



The World's
Seafood
EXPERT

THAI UNION FROZEN PRODUCTS
PUBLIC COMPANY LIMITED

บริษัท ไทยยูเนียน โฟรZEN โปรดักส์ จำกัด (มหาชน)

ANNUAL REPORT รายงานประจำปี 2014/2557

English Edition

COMPANY PROFILE

THAI UNION FROZEN PRODUCTS PCL.

Registration No. 0107537000891 (Previous number: Bor Mor Jor 336)

Type of Business

Processor and exporter of frozen and canned seafood

Head Office

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**Investor Relations
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**Corporate Communications
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Website

www.thaiuniongroup.com

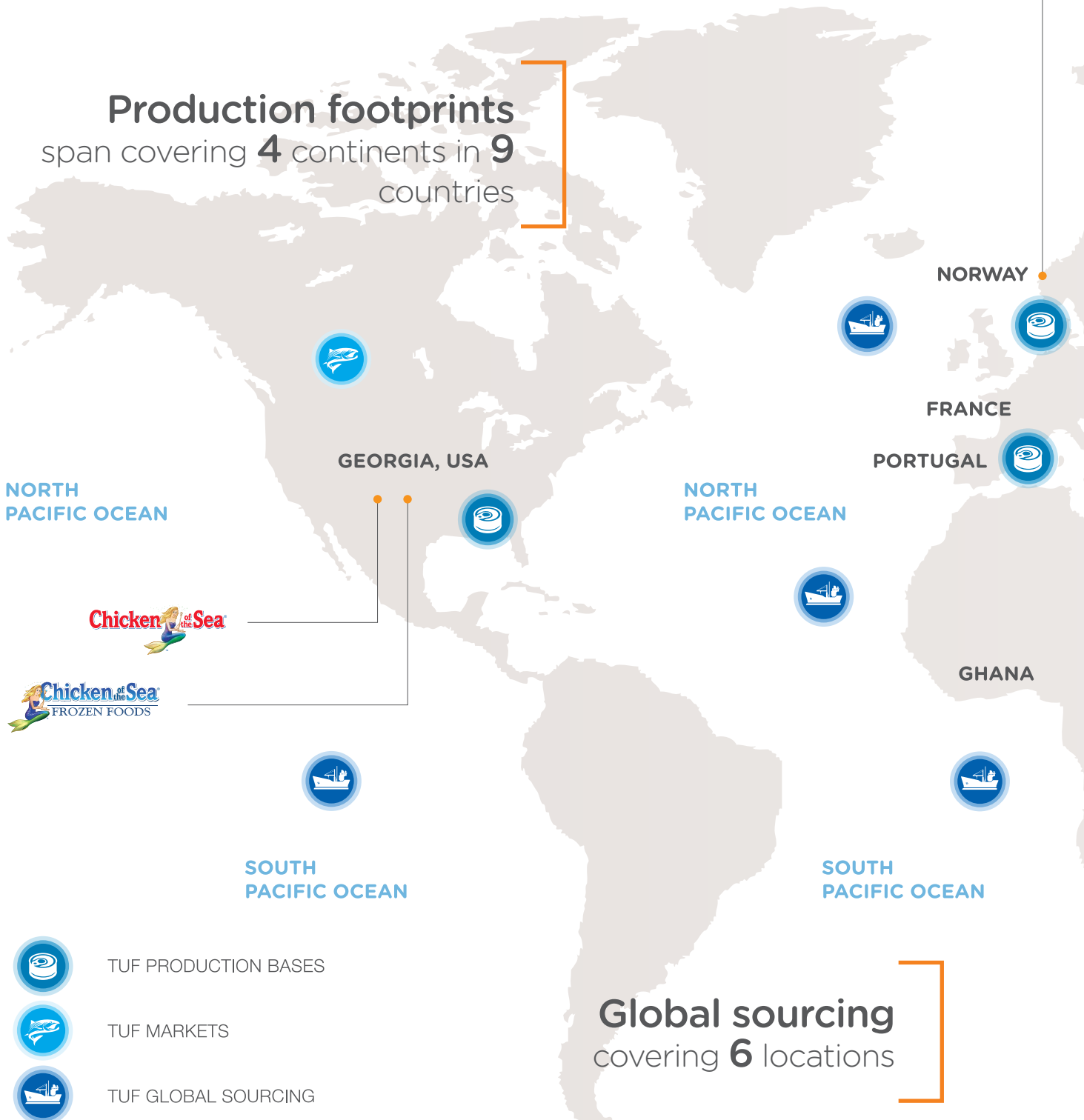
Listed on the Stock Exchange of Thailand since November 22, 1994

As of January 31, 2015

Registered capital	THB 1,202,000,000 (4,808,000,000 shares)
Paid-up capital	THB 1,192,953,874 (4,771,815,496 shares)
Par value	THB 0.25 per share

TUF'S GLOBAL SOURCING, PRODUCTION AND MARKETS

Production footprints
span covering **4** continents in **9**
countries



KING OSCAR
OF SWEDEN

SINCE 1857
JOHN WEST



Mareblu

CONSERVIERIE
PARMENTIER
CONFIDENCE DEPUIS 1845

9 leading
Global Brands
in 10 countries

ARCTIC OCEAN

EUROPE

CHINA

NORTH
PACIFIC OCEAN

THAILAND

VIETNAM

SEALLECT
SINCE 1992

SEYCHELLES

INDIAN OCEAN

SOUTH
PACIFIC OCEAN

FISHO

Bellotta
MANGOSTIN
วิบูลย์พันธุ์ มังกรพันธุ์
พันธุ์ดี



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MESSAGE FROM THE CHAIRMAN

In 2014, there were many events that impacted our business operations.

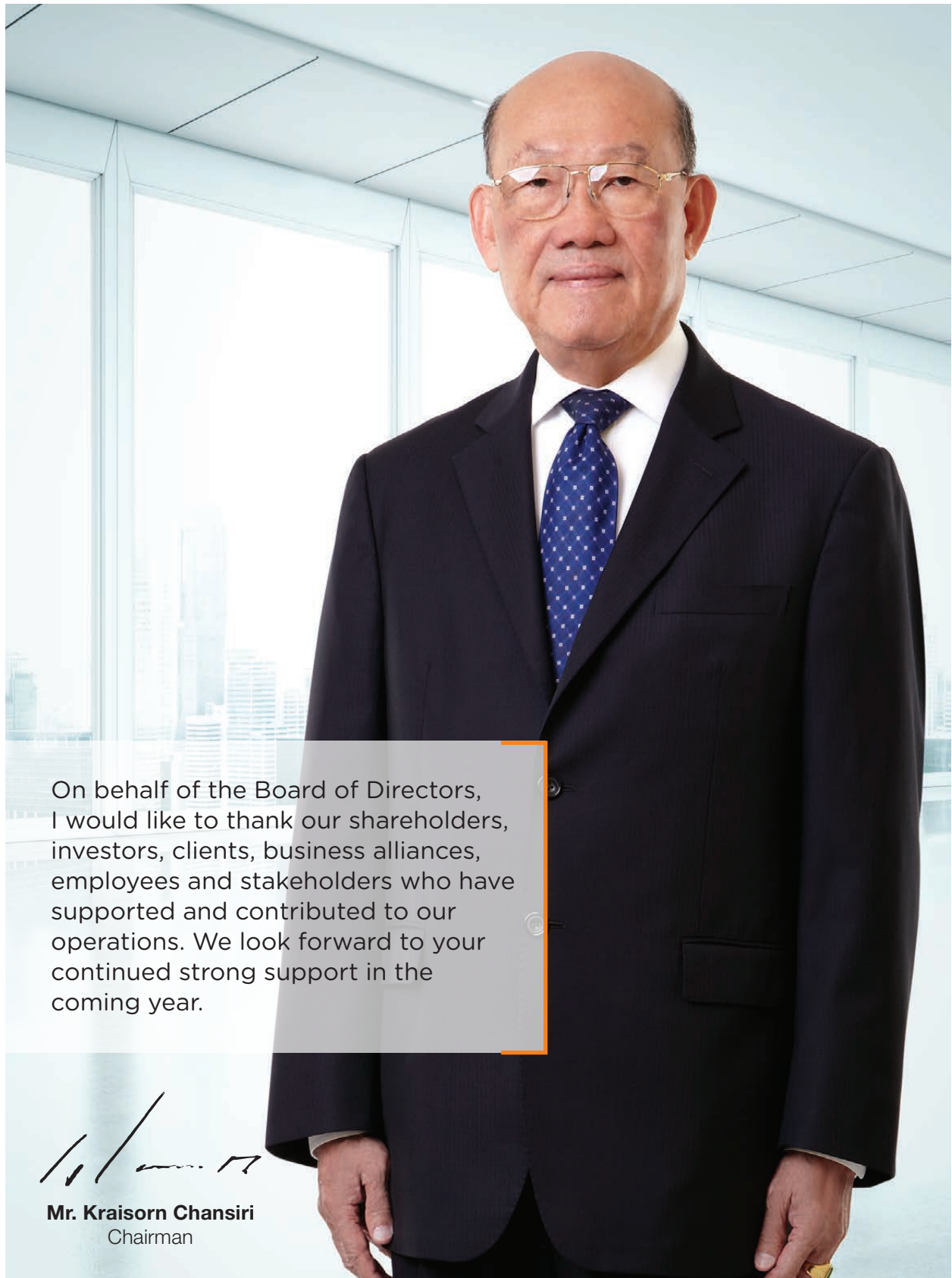
It was a year of growth in all business dimensions, with new investments, new markets and innovation within our organization all playing a key role in our performance. These key drivers of growth will remain crucial for us as we seek to achieve the sales target of USD 8 billion by 2020.

We believe in the importance of our management expertise in domestic and overseas markets, our ability to bring through product innovations that respond to the needs of our business partners, customers and consumers, our continual development of core competencies, and collaboration with all stakeholders to conserve natural resources and the environment. These factors are critical to support a truly sustainable and sound business that will offer consistent returns to our shareholders.

The year also began a new era for the group with its largest ever single investment. Our agreement to acquire a 100 percent stake of Bumble Bee Seafoods, whose enterprise value equaled USD 1.51 billion, was particularly significant as it exemplifies our commitment to meeting our 2020 objective.

This commitment to growth has been a critical management priority. However, it is not without challenges. These include the global economic condition, the risks of trade barriers, social issues that impact trade, and the challenges in managing our business operations across the globe. Our ambition to lay a foundation for solid growth and compete on the world stage, helped us overcome these challenges and sustain our core business operations during the year. They underpin our willingness to look into all aspects related to our business – our people, the earth and the ocean, and make whatever changes are necessary.

We recognize sustainability as a critical strategic building block for growth. It encompasses the continuing capacity of our business to contribute positively to the long-term development of society, and the conservation of natural resources. To us, it is inseparable from the principles of good corporate governance and operational transparency. In 2014, the board of directors announced its anti-corruption policy with clear and actionable steps for execution in order to meet our stakeholders' wish of a growing and sustainable business.



On behalf of the Board of Directors, I would like to thank our shareholders, investors, clients, business alliances, employees and stakeholders who have supported and contributed to our operations. We look forward to your continued strong support in the coming year.

Mr. Kraisorn Chansiri
Chairman

MESSAGE FROM PRESIDENT AND CEO

First I would like to extend my sincere gratitude for your continued support to Thai Union Group.

The period since 2012 has been one filled with a multitude of challenges. I am pleased to report that 2014 the company emerged from a particular demanding period and returned to more encouraging levels of profitability. We can take pride in the strengths of our expertise and I am now convinced we are in a position to advance toward more sustainable growth. Though there will always be challenges ahead of us, I am confident the diligent efforts of our people offer the potential for tremendous accomplishment.

It has been a year of strong operational performance and organic growth in key market segments particularly in the third and fourth quarters when the company achieved one of the most profitable periods and record-high revenue in its history. Driving this strong performance was the turnaround in the pet food business in the US, continuing profitability in our shrimp business in Thailand, our strongest ever sales growth in the US frozen shrimp unit and significant increases in sales value and volume for our branded tuna businesses. Key brands which recorded market share gains were Petit Navire, John West and Sealect Tuna.

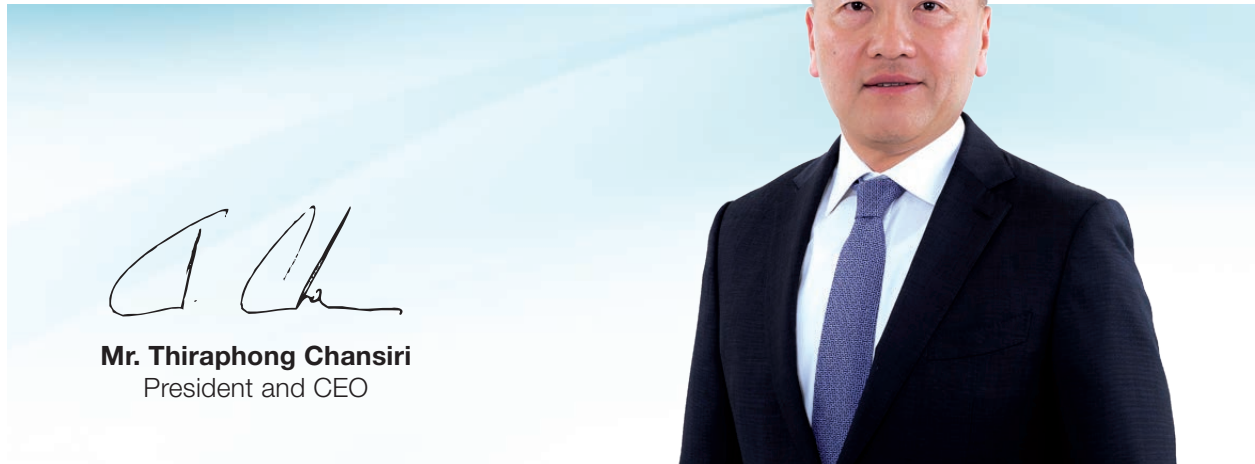
Additionally, 2014 was truly a year of inorganic growth for the Group. We successfully reinforced our global leadership position through three key strategic acquisitions during the year. In September 2014 we entered into an agreement to purchase 100 percent of MerAlliance, a leading European chilled smoked salmon producer. Later in the same month we were able to conclude another agreement to purchase all the assets and trademarks of King Oscar, the Norwegian super premium and unique sardine brand - one of the top 10 seafood brands in the world. Finally, in December 2014 we announced an agreement to purchase 100 percent of the shares of Bumble Bee Seafoods the largest branded, shelf-stable seafood company in North America. This latest acquisition remains subject to regulatory clearances. We expect that the transaction will be closed in the second half of 2015.

