	3000.000	0.0006
2450000204	ARTURO S. OCHIA JR.	1000.000	0.0002
2450000205	FELICISIMO G. OFRASIO JR.	12000.000	0.0022
2450000208	REYMEL D. PADAGAS	2000.000	0.0004
2450000209	LETECIA E. PADO	2000.000	0.0004
2450000211	JULIET L. PANGILINAN	1000.000	0.0002
2450000212	KATHRINA PANGILINAN	8000.000	0.0015
2450000213	RAUL PANGILINAN	6000.000	0.0011
2450000214	VINCENT L. PANGILINAN	4000.000	0.0007
2450000215	GLENDA P. PASTOR	1000.000	0.0002
2450000216	RAMON C. PASTOR	1000.000	0.0002
2450000219	ROSARIO L. PELAYO	10000.000	0.0019
2450000221	AGNES PERNES	1000.000	0.0002
2450000222	IRENE J. PEÑALOSA	10000.000	0.0019



CIP/3123/01/11/283

Shareholder Number	Name	Number of Shares	Percentage
2450000228	MYRHA PRANGA	1000.000	0.0002
2450000230	ERIC C. QUE	25000.000	0.0047
2450000232	RANY C. QUE	15000.000	0.0028
2450000241	MELISSA ERIKA LOURDES E. RODRIGUEZ	25000.000	0.0047
2450000242	RANDOLPH H. RODRIGUEZ	25000.000	0.0047
2450000243	FEDERICO G. ROMARES	1000.000	0.0002
2450000244	HERMENEGILDA L. SABIDO	3000.000	0.0006
2450000245	RODERICK M. SACAY	3000.000	0.0006
2450000246	MAYLYN W. SALARDA	15000.000	0.0028
2450000247	EUGENE A. SALAS	37000.000	0.0069
2450000250	JOSEPH Z. SAYCON	3000.000	0.0006
2450000251	PILAR P. SAYCON	2000.000	0.0004
2450000254	CRESCENTE M. SEGUNDO	10000.000	0.0019
2450000255	JORGEL M. SERAN	3000.000	0.0006
2450000256	ALFONSO V. SERQUIÑA	1000.000	0.0002
2450000257	AURORA V. SERQUIÑA	1000.000	0.0002
2450000258	HELEN SERQUIÑA	1000.000	0.0002
2450000259	JESUS V. SERQUIÑA	1000.000	0.0002
2450000260	LORNA SERQUIÑA	1000.000	0.0002
2450000261	MANUEL V. SERQUIÑA	1000.000	0.0002
2450000262	MOISES K. SERQUIÑA	1000.000	0.0002
2450000263	MOISES V. SERQUIÑA JR.	1000.000	0.0002
2450000264	RAMON V. SERQUIÑA	1000.000	0.0002
2450000265	SALVACION SERQUIÑA	2000.000	0.0004
2450000266	ALFONSO B. SERRANO	20000.000	0.0037
2450000272	LEDENESA C. SY	3000.000	0.0006
2450000274	ALEXANDER G. TACBOBO	2000.000	0.0004
2450000275	AMADOR P. TACULOD	3000.000	0.0006
2450000276	FELIX Y. TAGALOG	1000.000	0.0002
2450000277	AURELIO P. TALUSE JR.	1000.000	0.0002
2450000283	MYRALYN C. TARAC	10000.000	0.0019
2450000284	LORETO T. TE	1000.000	0.0002
2450000285	GENILO B. TEREZ	1000.000	0.0002
2450000286	ARNOLD B. TIONGCO	1000.000	0.0002
2450000289	LOUIS ARTHUR T. UY	50000.000	0.0093
2450000295	ARLENE J. YPIL	3000.000	0.0006
2450000992	ALVIN Y. DEE	29960.000	0.0056
2450001018	JONATHAN Y. DEE	29960.000	0.0056
2450001026	JOANNA DEE-LAUREL	29958.000	0.0056
2450001034	ALLIANCE PILIPINAS INTL. HOLDINGS, INC.	239679994.000	44.7917
2450001042	MINGJING HOLDINGS INC.	64324120.000	12.0210
2450001069	BHUMIPAT DHNAVAPITAK	1.000	0.0000
2450001077	GEORGE SYCIP	1.000	0.0000
2450001085	PATRICK GO	1.000	0.0000
2450001093	DON MCBAIN	1.000	0.0000
2450001107	JAMES SAVAGE	1.000	0.0000
2450001115	MA. ERLINDA R. CALANGI	1.000	0.0000
2450001123	SAN LORENZO RUIZ FISHING INDUSTRY, INC.	16883.000	0.0032
2450001158	ASIA RECOVERY CORPORATION	6368779.000	1.1902
2450001166	CAMERON GRANVILLE 2 ASSET MANAGEMENT INC.	14873395.000	2.7796
2450001174	FCF FISHERY CO. LTD.	3065627.000	0.5729
2450001182	TRI-MARINE INTERNATIONAL (PTE) LTD.	902615.000	0.1687



ALLIANCE **STSI** RATED
 CERTIFIED LIST OF STOCKHOLDERS
 AS OF AUGUST 2005 **SECURITIES TRANSFER SERVICES, INC.**



CIP/3123/01/11/283

Shareholder Number	Name	Number of Shares	Percentage
2450001204	ASSET POOL A (SPV-AMC), INC.	5797017.000	1.0834
2450001212	PHILIPPINE DEPOSIT INSURANCE CORP.	5351034.000	1.0000
2450001239	KEPPEL BANK PHILIPPINES, INC.	1761546.000	0.3292
2450001255	EXPORT AND INDUSTRY BANK	2264961.000	0.4233
2450001263	CHINA BANKING CORPORATION	2369719.000	0.4429
2450001298	EAST WEST BANKING CORPORATION	3842093.000	0.7180
2450001374	UNIMARK INVESTMENTS (SPV-AMC) CORPORATION	9600591.000	1.7942
2450001395	MEGAPACK CONTAINERS CORP.	215611.000	0.0403
2450001409	AMADEO FISHING CORP.	227394.000	0.0425
2450001417	CANTOJA DEEP SEA FISHING IND. CORP.	16188.000	0.0030
2450001425	DAMALERIO FISHING CORP.	709969.000	0.1327
2450001433	AUREA DAMALERIO	913.000	0.0002
2450001468	JIMMY DAMALERIO	31066.000	0.0058
2450001476	DFC TUNA VENTURE CORPORATION	475994.000	0.0890
2450001484	F. DEL ROSARIO FISHING CORP.	13625.000	0.0025
2450001514	JERMEL FISHING AND TRADING INC.	11641.000	0.0022
2450001522	JRB FISHING	439.000	0.0001
2450001549	LOC-VENTURE CORP.	12759.000	0.0024
2450001557	ERIC MENDOZA	5747.000	0.0011
2450001565	MGTR FISHING	104413.000	0.0195
2450001573	MKSS FOOD INDUSTRY	94192.000	0.0176
2450001603	RYEDELLE MKTG. CORP.	29423.000	0.0055
2450001638	TDSFI	1893.000	0.0004
2450001646	TOTO EPENDE	929.000	0.0002
2450001662	ELY UY	193.000	0.0000
2450001697	ORIENTAL TIN CAN & METAL SHEET MFG.	1704550.000	0.3185
2450001719	CENTURY CONTAINER CORP.	85303.000	0.0159
2450001727	GENPACCO, INC.	133389.000	0.0249
2450001778	ATOM CHEMICAL CO., INC.	400.000	0.0001
2450001786	CONLU ENTERPRISES	1050.000	0.0002
2450001794	CROWN BOOKSTORE	458.000	0.0001
2450001808	DAD. AQUARIUS FISHING SUPPLY	3589.000	0.0007
2450001816	DAD CROWN BOOKSTORE	4115.000	0.0008
2450001824	DADIANGAS 3HG MARKETING	792.000	0.0001
2450001832	DISPO PHILIPPINES	529.000	0.0001
2450001859	GALAXY AUTO PARTS	306.000	0.0001
2450001867	GENSAN UNITED BEARING SUPPLY	537.000	0.0001
2450001875	GRAND C GRAPHICS PRINTER	7333.000	0.0014
2450001883	GRIFFITH LABORATORIES (PHILS.), INC.	5880.000	0.0011
2450001905	H. E. HARDWARE	925.000	0.0002
2450001913	HEBEN BRIGHT STAR MARKETING	44.000	0.0000
2450001948	HL TRADING COMPANY	540.000	0.0001
2450001956	JOY ELECTRICAL	2858.000	0.0005
2450001964	JR PHOTO LAB	142.000	0.0000
2450001972	JNR INT'L TRADING	1256.000	0.0002
2450001999	NEGROS NAVIGATION CO.	338.000	0.0001
2450002006	NEW ZAMBOANGA UNIVERSAL ENTERPRISES, INC.	17806.000	0.0033
2450002022	NYERVIN COLD STORAGE	2436.000	0.0005
2450002049	NALCO PHILS. INC.	21023.000	0.0039
2450002057	OREGON	248.000	0.0000
2450002065	PELLE MARKETING	216.000	0.0000
2450002073	PETRON CORPORATION	151317.000	0.0283



CIP/3123/01/11/283

Shareholder Number	Name	Number of Shares	Percentage
2450002103	PHELA RESOURCES CORP.	213.000	0.0000
2450002138	PHIL. FISHERIES DEVELOPMENT AUTHORITY	266979.000	0.0499
2450002146	ROMULO, MABANTA, BUENAVENTURA SAYOC & DELOS SANTOS	31181.000	0.0058
2450002154	SALINAS (IM) CORPORATION	383.000	0.0001
2450002162	SARANGGANI PACKAGING	50073.000	0.0094
2450002189	SOCOTECO II	1009.000	0.0002
2450002197	SOUTHERN UNION HARDWARE	1054.000	0.0002
2450002219	STENIEL CAVITE PACKAGING	20292.000	0.0038
2450002227	STENIEL MINDANAO PACKAGING	6628.000	0.0012
2450002235	SULPICIO LINES	24491.000	0.0046
2450002243	SUPEME MERCHANT	13843.000	0.0026
2450002278	TEDDIE TRUCKING	1331.000	0.0002
2450002286	TOTAL PETROLEUM PHILS. CORP.	22563.000	0.0042
2450002294	UNITED BEARING SUPPLY	12.000	0.0000
2450002308	VETERANS PHILS. SCOUT SECURITY AGENCY	14345.000	0.0027
2450002316	VICAR VENTURES	20.000	0.0000
2450002324	YAP'S CLINIC	615.000	0.0001
2450002332	FDCP, INC.	1460603.000	0.2730
2450002359	CLEARWATER INSURANCE	63420.000	0.0119
2450002367	DEE C. CHUAN & SONS, INC.	11237.000	0.0021
2450002375	ALLIANCE TUNA INTERNATIONAL, INC.(VICE CONTAINERS PRINTERS PTE LTD.)	30073.000	0.0056
2450002383	ALLIANCE TUNA INTERNATIONAL, INC.	257464.000	0.0481
2450002405	SUPPLIERS WITH NO LIABILITY/CANNOT BE FOUND	19025.000	0.0036
2450000305	PCD NOMINEE CORPORATION (FILIPINO)	154335794.000	28.8424
2450000348	PCD NOMINEE CORPORATION (NON-FIL)	9798934.000	1.8312
2450002472	DY CHI SING	10000.000	0.0019
2450002499	SURIYA LAPVISUTISIN	1.000	0.0000
2450002502	PHILIP TURNER &/OR ELNORA TURNER	1000.000	0.0002
TOTAL		535,099,610.00	100.00

CERTIFIED TRUE AND CORRECT BY:

Antonio R. Galvez 14 07 07
 ANTONIO R. GALVEZ
 HEAD OF OPERATIONS

SECRETARY'S CERTIFICATE

I, **MA. ERLINDA R. CALAÑGI**, of legal age, Filipino, being the duly elected and incumbent Corporate Secretary of **ALLIANCE TUNA INTERNATIONAL, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with offices at Suite 1205, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, under oath, do hereby certify that:


1. As of August 8, 2007, the date of approval by the stockholders holding at least 2/3 of the outstanding shares of the Corporation of the increase of authorized capital stock from Php 700 million to Php 950 million, its total subscribed and paid up capital was 534,812,072. After approval by the Securities and Exchange Commission (SEC) of said increase in the authorized capital stock, the total subscribed and paid up capital would be 598,989,521.
2. The increase in the subscribed and paid-up capital will be in form of 12% stock dividend as approved by at least 2/3 stockholders on August 8, 2007. Said dividend would be distributed on a pro-rata basis to stockholders of record as of the 15th trading day after the SEC approval of the increase in authorized capital stock by way of stock dividend.
3. The breakdown of the Corporation's foreign equity before the increase in the authorized capital stock from Php 700 million to Php 950 million is Php273,255,972.00 representing 51.09% of the outstanding shares while after said increase, the total of foreign equity would be Php306,046,689.00 (remaining as 51.09% of the outstanding shares), subject to a possible insignificant adjustment due to the rounding off of fractional shares.

Executed in ~~QUEZON CITY~~, on SEP 03 2007


MA. ERLINDA R. CALAÑGI
Corporate Secretary

SUBSCRIBED AND SWORN to before me on the date and in the place first above written. The affiant exhibiting to me her Community Tax Certificate No. 16893305 issued on January 25, 2007 in Mabini, Batangas.

Doc. No. 33 ;
Page No. 7 ;
Book No. CXXX ;
Series of 2007.


ATTY. DELFIN R. AGCAO
NOTARY PUBLIC
PTR NO. 045/808
IBP NO. 000016
DATE ISSUED: JAN 5, 2007
ISSUED AT: QUEZON CITY
VALID UNTIL: DEC 31, 2007
IN NO. 144-519-011



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City



OFFICE OF THE GENERAL ACCOUNTANT

December 12, 2006

Ms. Teresita S. Ladanga
Chief Operating Officer
Alliance Tuna International, Inc.
Suites 1206 & 1405 East Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Dear Ms. Ladanga:

This is to acknowledge receipt of the company's *Notification to the SEC on Filing of Functional Currency Financial Statements* together with the supplemental report of its external auditor, which was filed with this Commission on December 7, 2006, pursuant to SEC Memorandum Circular No. 1, Series of 2006 (Guidelines on the Filing of Functional Currency Financial Statements).

Said documents shall form part of the company's records on file with the Commission and can be used as basis for the filing of audited financial statements denominated in its functional currency, U.S. Dollars, for the period ended December 31, 2006 and succeeding years, unless a notice of change in said functional currency is subsequently filed.

With the said notification, it is understood that the external auditor shall not qualify his/her opinion on the company's audited financial statements that will be filed by the company on due date, with respect to the determination of its functional currency. Moreover, we expect that the company will present in the notes of its financial statements the quantitative impact of the said use of functional currency in its net income and retained earnings, among others.

Please be guided accordingly.

Very truly yours,

MA. GRACIA F. CASALS-DIAZ
Officer-In-Charge

RECEIVED
DEC 20 2006



112052006071878



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Acknowledgement Page

Non-Company Related Document(s)

Receiving Officer : Rosenda C. Ayson
Receiving Branch : SEC Head Office
Receipt Date and Time : 12/05/2006

Document Details

Sender Name	GRACE S. DOGILLO
Contact Information	ALLIANCE TUNA INTERNATIONAL, INC.
Received From	Head Office
Department	Office of the General Accountant
Addressee	Filipina M. Mendoza
Subject	RE: APPLICATION FOR FUCTIONAL CURRENCY
Document Type	Request
Remarks	Transmitted 12-05-06



December 05, 2006

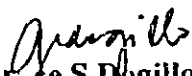
SECURITIES AND EXCHANGE COMMISSION
SEC Building EDSA, Greenhills
City of Mandaluyong, MMla.

We are transmitting the following for our application of functional currency

1. Notarized illustrative notification of functional currency FS
2. Report of External Auditors to accompany company's notification
3. Company background
4. Detailed supporting schedules and Analysis in determination of functional currency.

Kindly acknowledge receipt. Thank you.

Very Truly Yours,


Grace S Dogillo
VP - Finance

SUITES 1206 & 1405 EAST TOWER
PHILIPPINE STOCK EXCHANGE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER
PASIG CITY, METRO MANILA
PHILIPPINES 1600
TEL NOS: (632) 635 5241 TO 44
FAX NO: (632) 635 5235

www.alliancetuna.com.ph

ALLIANCE TUNA INTERNATIONAL INC.

Determination of Functional Currency for Statutory Financial Reporting Purposes Pursuant to SEC Memorandum Circular No. 14, Series of 2003, (Guidelines on Preparation of Functional Currency Financial Statements)

For the Years Ended December 31, 2005 and 2004

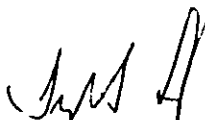
I. Determination of Functional Currency


	CY 2005	%	CY 2004	%
REVENUE	(Php)		(Php)	
A.) Total Revenue per Audited Financial Statement	1,290,002,205		1,080,048,712	
Revenues in Original Currencies				
a.) Philippine Peso	78,458,032	6%	72,555,292	7%
b.) U.S. Dollar (Schedule 1)	1,211,544,173	94%	1,007,493,420	93%
c.) Japanese Yen	-	0%	-	0%
d.) Singapore Dollar	-	0%	-	0%
COST AND EXPENSES				
B.) Total Cost and Expenses per audited FS	1,234,739,172		1,013,521,725	
Cost and Expenses in Original Currencies				
a.) Philippine Peso	409,392,993	33%	261,794,590	26%
b.) U.S. Dollar	825,346,179	67%	751,727,135	74%
c.) Japanese Yen	-	0%	-	0%
d.) Singapore Dollar	-	0%	-	0%
C.) OTHER FACTORS				
Cash and Cash Equivalent (includes Fixed Deposits)	-		-	
Cash and Cash Equivalent in Original Currencies	14,436,933		43,159,386	
a.) Philippine Peso	9,545,458	66%	13,938,561	32%
b.) U.S. Dollar	4,891,475	34%	29,220,825	68%

2. Conclusion

Based on the consideration of the above factors, which set forth in PAS 21, the Effects of Changes in Foreign Exchange Rates, the Company has determined that its functional currency is the US dollars currency.