As a result of our organic growth, increased levels of productivity and these key acquisitions, revenue for 2014 increased by 7.6 percent to THB 121.4 billion (USD 3.8 billion), with impressive net profit improving 78.5 percent to THB 5.1 billion

We made significant progress in strengthening the level of structure and expertise in the company with the appointment of key experienced executives. Our progress in developing efficiencies within our business, building up our global leadership team and moving quickly to capitalize upon investment opportunities, has resulted in the company achieving a number of significant financial milestones. In late November 2014, our total market capitalization touched THB 100 billion level for the first time. This was followed by the highest ever share price of THB 98 which was recorded in trading on the Stock Exchange of Thailand on 8 December 2014.

Other notable achievements of the year for TUF include being selected to join the Dow Jones Sustainability Indices Emerging Market as the first, and only, Thai company in the food category. We are proud to have received this recognition from one of the most respected global sustainability indices. It is a historic milestone for the company and a credit to all our employees and management who helped us achieve this international benchmark of good practice.

Additionally, the Stock Exchange of Thailand (SET) revealed that TUF was added in MSCI (Morgan Stanley Capital International) Global Standard Indexes; a global index provider. MSCI Indexes are designed as a benchmark to measure equity market performance. MSCI selects companies for inclusion based on their market capitalization, liquidity and number of tradable shares for foreign investors.



Mr. Thiraphong Chansiri
President and CEO

Furthermore, MW Brands, best known for its brands John West, Petit Navire, Parmentier, and Mareblu announced a sustainable seafood partnership with the World Wildlife Fund (WWF). The partnership will work to improve the sustainability of seafood supply chains and support WWF's work with coastal fishing communities in East Africa.

Finally in December, we entered into a collaboration agreement with the Faculty of Science at Mahidol University to establish Thai Union Group's first Global Innovation Incubator. The initiative represents an investment of more than THB100 million to develop research and studies of technology for tuna and seafood related products.

While we are pleased with the strong performance in 2014, we are also very conscious of the challenges ahead and the further progress we have set ourselves to achieve.

We continue to look closely at the emerging trends of global population, the important role that seafood plays in delivering key protein in the diets of billions of people around the world, and how we can play our part.

We have acted upon an opportunity to become one of the most resilient leaders in the global seafood industry, set out a clear vision and strategic direction, and have realigned our focus and operations to achieve this.

We are now well placed to achieve our goal of becoming a USD 8 billion company by 2020. Our success will be driven by a continuing focus on superior financial performance and the coherence that comes from operating as one organization under a common framework. Within this framework we have identified six key pillars to help us secure the future. These comprise the critical building blocks of innovation, sustainable development, mergers and acquisitions, strategic sourcing, global talent development and operational excellence.

So much of what we have achieved this year, and what we will achieve in the future, is driven by a simple desire to make a difference. To continue to show others through our commitment that it is possible to achieve growth in a most sustainable and responsible manner.

It is not a future we can realize alone. In this regard, on behalf of the Board of Directors and the company management, we would like to express our deepest gratitude to all of our employees, shareholders, customers, business partners and stakeholders who have contributed significantly to our progress this year, and our vision for the future.

Thai Union Group has the objective of becoming a leading global seafood company.

We have a goal of reaching USD 8 billion in annual revenues by 2020. To achieve this goal we have developed a plan which recognizes both the opportunities and the challenges ahead, along with the fundamental requirement of prudent stewardship in all aspects of our operations.

With our industry experiencing rapid consolidation, we are poised to accelerate growth through strategic acquisitions which will strengthen our sourcing, production and brand distribution throughout the world.

We recognize the increasing global competition for seafood and increasing cost pressures on existing participants. As an industry we are also coming under greater scrutiny for ethical workplace practices and sustainable fisheries resource management. All of this at a time when mature markets are experiencing slowing growth, while emerging markets are developing rapidly.

It is a dynamic environment, requiring a forward-looking dynamic response.

Our competitive advantage will be driven by building an organization with differentiated capabilities, delivered through solid leadership, clear vision and defined strategies.



THESE STRATEGIES HAVE BEEN COLLATED INTO SIX CORE PILLARS FOR OUR DEVELOPMENT:



INNOVATION

FRESH THINKING, NEW IDEAS AND ORIGINAL SOLUTIONS ARE CRITICAL FACTORS TO KEEP THAI UNION AT THE FOREFRONT OF A FAST CHANGING INDUSTRY.

Following the completion of an extensive global Usage and Attitude study in 2014 to draw in the insights of the consumers around the world, the company invested in the first science-based innovation facility for Thai Union Group.

In collaboration with the Faculty of Science, Mahidol University, Thai Union established the Global Innovation Incubator (Gii), committing multi-million dollar investment to the project. The facility will serve as the company's primary R&D hub for development of raw materials and tuna-based products. It is a significant catalyst for our business and industry development.

"I strongly believe that investing in technology and innovation will enhance our business competitive advantage and strengthen our position in the global seafood industry"

Thiraphong Chansiri

President and CEO, Thai Union Group.

SUSTAINABILITY

THAI UNION RECOGNIZES THE PIVOTAL ROLE OF SUSTAINABLE PRACTICES IN ALL ASPECTS OF OUR OPERATIONS.

With a portfolio of leading global brands and an ambition to grow even further, sustainable practices are fundamental to the Group's long-term future development.

We will continue to work for improved sustainable practices wherever we operate, while encouraging key stakeholders to join us in cooperative initiatives in areas such as responsible sourcing, community and social development, ethical labor practices and environment conservation.

The company reflected this commitment by joining the United Nations Global Compact in 2013. In addition, Thai Union collaborated with the Labor Rights Promotion Network and the local government of Samut Sakhon province in Thailand to establish and fund Child Care Centers. The Child Care Centers help children gain access to equality in education.

The Group's continuing effort received international recognition in 2014 when Thai Union was selected by the Dow Jones Sustainability Indices Emerging Markets Index (DJSI) as a first time member in the food category.

In Europe, Thai Union's European subsidiary, MW Brands, and the World Wildlife Fund (WWF) announced a partnership to improve the sustainability of seafood supply chains and support WWF's work with coastal fishing communities in East Africa.

OPERATIONAL EXCELLENCE

THAI UNION'S PRODUCTION FACILITIES CURRENTLY SPAN NINE COUNTRIES IN FOUR CONTINENTS, PROVIDING A UNIQUE OPPORTUNITY TO SHARE OPERATIONAL BEST PRACTICES BETWEEN COMPANIES AND COUNTRIES AROUND THE WORLD.

We are committed to an open and transparent exchange of the best ideas within the Group in order to continuously improve our optimal production setup and output efficiency.

MERGERS AND ACQUISITIONS (M&As)

STRATEGIC ACQUISITIONS, ALLOWING THAI UNION TO EXPAND IN NEW TERRITORIES, OR NEW PRODUCT LINES, HAVE BEEN IMPORTANT DRIVERS OF GROWTH THROUGHOUT THE COMPANY'S HISTORY.

Our strategy is to seek 'hidden pearls' within each of our strategic business categories that strengthen our position and act as platforms for further growth.

All can strongly be evidenced by the company's previous M&As which have benefited us in terms of cost synergies, security of raw materials, new market expansions, risks diversification, know-how and management expertise.

GLOBAL TALENT DEVELOPMENT

INVESTING IN OUR HUMAN CAPITAL IS ANOTHER CORNERSTONE STRATEGY OF THE GROUP.

We have established a global leadership team, comprising of senior executives from around the world to facilitate the development and sharing of best practices and new ideas.

In building for our global future, we recognize that developing our own talent from within is a key building block as well as selective and strategic external hires and development. With this in mind, the group has established a global Management Associate Program.

The objective of the program is to provide career paths for young executives, fast-tracking their continuous learning, and skills development. The program features coordinated placements overseas and across different areas of the company.

STRATEGIC SOURCING

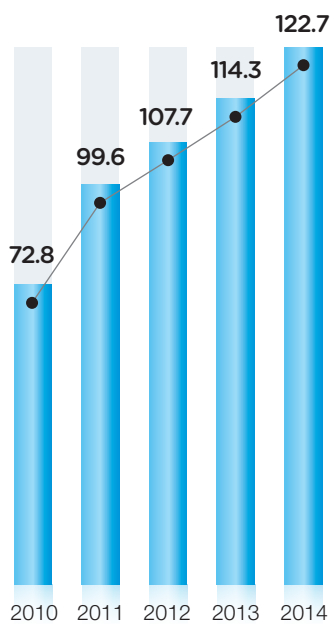
IN A BUSINESS OF OUR DIMENSION, ENSURING CONTINUITY OF OUR RAW MATERIALS IS FUNDAMENTAL TO SECURING OUR FUTURE. WE COMMIT TO MANAGE OUR SOURCING PRACTICE IN THE MOST SUSTAINABLE AND RESPONSIBLE MANNER.

In addition to our well established procurement network, we continue to expand and diversify our sourcing alternatives globally in order to strengthen our competitive advantage.

5-YEAR COMPARATIVE FINANCIAL STATISTICS

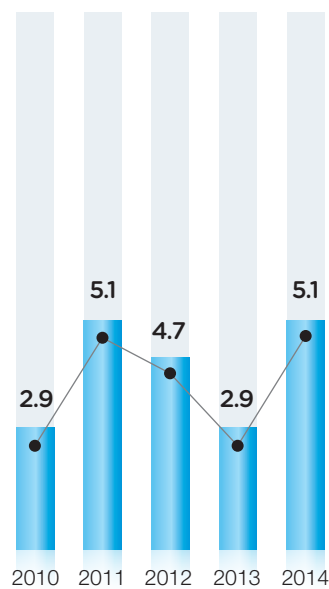
Total Revenues

(Billion Baht)



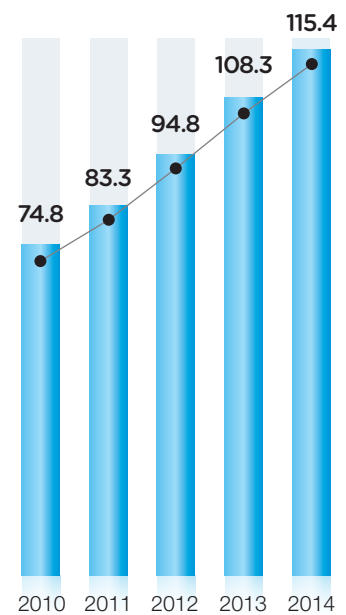
Net Profit

(Billion Baht)



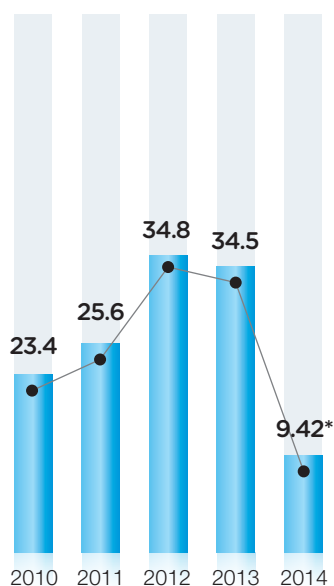
Total Assets

(Billion Baht)



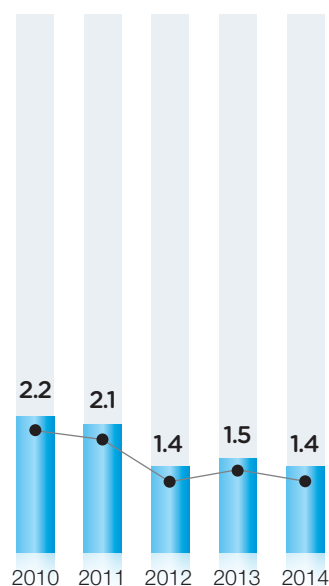
Book Value per Share

(Bath)



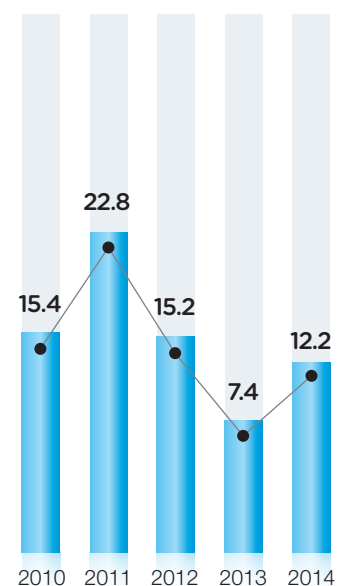
Total Liabilities to Equity

(Times)



Return on Average Equity

(%)



* The company changed par value from THB 1 per share to THB 0.25 per share in January 2015

FINANCIAL HIGHLIGHTS

(Unit: Billion Baht)

	YEAR		
	2014	2013	2012
Sales	121.4	112.8	106.7
Total Revenues	122.7	114.3	107.7
Gross Profit	19.0	14.2	16.4
Total Assets	115.4	108.3	94.8
Total Liabilities	68.0	64.9	54.4
Shareholders' Equity	47.5	43.4	40.3

PER SHARE

(Baht)

	YEAR		
	2014	2013	2012
Basic Earnings per Share	1.10	2.49	4.39
Diluted Earnings per Share	1.08	2.47	4.29
Dividend	0.54	1.49	2.10
Par Value	0.25	1.00	1.00
Book Value per Average Share	9.42	34.45	34.77

CORPORATE HISTORY AND DEVELOPMENT

Thai Union Frozen Products (Public) Company Limited (TUF) started its business of frozen seafood production and export in 1988 with an initial investment capital of THB 25 million. In 1992 the Company joined with Mitsubishi Corporation Company Limited and Hagomoro Foods Company Limited, the two major producers and distributors of Japan and the Company's clients and dealers who have provided important contributions to the development of products to meet world-class standards in order to compete in world markets. Later the Company was converted into a public company and got listed on the Stock Exchange on November 22, 1994.



In 1997 the company invested in a foreign company for the first time by acquiring Chicken of the Sea in the US. The company continued its international expansion by investing in Empress International Limited, an importer and distributor of frozen seafood in the US in 2003. In 2006, the company established Tri-Union Frozen Foods, LLC. (Chicken of the Sea Frozen Foods) to operate the production of frozen seafood in the US. In 2008, the company started its investment in other parts of Asia with Yueh Chyang Canned Food Company Limited in Vietnam, a processor and exporter of canned seafood, and invested in Avanti Feeds Limited, a processor and exporter of shrimp feed and frozen shrimp in India. In 2010, it was the first time that the company expanded its investment in Europe by acquiring MW Brands SAS, a processor and distributor of canned tuna, canned sardine, and various leading products in Europe under the brands John West, Petit Navire, Parmentier and Mareblu, and in the same year the company invested in pet food business with U.S. Pet Nutrition LLC., in the US.

Over the years of operation, the company has consistently increased in capital investment to support its business expansion. Currently the company has a registered capital of THB 1,202,000,000 at a par value of THB 0.25 per share, equivalent to 4,808,000,000 common shares with a paid-up capital of THB 1,192,953,874, equivalent to 4,771,815,496 shares.

Over the years, the company has carried out its operations under a corporate governance framework which emphasizes on operational excellence, strategic sourcing management, sustainability development, product quality standards and talent development at all levels of employees. Additionally, product innovation is one of the company's key capabilities for sustainable growth. It enables the company to better respond to the changing demand of customers and consumers around the world. The company also focuses on establishing strong relationships with its key stakeholders in building stronger and more sustainable business.

VISION

TUF CONSTANTLY STRIVES TO BE THE CHEF OF THE WORLD CREATING AND PROVIDING WORLD-CLASS QUALITY AND INNOVATIVE CUISINE THAT FULLY SATISFIES OUR CUSTOMERS, CONSUMERS AND STAKEHOLDERS' EVER EVOLVING REQUIREMENTS.

MISSION

- To become a producer of high quality, delicious, safe and convenient food trusted by consumers anywhere in the world.
- To be known as an organization with good corporate governance, integrity and accountability to all stakeholders and to achieve a sustainable business growth.
- To be known as an employer of choice; investing in people and creating opportunities for career growth as well as betterment of quality of lives.
- To proudly represent and promote Thailand in the world's seafood stage.
- To become a company known for accountability and commitment in the conservation of the greater marine ecology, natural resources and environment.

THE COMPANY MILESTONES IN 2014

1. The conversion of 42,857,143 convertible bonds which were issued by the company and offered for sale to Standard Chartered Private Equity Limited on December 27, 2010. The company also stipulated that the right to convert convertible bonds into common shares shall be exercised any day after the completion of the first year, counting from the day of the issuance of the convertible bonds. In October 2014 Standard Chartered Private Equity Limited notified the company for the right to convert such convertible bonds at the price of THB 52.91 per share into the company's common shares at a total of 45,360,045 shares with a par value of THB 1 per share.
2. The increase of 45,360,045 common shares for share capital to convert 42,857,143 convertible bonds issued by Standard Chartered Private Equity Limited (with details specified in 1.), resulting in an increase of common shares, from the original 1,147,593,829 shares to 1,192,953,874 shares.
3. The change of par value from THB 1 per share to THB 0.25 per share, resulting in an increase of common shares, from 1,202,000,000 shares to 4,808,000,000 shares with a paid-up capital of THB 1,192,953,874, equivalent to 4,771,815,496 shares.
4. Mergers and Acquisitions. In 2014, the company acquired 2 foreign firms as follows:
 - 4.1 Acquisition of Meralliance SAS by MW Brands SAS, a subsidiary of Thai Union Frozen Products Public Company Limited, with an investment capital of THB 1.6 billion. MerAlliance, Europe's leading producer of smoked salmon, has more than 40 years' experience as the No. 4 smoked salmon producer in Europe with a 20 percent market share.
 - 4.2 Acquisition of King Oscar AS. by Thai Union European Seafood 1 SA, a subsidiary of Thai Union Frozen Products Public Company Limited, a processor of canned fish in Norway under the brand King Oscar – the No. 1 Brand for premium sardine products in Norway, the US and Australia, which has been around for more than 140 years. King Oscar has also been regarded as a strong seafood brand and one of the world's top 10 seafood brands. The investment is worth THB 1.8 billion.



5. The opening of the company's first Global Innovation Incubator (GII), a collaboration effort with the Faculty of Science, Mahidol University, to serve as the research and development center for nutrition and production whose value is more than THB 100 million to create innovative products which will answer the needs of the markets and the world's food industries. TUF's GII consists of the following 6 platforms:

The First Platform

Fundamental Studies of Tuna

The Second Platform

Health & Wellness Benefits from Tuna

The Third Platform

New Processing Technology

The Fourth Platform

Co-Product Science and Technology

The Fifth Platform

Sensory Properties of Tuna Products and Consumer Research

The Sixth Platform

Perfect Tuna Product Research and Development



OUR BRANDS

THE COMPANY CURRENTLY OWNS A NUMBER OF GLOBAL BRANDS OF FROZEN AND SHELF-STABLE SEAFOOD AND PREMIUM BRAND OF PET FOOD COVERING 3 CONTINENTS

AMERICA



CHICKEN OF THE SEA
No.3 canned seafood brand in the US



CHICKEN OF THE SEA FROZEN FOODS
No.1 importer of frozen shrimp in the US

EUROPE



JOHN WEST
No.1 brand in the UK, the Netherlands, and Ireland



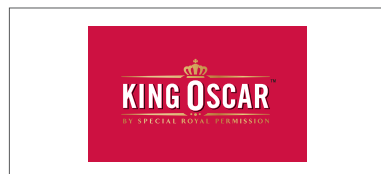
PETIT NAVIRE

No.1 canned seafood brand in France



PARMENTIER

No.1 premium canned sardine brand in France



KING OSCAR

No.1 super premium canned sardine in Norway, the US and Australia



MAREBLU

No.2 canned tuna brand in Italy

ASIA



CENTURY

No.1 canned tuna brand in China



SEAELECT

No.1 brand of Tuna in Thailand



BELLOTTA

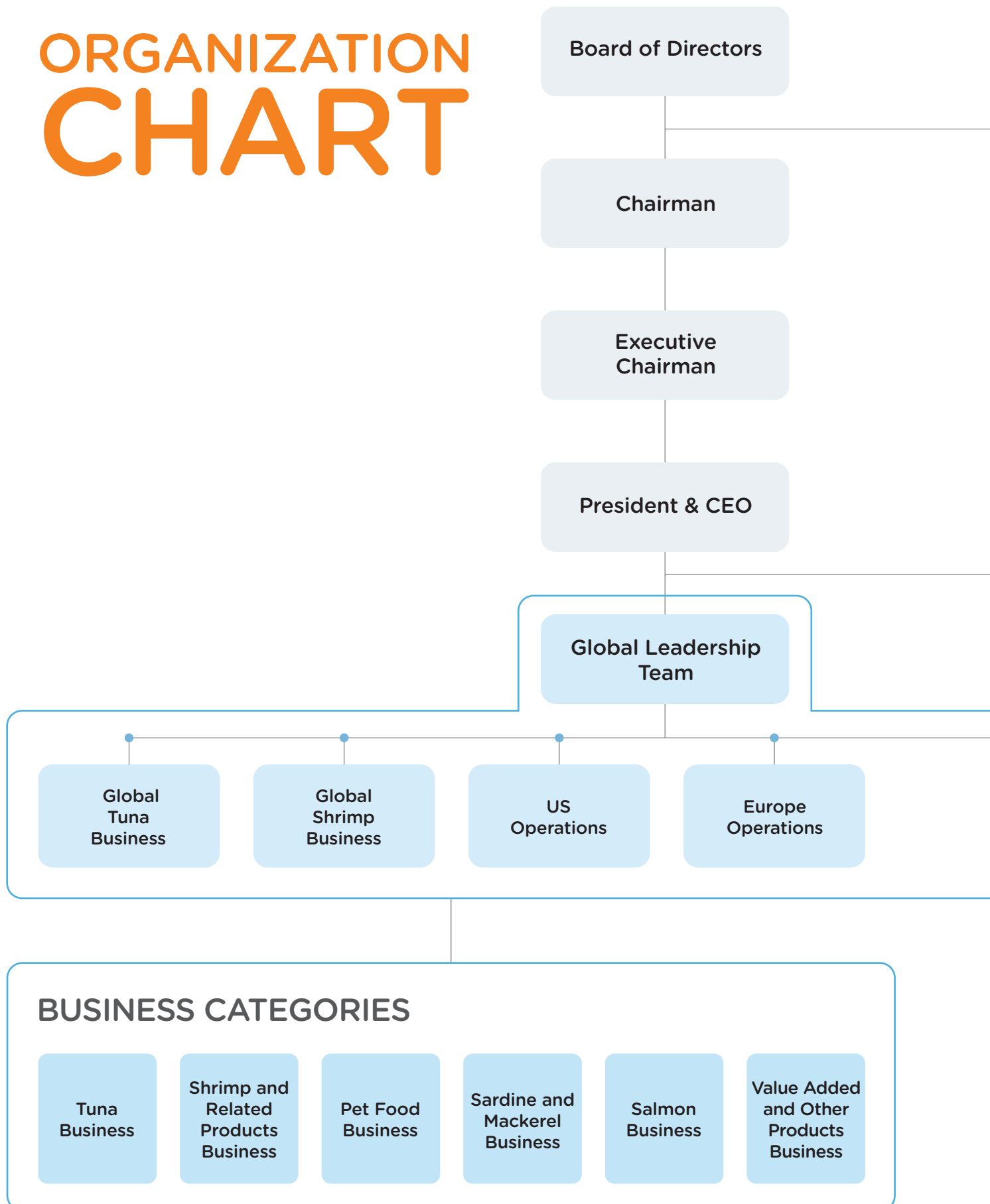
Premium brand of pet food in Thailand

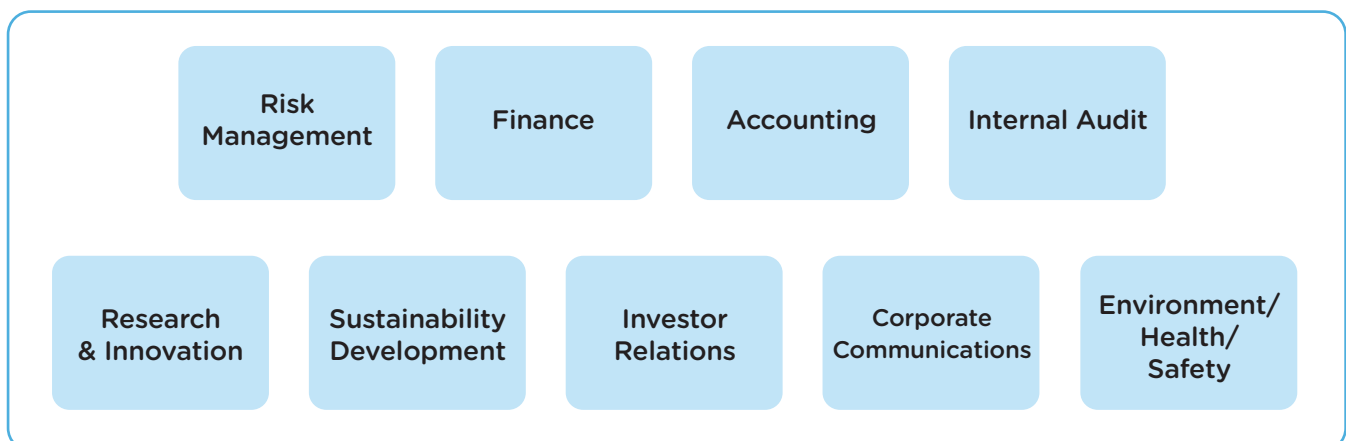
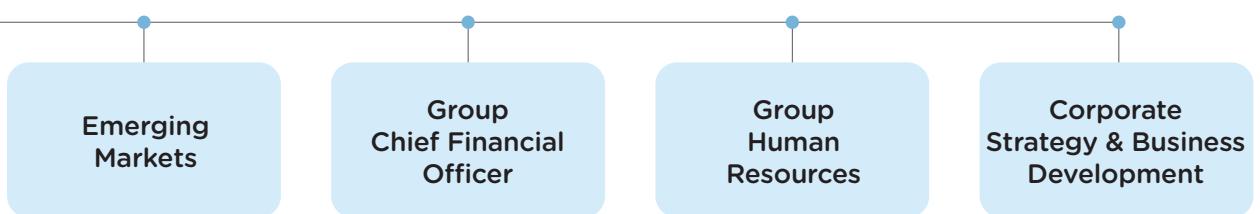


FISHO

Fish snack brand in Thailand

ORGANIZATION CHART







Mr. Kraisorn Chansiri
Chairman
Age 80

1

BOARD OF DIRECTORS

EDUCATION

- Honorary Doctorate Degree of Philosophy in Business Administration, Mae Fah Luang University
- Honorary Science Degree of Doctor of Philosophy in Food Science and Technology, the Thai Chamber of Commerce University
- The Role of Chairman Program organized by the Thai Institute of Directors Association (RCP 15/2007)
- Certificate, Capital Market Academy Leader Program 12 (March – July 2011)

OTHER POSITIONS

- Chairman, Thai Union Manufacturing Co., Ltd.
- Chairman, Thai Sea Food Co., Ltd.
- Chairman, Merchant Partners Securities PCL.
- Executive Director, Songkla Canning PCL.
- Executive Director, Thai Union Graphic Co., Ltd.
- Director, Tri-Union Seafoods, LLC.
- Director, Tri-Union Frozen Products Inc.
- Director, Thai Union Seafood Co., Ltd.
- Director, Thai Union Feedmill Co., Ltd.
- Director, Waithai Co., Ltd.
- Director, Thai Union Properties Co., Ltd.
- Director, Chansiri Real Estate Co., Ltd.