Signed under oath by:


 Teresita S. Ladanga
 Chief Operating Officer


 Grace S. Dogillo
 VP Finance

Republic of the Philippines)

QUEZON CITY, S.S

Before me, a duly commissioned Notary Public, personally appeared:

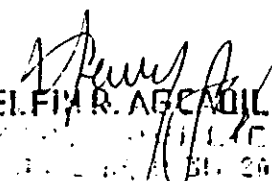
Name	CTC No.	Date/Place issued
1. Teresita S. Ladanga	18858849	02.16.06/Marikina City
2. Grace S. Dogillo	20530017	02.02.06/Makati City

known to me to be the same person who executed the foregoing statement, and acknowledged to me that the same is free and voluntary act and deed and that of the corporation she represent .

This instrument, consisting of two(2) pages, including this page on which this acknowledgement is written, has been signed by the party and her instrumental witnesses and sealed with notarial seal.

In witness whereof, I have hereunto set my hand, on the date and in the place above written.

Doc. No. 4822
Page No. 97
Book No. 014
Series of 2006


ATTY. DELFIN R. AGCAULLI JR
NOTARY PUBLIC
UNTIL FEBRUARY 28, 2006
PTR NO. 2006-00000000-02-2006/O.C.
IBP NO. 645214 / ROLL NO. 24655

C.L. Manabat & Co.

C.L. Manabat & Co.
5th Floor, Salamin Building
197 Salcedo St. Legaspi Village
Makati City - 1229
Philippines

Tel: +63 (2) 812 0535
Fax: +63 (2) 810 5047

BOA/PRC Reg. No. 0003
SEC Accreditation No. 0001-F

Report of External Auditors to Accompany Company's Notification to SEC on Filing of Functional Currency Financial Statements

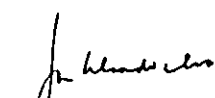
Alliance Tuna International, Inc.
Suites 1206 and 1405 East Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City, Metro Manila

This report is issued in connection with Alliance Tuna International Inc.'s (the Company) notification to the Securities and Exchange Commission (SEC) that it will file its financial statements expressed in US dollars starting in 2006.

We have reviewed the Company's determination of its functional currency as described in its notification to the SEC and we have assessed that the Company's determination of its functional currency was made in accordance with PAS 21 - The Effects of Changes in Foreign Exchange Rates.

C.L. Manabat & Co.
TIN 005299331

By:



Marites B. Landicho
CPA License No. 0090833
BOA Registration No. 0003
TIN No. 151561118
PTR No. 4194681
January 10, 2006
Makati City

Makati City, Philippines
November 28, 2006

ALLIANCE TUNA INTERNATIONAL INC.

Company History and Background

Alliance Tuna International Inc. (ATII) was incorporated and registered with the SEC on September 1, 2003 and started commercial operations in 2004 to engage in tuna processing, canning, and export of canned tuna products.

The Company leases its processing and canning facilities from Maranaw Canning Corporation. These facilities are located in General Santos City in Mindanao, Philippines, and has a rated capacity of 120 MT per day. As of June 30, 2006, the Company had a total manpower of 1,324 persons.

The Company's key business activity is the processing, canning, and export of canned tuna. The Company exports all of its canned tuna products. Its primary export markets include Europe and North America, which account for more than 90.00% of its total sales. The Company is a "private label manufacturer" of canned tuna as it processes and cans tuna for its clients using its clients' brands. ATII processes and cans tuna in the institutional pack, or 603, and the retail pack, or 307 and 211, can sizes. Scraps from the processing of tuna are converted into fishmeal that is sold to local feed millers. Local sale of by products accounts to about 6% of the Company's Sales.

In August 2004, the Company registered with the BOI under the Omnibus Investments Code of 1987, otherwise known as Executive Order No. 226, as a New Export Producer of Canned Tuna and its By-Product (Fishmeal) on a Non-Pioneer Status. This means that all sales of the Company generated from its registered activity, the production of canned tuna and its by-product, is entitled to ITH for four (4) years from the date of registration. The registration and corresponding benefits may be extended for a maximum of three (3) years, subject to the Company's compliance with certain conditions prescribed by the BOI.

In August 2004, ATII also established Alliance Tuna International Inc. (Thailand), a marketing office in Bangkok, Thailand, to complement its marketing group in the Philippines. It should be noted that Bangkok is a major buying hub in Asia for canned tuna buyers worldwide.

The Company acquired 4,999,997 shares, or a 40.00% stake, in FDCP, a can-making company, from Container Printers Pte. Ltd. (CPPL), a Singaporean entity, in 2005. This investment was made to ensure that the Company has a readily available supply of quality tin cans at competitive prices for its canned tuna products. The Memorandum of Agreement (MOA) for the purchase of the FDCP shares was signed on August 29, 2005. The final payment for the purchase was made on November 2, 2005.

Corporate Mission Statement

The Corporate Mission Statement of the Company is as follows:

"To market the best canned tuna products to our clients and be the preferred vendor of private label companies the world over by encouraging best practices among our stakeholders and through procuring only a sustainable quantity of environmentally safe tuna."

Product Lines

A brief description of the Company's product lines is presented below.

Canned Tuna

The market for canned tuna is comprised of the institutional and retail markets. The difference between the two segments is the size of the canned product.

The institutional pack can is referred to in the industry as "603." This pack size is named as such because the can is six and 3/16 (6-3/16) inches in diameter. The standard amount of tuna or "drain weight" contained in this can-size is between 1.75 to 1.85 kg, depending on customers' specifications. The end users of the institutional sized-cans include restaurants, fast food chains, school systems, and other public feeding systems. ATII packs this can size in solids, chunks, and flakes, with packing mediums of oil, brine, vegetable broth, and water.

The retail pack can, on the other hand, is referred to in the industry as the "307." This pack size is named as such because the can is three and 7/16 (3-7/16) inches in diameter. The 307 can has a standard drain weight of between 170 to 200 grams. This pack size is sold to wholesalers, distributors, and food companies that have their own brands. The retail pack can is what consumers normally purchase in the supermarkets and groceries. ATII packs this can-size in solids, chunks, and flakes, with packing mediums of oil, brine, vegetable broth, and water.

The Company started to offer a new retail can size, known as "211" in the middle of 2005. This pack size is named as such because the can is two and 11/16 (2-11/16) inches in diameter. The 211 can has a standard drain weight of between 90 to 100 grams. This can size is exported to selected European countries and the US. ATII packs this can size in solids, chunks, and flakes, with packing mediums of oil, brine, vegetable broth, and water.

Globally, the retail can market accounts for around 80.00% of the total end-market, while the institutional can market accounts for the balance of about 20.00%. Philippine canned tuna manufacturers primarily process, can, and export the institutional pack can as the country has a cost advantage in terms of raw materials, tuna, but a relatively higher cost for the tin cans in which tuna is packed in. It should be noted that for the institutional can size, there is more tuna packed relative to the can utilized. The Company, however, has begun to penetrate the substantially larger retail pack can market because of the potential for growth that this market segment offers.

Fishmeal

Fishmeal is derived during the cleaning and processing of tuna. The tuna loin is the portion of the fish that is packed in cans. All other parts of the fish are processed to produce fishmeal that is sold as additives or primary ingredients for animal feed. The usual recovery rate of tuna loin or white meat from a standard fish size of around 1.4 kilos is 40.00% to 42.00% of the total weight of the tuna. Most of the other materials are then processed into fishmeal.

The Philippines is currently a net importer of fishmeal. As long as the Philippines remains a net importer of fishmeal, the Company will continue processing and selling its fishmeal to the Philippine market.

OWNERSHIP STRUCTURE

The following table presents the ownership structure of the Company.

Shareholder	Nationality		
		Number of Shares	Percent to Total
Alliance Pilipinas International Holdings, Inc. (APIHI)	Thai	239,679,995	59.76%
Mingjing Holdings, Inc (MHI)	Filipino	64,324,120	16.04%
Jonathan Y. Dee	Filipino	29,960	0.01%
Alvin Y. Dee	Filipino	29,960	0.01%
Joanna Dee-Laurel	Filipino	29,958	0.01%
Bhumipat Dhnavarapitak	Thai	1	0.00%
Wendy Tran	American	1	0.00%
Don Ian McBain	Australian	1	0.00%
George Sycip	American	1	0.00%
James Savage	American	1	0.00%
Others – Filipino	Filipino	55,097,317	13.74%
Others – Foreign	Foreign	41,908,295	10.45%
Total		401,099,610	100.00%

APIHI is an investment holding company that was incorporated with the SEC on October 5, 2004. This company serves as the primary investment holding entity of the principal Thai investors in the Company.

MHI, on the other hand, is also an investment holding company that was incorporated with the SEC on February 10, 2004. This company serves as the primary investment holding entity of the principal Filipino investors in the Company.



January 03, 2007

Bureau of Internal Revenue
RDO 43
Pasig City

Gentlemen:

Please be informed that our company, Alliance Tuna International Inc. will be filing our audited financial statements denominated in its functional currency, US Dollars for the period ended December 31, 2006 and succeeding years in accordance with Revenue Regulation No. 6-2006 (as provided for in SEC Memorandum Circular 1 series of 2006 (copy are attached for your reference).

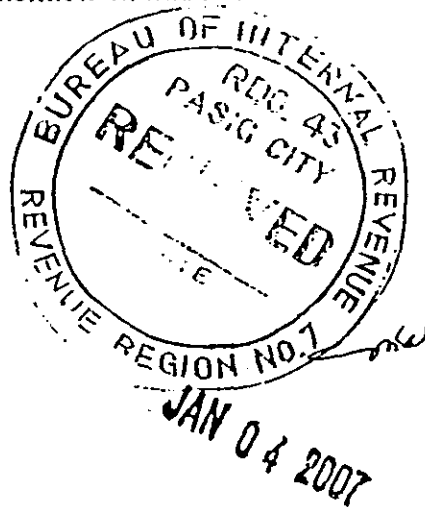
We are attaching herewith a copy of duly received notification sent to SEC and its approval for the use of such functional currency.

In this connection we would like to apply for the registration of our functional currency books of accounts which we will adopt effective January 1, 2007.

Thank you for your prompt attention on this matter.

Very Truly Yours,

Gracia S. Degillo
Gracia S. Degillo
VP-Finance



SEC Number CS200319138
File Number _____

ALLIANCE TUNA INTERNATIONAL, INC.
(Company's Full Name)

Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City
(Company's Local Address)

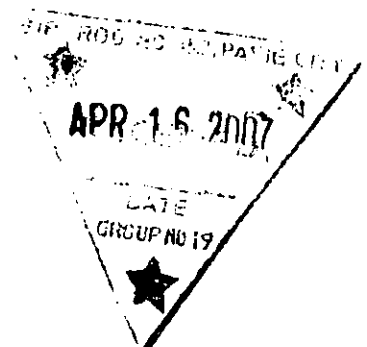
635-5241
(Telephone Number)

Financial Statements
(Type of Report)

N/A
Amendment Designation (If Applicable)

December 31, 2006
Period Ended Date

N/A
(Secondary License Type and File Number)



Deloitte.

Manabat Delgado Amper & Co.
3rd - 6th Floor, Salamin Building
197 Salcedo St., Legaspi Village,
Makati City 1229
Philippines

Tel: +63 (2) 812 0535
Fax: +63 (2) 810 5047
www.deloitte.com

BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-F

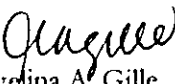
Securities and Exchange Commission
SEC Building, EDSA
Mandaluyong City

Gentlemen:

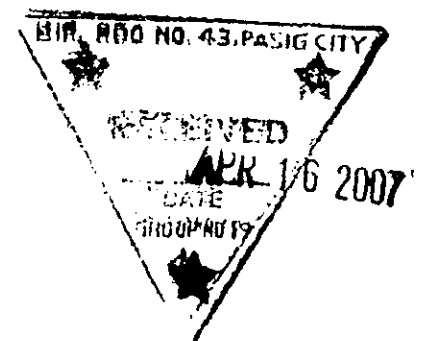
In connection with our audit of the balance sheet of Alliance Tuna International, Inc. as of December 31, 2006, and the related statements of income, changes in equity and cash flows for the year then ended, we wish to state that the Company is listed with the Philippine Stock Exchange.

Manabat Delgado Amper & Co.
TIN 005299331

By:


Angelina A. Gille
Partner
TIN 120964412
CPA License No. 0023999
SEC Accreditation No. 0030-A
PTR No. 0302053
January 8, 2007
Makati City

Makati City, Philippines
March 26, 2007



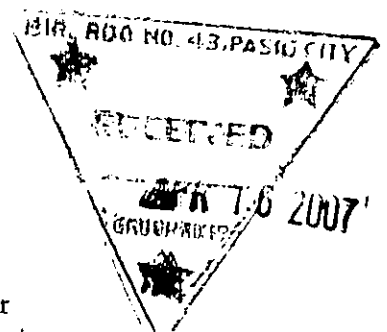
Member of
Deloitte Touche Tohmatsu

Audit . Tax . Consulting . Financial Advisory .

**ALLIANCE TUNA
INTERNATIONAL, INC.**

**Financial Statements
December 31, 2006 and 2005
and
Independent Auditors' Report**

**Manabat Delgado Amper & Co.
(Formerly: C.L. Manabat & Co.)**



Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City, Philippines



**ALLIANCE TUNA
INTERNATIONAL, INC.**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Alliance Tuna International, Inc. is responsible for all information and representations contained in the financial statements for the years ended December 31, 2006, 2005 and 2004. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

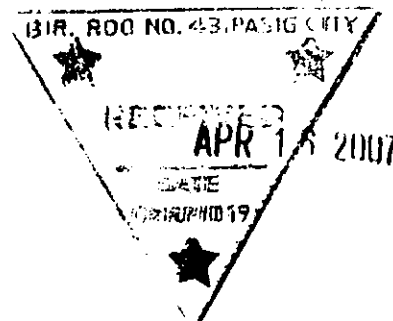
The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the company.

Manabat, Delgado, Amper and Co., the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with generally accepted auditing standards and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to stockholders.

BHUMIPAT DHNAVARAPITAK
Chairman

JONATHAN Y. DEE
President and Chief Executive Officer

GRACE S. DOGILLO
Vice President - Finance



SUITES 1206 & 1405 EAST TOWER
PHILIPPINE STOCK EXCHANGE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER
PASIG CITY, METRO MANILA
PHILIPPINES 1600
TEL NOS. (632) 635 5241 TO 44
FAX NO. (632) 635 5235

www.alliancetuna.com.ph

QUEZON CITY

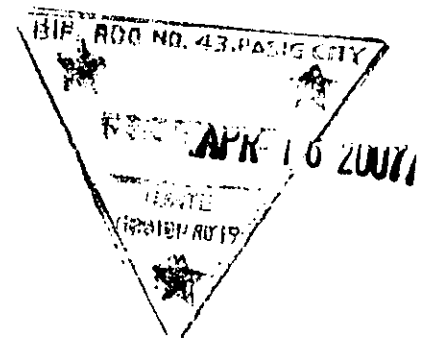
30 APR 2007

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2007 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Jonathan Y. Dee	05829007	Jan. 8, 2007	Mandaluyong City
Grace S. Dogillo	17721540	Mar. 7, 2007	Makati City

324
 OFF. NO. _____
 DATE _____
 BOOK NO. _____
 SERIES NO. _____

Belinda Dagcaill, Jr.
 ATTY. BELINDA DAGCAILL, JR.
 NOTARY PUBLIC
 PTR NO. 10033
 IBP NO. 10033
 DATED APRIL 10, 2007
 ISSUED IN QUEZON CITY
 VALID UNTIL APR. 30, 2007



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
ALLIANCE TUNA INTERNATIONAL, INC.
Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of Alliance Tuna International, Inc., which comprise the balance sheets as of December 31, 2006 and 2005, and the related statements of income, changes in equity and cash flows for the years ended December 31, 2006, 2005 and 2004 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the Philippines. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alliance Tuna International, Inc. as of December 31, 2006 and 2005, and of its financial performance and its cash flows for the years ended December 31, 2006, 2005 and 2004 in accordance with generally accepted accounting principles in the Philippines.

Report on Other Legal and Regulatory Requirements

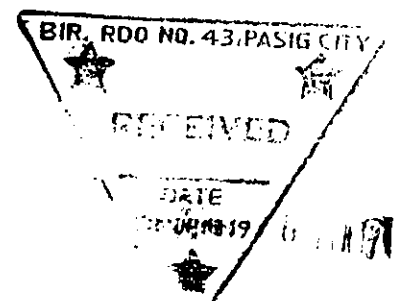
Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The applicable supplementary information on the attached schedules of the Company as of and for the year ended December 31, 2006, required by the Securities and Exchange Commission, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information on the attached schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Manabat Delgado Amper & Co.
TIN 005299331

By:


Avelina A. Gille
Partner
TIN 120964412
CPA License No. 0023999
SEC Accreditation No. 0030-A
PTR No. 0302053
January 8, 2007
Makati City

Makati City, Philippines
March 26, 2007



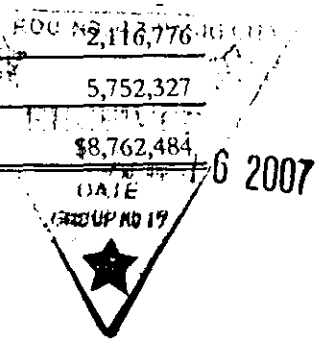
ALLIANCE TUNA INTERNATIONAL, INC.
BALANCE SHEETS



December 31

	Notes	2006	2005
ASSETS			
Current Assets			
Cash and cash equivalents	5	\$ 658,474	\$ 272,051
Trade and other receivables - net	6	3,073,293	2,938,110
Inventories - net	7	2,760,167	3,243,134
Prepayments and other current assets	8	2,656,790	528,631
Total Current Assets		9,148,724	6,981,926
Non-current Assets			
Investment in associate	9	491,856	448,859
Due from related parties	14	231,456	99,126
Property, plant and equipment - net	10	1,560,593	705,368
Other non-current assets	11	2,511,277	527,205
Total Non-current Assets		4,795,182	1,780,558
		\$13,943,906	\$8,762,484
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	\$ 914,259	\$1,593,980
Income tax payable		4,585	-
Current portion of loans payable	13	48,345	45,209
Total Current Liabilities		967,189	1,639,189
Non-current Liabilities			
Loans payable - long-term	13	34,284	34,894
Due to related parties	14	-	1,336,074
Total Non-current Liabilities		34,284	1,370,968
		1,001,473	3,010,157
Equity			
Capital stock	15	10,125,013	3,635,551
Additional paid-in capital		613,847	-
Treasury shares	15	(5,774)	-
Retained earnings		2,209,347	2,116,776
Total Equity		12,942,433	5,752,327
		\$13,943,906	\$8,762,484

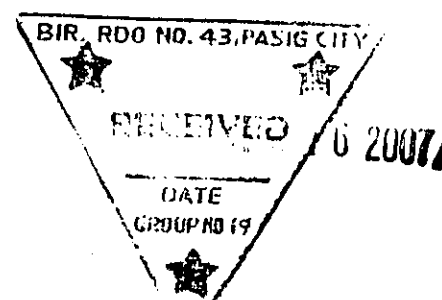
See Notes to Financial Statements.



ALLIANCE TUNA INTERNATIONAL, INC.
STATEMENTS OF INCOME

		For the Years Ended December 31		
	Notes	2006	2005	2004
Revenue		\$31,109,513	\$21,786,945	\$17,852,839
Cost of Goods Manufactured and Sold	18	27,420,432	19,492,180	15,660,794
Gross Profit		3,689,081	2,294,765	2,192,045
Other Income	17	117,501	4,213	27,842
		3,806,582	2,298,978	2,219,887
Selling Expenses and Administrative Expenses	19	1,634,946	1,199,485	924,351
Other Operating Expenses	20	48,526	57,298	30,685
Income from Operations		2,123,110	1,042,195	1,264,851
Finance Costs	13, 14	132,409	141,093	93,918
		1,990,701	901,102	1,170,933
Share in Equity in Net Earnings of an Associate	9	42,997	207,895	-
Income Before Tax		2,033,698	1,108,997	1,170,933
Income Tax Expense (Benefit)	22	4,390	(1,058)	164,212
Net Income		\$ 2,029,308	\$ 1,110,955	\$ 1,006,721
Earnings Per Share				
Basic earnings per share	23	\$0.006	\$0.005	\$0.006

See Notes to Financial Statements.



ALLIANCE TUNA INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	2006	2005	2004
Cash Flows from Operating Activities				
Income before tax		\$2,033,698	\$1,108,997	\$1,170,933
Adjustments for:				
Depreciation	10, 18, 19	137,589	99,602	34,721
Unrealized foreign exchange loss (gain) - net		(86,601)	18,368	(9,327)
Share in equity in net earnings of an associate	9	(42,997)	(207,895)	-
Gain on sale of equipment	17	(12,542)	-	-
Provision for inventory obsolescence	7, 19	-	7,539	-
Provision for doubtful accounts	6, 19	15,850	2,270	-
Interest income		(9,968)	(4,213)	(19,177)
Interest expense		132,409	141,093	93,918
Operating cash flows before working capital changes		2,167,438	1,165,761	1,271,068
Decrease (Increase) in:				
Trade and other receivables		(57,822)	(1,396,790)	(1,535,013)
Inventories		482,967	48,627	(3,299,439)
Prepayments and other current assets		(2,128,159)	(442,433)	(86,198)
Increase (Decrease) in trade and other payables		(679,721)	995,636	580,224
Cash generated from (used in) operations		(215,297)	370,801	(3,069,358)
Income taxes paid		-	(162,513)	-
Net cash from (used in) operating activities		(215,297)	208,288	(3,069,358)
Cash Flows from Investing Activities				
Additions to property, plant and equipment	10	(1,029,014)	(256,957)	(582,734)
Acquisition of shares of stock of an associate	9	-	(240,964)	-
Increase in due from related parties		(138,104)	(69,700)	(29,426)
Interest income received		9,968	4,213	19,177
(Increase) Decrease in other non-current assets		(1,984,072)	16,428	(543,425)
Net cash used in investing activities		(3,141,222)	(546,980)	(1,136,408)
Cash Flows from Financing Activities				
Increase (Decrease) in due to related parties		(1,336,074)	17,660	1,318,414
Interest expense paid		(132,409)	(141,093)	(93,918)
Payment of loans	13	(3,889)	(32,870)	-
Proceeds from issuance of capital stock	15	5,166,572	-	3,599,775
Proceeds from sale of equipment		48,742	-	-
Proceeds from loans payable	13	-	-	112,973
Deposit for future capital stock subscriptions		-	-	35,568
Net cash from (used in) financing activities		3,742,942	(156,303)	4,972,812
Net Increase (Decrease) in Cash and Cash Equivalents		386,423	(494,995)	767,046
Cash and Cash Equivalents, Beginning		272,051	767,046	-
Cash and Cash Equivalents, End		\$ 658,474	\$ 272,051	\$ 767,046

See Notes to Financial Statements.



ALLIANCE TUNA INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 and 2004

1. CORPORATE INFORMATION

Alliance Tuna International, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on September 1, 2003, primarily to engage in the business of manufacturing and exporting canned tuna and other processed sea foods. The Company is a public corporation under Section 17.2 of the Securities Regulation Code and its shares were listed in the Philippine Stock Exchange (PSE) on November 8, 2006.

The Company was registered with the Board of Investments (BOI) on August 24, 2004 under the Omnibus Investments Code of 1987, otherwise known as Executive Order No. 226, on a non-pioneer status as new export producer of Canned Tuna and its By-product, fishmeal. As a registered enterprise, the Company is entitled to certain incentives such as income tax holiday for four (4) years from the date of registration, tax credit on raw materials and supplies used for export products, and additional deduction for labor expense, subject to certain requirements under the terms of its BOI registration.

The Company's office is located at the Suite 1205, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City. Its plant facilities are located in Barrio Tambler, General Santos City.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

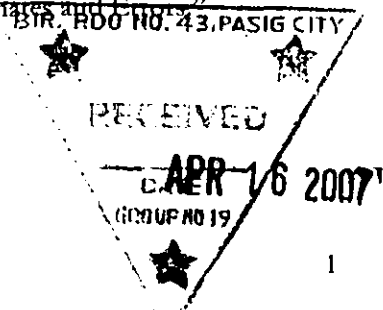
The financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at either amortized cost or equity method, in accordance with the generally accepted accounting principles (GAAP) in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

These financial statements are presented in US Dollars, the currency of the primary economic environment in which the Company operates.

Adoption of New Accounting Standard Effective in 2006

IFRIC 4, "Determining Whether an Arrangement Contains a Lease," one of the interpretations which had been published by the International Accounting Standards Board (IASB) and adopted by the FRSC effective for accounting periods beginning on or after January 1, 2006, was adopted by the Company.

This interpretation prescribes new accounting measurement and disclosure requirements applicable to the Company. The adoption of this interpretation was made in accordance with PAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors."



The interpretation specifies that an arrangement is, or contains a lease that should be accounted for in accordance with PAS 17, "Leases," if the fulfillment of the arrangement depends upon a specific asset or the arrangement conveys a right to control the use of the underlying asset.

The adoption of IFRIC 4 did not result in any adjustment and additional disclosures in the financial statements.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

Trade and Other Receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Financial Assets

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for investments classified as at fair value through profit or loss. In a regular way purchase or sale, financial assets are recognized and derecognized, as applicable, using trade date accounting.

Financial assets are derecognized by the Company when:

- a. the contractual rights to the cash flows from the financial asset expire; or
- b. the contractual rights to receive cash flows have been transferred.

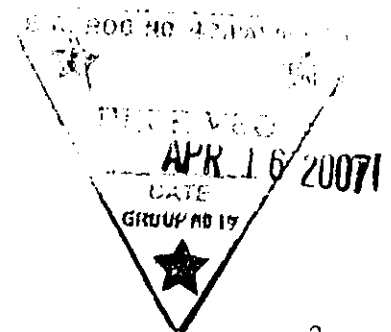
The Company's financial asset includes cash and cash equivalents and trade receivables.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are carried at amortized costs using the effective interest method.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets, is impaired.



Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate, i.e., the effective interest rate computed at initial recognition. The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of the loss shall be recognized in the income statements.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in the income statements.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distributing the goods.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the income statement. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

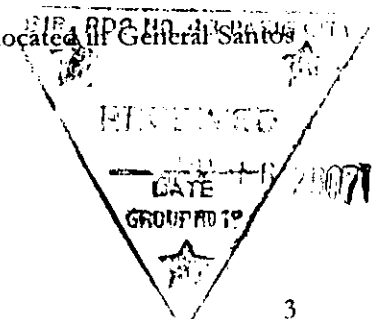
When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Investment in Associates

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results of operations and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Company's interest in those associates are not recognized.

The Company owns 40% of FDCP, Inc., a can making company located in General Santos City. FDCP, Inc. is the Company's major supplier of tin cans.



Property, Plant and Equipment

Property, plant and equipment are initially measured at cost less any subsequent accumulated depreciation, amortization and impairment losses. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight line method based on the estimated useful lives of the assets as follows:

Machinery and equipment	15 years
Office furniture, fixtures and other equipment	5 years
Transportation equipment	5 years

Leasehold improvements are depreciated over the shorter between the improvements' useful life of seven (7) years or the lease term.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statements.

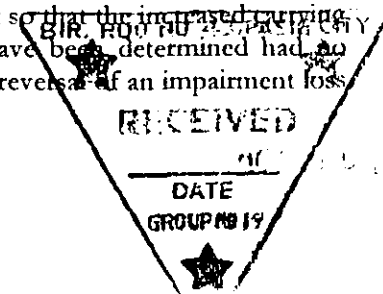
Impairment of Tangible Assets

At each balance sheet date, the Company assesses whether there is any indication that any of its tangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years, a reversal of an impairment loss is recognized as income.



Financial Liabilities

Financial liabilities are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of all financial liabilities.

All financial liabilities are subsequently measured at amortized cost using the effective interest method since the Company does not have financial liabilities classified as at fair value through profit or loss.

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled, or expired.

Financial liabilities include the trade and other payables and loans payable.

Trade and Other Payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are non-interest bearing and are stated at their nominal value.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Bank Borrowings

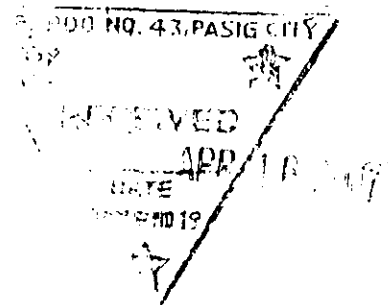
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, and are included in equity attributable to the Company's equity holders.

Foreign Currency Transactions and Translation

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.



Employee Benefits

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sales of goods are recognized when there is a transfer of risks and rewards of ownership, which coincides with the transfer of the legal title or the passing of possession to the buyer.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Leases

Rental payable under operating leases is charged to income on a straight-line basis over the term of the relevant lease.

Related Parties

Parties are considered related if one party has control, joint control and significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 35% tax rate for 2006 and 2005 current tax, respectively for those unregistered activities as the Company is currently enjoying benefits of income tax holiday until 2008.

APR 16 2007
DATE
RECEIVED

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in income statement account except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Earnings Per Share

The Company computes its basic earnings per share by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Subsequent Events

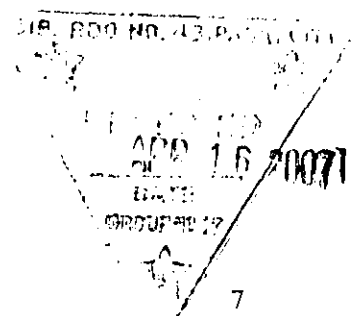
The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

New Accounting Standards Effective Subsequent to the Accounting Period Ending December 31, 2006

The Company will adopt the following PFRS effective January 1, 2007:

- a. PFRS 7 - Financial Instruments: Disclosures
- b. Amendments to PAS 1 - Capital Disclosures

PFRS 7, "Financial Instruments: Disclosures," will require disclosure of information about the significance of financial instruments for an entity's financial position and performance. It will supersede the disclosure requirements of PAS 30, "Disclosures in the Financial Statements of Banks and Similar Financial Institutions," and PAS 32, "Financial Instruments: Presentation and Disclosures." The remaining parts of PAS 32 will deal only with financial instruments presentation matters.



Amendments to PAS 1, "Capital Disclosures," will add requirements for disclosures on: (a) the entity's objectives, policies and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether the entity has complied with any capital requirements; and (d) if it has not complied, the consequences of such non-compliance.

The revised disclosures on financial instruments and capital management provided by the standard and amendment will be included in the Company's financial statements when those will be adopted in 2007.

3. MANAGEMENT'S USE OF ESTIMATES

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Company's financial statements.

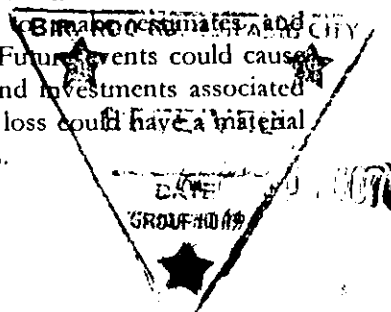
Estimating useful lives of property, plant and equipment

The useful lives of property, plant and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives of property, plant and equipment is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recognized operating expenses and decrease non-current assets.

Asset impairment

The Company is required to perform an impairment review when certain impairment indicators are present.

Determining the fair value of property, plant and equipment and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment and investments associated with an acquired business is impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.



The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under GAAP in the Philippines.

Estimating allowances for doubtful accounts

The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.

4. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

Foreign exchange risk

The Company's exposure to foreign exchange risk arising from currency exposures primarily with respect to the Philippine Peso is very minimal. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates will not significantly affect the Company's financial position as the Company's financial statement is denominated in US Dollars which is the Company's functional currency.

Credit risk

The Company's credit risk is primarily attributable to trade and other receivables. The Company has adopted stringent procedures in extending credit terms to customers and in monitoring its credit risk.

The Company has no significant concentration of credit risk. It has policies in place to ensure that services are rendered to customers with an appropriate credit history. The Company's exposure to credit risk arises from customers who default on their payment, with a maximum exposure equal to the carrying amount of the related receivables.

RECEIVED
NOV 18 2019
CITY
107

The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and assessment of the current economic environment.

Interest rate risk

The Company does not have any exposure to changes in interest rates. Bank loans of \$82,629 and \$80,103 in 2006 and 2005, respectively, were arranged at fixed interest rates and do not expose the Company to fair value interest rate risk.

Liquidity risk

The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

5. CASH AND CASH EQUIVALENTS

	2006	2005
Cash on hand and balances with banks	\$369,474	\$272,051
Cash equivalents	289,000	-
	\$658,474	\$272,051

Cash in banks earned average interest of 2% during 2006, 2005 and 2004, respectively. Cash equivalents represent money market placements, with annual interest of 2.5% and 2% to 5% in 2006, 2005 and 2004, respectively.

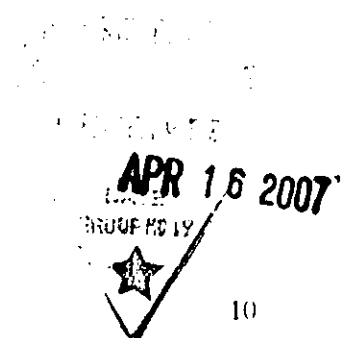
6. TRADE AND OTHER RECEIVABLES - net

	2006	2005
Trade	\$2,906,870	\$2,718,897
Others	183,478	221,570
	3,090,348	2,940,467
Less: Allowance for doubtful accounts	17,055	2,357
	\$3,073,293	\$2,938,110

Other receivables include claims receivable, advances to officers and employees and others.

The average credit period taken on sales of goods is 33 days. No interest is charged on the receivables even if it exceeds the credit period.

The fair value of the Company's trade and other receivables approximates its carrying amount.



7. **INVENTORIES - net**

	2006	2005
Finished goods - canned tuna	\$2,263,785	\$2,316,134
Finished goods - fish meal	2,635	3,581
Raw materials	435,405	440,200
Inventories in-transit	-	426,133
Parts and supplies	66,020	64,764
	2,767,845	3,250,812
Less: Allowance for inventory obsolescence	7,678	7,678
	\$2,760,167	\$3,243,134

8. **PREPAYMENTS AND OTHER CURRENT ASSETS**

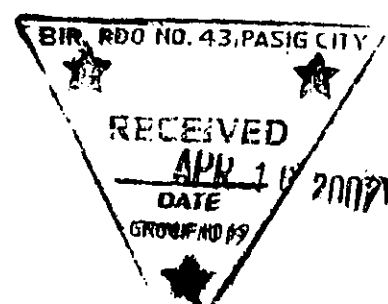
	2006	2005
Deposit - fish supplier and others	\$2,507,328	\$452,491
Prepaid importation	82,214	5,523
Prepaid insurance	10,700	-
Other prepaid expenses	56,548	70,617
	\$2,656,790	\$528,631

Deposit - fish supplier represents advances made to the Company's fish supplier. This is required upon the closing of the contract with the fish supplier. This is subsequently liquidated against the total cost of fish delivered to the plant.