SOCIAL POSITIONS

- Chief of Permanent Advisory Board, Thai-Chinese Merchant Club
- President of the Tio Chew Association of Thailand
- Vice President, Thai-Chinese Friendship Association
- Honorary Live Vice President, Asian Volleyball Confederation

No. of Shares Held: 471,134,720 shares *

- * Shareholders of TUF that included spouse and children as of 26 January 2015



Mr. Cheng Niruttinanon
Executive Chairman
Age 73

2

EDUCATION

- The Second Middle School of Shantou, People's Republic of China

OTHER POSITIONS

- Chairman, Asian-Pacific Can Co., Ltd.
- Chairman, Lucky Union Foods Co., Ltd.
- Executive Director and Managing Director, Thai Union Manufacturing Co., Ltd.
- Director, Thai Union Feedmill Co., Ltd.
- Director, Tri-Union Seafoods, LLC.
- Director, Tri-Union Frozen Foods, LLC.
- Director, Yueh Chyang Canned Food Co., Ltd.
- Director, U.S. Pet Nutrition LLC.
- Director MW Brands SAS
- Director, Waithai Co., Ltd.
- Director, Ahead Way International Co., Ltd.
- Director, Thaipatana Stainless Steel Co., Ltd.

No. of Shares Held: 269,352,676 shares *

- * Shareholders of TUF that included spouse and children as of 26 January 2015

EDUCATION

- Bachelor's Degree, South China Normal University, People's Republic of China
- Directors Accreditation Program organized by the Thai Institute of Directors Association (DAP86/2010)

OTHER POSITIONS

- Executive Director and Finance Manager, Thai Union Manufacturing Co., Ltd.
- Executive Director, Songkla Canning PCL.
- Executive Director, Asian-Pacific Can Co., Ltd.
- Director, Thai Union Seafood Co., Ltd.
- Director, Thai Union Feedmill Co., Ltd.
- Director, Thai Union Graphic Co., Ltd.
- Director, Thai Union Investment Holding
- Director, Chansiri Real Estate Co., Ltd.
- Director, Thai Union Properties Co., Ltd.
- Director, Waithai Co., Ltd.
- Director, Thaipatana Stainless Steel Co., Ltd.

No. of Shares Held: 38,668,000 shares *

- * Shareholders of TUF that included spouse and children as of 26 January 2015

Mr. Chuan Tangchansiri
Executive Director
Age 70

3





Mr. Thiraphong Chansiri
President & CEO
Age 50

4

EDUCATION

- Bachelor's Degree (Marketing), Assumption University
- Master of Business Administration (Management), University of San Francisco, USA
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 10/2001)

OTHER POSITIONS

- Chairman, Thai Union Seafood Co., Ltd.
- Chairman, MW Brands SAS
- President, Thai Union International, Inc.
- President, Thai Union France Holding 2 SAS
- President, Thai Union Graphic Co., Ltd.
- President, T-Holding Co., Ltd.
- Executive Director, Thai Union Manufacturing Co., Ltd.
- Executive Director, Songkla Canning PCL.
- Director, Asian-Pacific Can Co., Ltd.
- Director, Thai Union Feedmill Co., Ltd.
- Director, Biz Dimension Co., Ltd.
- Director, Tri-Union Seafoods, LLC.
- Director, Tri-Union Frozen Products, Inc.
- Director, Lucky Union Foods Co., Ltd.
- Director, TN Fine Chemicals Co., Ltd.
- Director, U.S. Pet Nutrition LLC.
- Director, Thai Union Investment Holding
- Director, Pakfood PCL.
- Director, Okeanos Co., Ltd.
- Director, Okeanos Food Co., Ltd.
- Director, Waithai Co., Ltd.
- Director, Chansiri Real Estate Co., Ltd.
- Director, Thai Union Properties Co., Ltd.
- Director, Chaowpraya Cold Storage Co., Ltd.
- Director, Takzin Samut Co., Ltd.

CURRENT POSITION IN OTHER LISTED COMPANY

- Director, Minor International PCL.

SOCIAL POSITIONS

- Director, Thai Listed Companies Association
- Advisory Committee, Market for Alternative Investment (MAI)
- Advisory Committee, SET Research Institute
- Advisory Committee, Thailand Future Foundation
- Councilor, Thailand Management Association (TMA)
- Board of Trustees of Siam Technology College

No. of Shares Held: 330,997,812 shares *

- * Shareholders of TUF that included spouse and children as of 26 January 2015



Mr. Rittirong Boonmechote
Executive Director
Age 53

5

Mr. Takehiko Kakiuchi
Director
Age 60

6



EDUCATION

- Bachelor's Degree, Bangkok University
- Directors Certification Program organized by the Thai Institute of Director Association (DCP 84/2010)
- TLCA Executive Development Program (EDP2/2009) by Thai Listed Companies Association

OTHER POSITIONS

- President, Thai Union Feedmill Co., Ltd.
- President, Thai Union Seafood Co., Ltd.
- Executive Director, Pakfood PCL.
- Executive Director, Okeanos Co., Ltd.
- Executive Director, Okeanos Food Co., Ltd.
- Director, Chaowpraya Cold Storage Co., Ltd.
- Director, Takzin Samut Co., Ltd.
- Director, Tri-Union Frozen Products, Inc.
- Director, TMAC Co., Ltd.

SOCIAL POSITIONS

- Vice President, Thai Frozen Foods Association
- Vice President, Bangkok University Alumni Association

No. of Shares Held: 63,442,980 shares *

* Shareholders of TUF that included spouse and children as of 26 January 2015

EDUCATION

- Bachelor's Degree, Kyoto University, Japan

EXPERIENCE

- Senior Vice President (Food Department) of Mitsubishi Corporation

No. of Shares Held: -



Mr. Shue Chung Chan
Executive Director
Age 40

7

**Mr. Ravinder Singh
Grewal Sarbjit S**
Director
Age 46

8



EDUCATION

- Bachelor's Degree, Oregon State University, USA
- Master of Business Administration, Bangkok University
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 10/2002)
- TLCA Executive Development Program (EDP1/2009) by Thai Listed Companies Association

OTHER POSITIONS

- Director, Thai Union Feedmill Co., Ltd.
- Director, Thai Union Graphic Co., Ltd.

No. of Shares Held: 12,295,272 shares *

- * Shareholders of TUF that included spouse and children as of 26 January 2015

EDUCATION

- Bachelor's Degree (Commerce), University of New South Wales, Australia
- Certified Public Accountants, Australian Society

OTHER POSITIONS

- Director, Wellard Holdings (Australia)
- Director, Shangri-La Hotel (Malaysia)
- Alt Director, Straits Resource Ltd. (Australia)
- Alt Director, Otto Marine Ltd. (Singapore)
- Director, MW Brands SAS
- Director, Scomi Oilfield Limited (Bermuda)

No. of Shares Held: -

- * Shareholders of TUF that included spouse and children as of 26 January 2015



Mr. Sakdi Kiewkarnkha
Independent Director
Age 80

9

EDUCATION

- Bachelor's Degree (Accounting, Commerce and Law), Thammasat University
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 13/2001)
- The Role of Chairman Program organized by the Thai Institute of Directors Association (RCP 4/2001)
- DCP Refresher Course organized by the Thai Institute of Directors Association (RE DCP 2/2006)
- Handling Conflicts of Interest: What the Board should do? organized by the Thai Institute of Directors Association (4/2008)
- The Role of Compensation Committee organized by the Thai Institute of Directors Association (RCC 9/2009)
- How to Develop a Risk Management organized by the Thai Institute of Directors Association (HRP 2/2012)
- Executive Program, Stanford University & University of Singapore
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Audit World – Conference 25-26 June 2012 Resort World Convention Centre, Singapore
- Audit World – Post Conference 27 June 2012 Resort World Convention Centre, Singapore
- Audit Committee Financial Expert 22 May 2014, The Stock Exchange of Thailand
- Corporate Governance in the Perspective of Investors – CG Forum 4 June 2014, The Stock Exchange of Thailand
- Management for CEO's and Senior Executive: Thailand Management Association and Stanford University
- Director Certification Program Update organized by the Thai Institute of Directors Association (DCPU 1/2557)

EXPERIENCE

- Banking Ombudsman, Bank of Thailand
- Executive Vice President, The Siam Commercial Bank PCL.
- Executive Director, Bangkok Metropolitan Bank PCL.
- Executive Director, Bangkok Metropolitan Life Insurance Co., Ltd.
- Chairman of Audit Committee, The Book Club Finance PCL.
- Independent Director & Audit Committee Member, Dusit Thani PCL.
- Advisor to Executive Board, Bangkok Metropolitan Bank PCL.
- Certified Public Accountant No. 0156 from 1962
- Attorney of Law No.2913401 from 1986.

SOCIAL POSITIONS

- Vice President, The Princess Mother's Medical Volunteer Foundation

No. of Shares Held: -

- * Shareholders of TUF that included spouse and children as of 26 January 2015



Dr. Thamnoon Ananthothai
Independent Director
Age 58

10

Mr. Kirati Assakul
Independent Director
Age 57

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EDUCATION

- Bachelor's Degree (Accountancy & Management), Eckerd College USA
- Master's Degree (M.B.A Management), The University of Sarasota Florida USA
- Ph.D. International Management, Walden University USA
- A.C.A Certificate, American Accreditation Council for Accountancy USA
- Audit Committee Program organized by the Thai Institute of Directors Association (ACP 10/2005)
- Directors Accreditation Program organized by the Thai Institute of Directors Association (DAP 48/2005)
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 70/2006)
- The Role of Chairman Program organized by the Thai Institute of Directors Association (RCP 14/2006)
- Understanding the Fundamental of Financial Statement organized by the Thai Institute of Directors Association (UFS 7/2007)

OTHER POSITIONS

- Vice Chairman and Chairman of Audit Committee, Better World Green PCL.
- Vice Chairman and Chairman of Audit Committee, IFS Capital (Thailand) PCL.
- Executive Director, Merchant Partners Securities PCL.
- Director, Independent Director, Audit Committee, Chairman of the Nominating-Committee and Remuneration Committee Member, Property Prefect PCL.
- Director and Audit Committee, Bangkok University
- Independent Director, Pakfood PCL.

No. of Shares Held: -

- * Shareholders of TUF that included spouse and children as of 26 January 2015

EDUCATION

- Bachelor's Degree (Chemical Engineering Ontario), Queen's University USA
- Master's Degree (Chemical Engineering), University of Southern California USA
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 27/2003)
- The Role of Compensation Committee organized by the Thai Institute of Directors Association (RCC 5/2007)

OTHER POSITIONS

- Chairman, Ocean Life Insurance Co., Ltd.
- Chairman of the Boards, Ocean Glass PCL.

No. of Shares Held: 73,248 shares*

- * Shareholders of TUF that included spouse and children as of 26 January 2015

AUDIT COMMITTEE AND SUB-COMMITTEES

AUDIT COMMITTEE



Mr. Sakdi Kiewkarnkha
Chairman of Audit Committee



Dr. Thamnoon Ananthothai
Audit Committee

Remark: On 31st December 2014, Pol.Maj.Gen. Pracha Anucrokdilok tendered his resignation thus remain only two members in the audit committee. The company shall nominate his successor at the 2015 Annual General Shareholder's Meeting.