9. **INVESTMENT IN ASSOCIATE**

The details and movements of the Company's investment in associate follow:

	2006	2005
Acquisition Cost	\$240,964	\$240,964
Accumulated Equity in Net Income		
Balance at beginning of the year	207,895	-
Equity in net earnings for the year	42,997	207,895
Balance at end of the year	250,892	207,895
	\$491,856	\$448,859



Aggregated amounts relating to associate follow:

	2006	2005
Total assets	\$2,895,611	\$3,061,343
Total liabilities	3,088,975	3,248,236
Net assets	(193,364)	(186,893)
Revenues	4,267,450	3,858,292
Cost and expenses	4,168,705	3,206,943
Income before recognition of foreign exchange	98,745	651,349
Foreign exchange gain (loss) due to currency translation adjustments	(105,216)	245,881
Net income (loss)	(\$ 6,471)	\$ 897,230

On September 1, 2005, the Company acquired 40% of FDCP, Inc. The Company accounts for this investment under the equity method since it has significant influence in the financial and operating policies of the investee. FDCP, Inc. is a can making Company located in General Santos City and it is the Company's major supplier of tin cans. The equity in net earnings for 2006 was computed based on the income before recognition of foreign exchange loss arising from the currency translation adjustment as a result of FDCP Inc.'s adoption of the functional currency financial statements in US Dollars effective for the period ending December 31, 2006.

10. PROPERTY, PLANT AND EQUIPMENT - net

	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture and Fixtures	Total
Cost						
January 1	\$286,044	\$254,261	\$227,374	\$68,659	\$3,353	\$ 839,691
Additions	150,917	705,527	148,965	22,258	1,347	1,029,014
Disposals	-	-	(65,818)	-	-	(65,818)
December 31	436,961	959,788	310,521	90,917	4,700	1,802,887
Accumulated Depreciation						
January 1	39,926	19,728	59,763	14,379	527	134,323
Provision	52,746	18,217	50,176	15,577	873	137,589
Disposals	-	-	(29,618)	-	-	(29,618)
December 31	92,672	37,945	80,321	29,956	1,400	242,294
Carrying Amount						
December 31, 2006	\$344,289	\$921,843	\$230,200	\$60,961	\$3,300	\$1,560,593
Carrying Amount						
December 31, 2005	\$246,118	\$234,533	\$167,611	\$54,280	\$2,826	\$ 705,368

The carrying amount of transportation equipment under mortgage amounted to \$185,035 in 2006 and \$85,114 in 2005 as discussed in Note 13.

The Company believes that there is no indication that an impairment loss has occurred on its property, plant and equipment.

NO. 42, PASIG CITY
 RECEIVED
 DATE
 2007
 12

11. OTHER NON-CURRENT ASSETS

	Note	2006	2005
Lease deposit	14	\$2,356,141	\$464,932
Deferred cost		10,839	13,822
Input value added tax		144,297	48,451
		\$2,511,277	\$527,205

12. TRADE AND OTHER PAYABLES

	2006	2005
Accounts payable - trade	\$464,690	\$1,229,274
Accrued expenses	399,587	345,581
Others	49,982	19,125
	\$914,259	\$1,593,980

Details of accrued expenses are as follows:

	2006	2005
Management fees	\$197,267	\$107,679
Salaries and wages	63,860	56,156
Employee benefit	37,550	19,893
Freight	32,380	83,781
Commission	20,781	3,279
Outside services	11,266	2,182
Professional fees	10,352	5,580
Rental	5,840	27,002
Interest	-	6,249
Other accruals	20,291	33,780
	\$399,587	\$345,581

Other accruals consist of accrual of interest, rentals, trucking fees and paid leave.

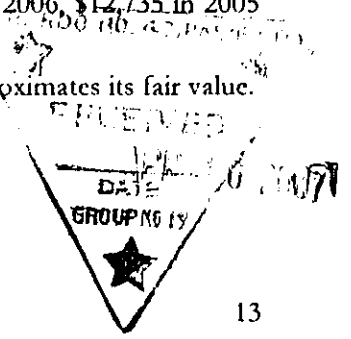
Management considers that the carrying amount of trade payables approximates its fair value.

13. LOANS PAYABLE

This represents loans availed by the Company from certain local banks to finance the purchase of certain Company's transportation equipment. The loans bear interest ranging from 12% to 14% per annum, payable on a monthly basis and will mature in June 2010.

Total interest expense arising from the loans amounted to \$10,010 in 2006, \$12,735 in 2005 and \$4,534 in 2004.

Management considers that the carrying amount of loans payable approximates its fair value.



14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its related parties are disclosed in this note.

	2006	2005
Due from Related Parties		
Alliance Pilipinas Holdings, Inc.	\$212,234	\$ 75,573
First Dominion Prime Holdings, Inc. (FDPHI)	19,222	23,553
	\$231,456	\$ 99,126
Due to Related Parties		
Maranaw Canning Corporation (Maranaw)	\$ -	\$1,055,270
FDCP Inc.	-	200,000
Clearwater Tuna Corporation (Clearwater)	-	80,804
	\$ -	\$1,336,074

Significant Contract Agreements

- a. In 2004, the Company obtained advances from Maranaw Canning Corporation and Clearwater Tuna Corporation, with an annual interest rate of 10% on the first P50 million and 8% on the excess. It likewise obtained advances in US Dollars from FDCP, Inc. (an associate) with an interest rate of 6%. All of these advances were fully liquidated as of December 31, 2006.

Interest expense related to advances from related parties amounted to \$116,598 in 2006, \$125,289 in 2005 and \$88,441 in 2004.

- b. On October 18, 2004, the Company entered into a Memorandum of Agreement with First Dominion Prime Holdings, Inc. (FDPHI) to purchase the debt of FDPHI from certain creditors with miniscule amounts at net present value of \$17,491. In return, the Company will receive a total of \$26,324 from FDPHI over a period of 10 years, and in addition to this, a corresponding number of Alliance Tuna shares which would have accrued to the creditors were likewise issued to the Company. The corresponding 287,538 common shares were issued on November 8, 2006 as treasury stock. These are part of the shares declared by the SEC exempted from registration under Sec. 10.2 of the Securities Regulation Code on September 21, 2006.
- c. The Company, in the ordinary course of business, purchases tin cans used as raw materials from FDCP, Inc. at arms length.

Purchases of tin cans from FDCP, Inc. amounted to \$4,192,877 in 2006, \$3,199,962 in 2005 and \$2,852,244 in 2004.

- d. The Company entered into a contract with Maranaw Canning Corporation for the operating lease of the latter's land, plant, machinery and equipment in Barrio Tumbler, General Santos City at a monthly rental of \$19,688. The lease started from March 1, 2004 and ends on December 23, 2010. The Company is given an option to purchase the leased properties, anytime until December 31, 2010. The Company was required to pay \$2,356,141 as deposit, of which \$464,932 was paid in 2004. The \$1,891,209 balance was settled on March 30, 2006 through the issuance of the 96,988,729 common shares to Maranaw and the designees/creditors of Maranaw at a par value of P1 per share. The deposit is included in Other Non-current asset in the balance sheets.

APR 16 2007
SAFE

The Company also leases from Maranaw an office condominium unit where its head office is located for a period of two (2) years, renewable by mutual agreement of both parties. The lease is classified as an operating lease with a monthly rental of \$2,995.

The total future minimum lease payments arising from the above lease agreements for each of the following periods follow:

	2006	2005	2004
Minimum lease payments under operating leases recognized in profit or loss for the year	\$260,619	\$242,777	\$204,120
	2006	2005	2004
Not later than one year	\$272,195	\$252,011	\$237,679
Later than one year but not later than five (5) years	708,765	507,204	653,272
	\$980,960	\$759,215	\$890,951

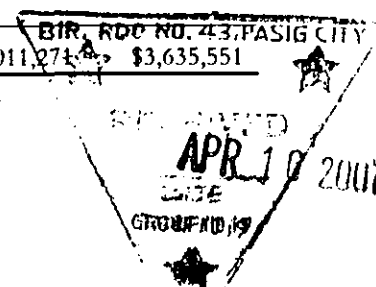
Remuneration of key management personnel

The remuneration of the key management personnel and directors of the Company is set out below in aggregate for each of the categories specified in PAS 24: "Related Party Disclosures."

	2006	2005	2004
Short-term:			
Salaries and fees	\$257,758	\$177,157	\$167,814
Employee benefits	52,235	20,749	6,375
	\$309,993	\$197,906	\$174,189

15. CAPITAL STOCK

	Note	Shares	2006	Shares	2005
Authorized					
700,000,000 and 300,000,000 common shares of P1 each			P700,000,000		P300,000,000
Issued and fully paid					
Balance, beginning		203,011,271	\$ 3,635,551	201,000,000	\$3,599,775
Stock dividends		101,099,610	1,936,737	-	-
Issuance	14	230,988,729	4,552,725	2,011,271	35,776
		535,099,610	10,125,013	203,011,271	3,635,551
Treasury shares	14	(287,538)	(5,774)		
		534,812,072	\$10,119,239	203,011,271	\$3,635,551



The Company has one (1) class of ordinary shares which carry no right to fixed income.

On October 23, 2006, the Company launched an Initial Public Offering (IPO) of 134,000,000 common shares at an offer price of P1.35. The offered shares represented 25.04% of the Company's issued and outstanding capital stock. The Company raised net proceeds of US\$3,304,556 from the IPO. On November 8, 2006, the Company's shares of stocks totaling 535,099,610 shares were listed with the PSE.

16. DIVIDENDS DECLARED

The Company declared stock dividends amounting to \$1,936,737 on December 14, 2005, distributed to all stockholders of record at the close of the business on December 31, 2005. The shares of stocks were issued on July 26, 2006.

17. OTHER INCOME

An analysis of the Company's other income is as follows:

	2006	2005	2004
Foreign exchange gain	\$ 94,991	\$ -	\$ 8,665
Gain on sale of fixed assets	12,542	-	-
Interest income	9,968	4,213	19,177
	\$117,501	\$4,213	\$27,842

18. COST OF GOODS MANUFACTURED AND SOLD

	Notes	2006	2005	2004
Materials used		\$22,298,516	\$15,562,493	\$15,300,086
Direct labor	21	1,780,753	1,320,632	1,126,996
Manufacturing overhead				
Fishmeal		828,497	534,934	483,154
Fuel		662,415	434,168	309,961
Rental		292,276	307,802	252,629
Indirect labor	21	218,936	189,515	170,986
Freight and handling		196,563	82,119	72,104
Light and water		142,579	87,304	62,483
Repairs and maintenance		135,739	106,218	100,509
Warehousing		124,126	59,111	125,513
Outside services		99,746	45,982	58,833
Laboratory		95,515	65,332	53,715
Depreciation	10	73,945	48,393	20,601
Consumables		70,586	42,407	43,988
Security fees		54,325	47,495	45,359
Professional fees		41,867	26,790	14,275
Representation and entertainment		36,148	24,696	20,648
Travel and communication		26,377	21,915	22,646
Others		189,174	127,697	49,619
Total manufacturing costs		27,368,083	19,135,003	18,334,105
Finished goods, beginning		2,316,134	2,673,311	
Cost of goods available for sale		29,684,217	21,808,314	18,334,105
Finished goods, end		2,263,785	2,316,134	2,673,311
Cost of goods manufactured and sold		\$27,420,432	\$19,492,180	\$15,660,794

19. OPERATING EXPENSES

	Notes	2006	2005	2004
Salaries, wages and other benefits	14, 21	\$ 397,918	\$ 301,105	\$273,109
Transportation and travel		193,197	139,982	96,657
Management fees		179,250	103,732	131,589
Rental	14	102,143	78,431	55,497
Representation and entertainment		111,164	80,562	68,057
Utilities and communication		83,779	62,749	52,412
Business development expenses		79,395	83,399	46,305
Commission		78,337	51,680	21,895
Other personnel expenses		65,748	17,960	24,933
Depreciation	10	63,644	51,209	14,120
Taxes and licenses		35,211	9,423	29,527
Outside services		22,580	25,031	38,552
Freight and handling		20,205	40,321	15,529
Fringe Benefit Tax		19,899	-	-
Materials and supplies		19,503	13,302	12,032
Provision for doubtful accounts	6	15,850	2,270	-
Fuel and oil		13,997	11,283	10,785
Membership dues		11,091	9,956	-
Insurance		8,056	5,304	4,647
Condominium dues		7,893	5,921	-
Repairs and maintenance		6,119	11,999	7,836
Provision for inventory obsolescence	7	-	7,539	-
Others		99,967	86,327	20,869
		\$1,634,946	\$1,199,485	\$924,351

Management fee represents the amount due to Bhumipat Dhnavarapitak and Maranaw Canning Corporation which is equivalent to P5 million or 10% of the Company's annual earnings before interest, taxes, depreciation and amortization (EBITDA), whichever is higher.

20. OTHER OPERATING EXPENSES

	2006	2005	2004
Bank charges	\$48,526	\$39,178	\$30,685
Foreign exchange loss	-	18,120	-
	\$48,526	\$57,298	\$30,685

21. STAFF COST

Aggregate employee benefits expense comprised:

	2006	2005	2004
Salaries and wages	\$2,330,868	\$1,757,736	\$1,636,472
Employee benefits	66,739	53,516	16,262
	\$2,397,607	\$1,811,252	\$1,652,734

APR 27 2007
 17

22. INCOME TAXES

Components of income tax expense are as follows:

	2006	2005	2004
Current tax expense	\$4,390	\$ -	\$163,172
Deferred tax expense relating to the reversal of temporary differences	-	(1,058)	1,040
	\$4,390	(\$1,058)	\$164,212

23. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2006	Earnings 2005	2004
Net income	\$ 2,029,308	\$ 1,110,055	\$ 1,006,721
Weighted average number of shares outstanding	339,530,142	203,007,627	158,828,767
Earnings Per Share	\$0.006	\$0.005	\$0.006

As of December 31, 2006, 2005 and 2004, the Company has no dilutive potential shares, hence, the basic earnings per share equal the diluted earnings per share.

Movements in the weighted average shares of the Company are as follows:

	2006	2005	2004
Balance, beginning	203,011,271	203,000,000	-
Average issuance for the year	136,518,871	7,627	158,828,767
Weighted average, end	339,530,142	203,007,627	158,828,767

24. PRIOR PERIOD TRANSLATION ADJUSTMENT

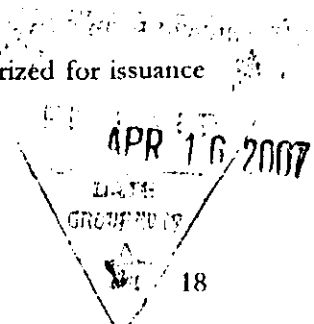
In 2004 and 2005, the Company assessed that its functional currency is the Philippine Peso and used the Philippine Peso in preparing and presenting its financial statements. In 2006, upon reassessment of the currency of the primary economic environment in which the Company operates, Management determined that its functional currency is US Dollars.

In accordance with PAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," the amount of the correction of a fundamental error that relates to prior periods should be reported by adjusting the opening balances or retained earnings. Accordingly, the financial statements for 2006, 2005 and 2004 were prepared and presented using the US Dollars.

25. APPROVAL OF FINANCIAL STATEMENTS

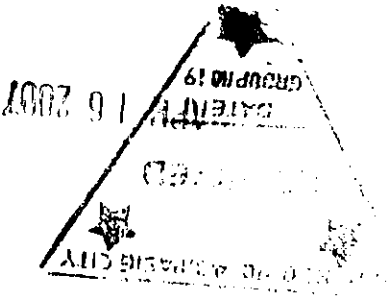
The financial statements of the Company have been approved and authorized for issuance by the Board of Directors on March 26, 2007.