SUB-COMMITTEES

THE NOMINATION AND REMUNERATION COMMITTEE

1.	Dr. Thamnoon Ananthothai	Chairman of the Nomination and Remuneration Committee
2.	Mr. Sakdi Kiewkarnkha	Member of the Nomination and Remuneration Committee

THE RISK MANAGEMENT COMMITTEE

1.	Dr. Thamnoon Ananthothai	Chairman of the Risk Management Committee
2.	Mr. Sakdi Kiewkarnkha	Member of the Risk Management Committee
3.	Mr. Thiraphong Chansiri	Member of the Risk Management Committee
4.	Mr. Kirati Assakul	Member of the Risk Management Committee
5.	Mr. Shue Chung Chan	Member of the Risk Management Committee

GLOBAL LEADERSHIP TEAM



Mr. Cheng Niruttinanon
Executive Chairman

1

Mr. Thiraphong Chansiri
President and CEO

2

Mr. Rittirong Boonmechote
President, Global Shrimp Business Unit

3

Mr. Joerg Ayrlle
Group CFO

4



Mrs. Elisabeth Fleuriot
President and CEO,
MW Brands SAS

5

Mr. Shue Wing Chan
President and CEO,
Tri-Union Seafood, LLC (Chicken of the Sea)

6

Mr. Shue Chung Chan
Assistant Managing Director,
Head of Human Resource / Fish Business Unit

7

Mr. Faisal Shafait Sheikh
Director, Corporate Strategy
and Business Development

8

MANAGEMENT TEAM



Mr. Suthidej Amornkasemwong
Assistant Managing Director, Fish Business Unit

1



Mr. Preerasak Boonmechote
Assistant Managing Director, Shrimp Business Unit

2



Dr. Tunyawat Kasemsuwan
Director, Global Innovation

3



Mr. Comgrit Sorchom
Director, Environmental, Health and Safety
Director, Sustainability Development (Acting)

4



Mrs. Sasinan Allmand
Assistant General Manager, Corporate Communications

5



Ms. Sureenard Sukhawanchai
General Manager, Internal Audit

6



Mr. Yongyut Setthawiwat
Deputy General Manager, Corporate Finance

7



Mr. Wai Yat Paco Lee
Deputy General Manager, Investor Relations and Corporate Investments

8



Mr. Niti Trakpiboon
Assistant General Manager, Corporate Accounting

9



Ms. Sasathon Totana
Assistant General Manager, Risk Management

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OUR CORE PRODUCT CATEGORIES





TUNA BUSINESS

Our largest core product category, accounting for 44 percent of the company's revenue, is comprised of frozen cooked tuna loin, canned tuna, and tuna in sealed packages, marketed under our clients' brands and the company's own brands.

For the tuna business in the one year cycle, the raw material prices remained the most challenging factor for the OEM business. On the contrary, the branded business grew steadily. Sales promotion activities were conducted to induce more consumption in various markets - a result of the decreased tuna price combined with the price changes among brands in Europe in the beginning of the year. The overall sales volume of the branded business increased at 11.8 percent compared to the previous year. However, when considering the overall annual performance of this tuna business, it can be seen that the quantity of export increased at 2.3 percent compared to the previous year and the sales volume increased at 0.9 percent compared to the previous year. It is expected that the sales volume in 2015 for the OEM and branded business sectors will be continually maintained.

SHRIMP AND RELATED BUSINESS

The shrimp business is comprised of frozen shrimp and products related to the shrimp business such as shrimp feed and shrimp breeding, which account for 24 percent of the company's revenue.

In 2014 the shrimp business still had to face the EMS epidemic, which could not be completely resolved. The shrimp products of Thailand throughout the whole year equaled to 230,000 metric tons, a decrease of 8 percent compared to the previous year. The overall global shrimp production was 2,200,000 metric tons, an increase of 25 percent. The overall annual shrimp business and products related to the shrimp business gained an increase in sales volume of 4.9 percent compared to the year 2013. The increase was in part due to the US seafood trading business which performed well. However, the shrimp feed business had a lower growth ratio compared to the previous year - a result of the EMS epidemic.

SARDINE AND MACKEREL BUSINESS

The sardine and mackerel business is comprised of canned sardine and canned mackerel, marketed under the client's brands and the company's own brands, accounting for 5 percent of the total revenue.

The overall business of sardine and mackerel in 2014 witnessed a slight sales increase of 0.9 percent compared to the year 2013 - a result of the growing branded business combined with the company's consolidation of King Oscar's income since November 2014. The OEM business had a decline in sales volume due to decreased sales quantity and shortage of suitable raw material. The opening of the ASEAN Economics Community or AEC in 2015 will open opportunities for expansion in markets, which the company has penetrated. The acquisition of King Oscar - the No. 1 brand in the premium sardine in Norway and the US and the leader of canned sardine - will also strengthen our branded business.

SALMON BUSINESS

The salmon business is comprised of frozen salmon, processed salmon, and canned salmon, marketed under the clients' brands and the company's own brands, accounting for 5 percent of the total revenue.

The overall 2013 salmon business witnessed outstanding growths in the areas of sales volume and sales quantity, with an increase of 36.1 percent and 7.5 percent respectively, compared to the previous year. The company began to consolidate MerAlliance's income in the fourth quarter. The outlook for salmon business in 2015 will have a tendency to grow steadily. The acquisition of MerAlliance, the leader of smoked salmon in Europe, will also enhance our efficiency in the markets of salmon and will expand our revenue growth.

PET FOOD BUSINESS

Our pet food business is comprised of cat food and dog food, wet and dry, marketed under the clients' brands and the company's own brands, accounting for 7 percent the total revenue.

The overall pet food sales volume increased at 11.1 percent, compared with the year 2013, with a higher gross profit margin - a result of the growing OEM business in Thailand and the pet food business in the US which started to recover in the second half of the year. However, the company still sees growth opportunities for pet food in the OEM business in Thailand and the US pet food business which has recovered after the restructuring which emphasizes on the production capability and the production of high profit margin products.

VALUE-ADDED PRODUCTS AND OTHER PRODUCTS BUSINESS

This business is comprised of ready-to-eat meals, canned seafood, frozen cephalopod, bakery products and other seafood products, marketed under the clients' brands and the company's own brands, including by-products from the production of processed seafood, accounting for 15 percent of the total revenue.



















The sales volume of this business increased at 33.9 percent compared to the previous year and the sales quantity also grew at 4 percent. The increased sales volume came from the category of other seafood products – lobster, added into the category in the third quarter. However, in 2015, the company will focus on the development of value-added products by enhancing the production process and the creation of new products with the use of new innovations.

SUSTAINABLE DEVELOPMENT

SUSTAINABILITY CONTEXT

In spite of various achievements in 2014 namely, the acquisition of MerAlliance SAS and King Oscar AS to broaden our seafood product range and customer base, the conversion of convertible bonds for common shares by Standard Charter Private Equity Limited that enlarged the company equity by 2.4 billion baht the opening of the first 'Global Innovation Incubator' in Thailand with over 100-million baht investment in science and technology-based innovation for sustainable growth 400,000 Euro investment research and development in France for new product development, the fundamental of our business remains unchanged, so as the sustainability context. As the number of engaged stakeholders has increased, the key stakeholders remain the same but their issues of concern become more pressing or challenging, especially cost management (in response to the fluctuation of tuna and shrimp prices and currency exchange rates), and supply chain management on sustainable fisheries and human rights and labor rights protection in Thailand.



Stakeholder	Key Generic Issues	Key Specific Issues	Trend in 2014	Remark
Customers & Consumers	Product & Service Value	Price Competitiveness	Increasing 	Fluctuation of raw material prices and currency exchange rates
		Product Quality	Maintain 	
		Food Safety	Maintain 	
Customers & Business Partners	Sustainable Value Chain	Social and Environmental Responsibility	Increasing 	Human Rights abuses in Fishing and Seafood Industry in Thailand
			Increasing 	Illegal Unreported and Unregulated (IUU) fishing
Environment	Sustainable Supply of Raw Materials	Limited Carrying Capacity for Pollutions	Maintain 	
Marine Resources		Biodiversity Richness	Maintain 	
Suppliers		Reliability and Quality of Supplies	Maintain 	Early Mortality Syndrome (EMS) problem still persists in Thai shrimp supply
Workforce	A Great Place to Work and A Preferred Industry for Workers	Development and Career Opportunity	Maintain 	
		Safety and Wellness	Maintain 	
		Human Rights	Increasing 	Interest in human trafficking situation in Thai fisheries
		Ethical Labor Practices	Increasing 	Freedom of association and collective bargaining
Governments	Good Corporate Citizenship	Compliance	Maintain 	
Communities		Social and Environmental Responsibility	Maintain 	
Investment Communities	Value Creation		Maintain 	
	Good Governance	Ethical Business Conduct	Increasing 	Anti-Corruption
		Social and Environmental Responsibility	Increasing 	Human Rights abuses in Fishing and Seafood Industry in Thailand
			Increasing 	Illegal Unreported and Unregulated (IUU) fishing

Note: The approach for aspect and Stakeholder identification within current sustainability context can be found in details in 2013 Sustainability Report, pages 25-28

STAKEHOLDER ENGAGEMENT

We stand firm on the engagement philosophy of 'We Connect' in driving our sustainability initiatives to success via a growing and ever-expanding network for the joint action between TUF and its stakeholders. In 2014, we focus on enhancing the engagement in qualitative term (e.g. putting an emphasis on consultation and partnership rather than communication) as well as quantitative term (both by number of stakeholders and their diversities). As the engagement work must be done on an on-going basis, most of our engagement actions are being carried out in continuation from previous years. Routine engagements have been channeled to various business functions such as marketing teams versus customers, procurement teams versus trading partners and suppliers, human resources versus employees, government relations and administrative functions versus government and local communities, finance teams versus financial markets and institutes, investor relations versus capital markets and investors, corporate communication versus media and public sectors, etc.). In addition, some new key initiatives have been launched during the year namely, deploying sustainability features and capabilities to innovate as new sources of inspirations for customers, investing in resource sustainability in partnership with international NGO(s), collaborating with academic institutions and government to strengthen the basic knowledge and science of seafood products, participating together with customers, trade associations, and business partners in various taskforces in order to tackle the challenges in natural resource and labor protection, and exchanging views and experiences about sustainable development with private institutions and regulators, etc.

MATERIALITY ASPECTS

While the sustainability context unaltered, the challenges related to many issues become increasingly important, for instance, the fluctuation of raw material prices, the risks associated with human rights violation in Thai fishery and seafood processing industries, illegal unreported and unregulated or IUU fisheries, the concern on human trafficking situations in Thai fishing industry, freedom of association and collective bargaining, and anti-corruption. These have been taken into account inclusively in all 5 material issues comprising Sustainable Sourcing, Human Rights & Ethical Labor Practice, Climate Change & Environmental Protection, Human Capital Development, and Innovation & Product Responsibility. Based on these material issues, in 2014, we have established the 5-guiding principle to provide a conceptual framework and strategic guidance for sustainable development which are: (1) Sustainable Sourcing; (2) Labor Practices; (3) Environmental Protection; 4) Innovation and Product Responsibility; and 5) Our Communities, of which the details are provided in the following.



PRINCIPLE NO.1 – SUSTAINABLE SOURCING

GLOBAL TUNA FISHERIES

Materiality Aspect

The key challenges to tuna sustainability remains as 1) Fishing Capacity Management; 2) Bycatch; and 3) Illegal Unreported and Unregulated or IUU Fisheries.

Fishing Capacity Management

According to the report by International Seafood Sustainability Foundation or ISSF, the global tuna fish stock in 2014 remains the same when compared with that of 2013, with exception of big-eye tuna stock that is likely in an overfished state in addition to the earlier reported bluefin's in all waters, albacore's in the Atlantic and yellow fin's in the Atlantic and Eastern Pacific. In contrast, skipjack is still at a healthy level of abundance in all waters. With such trends, the harvest control rule, whose concept is being tested for practicality, is likely to be adopted by Regional Fisheries Management Organizations or RFMO(s). At the same time, various coastal states have also adopted their own fisheries control measures. Among these important movements in 2014 was the emergence of the world's largest marine reserve in the Central Pacific, whose expansion plan was proposed by President Barack Obama. It was named Pacific Remote Islands Marine National Monument or PRIMNM with the coverage over 490,000 square miles.

Bycatch

Although bycatch is commonly known in fisheries regardless of fishing devices but with comprehensive data on purse seining, it has been agreed upon by the Regional Fisheries Management Organization (RFMO) such as International commission for the Conservation of Atlantic Tuna (ICCAT), Western Central Pacific Fisheries Commission (WCPFC), Indian Ocean Tuna Commission (IOTC), that bycatch management of purse seining with Fish Aggregating Device (FAD) seems to be a good start. In 2014, ICCAT and WCPFC in joint action had a committee set up solely to work on the FAD issues, whose roles are to evaluate the FAD use in tropical tuna fishing and to monitor the technological development of FAD design for better bycatch management. In addition, ICCAT is the next regional fisheries management organization after IOTC to publicly announce on their approval to have their associate members adopted non-entangling FADs.

Aside from resolving the issues concerning FAD, WCPFC has come to an agreement with Inter-American Tropical Tuna Commission or IATTC to co-develop the conservation plan to protect sharks in the Pacific. Furthermore, together with Secretariat of the Pacific Community or SPC, WCPFC has agreed to develop Global Bycatch Management Information System.

Illegal Unreported and Unregulated or IUU Fisheries

In 2014, a great number of improvements on the prevention and management of illegal unreported and unregulated or IUU fisheries have been made on many levels. In March 2014, the Sustainable Management of Tuna Fisheries and Biodiversity Conservation in the Areas beyond National Jurisdiction or ABNJ Tuna Project was officially launched. This is a global project operated by Food and Agriculture Organization (FAO) and co-financed by Global Environment Facility or GEF. Its associated partners includes local government bodies, RFMOs, private sectors and those from education and public sectors. This project, as for its primary objectives, aims to develop Global Best Practices for Monitoring, Control and Surveillance-MSC-in Tuna Fisheries; to implement capacity development and training for human resources who are with tasks of controlling, monitoring and reporting on the electronic monitoring system used on board; and to improve and make efficient the records of authorized tuna fishing vessels shared among 5 RFMOs.

Our Strategies

Fishing Capacity Management

Having skipjack as our primary tuna raw material, the company and its subsidiaries are committed to push forward for effective management of tuna fisheries at high seas through collaborative partnership under International Seafood Sustainability Foundation or ISSF, of which the company, Chicken of the Sea International (COSI) and MW Brands are the members. The key principles are to combat overfishing for example through the application of Conservation and Management Measure (CMM) with no due condition or exception regarding fishing of big eye tuna; the enhancement of the transparency in monitoring and control process by having approved observers on-board; and the limitation set on the number of tuna fishing vessels under the IATTC's supervision. The company and the subsidiaries have agreed not to trade with purse seiners built or upgraded after 31 December 2012 except for vessel replacement.

In addition, the company had been pushing forward to have our tuna processing facilities certified MSC Chain of Custody (MSC CoC) so as to promote our capacity to produce and market MSC certified tuna products. At present all our production facilities in Thailand and Africa are all certified MSC CoC.

“Bycatch”

The company and its subsidiaries are also committed to prevent and reduce the impacts on bycatch in tuna fishing. Various strategies have been implemented in specific to managing each bycatch species, for example, Ban on Shark Finning Policy, and Dolphin Safe Certification for our products. Our tuna fishing fleet in Atlantic Ocean under supervision of MW Brands rigorously complies to the management measures and protocols set by ICCAT and ISSF in relation to the protection of sharks, seabirds, sea turtles and other species as well as full retention of bycatch.

“Illegal Unreported and Unregulated or IUU Fisheries”

In managing tuna sourcing, the company and its subsidiaries meet all criteria of the ISSF. We have been particularly praised for our trade sanction against the vessels with the flags of countries either excluded from the RFMO's vessel list or those in the IUU black listing. Furthermore, we encourage every tuna purse seiner supplied raw materials for us to get registered with International Maritime Organization or IMO or issued with Unique Vessel Identification by ISSF. We have also issued a set of protocols to ensure that all transshipments must be verified by observer on-board the collecting carrier. Moreover, we have made the improvement to the internal verification system to ensure the data accuracy by rechecking of the captain statement against the database made publicly available by respective RFMOs. In the region where the regulatory and management practices are of high standard, we even implement stricter measures correspondingly. For instance, the direct purchase of raw materials by MW Brands from fishing vessels allows us to impose an additional requirement on document support to verify the legality of the catch such as the copy of vessel monitoring data in an electronic file format and fishing logbook. Therefore our customers can be confident that 'Can Tracker', our top-notch traceability system used by John West and Mareblu, is accurate and precise.

For our fleet, the company has developed the monitoring and control system to ensure that every vessel is properly registered, obtains valid fishing license, and is in compliance with our group's sourcing policy in regard to the management of information, documentation, and fishing practice. We emphasize on the transparency aspect of all practices such as the installation and application of vessel monitoring system and to have approved observer on-board in all fishing trips made. Besides, every vessel of ours now carries with it Proactive Vessel Register (PVR) approved by the ISSF.

THAI FISHERIES AND AQUACULTURE

Materiality Aspect

While most of raw materials used for our processing facilities in Thailand are imported, local fishery products such as squids, sardines, mackerels, longtail tuna, kawakawa tuna, sea bream, as well as other raw materials used in producing aquaculture feeds are nevertheless vital to some of our product categories. Thai fish stocks are considered by many to be still in a critical state amid some evidences of recovery both in the Gulf of Thailand and Andaman Sea. It is believed that effective measures imposed by authorities include 3-month closure during spawning and nursery in lower Gulf between 15 February to 15 May, 3-month closure of parts of Andaman Sea covering 4 provinces (Krabi, Phuket, Pang Nga and Trang) between 1 April and 30 June, and the closure of the inner Gulf between 1 June and 31 July, which recently took place in 2014. Despite these efforts, there remains the concerns particularly by European Union about the fishery management in Thailand (especially in the monitoring and control of illegal fishing) and the inconsistency of the traceability system by the concerned authority and EU regulations on IUU fisheries. It has been speculated that European Commission would issue Thailand a yellow card in early 2015, leaving Thai Government six-month period to satisfactory prove the improvements on the vessel monitoring system within Thai waters and control of valid vessel registration and licensing for Thai vessels operated overseas. Failure to comply with this demand may lead to EU's ban on Thailand's fisheries exports. This could have devastating impacts on the entire fishing and seafood processing industry in an order of 100 billion baht per year. Despite half of revenues of the company is generated from our production base in Thailand, it is expected that the impact from the imposition of ban would have been toned down by the relatively small proportion of export to the EU market. However, such a measure can produce negative implications that affect the consumer confidence in other regions and potentially lead to pending orders—or even restraining from ordering— of the products from Thailand.

For these reasons, Thai government has placed the agenda to combat human trafficking and IUU among the top priorities by establishing the Policy Committee to address the problems of Human Trafficking and Illegal, Unregulated, and Unreported Fisheries chaired by the Prime Minister. The 6 conceptual frameworks of the policies are (1) Fishing vessel registration and licensing, (2) Monitoring, Control and Surveillance, (3) Vessel Monitoring System, (4) Traceability System, (5) Revision of Fisheries Act and respective legislation, and (6) National Plan of Action – IUU (NPOA-IUU). These plans are meant to resolve and prevent IUU fishing by Thai fishing vessels both in Thai and international waters as well as the import of IUU-related products. These initiatives pave way for an integration and a joint cooperation between the Marine Department, the Department of Provincial Administration, the Marine Police Division, the Royal Thai Police, the Royal Thai Navy, the Customs Department, the Ministry of Foreign Affairs, the Ministry of Labor, the Ministry of Social Development, Human Security and 22 local fisheries associations in coastal provinces and other private sectors.

Apart from Thai domestic resources, there have been new developments of fishery policy and regulatory reforms made in the neighbor countries whose fishing waters are the fishing grounds and the sources of raw materials for Thai seafood processing industry. Indonesia alone has recently introduced new fishing policies and laid down new regulations, for example, fishing licensing, implementing fishing quota based on catch quantity and period allowed for fishing, demanding the catch to be processed prior to exporting, enforcing measures against illegal fishing, establishing marine conservation areas and the specifications of fishing methods, devices, vessels capacity, and other elements that could potentially harm the richness of its marine resources.

Trawl fisheries in Thailand has continued to be on the spotlight for its potential impacts on marine resources especially juvenile and endangered species, and the involvement of human trafficking and labor rights violation on-board the fishing vessels as addressed from time to time during the year by local and overseas NGOs, international organizations, trade partners, and media. Further connection has been made to aquaculture products whose feed ingredient, fishmeal, is made of trawl fishery products in order to put on pressure through market mechanism in particular overseas importers and retailers for immediate action by concerned parties on corrective and preventive measures.

Our Strategies

The company and its subsidiaries continue to support the governmental policy in eliminating IUU fisheries. In 2014, we have joined force with other associate members of the Thai Tuna Industry Association and Thai Frozen Foods Association to put forward an MOU with the Department of Fisheries and the Customs Department for more systematic import procedure of fishery products and data sharing between different systems to strengthen the capacity in screening and eliminating IUU-related raw materials.

In addition, Thai Tuna Industry Association along with the National Fisheries Association of Thailand, Thai Overseas Fisheries Association and the Department of Fisheries have signed on an MOU for developing internationally recognized products made from legally caught Thai longtail tuna through an implementation of effective vessel monitoring system (VMS) and standardized and transparent production processes.

The company provides its full support to the work of Thai Sustainable Fisheries Roundtable (TSFR) which is the collaboration to implement sustainable practices among key players in fishery and fishery-related supply chain which are National Fisheries Association of Thailand, Thai Overseas Fisheries Association, Thai Fishmeal Producers Association, Thai Feed Mill Association, Thai Frozen Foods Association, Thai Tuna Industry Association, Thai Food Processors Association and Thai Shrimp Association. In 2014, a significant progress has been made regarding the biodiversity and stock assessment in the Gulf of Thailand and the Andaman Sea to be the reference for future fishery improvement projects. An MOU has also been reached for Sustainable Fisheries Partnership (SFP) to perform an advisory role in the assessment in the Gulf of Thailand whereas the initial agreement stands firm for World Wildlife Fund (WWF) to support the assessment in the Andaman Sea. In parallel with that, the company works on physical and biological characterization of marine species caught by trawlers and purse seiners using our supply chain as a case study. Data collection and preliminary analysis have also been conducted with an advisory service from Sustainable Fisheries Partnership (SFP) and co-financed by importers and retailers who are the company's trade partners in the UK.

One of the most important strategies for the aquaculture feeds manufacturing and distribution of Thai Union Feed Mill Co., Ltd. is to continue research and development to find new alternatives that will help reduce—or better yet replace—the use of fishmeal sourced directly from fishery. Apart from D-Grow, the brand that innovates on shrimp feed of which the fishmeal component is solely made from tuna by-products the company has also for some time marketed “Neo-Pro,” the freshwater fish feed having none of its fishmeal components sourced directly from fishery. Indeed, we are committed to our R&D work to create other fishmeal formula with reduced proportion of fishmeal sourced directly from fishery.

The company in cooperation with trade partners and suppliers has carried out various marine resource conservation and improvement projects, for example, Crab Banks operated by Pakfood Public Company Limited at Kung Krabaen Bay Royal Development Study Center in Chanthaburi and other locations of its suppliers in Pattani, Songkhla and Trang. We have also collaborated with the educational sector to foster awareness to the new generations about the natural resources and its conservation through projects like mangrove plantation with the participation from company's staffs and students from Stree Manda Pitak School at Takat Ngao Sub-district, Tha Mai District, Chanthaburi. The project was also held in celebration of the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's 60th birthday anniversary.

PRINCIPLE NO.2 - LABOR PRACTICES

Materiality Aspect

The issue of labor affects the company's sustainability in 2 aspects, namely the risk of the shortage of the workers with food processing skills and the reputational risk caused by the labor problem in supply chain. The risk of labor shortage tends to be increasingly severe, especially with regard to food processing, which is known for labor intensive. Part of the problem results from the changing economic and social landscape of the developing countries, our key production base. However, the problem of labor shortage has been alleviated to some extent over the past year. The Early Mortality Syndrome (EMS) outbreak has caused a drastic reduction of shrimps in the country and has therefore led to the reduction of production capacity in the industry of shrimp aquaculture and processing. As a consequence, the surplus labor has moved to relevant industry, thereby mitigating the tight labor conditions.

The reputational risk caused by the labor problem in supply chain can be seen in 2 aspects, namely, (A) The gaps between the standards for labor protection and welfare adopted by developed countries (which are our major markets) and developing countries (which are our production base), which cause major concerns on working hours, freedom of association and collective bargaining, and decent living, and (B) The protection of human rights and fair treatment for migrant labors. The latter is a specific challenge of Thailand due to significant migrations of people from neighboring countries to fill in job vacancies in the manufacturing sector, especially in the fishing and food processing industries. In 2014, the problem of human rights in Thailand's fishing sector was reported from time to time. Although US Department of State's downgrading of Thailand to 'Tier 3' placement in its Trafficking in Persons (TIP) report does not have a direct impact on international trade as the US President decided not to impose sanctions against Thailand's products, this has caused significant concern to trade partners.



Our Strategies

In early 2014, it seemed that the situation regarding the protection of human rights for migrant labors aggravated per the reports of some foreign media. Nevertheless, after the political change in the second half of the year, the government seriously imposed and carried out stringent policies to solve the problem of human rights, thereby causing practical results which serve as foundation of good long-term management. However, the problem which has been accumulated for a long time cannot be completely solved in a short time. The company has still monitored and closely kept up with the situation nationwide. In the meantime, labor management strategy maintained the same standard as that of 2013 and was divided into 3 main strategic areas: (1) Ensuring full protection of our workforce, (2) Working towards socially responsible supply chain, and (3) Providing full support for industry and nationwide initiative to combat human trafficking and human rights violations.

“Ensuring Full Protection of Our Workforce”

In 2014, the Human Resources teams of the company and its subsidiaries in Thailand were in consultation and defined work guidelines together to ensure that human resources and welfare management is standardized and in compliance with the previously announced Code of Conduct concerning Labor Practices, and is carried out properly in accordance with the business context of each business unit. During the year, there were some adjustments of welfare and benefit to ensure consistencies among the subsidiaries. Furthermore the company and its subsidiaries whose production base is in Thailand still undergo continual assessment according to the international social requirements such as Ethical Trade Initiative (ETI) and the requirements that meet customers' standard.

In addition, the company has exchanged experience as well as knowledge of recruitment practices and is open to recommendations or comments from external stakeholders such as customers, trade associations, human rights activists, media, and civil society organizations. This leads the company to collaborate with recruitment agencies on defining transparent and fair costs of recruitment and labor importation process. This applies to migrant labors of all nationalities (mainly Myanmar and Cambodia).