* * *



ALLIANCE TUNA INTERNATIONAL, INC.
SCHEDULE B - ADVANCES TO OFFICERS AND EMPLOYEES
RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED
PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2006

Name of Debtor	Beginning Balance	Additions	Collections	Ending Balance		Total
				Current	Non-Current	
Agustin Fazon		\$4,015		694	3,321	\$4,015
Joseph Saycon	1,324	2,590	1,324	545	2,044	2,590
Nelsa Que		4,071		630	3,441	4,071
Rank & File Employees	5,900	4,593	5,900	4,593		4,593
FDCP, Inc.	49,267	262,836	310,976	1,127		1,127
Alliance Pilipinas Holdings, Inc.	23,287	15,539	15,017	23,808		23,808
	\$79,778	\$293,643	\$333,217	\$31,398	\$8,806	\$40,204



ALLIANCE TUNA INTERNATIONAL, INC.
SCHEDULE C - INVESTMENTS
DECEMBER 31, 2006

Name	Beginning Balance		Additions			Deductions		Ending Balance	
	No. of Shares	Amount	Equity in Net Earnings	Others	Withdrawal	Others	No. of Shares	Amount	
FDCP, Inc.	4,999,997	\$448,859	\$42,997				4,999,997	\$491,856	
	4,999,997	\$448,859	\$42,997				4,999,997	\$491,856	

Percentage of Ownership

40%



ALLIANCE TUNA INTERNATIONAL, INC.
SCHEDULE D - DUE FROM RELATED PARTIES
DECEMBER 31, 2006

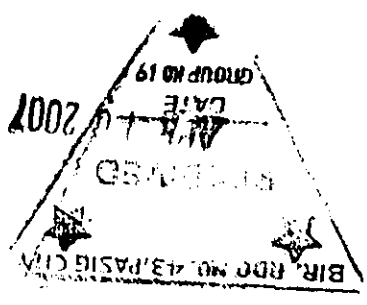
Name of Related Parties	Beginning Balance	Ending Balance
Alliance Pilipinas Holdings, Inc.	\$75,573	\$212,234
First Dominion Prime Holdings, Inc.	23,553	19,222
	<u>\$99,126</u>	<u>\$231,456</u>



ALLIANCE TUNA INTERNATIONAL, INC.
 SCHEDULE E - PROPERTY, PLANT AND EQUIPMENT
 DECEMBER 31, 2006

Classification	Beginning Balance	Additions at Cost	Disposal	Ending Balance
Leasehold Improvements	\$286,045	\$150,917		\$436,962
Machinery and Equipment	254,261	705,527		959,788
Transportation Equipment	227,374	148,965	\$65,818	310,521
Office furniture, fixtures and equipment	68,659	22,259		90,918
Plant furniture and fixtures	3,352	1,347		4,699
	<u>\$839,691</u>	<u>\$1,029,015</u>	<u>\$65,818</u>	<u>\$1,802,888</u>

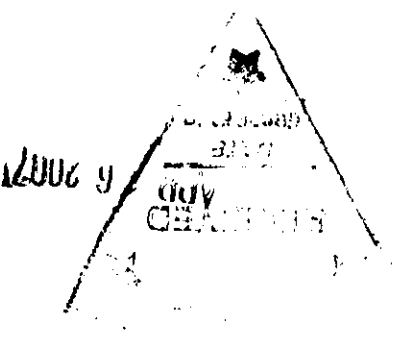
Cost:



ALLIANCE TUNA INTERNATIONAL, INC.
 SCHEDULE F - ACCUMULATED DEPRECIATION
 DECEMBER 31, 2006

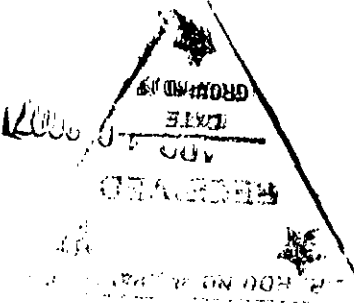
Classification	Beginning Balance	Additions at Cost	Disposal	Ending Balance
Leasehold Improvements	\$39,926	\$52,746		\$92,672
Machinery and Equipment	19,728	18,217		37,945
Transportation Equipment	59,764	50,176	\$29,618	80,322
Office furniture, fixtures and equipment	14,379	15,577		29,956
Plant furniture and fixtures	526	873		1,399
	<u>\$134,323</u>	<u>\$137,589</u>	<u>\$29,618</u>	<u>\$242,294</u>

Cost:



ALLIANCE TUNA INTERNATIONAL, INC.
 SCHEDULE G - OTHER NON-CURRENT ASSETS
 DECEMBER 31, 2006

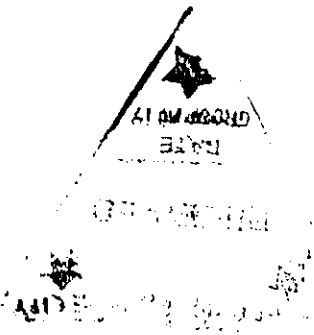
Description	Beginning Balance	Additions at Cost	Deductions/Amortizations		Other Changes - Additions/(Deductions)	Ending Balance
			Charged to Cost and expenses	Charged to Other Accounts		
Lease Deposits	\$464,932	\$1,891,208	\$0	\$0	\$0	\$2,356,141
VAT Input tax	48,451	151,768		(63,634)	7,713	144,297
Others	13,824				(2,985)	10,839
	\$527,207	\$2,042,977	\$0	-\$63,634	\$4,728	\$2,511,277



ALLIANCE TUNA INTERNATIONAL, INC.
 SCHEDULE H - LONG-TERM DEBT
 DECEMBER 31, 2006

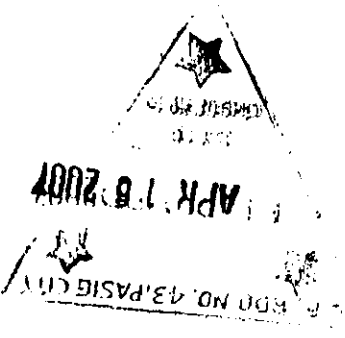
Name of Issuer and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Total	Remarks
RCBC Savings Bank Chattel Mortgage Due Oct. 2008	\$50,194	\$14,685	\$0	\$14,685	See Note below
RCBC Savings Bank Chattel Mortgage Due Aug. 2007	40,047	19,273	18,420	37,693	- do -
Planters Development Bank Chattel Mortgage Due June 2010	21,880	4,866	15,864	20,729	- do -
International Exchange Bank Chattel Mortgage Due Nov. 2007	20,248	6,738	-	6,738	- do -
International Exchange Bank Chattel Mortgage Due Sept. 2007	6,927	2,784	-	2,784	- do -
		<u>\$48,345</u>	<u>\$34,284</u>	<u>\$82,629</u>	

Note : The terms, interest rate, collaterals and other relevant information
 are shown in the Notes to Financial Statements



ALLIANCE TUNA INTERNATIONAL, INC.
SCHEDULE I - DUE TO RELATED PARTIES
DECEMBER 31, 2006

Name of Related Parties	Beginning Balance	Ending Balance
Maranaw Canning Corporation	\$1,055,270	-
FDCP, Inc.	200,000	-
Clearwater Tuna Corporation	80,804	-
	<u>\$1,336,074</u>	<u>\$0</u>



ALLIANCE TUNA INTERNATIONAL, INC.
SCHEDULE K - CAPITAL STOCK
DECEMBER 31, 2006

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Common Stock - P1 par value	700,000,000	534,812,072		1,460,603	810,882	532,540,587



**ALLIANCE TUNA
INTERNATIONAL, INC.**

**Long-Form Report
and
Financial Statements**

December 31, 2006

Manabat Delgado Amper & Co.
(Formerly: C.L. Manabat & Co.)

Deloitte.

Manabat Delgado Amper & Co.
3rd - 6th Floor, Salamin Building
197 Salcedo St., Legaspi Village,
Makati City 1229
Philippines

Tel: +63 (2) 812 0535
Fax: +63 (2) 810 5047
www.deloitte.com

BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-F

Securities and Exchange Commission
Edsa, Mandaluyong City


Gentlemen:

We consent to the use of our report dated March 26, 2007 on the financial statements of Alliance Tuna International, Inc. as of December 31, 2006, in connection with the Company's application for an increase in authorized capital stock.

Thank you.

Very truly yours,

Manabat Delgado Amper & Co.
By:


Arnelina A. Gille
Partner
TIN 120964412
CPA License No. 0023999
SEC Accreditation No. 0030-A
PTR No. 0302053
January 8, 2007

Makati City, Philippines
March 26, 2007

The Board of Directors and Stockholders
ALLIANCE TUNA INTERNATIONAL, INC.
Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of Alliance Tuna International, Inc. which comprise the balance sheets as of December 31, 2006 and the related statements of income, changes in equity, and cash flows for the year ended December 31, 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the Philippines. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alliance Tuna International, Inc. as of December 31, 2006, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles in the Philippines.

Other Matters

We submit the following as part of this report:

- Balance sheets as of December 31, 2006 and 2005;
- Statements of income, changes in equity and cash flows for the years ended December 31, 2006, 2005 and 2004; and
- Comments on the balance sheet and statement of income as of and for the year ended December 31, 2006.

Our comments on the balance sheet accounts and operations of the Company as of and for the year ended December 31, 2006 are discussed in the succeeding pages of this report.

ASSETS**CASH AND CASH EQUIVALENTS** **\$658,474**

Cash on hand and in banks	\$369,474
Cash equivalents	289,000
	\$658,474

Cash on hand represents petty cash and revolving funds. Cash in banks represent current and savings deposits in Philippine Peso and US Dollar currencies in various banks.

We sent confirmation requests to the depository banks. We also obtained bank reconciliation statements, agreed recorded cash balances against bank balances and verified reconciling items against supporting documents and no exceptions were noted. These cash in banks are unrestricted and immediately available for use in the current operations. For those banks with no confirming replies, we have performed alternative procedures by comparing the balances per books to the bank statements. Differences noted were accounted through the review of bank reconciliations. No further exceptions were noted.

Cash in banks earned average interest of 2% during 2006, 2005 and 2004, respectively.

Cash equivalents represent money market placements, with annual interest of 2.5% in 2006 and 2% to 5% in 2005 and 2004.

TRADE AND OTHER RECEIVABLES - net **\$3,073,293**

Trade	\$2,906,870
Other receivables	183,478
	3,090,348
Less: Allowance for doubtful accounts	17,055
	\$3,073,293

Trade - Aging Analysis

Current	\$1,658,882
0-15 days	593,632
16-30 days	537,756
Over 30 days	116,600
	\$2,906,870

Trade receivables represent outstanding receivables from foreign customers for the export of canned tuna and sales of fishmeal to local buyers. We sent confirmation requests to selected customers and agreed confirmed balances to the amounts listed in the trade receivables aging reports. For those customers with no confirmation replies received, alternative procedures were performed. Subsequent collections and proof of receivables for the selected customers were conducted and no exceptions were noted. We reviewed the trade receivables aging analysis and ascertained its collectibility by comparing the Company's subsequent collections against its outstanding trade receivables.

Other receivables which consist mainly of claims receivable, advances to officers and employees were verified through examination of invoices and other pertinent documents.

Based on the results of the foregoing audit procedures performed, we ascertain that the outstanding balances are reasonably stated.

INVENTORIES - net	\$2,760,167
<hr/>	
Finished goods - canned tuna	\$2,263,785
Finished goods - fish meal	2,635
Raw materials	435,405
Parts and supplies	66,020
<hr/>	
	2,767,845
Less: Allowance for inventory obsolescence	7,678
<hr/>	
	\$2,760,167

For purposes of determining the propriety of inventory amounts, we reviewed the inventory list and stock valuation report as of December 31, 2006 and tested the reconciliation and summarization of the total to the general ledger. An inventory count was also performed at year-end. Based on our count, we noted some old cans, ends and stencil ink still remaining in inventory. These items were considered in providing the Company's allowance for inventory obsolescence. We have obtained schedule of allowance for inventory obsolescence, tested the summarization of the schedule and traced the ending balance and the amount of current period provision or reversal to the general ledger, if any. We evaluated the reasonableness of the methods and assumptions management used to estimate the allowance for inventory obsolescence. There are no exceptions noted based on the procedures performed. We also obtained the reconciliation statements for finished goods, raw materials and other materials and compared balances per books and per physical count as shown in the Schedule of Inventories.

We reviewed the overall controls over inventory and noted no significant weakness. The Company uses moving average in costing its inventories. Procedures were performed to validate the quantity and costs of the Company's inventories. No exceptions were noted.

PREPAYMENTS AND OTHER CURRENT ASSETS	\$2,656,790
<hr/>	
Deposit - fish supplier and others	\$2,507,328
Prepaid importation	82,214
Prepaid insurance	10,700
Other prepaid expenses	56,548
<hr/>	
	\$2,656,790

This account consists mainly of deposits made to the Company's fish suppliers. The Company's fish suppliers require deposit upon closing of the contract. These are then closed to raw materials upon delivery to the plant.

We obtained schedules and reconciled the balances with the general ledger. Supporting check vouchers and official receipts were verified to test the validity of the amount recorded. Performance of analytical testing was also made. No exceptions were noted.

INVESTMENT IN ASSOCIATE	\$491,856
--------------------------------	------------------

Acquisition Cost	\$240,964
Accumulated Equity in Net Income	
Balance at beginning of the year	207,895
Equity in net earnings for the year	42,997
	250,892
	\$491,856

This represents 40% investment in FDCP, Inc., a can making Company located in General Santos City and the Company's major supplier of tin cans. The equity in net earnings for 2006 was recomputed based on the income before recognition of foreign exchange loss arising from the currency translation adjustment as a result of FDCP, Inc.'s adoption of the functional currency financial statements in US Dollars effective for the period ending December 31, 2006.

DUE FROM RELATED PARTIES	\$231,456
---------------------------------	------------------

Alliance Pilipinas Holdings, Inc.	\$212,234
First Dominion Prime Holdings, Inc. (FDPHI)	19,222
	\$231,456

The Company advanced the payment of interest due from Alliance Pilipinas International Holdings, Inc. (APIHI) to creditors of First Dominion Prime Holdings, Inc. (FDPHI).

As a background, APIHI sought to increase its shareholding in the Company by offering to buy the shares which was supposed to be issued to the creditors of FDPHI as part of the security deposit that the Company had to deliver under the contract of lease with FDPHI subsidiary Maranaw Canning Corporation, from whom the Company was leasing the plant covered by TCT No. T-80905;

APIHI was not able to raise funds for the purchase of the Company shares on the due date it committed itself to pay as a result of which, a motion had to be filed at the Regional Trial Court of Pasig City, Branch 158, in Civil Case No. 68343 for several extensions of time to pay for said shares;

The rehabilitation court granted the aforementioned motion for extension of time but imposed the condition that APIHI shall pay the above-mentioned creditors of First Dominion Group of Companies an interest at 10.273% per annum for the period of extension per court order dated March 18, 2005.

The Company advanced the said interest payment to creditors of First Dominion Group for and on behalf of APIHI and of such advanced interest payment \$212,234 has yet to be reimbursed by APIHI to the Company.

The \$19,222 is composed of advances extended to First Dominion Prime Holdings, Inc. (FDPHI) arising from the Memorandum of Agreement (MOA) entered into by the Company and FDPHI to purchase the debt of FDPHI from certain creditors with miniscule amounts at net present value.

We sent confirmation requests to affiliated companies and agreed confirmed balances to the amounts recorded in the books. No exceptions were noted.

PROPERTY, PLANT AND EQUIPMENT - net**\$1,560,593**

	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture and Fixtures	Total
Cost						
January 1	\$286,044	\$254,261	\$227,374	\$68,659	\$3,353	\$ 839,691
Additions	150,917	705,527	148,965	22,258	1,347	1,029,014
Disposals	-	-	(65,818)	-	-	(65,818)
December 31	436,961	959,788	310,521	90,917	4,700	1,802,887
Accumulated Depreciation and Amortization						
January 1	39,926	19,728	59,763	14,379	527	134,323
Provisions	52,746	18,217	50,176	15,577	873	137,589
Disposals	-	-	(29,618)	-	-	(29,618)
December 31	92,672	37,945	80,321	29,956	1,400	242,294
Carrying Amount						
December 31, 2006	\$344,289	\$921,843	\$230,200	\$60,961	\$3,300	\$1,560,593

We obtained the Company's lapsing schedules for property, plant and equipment and agreed detailed amounts with the recorded balances of cost and accumulated depreciation accounts and no discrepancies were noted.

On a test basis, from the lapsing schedule provided to us, we selected assets from the beginning cost column and current period purchases of the schedules and physically inspected the assets in order to determine if the assets still exist and still in use by the Company. We traced the recorded costs of the selected assets to supporting documents (e.g. vendor invoices for purchases in the current period, capital expenditure approvals, our prior year working papers for assets purchased in prior years) and determined that current period additions were properly approved and included no amount of expense in nature. Furthermore, on a test basis, we examined disposals during the period for appropriate authorization, recomputed the related gain or loss and ascertained accuracy in the recording of these transactions and noted no exceptions therein.

We performed analytical procedures to determine the reasonableness of recorded depreciation and found it to be reasonably computed. Generally, depreciation is computed on the straight line method based on the estimated useful life of the asset.

We reviewed the management's assessment of the carrying amounts of the property, plant and equipment to determine whether there is any indication that those assets have suffered impairment. No exceptions were noted.

As of December 31, 2006, management believes that the carrying amount of its property, plant and equipment is not in excess of its net recoverable amount, which is the net selling price.

OTHER NON-CURRENT ASSETS**\$2,511,277**

Lease deposit	\$2,356,141
Deferred cost	10,839
Input value added tax	144,297
	\$2,511,277

The lease deposit pertains to the amount paid to Maranaw Canning Corporation for the rental of the plant facility. We examined lease agreement and found the amount to be in accordance with the terms of the said contract. The remaining balance is composed of input taxes which arise from the purchase of goods and services. We agreed the amount against the summary of input taxes prepared by the client. No exceptions were noted.

LIABILITIES**TRADE AND OTHER PAYABLES****\$914,259**

Accounts payable - trade	\$464,690
Accrued expenses	399,587
Others	49,982
	\$914,259

Trade payables are obligations which arose from the purchase of fish from suppliers and cans from FDCP, Inc. We reviewed the aging schedule and noted that there were no long outstanding payables. Confirmation letters were also sent to selected suppliers. Based on the confirmation replies, there were no discrepancies identified. Alternative procedures were also performed for those accounts without reply. Alternative procedures such as tests of subsequent payments and examinations of suppliers invoices were performed for those accounts without reply in order to ensure existence of the liability. We also performed cut-off procedures to satisfy ourselves as to the propriety and fair presentation of the account.

Details of accrued expenses are as follows:

Management fees	\$197,267
Salaries and wages	63,860
Employee benefit	37,550
Freight	32,380
Commission	20,781
Outside services	11,266
Professional fees	10,352
Rental	5,840
Other accruals	20,291
	\$399,587

We tested reasonableness of the accrued expenses balances by determining its nature and basis of accrual. For all accrued expenses that are based from accounting estimates, we performed an independent recomputation based on the reliable data and compared the expectation to the balance per books, no exceptions were noted. On the other hand, for some accruals which were based on supporting evidence, we examined the documents and no exceptions were noted.

We performed search for unrecorded liabilities by examining payments made by the Company in 2007 for expenses incurred in 2006 in order to determine if these are expenses not accrued in 2006. These payments were then compared to the amounts accrued. We were able to ascertain that there are no unrecorded liabilities as of December 31, 2006.

Based on the above procedures, we have satisfied ourselves as to the propriety and fair presentation of the account balances.

LOANS PAYABLE \$82,629

Loans payable represents chattel mortgage availed by the Company from certain local banks to finance the purchase of certain Company's transportation equipments. The loans bear interest ranging from 12% to 14% per annum, with interest and principal payable on a monthly basis and will mature in June 2010.