“Working Towards Socially Responsible Value Chain”

Nowadays, the Supplier Code of Conduct is made universal and standardized for the company's subsidiaries, both in Thailand and overseas. Chicken of the Sea International (COSI) is the leader among the company's subsidiaries with regard to the supervision of suppliers' ethical labor practices. The key success lies on the suppliers' social performance assessment using third party, and the education and training of employees and persons in charge about risks associated with labor. As for the companies in Thailand, the supplier assessment system which was tested with the supplier of TUF's seafood processing plant in Samut Sakhon in 2014 is now being standardized for usage by the company's subsidiaries, expected in 2015.

“Providing Full Support to Industry and Nation-Wide Initiative to Combat Human Trafficking and Human Rights Violations”

In 2014, the Ministry of Labor enacted the Ministerial Regulation concerning Labor Protection in Sea Fishery Work. The important content includes the prohibition of employment of persons under 18 years of age, the protection of employees on all fishing vessels regardless of the number of employees, the minimum hours of rest not less than 10 hours in any 24-hour period and not less than 77 hours in a week, 30-day annual leave with pay, actual sick leave with pay for no more than 30 days, employee registration, wage and overtime payment document, the provision of written contract, the arrangement for annual occasion for employees to present themselves to the labor inspectors, the provision of drinking water, toilets and medical supplies, and the prohibition of the employer from requesting or withholding a deposit or a guarantee for damages from employees. The company will urge fishery suppliers to abide by the government's policies strictly, apart from the proactive measures carried out previously with regard to the registration of migrant labors, the request for work permit, and the provision of employment contract.

In addition, the company has provided continuous support for the action plan by the Department of Fisheries in addressing labor issues and promoting better working conditions in Thai fishing industry including the Good Labor Practices (GLP) program implementation for shrimp and seafood preprocessors and the fishing sector, the development of fishing crew identification and inspection system, and Port in – Port out for ships and crews.

PRINCIPLE NO.3 - ENVIRONMENTAL PROTECTION

CLIMATE CHANGE

Materiality Aspect

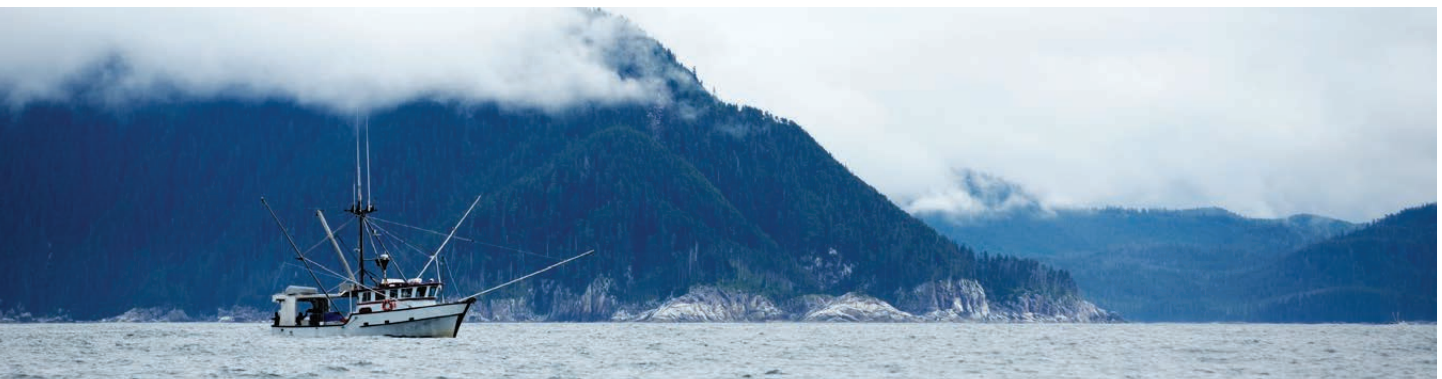
Climate change is a phenomenon which has a wide-range impact on the environment, including marine and terrestrial ecosystem. As our supply chain covers fishing activities, aquaculture and mariculture, land and water transportation, processing activities with water and energy intensive, climate change can then affect our business operations directly and indirectly. Directly, seasonal variation as well as the variation of the temperature and the current in the ocean lead to the uncertainty of the product output from fisheries and aquaculture, thereby causing higher risks from the volatility of the supply and price of raw materials. The aspects of a volatility of raw material prices and the risk of the shortage of supply of tuna and shrimps remain inclusive in the risk register at a corporate level since the previous year.

Our Strategies

“Combat and Mitigate Risks from Climate Change”

As the greenhouse gas emission, one of the factors known to affect climate change, has a direct relationship with energy consumption, the company has thus focused on energy efficiency by following the implementation in accordance with the energy management system ISO 51001, which is the management of cost together with the reduction of greenhouse gas emissions (GHG) from our business activities. At present, 2 of our main business units; TUF's seafood processing plant in Samut Sakhon Province in Thailand and Chicken of the Sea International (COSI) in Georgia, USA have defined the long-term (2020) targets of reducing energy intensity by 30% and 20%, using the baseline of energy consumption rate in 2013 and 2012 respectively. With regard to the progress of the greenhouse gas emissions (GHG) reduction activity, TUF's seafood processing plant in Samut Sakhon was certified Carbon Footprint for Organization or CFO by Thailand Greenhouse Gas Management Organization on September 19, 2014. Meanwhile, SEALECT Tuna Green Curry (Kaeng Khiaw Waan Tuna), manufactured by Thai Union Manufacturing Co., Ltd., and SEALECT Sardine in Tomato Sauce, manufactured by TUF, have been approved for the use of Carbon Footprint of Products (CPF) consecutively in the 5th year and in the 2nd year respectively.

Regarding the impacts imposed by the supply chain, Chicken of the Sea International (COSI) has monitored the situation for 3 consecutive years and found that the amount of greenhouse gas caused by transportation is 3 times greater than that caused by production processes. Therefore, the company will focus on further analysis and identifying ways to manage our supply chain together with concerned subsidiaries to ensure effectiveness in the implementation of greenhouse gas reduction.



ENVIRONMENTAL IMPACTS

Materiality Aspect

Environmental impacts cause corporate risk in 2 aspects, namely the impacts of the degraded environmental quality on business operations and the impacts caused by business activities on the environment and the community. The former has resulted in the direct impacts on raw materials as discussed previously and the potential risks about the supply and quality of resource use such as water and fuel, as a result of the change of environmental quality (including climate change). On the other hand, the impact caused by business activities may affect our license to operate as governed by law and regulation as well as the expectations set by our stakeholders which are at the level beyond compliance (such as Greenhouse Gas Reduction Initiative and Green Supply Chain).

Our Strategies

ISO14001 is a basis for environmental management adopted by the company and its subsidiaries to prevent the risk of environmental impacts caused by business activities and to ensure that the management of risks or potential risks are implemented effectively and timely. By the end of 2014, the companies which have already been certified ISO14001 include Thai Union Frozen Products PCL., Thai Union Manufacturing Co., Ltd., Songkla Canning PCL., Thai Union Seafood Co., Ltd., Pioneer Food Cannery (PFC) in the Republic of Ghana, and Indian Ocean Tuna (IOT) in the Republic of Seychelles.

“Water Risk Management”

Seafood processing is known for its water intensive in terms of direct process water consumption and the production of steam essential for quality and sanitation control. Water management is important to ensure consistent water supply. The plants located in an urban zone (such as the company’s processing facilities in Samut Sakhon) are faced with constraints of water supply as the use of groundwater is no longer permitted in an avoidance of land subsidence, and the direct withdrawal from natural water courses is not practical due to poor water quality. Municipal water supply has become the major source of water, causing the risks associated with the consistency of supply when the problems in the municipal water production system or water supply network arise.

Therefore, water risk management plans have been made in preparation for crisis and emergency situation in the case of water shortage. The plans consist of

- The arrangement for water reserve exclusively for the production unit that requires a large amount of water,
- The arrangement for central water reserve system to ensure water supply for important utility system such as steam production, cooling system for cold storage, etc.,
- Close coordination with Waterworks Authority in preparation for crisis preparedness, and
- Preparation with outsourced suppliers in case Waterworks Authority cuts off the water.

“Air Pollution Management”

Air pollutants such as dust and sulfur dioxide (except greenhouse gases) commonly disseminate locally, and therefore cause impacts within the vicinity of the source. For our production facilities located in town, we place the preventive measures at the highest priority. Ranges of measures from pollution prevention to emission control and treatment are implemented. The table below provides examples of the implementation of air pollution management in 2014.

Principle	Method	Implementation in 2014	Achievement	Related Business Unit
Source Prevention	Material Substitution	Change of coal's attribute to low sulfur coal	Reduction of sulfur dioxide	TUF's seafood processing plant in Samut Sakhon
	Usage Reduction	Increase in frequency of maintenance of refrigerating system and air conditioning system	Reduction of Ozone Depleting Substance emitted into atmosphere	
Pollution Control or Treatment	Establishment of Stringent Beyond-Compliance Targets for Air Emissions and Effluent	Control of air emission and wastewater quality to be within defined criteria	Rate of pollutant emission to be within the limits imposed by law	

“Packaging Material Management”

Nowadays, solid waste has become a common problem in almost all countries in the world, especially in metropolitan areas. Consequently, the company makes a particular emphasis on the reduction of packaging material associated with production processes and products as follows:

- The reduction of packaging material usage by working with domestic customers to enable the reuse of packaging materials used for logistics and transportation
- The increase in recyclable packaging material for the company's products

“Effluent Management”

With large amount of water usage, the amount of wastewater required to be treated to the qualities in consistent with or better than the regulatory limits prior to being discharged to public water courses is correspondingly high. Therefore, the company’s effluent management focuses on

- **The reduction of water usage**

The company has incorporated the initiatives for reducing water usage as part of the corporate research and development roadmap with an emphasis on water-intensive activities such as thawing. Not only the focus on water usage, our research and development aim also at product quality as well as productivity. Good example is the application of thaw chamber by Chicken of the Sea International (COSI) at its packing facility in Georgia, USA, to preprocess frozen materials prior to usual thawing with the achievement in reducing water as well as processing time.

- **Reduction of wastewater loading at the source**

The company constantly makes improvements to the production processes to enhance the capacity for preventing materials or solid waste from the production line from cross-contamination to wastewater. For those already contained in wastewater, the separation will be made in order to extract valuable by-products such as fat and protein contained in water used for cooking of tuna, blood contaminated in water from material cleaning activities, etc.

- **Ensuring the integrity of wastewater treatment system**

The company and its subsidiaries place extremely high importance on the integrity of high standard in wastewater treatment system to ensure that the water discharge quality is always better than that imposed by the law under any circumstances.

- **Reusing treated effluent within the factory**

It is now common for our factories to make use of treated effluent for activities within the factory where water quality is not the critical concern such as cleaning the space outside of the building and the surrounding areas, gardening, and for sanitary purpose.

- **Making use of wastewater treatment sludge**

Songkla Canning PCL. is the first plant within the group companies to successfully make use of wastewater treatment sludge as fertilizer for plantation through the cooperation with the community and relevant government agencies.



PRINCIPLE NO.4 – INNOVATION AND PRODUCT RESPONSIBILITY

INNOVATION

Materiality Aspect

Given that our products (e.g. canned tuna and frozen seafood) are of natural resource base and widely known among consumers for long time, innovation has become an important element for competitiveness going into the future. There are needs for product and service differentiation, operational and management excellence, and choices for more sustainable raw materials that allow us to overcome the limitation of resources.

Our Strategies

In order to drive toward an innovative organization, the company puts an emphasis on developing body of knowledge and laying the foundation of research and development. In continuation from 2013, we have conducted research on the consumers' attitudes and lifestyle for tuna consumption in the company's major markets comprising USA, UK, France, Italy, and Thailand. The outcome enables us to develop our tuna and tuna-related products that have outstanding features and fulfill consumption needs in the future.

The research and development (R&D) teams of the company and its subsidiaries have continuously developed new products that meet customer's needs in terms of taste, lifestyle, and convenience (such as tuna steak and No Drain canned tuna products). They have also worked closely with customers on the development of products whose quality and standard meet market demand. In 2014, our R&D has leaped forward with the collaboration between Faculty of Science, Mahidol University and our newly established Global Innovation Incubator for its new research facility in Thailand with over 100 million Baht investment. The R&D team engaged for this new facility consists of 36 principle investigators and 24 research assistants from the university with 25 researchers from the company to carry out research on tuna with the possibility of extension products in the future. 5 highly respectable expert and professionals are engaged as the advisors on the scientific advisory board (SAB).

In addition, the company has invested in the new R&D laboratory for MW Brands. It is located at Douarnenez Plant, in France, with the investment fund of over €400,000, or approximately 18 million Baht. This new R&D facility is expected to lead the product and process innovation in supporting our leading brands' positioning in France, UK, Northern Europe, Dubai, and Italy. It is also another supporting arm for MW Brands' export business.



PRODUCT RESPONSIBILITY

Materiality Aspect

For food industry, quality and food safety are crucial and the capacity to fulfill the most stringent standard is required to ensure that stakeholders, especially customers and consumers have trust in the company's products and services. Inappropriate management may cause mistakes that can have negative consequence on the reputation of our products and the company itself. In the worst case, the license to operate may be withdrawn.

Our Strategies

“Stringent Standard”

The company places importance on the maintenance of high standard in many areas, ranging from the purchase of raw materials, production management, warehouse and logistics management, to traceability system. The company has fulfilled various international standards and requirements such as

- Good Manufacturing Practice (GMP)
- Hazard Analysis and Critical Control Points (HACCP)
- ISO 9001
- BRC Global Standards for Food Safety
- International Food Standards (IFS)
- Kosher Certificate
- Best Aquaculture Practice (BAP)
- WQA Standard (Woolworths Quality Assurance Standard)
- Halal

“Stringent Inspection”

Quality assurance system helps us ensure that our operations strictly fulfills the aforementioned quality and food safety standards. In addition to the assessment of the integrity of management system, we look further in detail for the quality indicator of raw materials, ingredients and seasoning, packaging, goods in-process, products and other resources (such as the quality of water used in production process and the control of temperature in the production line) as well as the accuracy of label and information on the product. These are conducted by our team with diverse expertise together with in-house ISO/IEC 17025 certified laboratories.