We obtained and examined the loan agreements and no unusual item or provision in the agreements was noted. We sent confirmation requests and agreed the balances to the replies received. No exceptions were noted.

Details of these loans are as follows:

Bank loans	
Rizal Commercial Banking Corporation	\$52,378
International Exchange Bank	9,522
Planters Bank	20,729
	\$82,629

The loans were then analyzed into current and long-term components. Portion of the principal that will be paid until December 31, 2007 are classified as current and principal repayments beyond December 31, 2007 are classified as long-term.

Current portion	\$48,345
Long term portion	34,284
	\$82,629

EQUITY

CAPITAL STOCK	\$10,125,013
ADDITIONAL PAID-IN CAPITAL	613,847
TREASURY SHARES	(5,774)

The Company's authorized capital stock is 700,000,000 common shares with a par value of P1 each. Movement of the Company's capital stock is as follows:

	Shares	
Issued and fully paid		
Balance, beginning	203,011,271	\$ 3,635,551
Stock dividends	101,099,610	1,936,737
Issuance	230,988,729	4,552,725
Balance, December 31, 2006	535,099,610	\$10,125,013

On October 23, 2006, the Company launched an Initial Public Offering (IPO) of 134,000,000 common shares at an offer price of P1.35. The offered shares represented 25.04% of the Company's issued and outstanding capital stock.

The Company declared stock dividends amounting to \$1,936,737 on December 14, 2005 distributed to all stockholders of record at the close of the business on December 31, 2005. These shares of stocks were issued on July 26, 2006.

We sent confirmation request to the Company's corporate secretary to validate the ownership of the stocks and no exception was noted.

RETAINED EARNINGS	\$2,209,347
--------------------------	--------------------

An analysis of the Company's retained earnings for three (3) years is as follows:

Balance, December 31, 2003	\$ -
Net income for the year 2004	1,006,721
Balance, December 31, 2004	1,006,721
Net income for the year 2005	1,110,055
Balance, December 31, 2005	2,116,776
Net income for the year 2006	2,029,308
Issuance of stock dividends	(1,936,737)
Balance, December 31, 2006	\$2,209,347

The Company was registered with the Philippine Securities and Exchange Commission on September 1, 2003.

OPERATIONS

Overall Results

The Company continues to expand its export market throughout the year as evidenced by the 43% growth in its revenue from \$21,786,945 in 2005 to \$31,109,513 in 2006. The gross margin in 2006 at 11.86% is higher than in 2005 at 10.53%. The increase in the gross margin is due to the management's emphasis on factory efficiencies, yields and recoveries. Efficient management of inventory coupled by increased capacity utilization resulted in a net income of \$2 Million in the current year, an increase of 83% over performance in 2005.

REVENUE

\$31,109,513

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sales of goods are recognized when there is a transfer of risks and rewards of ownership, which coincides with the transfer of the legal title or the passing of possession to the buyer.

We reviewed the sales during the period for overall reasonableness and examined supporting invoices and delivery receipts to determine that sales are recorded in the proper time periods. We noted no exceptions.

COST OF GOODS MANUFACTURED AND SOLD

\$27,420,432

Materials used	\$22,298,516
Direct labor	1,780,753
Manufacturing overhead:	
Fishmeal	828,497
Fuel	662,415
Rental	292,276
Indirect labor	218,936
Freight and handling	196,563
Light and water	142,579
Repairs and maintenance	135,739
Warehousing	124,126
Outside services	99,746
Laboratory	95,515
Depreciation	73,945
Consumables	70,586
Security fees	54,325
Professional fees	41,867
Representation and entertainment	36,148
Travel and communication	26,377
Others	189,174
Total manufacturing costs	27,368,083
Finished goods, beginning	2,316,134
Cost of goods available for sale	\$29,684,217
Finished goods, end	2,263,785
	\$27,420,432

OPERATING EXPENSES**\$1,634,946**

Salaries, wages and other benefits	\$ 397,918
Transportation and travel	193,197
Management fees	179,250
Rental	102,143
Representation and entertainment	111,164
Utilities and communication	83,779
Business development expenses	79,395
Commission	78,337
Other personnel expenses	65,748
Depreciation	63,644
Taxes and licenses	35,211
Outside services	22,580
Freight and handling	20,205
Fringe benefit tax	19,899
Materials and supplies	19,503
Provision for doubtful accounts	15,850
Fuel and oil	13,997
Membership dues	11,091
Insurance	8,056
Condominium dues	7,893
Repairs and maintenance	6,119
Others	99,967
	\$1,634,946

We evaluated the reasonableness of reported cost and expenses by developing independent expectations of the balances based on our understanding of the nature and trend of each item. Furthermore, we ascertained the validity of these disbursements through examination of available supplier's invoices, payment documents and inquiry on the underlying nature of the transaction. We verified these transactions to be appropriately recorded in the books and noted no exceptions.

OTHER INCOME**\$117,501**

Foreign exchange gain	\$94,991
Gain on sale of fixed assets	12,542
Interest income	9,968
	\$117,501

Foreign exchange gain pertains to realized and unrealized loss on transactions and balances denominated in currencies other than US Dollars. We performed recomputation of the gain and noted no material exceptions.

Gain on sale of fixed assets resulted from the disposal of a vehicle. We examined related documents and verified disposal. We noted no exceptions.

Interest income is composed of interest earned from savings bank deposit and short term money market placements having an interest ranging from 2% to 2.5% in 2006. We agreed interest rates against confirmation advice from the bank and noted no exceptions.

OTHER OPERATING EXPENSES

\$48,526

Bank charges include service charges, processing fees and other similar charges by the banks. We verified book balance to bank statements and noted no exceptions.

INCOME TAXES

\$4,390

The Company is registered with the Board of Investments with the provisions of the Omnibus Investment Code of 1987 as new export producer of canned tuna and its by-product (fishmeal). As a registered enterprise, the Company is entitled to various incentives like income tax holiday (ITH) for a period of four (4) years from date of registration for all the sales generated from the registered activity. The income tax expense reported by the Company for the current year is in relation to the gain on sale of the Company's car. We have reviewed the supporting documents for quarterly tax payments to the BIR such as official receipts, confirmation receipts and income tax returns. We reviewed the Company's income tax computation and compared to the amount recalculated and no material exception was noted.

GENERAL


We reviewed significant contracts, agreements and minutes of the Board of Directors' and Stockholders' meetings to obtain necessary supporting information on the transactions as reflected in the accounts for the year ended December 31, 2006.

We sent a confirmation request to the Company's legal counsel. We also reviewed with management the possible existence of material contingencies and commitments that would require disclosure. Based on the procedures performed, no contingency, commitment or material event existed after the balance sheet date that would have an adverse effect on the Company's financial statements as of December 31, 2006.

A subsequent events review questionnaire was sent to the Company. The Company identified subsequent events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Based on the responses, there were no subsequent events that provide additional information about the Company's financial position that should be reflected in the financial statements. Furthermore, there were no other material events that need to be adjusted or disclosed in the notes to the financial statements.

Manabat Delgado Amper & Co.
TIN 005299331

By:


Avelina A. Gille
Partner
TIN 120964412
CPA License No. 0023999
SEC Accreditation No. 0030-A
PTR No. 0302053
January 8, 2007

Makati City, Philippines
March 26, 2007

ALLIANCE TUNA INTERNATIONAL, INC.**BALANCE SHEETS**

		December 31	
	Notes	2006	2005
ASSETS			
Current Assets			
Cash and cash equivalents	5	\$ 658,474	\$ 272,051
Trade and other receivables - net	6	3,073,293	2,938,110
Inventories - net	7	2,760,167	3,243,134
Prepayments and other current assets	8	2,656,790	528,631
Total Current Assets		9,148,724	6,981,926
Non-current Assets			
Investment in associate	9	491,856	448,859
Due from related parties	14	231,456	99,126
Property, plant and equipment - net	10	1,560,593	705,368
Other non-current assets	11	2,511,277	527,205
Total Non-current Assets		4,795,182	1,780,558
		\$13,943,906	\$8,762,484
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12	\$ 914,259	\$1,593,980
Income tax payable		4,585	-
Current portion of loans payable	13	48,345	45,209
Total Current Liabilities		967,189	1,639,189
Non-current Liabilities			
Loans payable - long-term	13	34,284	34,894
Due to related parties	14	-	1,336,074
Total Non-current Liabilities		34,284	1,370,968
		1,001,473	3,010,157
Equity			
Capital stock	15	10,125,013	3,635,551
Additional paid-in capital		613,847	-
Treasury shares	15	(5,774)	-
Retained earnings		2,209,347	2,116,776
Total Equity		12,942,433	5,752,327
		\$13,943,906	\$8,762,484

See Notes to Financial Statements.

ALLIANCE TUNA INTERNATIONAL, INC.**STATEMENTS OF INCOME**

		For the Years Ended December 31		
	Notes	2006	2005	2004
Revenue		\$31,109,513	\$21,786,945	\$17,852,839
Cost of Goods Manufactured and Sold	18	27,420,432	19,492,180	15,660,794
Gross Profit		3,689,081	2,294,765	2,192,045
Other Income	17	117,501	4,213	27,842
Selling Expenses and Administrative Expenses	19	3,806,582	2,298,978	2,219,887
Other Operating Expenses	20	1,634,946	1,199,485	924,351
Income from Operations		48,526	57,298	30,685
Finance Costs	13, 14	2,123,110	1,042,195	1,264,851
Share in Equity in Net Earnings of an Associate	9	132,409	141,093	93,918
Income Before Tax		1,990,701	901,102	1,170,933
Income Tax Expense (Benefit)	22	42,997	207,895	-
Net Income		2,033,698	1,108,997	1,170,933
Earnings Per Share				
Basic earnings per share	23	\$ 2,029,308	\$ 1,110,055	\$ 1,006,721
		\$0.006	\$0.005	\$0.006

See Notes to Financial Statements.

ALLIANCE TUNA INTERNATIONAL, INC.**STATEMENTS OF CHANGES IN EQUITY**

		For the Years Ended December 31		
	Notes	2006	2005	2004
Capital Stock				
Beginning balance		\$ 3,635,551	\$3,599,775	\$ -
Issuance of capital stock		4,552,725	208	3,599,775
Transfer to issued capital		-	35,568	-
Stock dividends	16	1,936,737	-	-
Balance, end	15	10,125,013	3,635,551	3,599,775
Additional Paid-in Capital	15	613,847	-	-
Deposit for Future Stock Subscription		-	-	35,568
Treasury Stock	15	(5,774)	-	-
Retained Earnings				
Balance, beginning		2,116,776	1,006,721	-
Stock dividends	16	(1,936,737)	-	-
Net income		2,029,308	1,110,055	1,006,721
Balance, end		2,209,347	2,116,776	1,006,721
		\$12,942,433	\$5,752,327	\$4,642,064

See Notes to Financial Statements.

ALLIANCE TUNA INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	2006	2005	2004
Cash Flows from Operating Activities				
Income before tax		\$2,033,698	\$1,108,997	\$1,170,933
Adjustments for:				
Depreciation	10, 18, 19	137,589	99,602	34,721
Unrealized foreign exchange loss (gain) - net		(86,601)	18,368	(9,327)
Share in equity in net earnings of an associate	9	(42,997)	(207,895)	-
Gain on sale of equipment	17	(12,542)	-	-
Provision for inventory obsolescence	7, 19	-	7,539	-
Provision for doubtful accounts	6, 19	15,850	2,270	-
Interest income		(9,968)	(4,213)	(19,177)
Interest expense		132,409	141,093	93,918
Operating cash flows before working capital changes		2,167,438	1,165,761	1,271,068
Decrease (Increase) in:				
Trade and other receivables		(57,822)	(1,396,790)	(1,535,013)
Inventories		482,967	48,627	(3,299,439)
Prepayments and other current assets		(2,128,159)	(442,433)	(86,198)
Increase (Decrease) in trade and other payables		(679,721)	995,636	580,224
Cash generated from (used in) operations		(215,297)	370,801	(3,069,358)
Income taxes paid		-	(162,513)	-
Net cash from (used in) operating activities		(215,297)	208,288	(3,069,358)
Cash Flows from Investing Activities				
Additions to property, plant and equipment	10	(1,029,014)	(256,957)	(582,734)
Acquisition of shares of stock of an associate	9	-	(240,964)	-
Increase in due from related parties		(138,104)	(69,700)	(29,426)
Interest income received		9,968	4,213	19,177
(Increase) Decrease in other non-current assets		(1,984,072)	16,428	(543,425)
Net cash used in investing activities		(3,141,222)	(546,980)	(1,136,408)
Cash Flows from Financing Activities				
Increase (Decrease) in due to related parties		(1,336,074)	17,660	1,318,414
Interest expense paid		(132,409)	(141,093)	(93,918)
Payment of loans	13	(3,889)	(32,870)	-
Proceeds from issuance of capital stock	15	5,166,572	-	3,599,775
Proceeds from sale of equipment		48,742	-	-
Proceeds from loans payable	13	-	-	112,973
Deposit for future capital stock subscriptions		-	-	35,568
Net cash from (used in) financing activities		3,742,942	(156,303)	4,972,812
Net Increase (Decrease) in Cash and Cash Equivalents		386,423	(494,995)	767,046
Cash and Cash Equivalents, Beginning		272,051	767,046	-
Cash and Cash Equivalents, End		\$ 658,474	\$ 272,051	\$ 767,046

See Notes to Financial Statements.

ALLIANCE TUNA INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 and 2004

1. CORPORATE INFORMATION

Alliance Tuna International, Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on September 1, 2003, primarily to engage in the business of manufacturing and exporting canned tuna and other processed sea foods. The Company is a public corporation under Section 17.2 of the Securities Regulation Code and its shares were listed in the Philippine Stock Exchange (PSE) on November 8, 2006.

The Company was registered with the Board of Investments (BOI) on August 24, 2004 under the Omnibus Investments Code of 1987, otherwise known as Executive Order No. 226, on a non-pioneer status as new export producer of Canned Tuna and its By-product, fishmeal. As a registered enterprise, the Company is entitled to certain incentives such as income tax holiday for four (4) years from the date of registration, tax credit on raw materials and supplies used for export products, and additional deduction for labor expense, subject to certain requirements under the terms of its BOI registration.

The Company's office is located at the Suite 1205, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City. Its plant facilities are located in Barrio Tumbler, General Santos City.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at either amortized cost or equity method, in accordance with the generally accepted accounting principles (GAAP) in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

These financial statements are presented in US Dollars, the currency of the primary economic environment in which the Company operates.

Adoption of New Accounting Standard Effective in 2006

IFRIC 4, "Determining Whether an Arrangement Contains a Lease," one of the interpretations which had been published by the International Accounting Standards Board (IASB) and adopted by the FRSC effective for accounting periods beginning on or after January 1, 2006, was adopted by the Company.

This interpretation prescribes new accounting measurement and disclosure requirements applicable to the Company. The adoption of this interpretation was made in accordance with PAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors."

The interpretation specifies that an arrangement is, or contains a lease that should be accounted for in accordance with PAS 17, "Leases," if the fulfillment of the arrangement depends upon a specific asset or the arrangement conveys a right to control the use of the underlying asset.

The adoption of IFRIC 4 did not result in any adjustment and additional disclosures in the financial statements.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

Trade and Other Receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Financial Assets

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for investments classified as at fair value through profit or loss. In a regular way purchase or sale, financial assets are recognized and derecognized, as applicable, using trade date accounting.

Financial assets are derecognized by the Company when:

- a. the contractual rights to the cash flows from the financial asset expire; or
- b. the contractual rights to receive cash flows have been transferred.

The Company's financial asset includes cash and cash equivalents and trade receivables.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are carried at amortized costs using the effective interest method.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets, is impaired.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate, i.e., the effective interest rate computed at initial recognition. The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of the loss shall be recognized in the income statements.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in the income statements.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distributing the goods.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the income statement. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Investment in Associates

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results of operations and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Company's interest in those associates are not recognized.

The Company owns 40% of FDCP, Inc., a can making company located in General Santos City. FDCP, Inc. is the Company's major supplier of tin cans.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost less any subsequent accumulated depreciation, amortization and impairment losses. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight line method based on the estimated useful lives of the assets as follows:

Machinery and equipment	15 years
Office furniture, fixtures and other equipment	5 years
Transportation equipment	5 years

Leasehold improvements are depreciated over the shorter between the improvements' useful life of seven (7) years or the lease term.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statements.

Impairment of Tangible Assets

At each balance sheet date, the Company assesses whether there is any indication that any of its tangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years, a reversal of an impairment loss is recognized as income.

Financial Liabilities

Financial liabilities are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of all financial liabilities.

All financial liabilities are subsequently measured at amortized cost using the effective interest method since the Company does not have financial liabilities classified as at fair value through profit or loss.

Financial liabilities are derecognized by the Company when the obligation under the liability is discharged, cancelled, or expired.

Financial liabilities include the trade and other payables and loans payable.

Trade and Other Payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are non-interest bearing and are stated at their nominal value.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, and are included in equity attributable to the Company's equity holders.

Foreign Currency Transactions and Translation

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Employee Benefits

Short-term benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sales of goods are recognized when there is a transfer of risks and rewards of ownership, which coincides with the transfer of the legal title or the passing of possession to the buyer.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Leases

Rental payable under operating leases is charged to income on a straight-line basis over the term of the relevant lease.

Related Parties

Parties are considered related if one party has control, joint control and significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 35% tax rate for 2006 and 2005 current tax, respectively for those unregistered activities as the Company is currently enjoying benefits of income tax holiday until 2008.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in income statement account except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Earnings Per Share

The Company computes its basic earnings per share by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Subsequent Events

The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

New Accounting Standards Effective Subsequent to the Accounting Period Ending December 31, 2006

The Company will adopt the following PFRS effective January 1, 2007:

- a. PFRS 7 - Financial Instruments: Disclosures
- b. Amendments to PAS 1 - Capital Disclosures

PFRS 7, "Financial Instruments: Disclosures," will require disclosure of information about the significance of financial instruments for an entity's financial position and performance. It will supersede the disclosure requirements of PAS 30, "Disclosures in the Financial Statements of Banks and Similar Financial Institutions," and PAS 32, "Financial Instruments: Presentation and Disclosures." The remaining parts of PAS 32 will deal only with financial instruments presentation matters.

Amendments to PAS 1, "Capital Disclosures," will add requirements for disclosures on: (a) the entity's objectives, policies and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether the entity has complied with any capital requirements; and (d) if it has not complied, the consequences of such non-compliance.

The revised disclosures on financial instruments and capital management provided by the standard and amendment will be included in the Company's financial statements when those will be adopted in 2007.

3. MANAGEMENT'S USE OF ESTIMATES

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Company's financial statements.

Estimating useful lives of property, plant and equipment

The useful lives of property, plant and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives of property, plant and equipment is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase the recognized operating expenses and decrease non-current assets.

Asset impairment

The Company is required to perform an impairment review when certain impairment indicators are present.

Determining the fair value of property, plant and equipment and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment and investments associated with an acquired business is impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under GAAP in the Philippines.

Estimating allowances for doubtful accounts

The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.

4. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

Foreign exchange risk

The Company's exposure to foreign exchange risk arising from currency exposures primarily with respect to the Philippine Peso is very minimal. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates will not significantly affect the Company's financial position as the Company's financial statement is denominated in US Dollars which is the Company's functional currency.

Credit risk

The Company's credit risk is primarily attributable to trade and other receivables. The Company has adopted stringent procedures in extending credit terms to customers and in monitoring its credit risk.

The Company has no significant concentration of credit risk. It has policies in place to ensure that services are rendered to customers with an appropriate credit history. The Company's exposure to credit risk arises from customers who default on their payment, with a maximum exposure equal to the carrying amount of the related receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and assessment of the current economic environment.

Interest rate risk

The Company does not have any exposure to changes in interest rates. Bank loans of \$82,629 and \$80,103 in 2006 and 2005, respectively, were arranged at fixed interest rates and do not expose the Company to fair value interest rate risk.

Liquidity risk

The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

5. **CASH AND CASH EQUIVALENTS**

	2006	2005
Cash on hand and balances with banks	\$369,474	\$272,051
Cash equivalents	289,000	-
	\$658,474	\$272,051

Cash in banks earned average interest of 2% during 2006, 2005 and 2004, respectively. Cash equivalents represent money market placements, with annual interest of 2.5% and 2% to 5% in 2006, 2005 and 2004, respectively.

6. **TRADE AND OTHER RECEIVABLES - net**

	2006	2005
Trade	\$2,906,870	\$2,718,897
Others	183,478	221,570
	3,090,348	2,940,467
Less: Allowance for doubtful accounts	17,055	2,357
	\$3,073,293	\$2,938,110

Other receivables include claims receivable, advances to officers and employees and others.

The average credit period taken on sales of goods is 33 days. No interest is charged on the receivables even if it exceeds the credit period.

The fair value of the Company's trade and other receivables approximates its carrying amount.

7. **INVENTORIES - net**

	2006	2005
Finished goods - canned tuna	\$2,263,785	\$2,316,134
Finished goods - fish meal	2,635	3,581
Raw materials	435,405	440,200
Inventories in-transit	-	426,133
Parts and supplies	66,020	64,764
	2,767,845	3,250,812
Less: Allowance for inventory obsolescence	7,678	7,678
	\$2,760,167	\$3,243,134

8. **PREPAYMENTS AND OTHER CURRENT ASSETS**

	2006	2005
Deposit - fish supplier and others	\$2,507,328	\$452,491
Prepaid importation	82,214	5,523
Prepaid insurance	10,700	-
Other prepaid expenses	56,548	70,617
	\$2,656,790	\$528,631

Deposit - fish supplier represents advances made to the Company's fish supplier. This is required upon the closing of the contract with the fish supplier. This is subsequently liquidated against the total cost of fish delivered to the plant.

9. **INVESTMENT IN ASSOCIATE**

The details and movements of the Company's investment in associate follow:

	2006	2005
Acquisition Cost	\$240,964	\$240,964
Accumulated Equity in Net Income		
Balance at beginning of the year	207,895	-
Equity in net earnings for the year	42,997	207,895
Balance at end of the year	250,892	207,895
	\$491,856	\$448,859

Aggregated amounts relating to associate follow:

	2006	2005
Total assets	\$2,895,611	\$3,061,343
Total liabilities	3,088,975	3,248,236
Net assets	(193,364)	(186,893)
Revenues	4,267,450	3,858,292
Cost and expenses	4,168,705	3,206,943
Income before recognition of foreign exchange	98,745	651,349
Foreign exchange gain (loss) due to currency translation adjustments	(105,216)	245,881
Net income (loss)	(\$ 6,471)	\$ 897,230

On September 1, 2005, the Company acquired 40% of FDCP, Inc. The Company accounts for this investment under the equity method since it has significant influence in the financial and operating policies of the investee. FDCP, Inc. is a can making Company located in General Santos City and it is the Company's major supplier of tin cans. The equity in net earnings for 2006 was computed based on the income before recognition of foreign exchange loss arising from the currency translation adjustment as a result of FDCP Inc.'s adoption of the functional currency financial statements in US Dollars effective for the period ending December 31, 2006.

10. **PROPERTY, PLANT AND EQUIPMENT - net**

	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Plant Furniture and Fixtures	Total
Cost						
January 1	\$286,044	\$254,261	\$227,374	\$68,659	\$3,353	\$ 839,691
Additions	150,917	705,527	148,965	22,258	1,347	1,029,014
Disposals	-	-	(65,818)	-	-	(65,818)
December 31	436,961	959,788	310,521	90,917	4,700	1,802,887
Accumulated Depreciation						
January 1	39,926	19,728	59,763	14,379	527	134,323
Provision	52,746	18,217	50,176	15,577	873	137,589
Disposals	-	-	(29,618)	-	-	(29,618)
December 31	92,672	37,945	80,321	29,956	1,400	242,294
Carrying Amount						
December 31, 2006	\$344,289	\$921,843	\$230,200	\$60,961	\$3,300	\$1,560,593
Carrying Amount						
December 31, 2005	\$246,118	\$234,533	\$167,611	\$54,280	\$2,826	\$ 705,368

The carrying amount of transportation equipment under mortgage amounted to \$185,035 in 2006 and \$85,114 in 2005 as discussed in Note 13.

The Company believes that there is no indication that an impairment loss has occurred on its property, plant and equipment.

11. OTHER NON-CURRENT ASSETS

	Note	2006	2005
Lease deposit	14	\$2,356,141	\$464,932
Deferred cost		10,839	13,822
Input value added tax		144,297	48,451
		\$2,511,277	\$527,205

12. TRADE AND OTHER PAYABLES

	2006	2005
Accounts payable - trade	\$464,690	\$1,229,274
Accrued expenses	399,587	345,581
Others	49,982	19,125
	\$914,259	\$1,593,980

Details of accrued expenses are as follows:

	2006	2005
Management fees	\$197,267	\$107,679
Salaries and wages	63,860	56,156
Employee benefit	37,550	19,893
Freight	32,380	83,781
Commission	20,781	3,279
Outside services	11,266	2,182
Professional fees	10,352	5,580
Rental	5,840	27,002
Interest	-	6,249
Other accruals	20,291	33,780
	\$399,587	\$345,581

Other accruals consist of accrual of interest, rentals, trucking fees and paid leave.

Management considers that the carrying amount of trade payables approximates its fair value.

13. LOANS PAYABLE

This represents loans availed by the Company from certain local banks to finance the purchase of certain Company's transportation equipment. The loans bear interest ranging from 12% to 14% per annum, payable on a monthly basis and will mature in June 2010.

Total interest expense arising from the loans amounted to \$10,010 in 2006, \$12,735 in 2005 and \$4,534 in 2004.

Management considers that the carrying amount of loans payable approximates its fair value.

14. RELATED PARTY TRANSACTIONS

Transactions between the Company and its related parties are disclosed in this note.

	2006	2005
Due from Related Parties		
Alliance Pilipinas Holdings, Inc.	\$212,234	\$ 75,573
First Dominion Prime Holdings, Inc. (FDPHI)	19,222	23,553
	\$231,456	\$ 99,126
Due to Related Parties		
Maranaw Canning Corporation (Maranaw)	\$ -	\$1,055,270
FDCP Inc.	-	200,000
Clearwater Tuna Corporation (Clearwater)	-	80,804
	\$ -	\$1,336,074

Significant Contract Agreements

- a. In 2004, the Company obtained advances from Maranaw Canning Corporation and Clearwater Tuna Corporation, with an annual interest rate of 10% on the first P50 million and 8% on the excess. It likewise obtained advances in US Dollars from FDCP, Inc. (an associate) with an interest rate of 6%. All of these advances were fully liquidated as of December 31, 2006.

Interest expense related to advances from related parties amounted to \$116,598 in 2006, \$125,289 in 2005 and \$88,441 in 2004.
- b. On October 18, 2004, the Company entered into a Memorandum of Agreement with First Dominion Prime Holdings, Inc. (FDPHI) to purchase the debt of FDPHI from certain creditors with miniscule amounts at net present value of \$17,491. In return, the Company will receive a total of \$26,324 from FDPHI over a period of 10 years, and in addition to this, a corresponding number of Alliance Tuna shares which would have accrued to the creditors were likewise issued to the Company. The corresponding 287,538 common shares were issued on November 8, 2006 as treasury stock. These are part of the shares declared by the SEC exempted from registration under Sec. 10.2 of the Securities Regulation Code on September 21, 2006.
- c. The Company, in the ordinary, course of business, purchases tin cans used as raw materials from FDCP, Inc. at arms length.

Purchases of tin cans from FDCP, Inc. amounted to \$4,192,877 in 2006, \$3,199,962 in 2005 and \$2,852,244 in 2004.
- d. The Company entered into a contract with Maranaw Canning Corporation for the operating lease of the latter's land, plant, machinery and equipment in Barrio Tambler, General Santos City at a monthly rental of \$19,688. The lease started from March 1, 2004 and ends on December 23, 2010. The Company is given an option to purchase the leased properties, anytime until December 31, 2010. The Company was required to pay \$2,356,141 as deposit, of which \$464,932 was paid in 2004. The \$1,891,209 balance was settled on March 30, 2006 through the issuance of the 96,988,729 common shares to Maranaw and the designees/creditors of Maranaw at a par value of P1 per share. The deposit is included in Other Non-current asset in the balance sheets.

The Company also leases from Maranaw an office condominium unit where its head office is located for a period of two (2) years, renewable by mutual agreement of both parties. The lease is classified as an operating lease with a monthly rental of \$2,995.

The total future minimum lease payments arising from the above lease agreements for each of the following periods follow:

	2006	2005	2004
Minimum lease payments under operating leases recognized in profit or loss for the year	\$260,619	\$242,777	\$204,120
	2006	2005	2004
Not later than one year	\$272,195	\$252,011	\$237,679
Later than one year but not later than five (5) years	708,765	507,204	653,272
	\$980,960	\$759,215	\$890,951

Remuneration of key management personnel

The remuneration of the key management personnel and directors of the Company is set out below in aggregate for each of the categories specified in PAS 24: "Related Party Disclosures."

	2006	2005	2004
Short-term:			
Salaries and fees	\$257,758	\$177,157	\$167,814
Employee benefits	52,235	20,749	6,375
	\$309,993	\$197,906	\$174,189

15. CAPITAL STOCK

	Note	Shares	2006	Shares	2005
Authorized 700,000,000 and 300,000,000 common shares of P1 each			P700,000,000		P300,000,000
Issued and fully paid					
Balance, beginning		203,011,271	\$ 3,635,551	201,000,000	\$3,599,775
Stock dividends		101,099,610	1,936,737	-	-
Issuance	14	230,988,729	4,552,725	2,011,271	35,776
		535,099,610	10,125,013	203,011,271	3,635,551
Treasury shares	14	(287,538)	(5,774)	-	-
		534,812,072	\$10,119,239	203,011,271	\$3,635,551

The Company has one (1) class of ordinary shares which carry no right to fixed income.

On October 23, 2006, the Company launched an Initial Public Offering (IPO) of 134,000,000 common shares at an offer price of P1.35. The offered shares represented 25.04% of the Company's issued and outstanding capital stock. The Company raised net proceeds of US\$3,304,556 from the IPO. On November 8, 2006, the Company's shares of stocks totaling 535,099,610 shares were listed with the PSE.

16. DIVIDENDS DECLARED

The Company declared stock dividends amounting to \$1,936,737 on December 14, 2005, distributed to all stockholders of record at the close of the business on December 31, 2005. The shares of stocks were issued on July 26, 2006.

17. OTHER INCOME

An analysis of the Company's other income is as follows:

	2006	2005	2004
Foreign exchange gain	\$ 94,991	\$ -	\$ 8,665
Gain on sale of fixed assets	12,542	-	-
Interest income	9,968	4,213	19,177
	\$117,501	\$4,213	\$27,842

18. COST OF GOODS MANUFACTURED AND SOLD

	Notes	2006	2005	2004
Materials used		\$22,298,516	\$15,562,493	\$15,300,086
Direct labor	21	1,780,753	1,320,632	1,126,996
Manufacturing overhead				
Fishmeal		828,497	534,934	483,154
Fuel		662,415	434,168	309,961
Rental		292,276	307,802	252,629
Indirect labor	21	218,936	189,515	170,986
Freight and handling		196,563	82,119	72,104
Light and water		142,579	87,304	62,483
Repairs and maintenance		135,739	106,218	100,509
Warehousing		124,126	59,111	125,513
Outside services		99,746	45,982	58,833
Laboratory		95,515	65,332	53,715
Depreciation	10	73,945	48,393	20,601
Consumables		70,586	42,407	43,988
Security fees		54,325	47,495	45,359
Professional fees		41,867	26,790	14,275
Representation and entertainment		36,148	24,696	20,648
Travel and communication		26,377	21,915	22,646
Others		189,174	127,697	49,619
Total manufacturing costs		27,368,083	19,135,003	18,334,105
Finished goods, beginning		2,316,134	2,673,311	-
Cost of goods available for sale		29,684,217	21,808,314	18,334,105
Finished goods, end		2,263,785	2,316,134	2,673,311
Cost of goods manufactured and sold		\$27,420,432	\$19,492,180	\$15,660,794

19. OPERATING EXPENSES

	Notes	2006	2005	2004
Salaries, wages and other benefits	14, 21	\$ 397,918	\$ 301,105	\$273,109
Transportation and travel		193,197	139,982	96,657
Management fees		179,250	103,732	131,589
Rental	14	102,143	78,431	55,497
Representation and entertainment		111,164	80,562	68,057
Utilities and communication		83,779	62,749	52,412
Business development expenses		79,395	83,399	46,305
Commission		78,337	51,680	21,895
Other personnel expenses		65,748	17,960	24,933
Depreciation	10	63,644	51,209	14,120
Taxes and licenses		35,211	9,423	29,527
Outside services		22,580	25,031	38,552
Freight and handling		20,205	40,321	15,529
Fringe Benefit Tax		19,899	-	-
Materials and supplies		19,503	13,302	12,032
Provision for doubtful accounts	6	15,850	2,270	-
Fuel and oil		13,997	11,283	10,785
Membership dues		11,091	9,956	-
Insurance		8,056	5,304	4,647
Condominium dues		7,893	5,921	-
Repairs and maintenance		6,119	11,999	7,836
Provision for inventory obsolescence	7	-	7,539	-
Others		99,967	86,327	20,869
		\$1,634,946	\$1,199,485	\$924,351

Management fee represents the amount due to Bhumipat Dhnavarapitak and Maranaw Canning Corporation which is equivalent to P5 million or 10% of the Company's annual earnings before interest, taxes, depreciation and amortization (EBITDA), whichever is higher.

20. OTHER OPERATING EXPENSES

	2006	2005	2004
Bank charges	\$48,526	\$39,178	\$30,685
Foreign exchange loss	-	18,120	-
	\$48,526	\$57,298	\$30,685

21. STAFF COST

Aggregate employee benefits expense comprised:

	2006	2005	2004
Salaries and wages	\$2,330,868	\$1,757,736	\$1,636,472
Employee benefits	66,739	53,516	16,262
	\$2,397,607	\$1,811,252	\$1,652,734

22. INCOME TAXES

Components of income tax expense are as follows:

	2006	2005	2004
Current tax expense	\$4,390	\$ -	\$163,172
Deferred tax expense relating to the reversal of temporary differences	-	(1,058)	1,040
	<u>\$4,390</u>	<u>(\$1,058)</u>	<u>\$164,212</u>

23. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Earnings		
	2006	2005	2004
Net income	\$ 2,029,308	\$ 1,110,055	\$ 1,006,721
Weighted average number of shares outstanding	339,530,142	203,007,627	158,828,767
Earnings Per Share	\$0.006	\$0.005	\$0.006

As of December 31, 2006, 2005 and 2004, the Company has no dilutive potential shares, hence, the basic earnings per share equal the diluted earnings per share.

Movements in the weighted average shares of the Company are as follows:

	2006	2005	2004
Balance, beginning	203,011,271	203,000,000	-
Average issuance for the year	136,518,871	7,627	158,828,767
Weighted average, end	339,530,142	203,007,627	158,828,767

24. PRIOR PERIOD TRANSLATION ADJUSTMENT

In 2004 and 2005, the Company assessed that its functional currency is the Philippine Peso and used the Philippine Peso in preparing and presenting its financial statements. In 2006, upon reassessment of the currency of the primary economic environment in which the Company operates, Management determined that its functional currency is US Dollars.

In accordance with PAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," the amount of the correction of a fundamental error that relates to prior periods should be reported by adjusting the opening balances or retained earnings. Accordingly, the financial statements for 2006, 2005 and 2004 were prepared and presented using the US Dollars.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved and authorized for issuance by the Board of Directors on March 26, 2007.

* * *

**ALLIANCE TUNA
INTERNATIONAL, INC.**

**Supplementary Information and
Independent Auditors' Report**

December 31, 2006 and 2005

Manabat Delgado Amper & Co.
(Formerly: C.L. Manabat & Co.)

Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Manabat Delgado Amper & Co.
3rd - 6th Floor, Salamin Building
197 Salcedo St., Legaspi Village,
Makati City 1229
Philippines

Tel: +63 (2) 812 0535
Fax: +63 (2) 810 5047
www.deloitte.com

BOA/PRC Reg. No. 0004
SEC Accreditation No. 0001-F

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
ALLIANCE TUNA INTERNATIONAL, INC.
Suite 1205, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

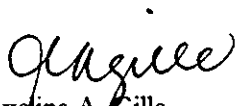
We have audited the financial statements of Alliance Tuna International, Inc., which comprise the balance sheets as of December 31, 2006 and 2005, and the related statements of income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, on which we have rendered our report dated March 26, 2007.

Our audits were conducted for the purpose of forming an audit opinion on the basic financial statements taken as a whole. Such financial statements were presented in the Company's functional currency which is the U.S. dollar. The supplementary information on the attached balance sheets, statements of income and schedule of stockholders' equity which includes translations from U.S. dollar to Philippine Peso, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The translation to the Philippine Peso was made in accordance with PAS 21 – *The Effects of Changes in Foreign Exchange Rates*. This supplementary information is the responsibility of the Company's management.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Manabat Delgado Amper & Co.
TIN 005299331

By:


Avelina A. Gille
Partner
TIN 120964412
CPA License No. 0023999
SEC Accreditation No. 0030-A
PTR No. 0302053
January 8, 2007
Makati City

Makati City, Philippines
March 26, 2007

ALLIANCE TUNA INTERNATIONAL, INC.
BALANCE SHEETS

	2006		2005	
	In US\$	In Peso	In US\$	In Peso
ASSETS				
Current Assets				
Cash and cash equivalents	\$658,474	P 32,352,155	\$272,051	P 14,436,930
Trade and other receivables - net	3,073,293	150,997,013	2,938,110	155,916,683
Inventories - net	2,760,167	135,612,521	3,243,134	172,103,392
Prepayments and other current assets	2,656,790	130,533,401	528,631	28,052,861
Total Current Assets	9,148,724	449,495,090	6,981,926	370,509,867
Non-current Assets				
Investment in associate	491,856	24,165,884	448,859	23,819,601
Due from related parties	231,456	11,371,875	99,126	5,260,319
Property and equipment - net	1,560,593	76,675,055	705,368	37,431,764
Other non-current assets	2,511,277	123,384,062	527,205	27,977,188
	4,795,182	235,596,876	1,780,558	94,488,871
	13,943,906	P685,091,966	8,762,484	P464,998,738
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	914,259	P 44,919,349	1,593,980	P 84,587,737
Income tax payable	4,585	225,250	-	-
Current portion of loans payable	48,345	2,375,305	45,209	2,399,106
Total Current Liabilities	967,188	47,519,904	1,639,189	86,986,843
Non-current Liabilities				
Loans payable - long-term	34,284	1,684,422	34,894	1,851,720
Due to related parties	-	-	1,336,074	70,901,439
	34,284	1,684,422	1,370,968	72,753,159
Equity				
Capital stock	10,125,013	535,099,610	3,635,551	203,011,271
Additional Paid-in Capital	613,847	30,570,209	-	-
Treasury Sharers	(5,774)	(287,538)	-	-
Retained earnings	2,209,347	108,609,285	2,116,776	112,645,878
Cumulative Translation Adjustments	-	(38,103,926)	-	(10,398,413)
	12,942,434	635,887,640	5,752,327	305,258,736
	\$13,943,906	P685,091,966	\$8,762,484	P464,998,738

CERTIFIED CORRECT BY:


 GRACE S. DOGILLO
 VP-FINANCE

ALLIANCE TUNA INTERNATIONAL, INC.
STATEMENTS OF INCOME

	2006		2005	
	In US\$	In Peso	In US\$	In Peso
Revenue	\$31,109,513	P1,598,573,914	\$21,786,945	P1,203,609,999
Cost of Goods Manufactured and Sold	27,420,432	1,416,083,073	19,492,180	1,073,746,221
Gross Profit	3,689,081	182,490,841	2,294,765	129,863,778
Other Operating Income	117,501	6,029,430	4,213	232,077
	3,806,582	188,520,271	2,298,978	130,095,855
Selling Expenses and Administrative Expenses	1,634,946	84,153,842	1,199,485	66,074,831
Other Operating Expenses	48,526	2,490,083	57,298	3,156,318
Income from Operations	2,123,110	101,876,346	1,042,195	60,864,707
Finance Cost	132,409	6,794,445	141,093	7,772,249
	1,990,701	95,081,901	901,102	53,092,458
Share in Equity in Net earnings of an Associate	42,997	2,206,366	207,895	11,452,104
Income Before Tax	2,033,698	97,288,267	1,108,997	64,544,562
Income Tax Expense (Benefit)	(4,390)	(225,250)	(1,058)	(58,281)
Net Income	\$2,029,308	97,063,017	\$1,110,055	64,602,843
Earning per share	\$0.006	0.29	\$0.005	0.32

CERTIFIED CORRECT BY:


 GRACE S. DIGILLO
 VP-FINANCE

ALLIANCE TUNA INTERNATIONAL INC
Schedule of Stockholders Equity

Authorized
 700,000,000 common shares
 of P1 each

	Shares	In Php	In US \$
Cap. Stock Beg. CY2006	203,011,271	203,011,271	\$ 3,635,550
Stock Dividend	101,099,610	101,099,610	\$ 1,936,737
Issuance of Stocks 3/31	96,988,729	96,988,729	\$ 1,862,017
IPO 11/8	134,000,000	134,000,000	\$ 2,690,709
Capital Stock 12.31.06	535,099,610	535,099,610	\$ 10,125,013
Additional Paid in Capital		30,570,209	\$ 613,847
Treasury shares	(287,538)	(287,538)	\$ (5,774)
	534,812,072	565,382,281	10,733,086
Retained Earnings		112,645,878	\$ 2,116,777
Less: stock Dividend		101,099,610	\$ 1,936,737
Sub Total		11,546,268	\$ 180,039
Net income CY 2006		97,063,017	\$ 2,029,308
Retained Earnings 12.31.06		108,609,285	\$ 2,209,347
Cumulative Translation Adjustments		(38,103,926)	\$ -
Total Equity		635,887,640	\$ 12,942,433

CERTIFIED CORRECT BY:


 GRACE S. DOGILLO
 VP-FINANCE

COMPANY DATA MAINTENANCE FORM
GENERAL/BUSINESS/COMPANY RELATIONSHIP INFORMATION
 (FOR DOMESTIC COMPANIES ONLY)

SEC NUMBER CS 2004031913/8 FOR SEC TO PROVIDE: MAINTENANCE NO.: _____ TRANSACTION DATE: _____

FILL-UP INSTRUCTIONS - Type or print legibly. Light-shaded boxes are to be filled up by the SEC. Check appropriate boxes. FILL UP ONLY THOSE ITEMS FOR WHICH AMENDMENTS OR CHANGES ARE TO BE MADE. Refer to the back of this page for additional instructions.

CURRENT COMPANY NAME (This must always be provided): ALLIANCE TUNA INTERNATIONAL, INC. RESTRICTED USED BY OTHERS? YES NO

RESERVATION NUMBER: _____ NEW COMPANY NAME: _____

GENERAL INFORMATION
 COMPANY TYPE DS - DOMESTIC STOCK DN - DOMESTIC NON-STOCK DP - DOMESTIC PARTNERSHIP STOCK? YES NO
 CHANGE IN PRIMARY PURPOSE YES NO

PRINCIPAL OFFICE ADDRESS: Suite 1205 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City

AREA CODE: _____ POSTAL CODE: _____ TEL. NO.: _____ FAX NO.: _____

BUSINESS OFFICE ADDRESS: same as above address

AREA CODE: _____ FISCAL CODE: _____ TEL. NO.: _____ FAX NO.: _____

BUSINESS INFORMATION
 PARTNERSHIP TYPE: L - LIMITED N - NO SPECIAL REGISTRATION H - FIA-HOLDING
 G - GENERAL E - FIA EXPORT R - FIA REPRESENTATIVE OFF Z - FEA-REGISTERED
 D - FIA DOMESTIC S - SUBIC REGISTERED B - BOI-REGISTERED

INDUSTRY CODE: _____ TERM OF EXISTENCE: 50 YEARS END DATE OF EXISTENCE: 2053 FISCAL YEAR END (MM/DD): 12/31 ANNUAL MEETING (for domestic companies only): F - FIXED (MM/DD) 06/15 V - VARIABLE

NUMBER OF DIRECTORS (if stock co.) Seven TRUSTEES (if non-stock co.) _____ PARTNERS (if partnership) _____ STOCKHOLDERS (if stock co.) _____
 TYPE OF NON-STOCK CORPORATION: TOTAL CONTRIBUTION (of non-stock companies) _____ % OF FOREIGN MEMBERSHIP (of non-stock companies) _____
 (Refer to back of page for the classifications)

COMPANY RELATIONSHIP - List all companies related to registrant. (Use additional sheets, if necessary.)
 RELATIONSHIP TYPE: M - DISSOLVED COMPANY (if due to merger) S - PARENT COMPANY (if registrant is a subsidiary) O - OTHERS
 (RELN TYPE) V - DISSOLVED COMPANY (if change in company type) A - AFFILIATE (of registrant)

RELN	IND	TYPE	SEC NUMBER	COMPANY NAME	START DATE	END DATE
A	S		CS200415557	Alliance Pilipinas International Holdings, Inc.		
A	S		CS200401737	Mingjing Holdings, Inc.		
A	A		A1997220855	FDCP, Inc.		

MAIN IND - A (NEW), E (UPDATE EXISTING), OR D (DELETE) RELATIONSHIP
 CERTIFIED CORRECT: Ma. Lillinda B. Calangui POSITION: Corporate Secretary DATE: 8/8/05
 (Signature over printed name)

PROCESSING ATTORNEY: _____ DATA CONTROL CLERK: _____ DATA ENCODED BY: _____
 DATE REVIEWED: _____ DATE REVIEWED: _____ DATE ENCODED: _____

INDICATE START (if NEW) OR END DATE OF RELATIONSHIP
 DATE REVIEWED: _____ DATE ENCODED: _____

* Subject to insignificant change in breakdown due to rounding off of fractional shares.

CDMF 39-1DS

COMPANY DATA MAINTENANCE FORM
CHANGES IN CAPITAL STRUCTURE
(FOR DOMESTIC STOCK CORPORATION ONLY)

SEC NUMBER: C 5 2 0 / 0 3 1 9 1 3 8 FOR SEC TO PROVIDE: MAINTENANCE NO.: _____ TRANSACTION DATE: _____ PAGE: 4 of 4

FILL-UP INSTRUCTIONS: Type or print legibly. Light-shaded boxes are to be filled up by the SEC. Refer to the back of this page for additional instructions.
COMPANY NAME: ALLIANCE TUNA INTERNATIONAL, INC. COMPANY TIN: _____

CHANGE IN PAID-UP CAPITAL BY ASSET TYPE

ASSET TYPE	C - CASH	P - PROPERTY	L - OFFSET OF LIABILITY	S - STOCK DIVIDEND	M - MERGER	O - OTHERS	TOTAL
PREVIOUS BALANCE	P	P				P	P
INCREASE (DECREASE)							
CURRENT BALANCE	P	P				P	P

INCREASE (DECREASE) IN FOREIGN EQUITY BREAKDOWN (Summarize by nationality the capital subscribed and paid for by foreign stockholders -- i.e., grouped by individuals and companies.) *

NATIONALITY CODE	NATIONALITY DESCRIPTION	TOTAL FOREIGN EQUITY
	Continuation...	
	Australian	51.09
	Taiwanese	
	Other Foreign	
PREVIOUS BALANCE	P	P 273,255,972.00
INCREASE (DECREASE) OF --		

INDIVIDUALS	COMPANY (IES)	TOTAL INCREASE (DECREASE)	NEW BALANCE
	0.00 P	367,875.00	1,180,672.00
		367,875.00	1,180,672.00
			11,019,606.00 P
PAID - UP CAPITAL OF --			
PREVIOUS BALANCE	P	P 3,065,627.00	P 9,838,934.00
INCREASE (DECREASE) OF --			

INDIVIDUALS	COMPANY (IES)	TOTAL INCREASE (DECREASE)	NEW BALANCE
	0.00 P	367,875.00	1,180,672.00
		367,875.00	1,180,672.00
			11,019,606.00 P
PERCENTAGE OF FOREIGN EQUITY:			1.84
			306,046,689.00 P

CERTIFIED CORRECT: Ma. Erlinda A. Calaña POSITION: Corporate Secretary DATE: 808 87
(Signature over printed name)

PROCESSING ATTORNEY: _____ DATE REVIEWED: _____
PROCESSING EXAMINER: _____ DATA CONTROL CLERK: _____ DATE ENCODED: _____

COMPANY DATA MAINTENANCE FORM
CHANGES IN CAPITAL STRUCTURE
(FOR DOMESTIC STOCK CORPORATION ONLY)

SEC NUMBER: C/S 200/319138

FOR SEC TO PROVIDE: MAINTENANCE NO. : _____

TRANSACTION DATE : _____

PAGE 2 OF 4

FILL-UP INSTRUCTIONS: Type or print legibly. Light-shaded boxes are to be filled up by the SEC. Check appropriate boxes, where applicable.

For the P/N, F/N and With Paid-in Surplus columns, select the appropriate code -
PAR / NO PAR VALUE INDICATOR (P/N) : P - PAR N - NO PAR
FILIPINO / FOREIGN-OWNED INDICATOR (F/N) : F - FILIPINO N - FOREIGN-OWNED
WITH PAID-IN SURPLUS ? : Y - YES N - NO

COMPANY NAME

ALLIANCE TUNA INTERNATIONAL, INC.

COMPANY TIN

227-409-243-000

EXEMPTION FROM SECURITIES REGISTRATION

AMENDMENT IN AUTHORIZED CAPITAL

STOCK DIVIDENDS

MERGER

EQUITY RESTRUCTURING

STOCK RETIREMENT

AUTHORIZED CAPITAL

TYPE OF SHARE	CODE	P/ N	INCREASE (DECREASE) IN PAR VALUE / PAR VALUE (ADJUSTED)	PRESENT NUMBER OF SHARES / INCREASE (DECREASE) IN NUMBER OF SHARES	PRESENT BALANCE	INCREASE (DECREASE) IN AMOUNT	BALANCE (INCREASED / DECREASED)	WITH PAID- IN ?	R E F
BALANCE FORWARDED									
Common		P	P N/A	700,000,000 250,000,000	P 700,000,000	P 250,000,000	P 950,000,000		1
									2
									3
									4
									5
									6
(SUB) TOTAL									
					P 700,000,000	P 250,000,000	P 950,000,000		6
BALANCE FORWARDED									
Common		F	31,386,732	P 261,556,101	P 31,386,732	P 292,942,833	P 31,386,732		1
Common		N	32,790,717	273,255,972	32,790,717	306,046,689	32,790,717		2
									3
									3
									6
									6
(SUB) TOTAL									
					P 534,812,073	P 64,177,449	P 598,989,521	P 64,177,449	6

* Subject to insignificant change in breakdown due to rounding off of fractional shares.

ALLIANCE TUNA INTERNATIONAL, INC.
 COMPANY REGISTRATION AND MONITORING DEPARTMENT
 CHECKLIST OF REQUIREMENTS
 BY FINANCIAL ANALYSIS AND AUDIT DIVISION
 INCREASE OF CAPITAL STOCK
 (STOCK DIVIDENDS)

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Certificate of Increase of Capital Stock 2. Treasurer's Affidavit certifying the increase of capital stock, the amount subscribed and the amount received as payment thereto 3. List of stockholders as of date of meeting approving the increase, indicating their nationalities and their respective subscribed and paid-up capital on the present authorized capital stock certified by the corporate secretary 4. Amended Articles of Incorporation 5. Directors' certificate - A notarized document signed by majority of the directors and corporate secretary certifying the amendment of the articles of incorporation increasing the authorized capital stock, the votes of the directors and the stockholders thereto, and the date and place of the stockholders meeting 6. Company Data Maintenance Form (CDMF) 7. Audited financial statements as of the last fiscal year stamped received by BIR and SEC | <ol style="list-style-type: none"> 1. Peso translation of actual indebtedness 2. <u>Info on date executed</u>
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
|---|--|

ADDITIONAL REQUIREMENTS:

1. Long form audit report on the audited financial statements (item no. 7 of the basic requirements) which shall include an analysis of the retained earnings account for the last five (5) years
2. List of stockholders entitled to the stock dividend with their respective outstanding shares and the allocation of the stock dividend as certified by the corporate secretary
3. Certification by the corporate secretary as to the treatment of the resulting fractional shares, if any
4. Others

Remarks:

1. Where is Annex A? *of*
2. *Annex* Copy of request to use functional currency duly received by the Office of the General Accountant. *AKS*
3. Certification from the corporate secretary on the total amount subscribed and paid-up prior to the increase in the authorized capital stock, attest to the fact that the stock dividend was distributed on a pro-rata basis, foreign equity before and after the increase in the authorized capital stock.
4. Peso translation of submitted Financial Statements for the period ending December 31, 2006

JOSELITO M. GERON

Examiner

08.30.07