“Ethical Practices in Marketing Communication”

In addition to the supervision of quality and food safety, we place importance on marketing communication practice in particular the accurate and factual product labelling and information provided for decision making such as nutrition fact, resource sustainability, and environmental impacts from production, etc.

PRINCIPLE NO.5 - OUR COMMUNITIES

FISHERY COMMUNITIES & MARINE RESOURCES

Materiality Aspect

Working with fishery communities for marine resources protection and restoration is another dimension of sustainable sourcing that is as important as sustainable fishery management in our supply chain. We are aware that many important spawn and nursery grounds are along the coast line which are in close connection with the livelihood of local fishery communities. The collaboration with them in conserving marine resources therefore means also to enhance the quality of life and to maintain local traditions which are compatible with nature on which their lives depend.

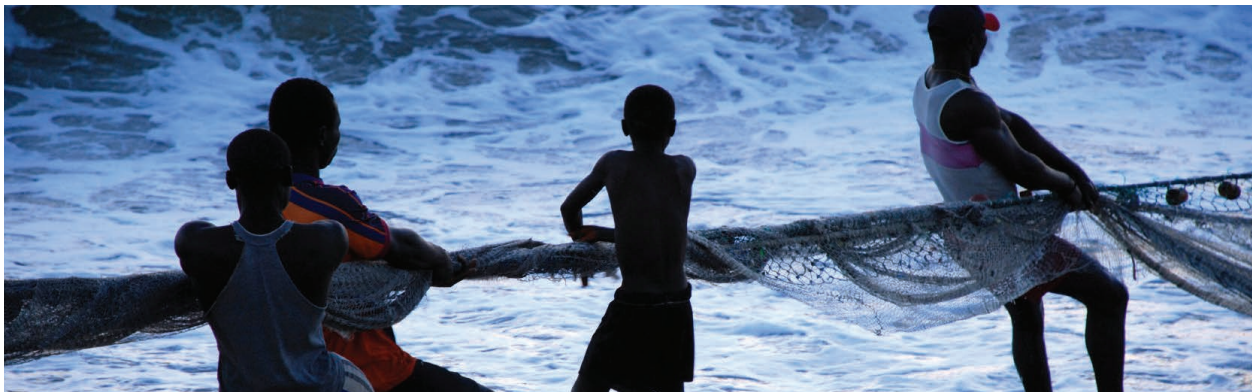
Our Strategies

“From Thailand’s Sea”

As Thailand is the base for our business operation and is linked to our supply chain in almost every region, we thus put an emphasis on collaboration with local fishery communities with an aim to set a leading practice for sustainable supply chain development. This has been carried out in partnership with concerned private sectors, government, and civil society.

Since 2013, TUF has worked with the Right Livelihood Foundation on defining the model fishery community that is self-sustained. The work started by setting up the stage for discussion and fine-tuning viewpoints among Bangson community members who reside in Patew District, Chumporn in order that the sustainable development roadmap for the community can be established on the basis of fully engagement and thorough understanding of the interrelation between economic, social, and environmental dimension at local level. In 2014, TUF has initiated the collaborated partnership with International Union for Conservation of Nature and Natural Resources (IUCN) to perform a baseline study of biodiversity richness in collaboration with concerned authorities and academic institution in that area. The study aims also at obtaining information which indicates resources sustainability to ensure that Bangson Community can really move forward according to the sustainable model scheme.

The blue swimming crab breeding project which Pakfood Public Company Limited works in collaboration with Kung Krabaen Bay Royal Development Study Center by His Majesty King Bhumibol and National Fisheries Institute (NFI) is another example of our initiatives to develop model for resource sustainability at regional scale. This project has demonstrated that the work at one small area in Chantaburi can have the impacts in increasing the population of blue swimming crab in much wider areas and result in the expanded cooperation among the fishermen nearby to support the project by donating egg-bearing crabs for breeding. We aim to carry out this project in-depth by raising awareness among new generation to ensure that the dedication to preservation will be passed on to the next generation through the blue swimming crab breeding or other relevant activities at the center.



“Going International”

Apart from our aim of having all seafood used in MW Brands products sold in Europe from sustainable sources (i.e. MSC certified fisheries, ASC certified farms, or those engaged in fishery improvement projects aimed at bringing them up to MSC/ASC standard), MW Brands has supported WWF's work with coastal fishing communities in East Africa to enable essential research and monitoring activities that help ensure the sustainability of inshore fisheries and the livelihoods that depend on them.

“With over 250 million people earning their living from fishing and one billion people relying on fish as their primary source of protein, the world needs to be sourcing seafood sustainably and responsibly. Working together with MW Brands – one of Europe’s largest manufacturers of canned seafood – we have a great opportunity to drive large scale, positive change – ultimately delivering impacts that will help ensure the future of our oceans’ natural resources”

“David Nussbaum, WWF-UK Chief Executive

WIDER SOCIETY

1. ETHICS AND ANTI-CORRUPTION

Materiality Aspect

It is generally accepted that corruption can bring harm to economic, social, and environmental development, which directly affects the sustainability of concerned society at large as well as business entities operating within that society. As TUF has diversified business operation base covering almost all the regions around the world, we have then encountered diverse range of business environment in particular in the degree of transparency. According to the latest assessment by Transparency International, the level of corruption perception of the countries which serve as business base where the companies have investment or run business ranges from excellent to rather low. Therefore, it is our challenge to develop and maintain good operation standard and meet the expectation of the stakeholders who want us to lead the change.

Country	Related Business Units	Score (out of 100)	Rank (out of 175)
Norway	King Oscar	86	5
Netherlands	John West Foods	83	8
Canada	Canadian Pet Nutrition, ULC	81	10
Germany	John West Foods	79	12
United Kingdom	John West Foods	78	14
Ireland	John West Foods	74	17
United States	Chicken of the Sea/Chicken of the Sea Frozen Foods	74	17

Country	Related Business Units	Score (out of 100)	Rank (out of 175)
France	MW Brands/Petit Navire/MerAlliance	69	26
Portugal	MW Brands/ESIP	63	31
Poland	King Oscar	61	35
Seychelles	MW Brands/IOT	55	43
Ghana	MW Brands/PFC/TTV	48	61
Italy	MW Brands/Mareblu	43	69
Thailand	TUF and Subsidiaries	38	85
Vietnam	Yueh Chyang Canned Food	31	119
Papua New Guinea	Majestic Seafood Corporation	25	145

As for Thailand, our major production base, there has recently been a positive development. In accordance with the assessment by Transparency International, the Corruption Perception Index (CPI) of Thailand increased from 35 in the previous year to 38 in 2014 resulting in improved ranking from 102 to 85. This reflects the strong commitment and action taken by both public and private sectors to combat corruption. The government has a clear policy and strongly enforces the law against corruption in the government system. Meanwhile, the fight against corruption has gained a more solid ground in the private sector with 406 private organizations expressed their intention to participate in the Collective Action Coalition against Corruption (CAC) with 96 organizations as certified members by the end of 2014. In addition, the Securities and Exchange Commission implemented Anti-corruption Progress Indicator of Thailand's listed companies and revealed the assessment results in October 2014 so that the investment community would have additional information on corruption before making an investment. Based on our observation, there has also been a higher level of enquiry and concern in regard to business practice on anti-corruption.

Our Strategies

“Firm Standpoint”

TUF has announced its standpoint and intention to fight against all kinds of corruption, including extortion and bribery according to the 10th Principle of United Nations Global Compact, which the company joined in 2013. In 2014, the Board of Directors announced anti-corruption policy, together with guidelines and procedures to provide concrete and clear guidelines for business units and stakeholders.

“Getting Started – Start with Ourselves”

The aspects of our operation with potential risks for corruption have been brought into consideration and managed systematically for better control. For example, in the case of issuing or renewing fishing license for the company's fishing fleet under the supervision of TTV Limited, the internal legal process to verify the validity of the fishing license has been improved to be more effective with double checking system with relevant authorities. Another clear example is the increasing stringency of budget approval for large projects which need to be reviewed by steering committee and be in the e-auction process for transparency and fairness. In 2014, the value of the procurement via e-auction was as much as 1,133 million Baht with 548 suppliers, compared to the value of 1,047 million Baht with 350 suppliers in the previous year.

“Collaboration for Change”

The company is committed to working with stakeholders from all sectors to push for transparency in every aspect of business operation. In the past year, the company and its subsidiaries, as members of Thai Tuna Industry Association, pushed for an agreement with the government sector and private organizations. The key content is as follows:

- A) An MOU with the Department of Fisheries, Customs Department, and Thai Frozen Foods Association to push for systematic importation of fishery products by linking all database in all systems and to enhance the capacity for sourcing management for Thailand’s fishery products.
- B) An MOU with the Department of Fisheries, Fisheries Association of Thailand, and Thai Overseas Fisheries Association to develop internationally recognized products made from legally caught Thai longtail tuna through an implementation of effective vessel monitoring system (VMS) and standardized and transparent production processes.

WIDER SOCIETY

2. PHILANTHROPIES

Materiality Aspect

The three pillars of sustainability - economic, social, and environmental - are based on the well-being of society. Therefore, the company is well aware that for sustainable business operation, we need to share our capacity to provide assistance and solve social problems. However, due to resources limitations, our philanthropies focus on collaboration with responsible organizations in their activities or plans so that the results will be concrete and meaningful.

Our Strategies

“Pay it forward”

The company believes in passing goodness forward by starting to do good things first. On the occasion of Chicken of the Sea International (COSI)’s centennial, we celebrated by giving a donation of 1 million US dollars (or over 30 million Baht) to charities and general public in the USA who have contributed to the society. This led to positive impact in many aspects. For example, Lekotek of Georgia was able to provide 300 pieces of educational toys for sick children; the support for Volunteer Odyssey created community service jobs for 5 unemployed people for 840 working hours; we enhanced the capacity of Big Brothers, Big Sisters of Metro Atlanta for providing consultation for 3,390 young people, and we supported Pacifica Beach Coalition in the project which collected 100,000 cigarette butts on the beach.





Another activity the company has continuously invested in is sport because it contributes to the quality of the society. The company has sponsored sports teams at both regional and national levels. For instance, the company has been an official sponsor for Thailand women's national volleyball team for 31 consecutive years. We have also organized a mini marathon for the management, employees and their families in Samut Sakhon for 6 consecutive years with over 4,000 contestants.

“For Those in Need”

The company has provided donations and contributions for the underprivileged and those affected by natural disaster. For example, the company has worked with other private organizations on the establishment of Power of Thai Foundation since the serious inundation in Thailand in 2011 while Chicken of the Sea International (COSI) donated 1,000,000 sets of food to Feeding America to alleviate the poor's hunger.

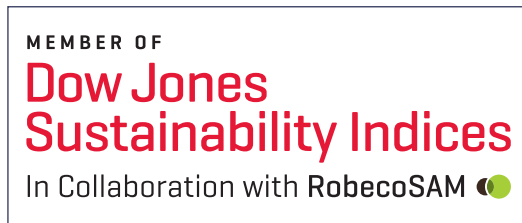


AWARDS



1. **Ranked 2nd, Best CEO and Ranked 2nd, Best CFO from FinanceAsia Magazine**
2. **Best CEO for the 6th consecutive year from IAA Awards for Listed Companies 2014 and Best Investor Relations in the Agricultural and Food Industry from Investment Analysts Association (IAA)**
3. **Thailand's Corporate Brand Rising Star 2014 Award from Chulalongkorn University,**

based on a research on Evaluating and Ranking Corporate Brands in Thailand conducted by the Marketing Department, Faculty of Commerce and Accountancy, Chulalongkorn University. The growth rate of TUF's brand value was 179.71 percent, equivalent to THB 12 billion – an outstanding achievement in the Agricultural and Food sector comprising of 46 listed companies.



4. TUF has been selected by the Dow Jones Sustainability Indices (DJSI) Emerging Markets 2014 in the Food Category.

DJSI is one of the most highly regarded global sustainability indices. Each year a select number of large companies worldwide are invited to participate in the annual Corporate Sustainability Assessment (CSA). 2014 was the first year for TUF to be selected by DJSI as the first Thai company in the food category and as an official member of DJSI Emerging Markets 2014.

5. Outstanding Sustainability Report Award 2014 from the Securities and Exchange Commission, Thai Listed Companies Association, CSR Club and Thaipat Institute with consideration given to completeness, credibility and communication of the report

TUF's outstanding achievement in sustainability report reflected the ability to present the visualization and content of the context of sustainability in relation to the operation of the organization and the explanation of the uses of natural resources for the business operations and its impacts with explicit details.

6. CSR Recognition Award 2014 from the Stock Exchange of Thailand,

presented to listed companies whose operations have been committed to social responsibilities to reflect sustainable operations which cover the 3 important aspects: environmental, social and corporate governance.

7. SET Awards 2014 – Outstanding Achievement in the Category of Investor Relations and Outstanding Achievement in the Category of Corporate Social Responsibility from the Stock Exchange of Thailand and Money and Banking Magazine.

The two prestigious awards demonstrated TUF's outstanding operations in investor relations and corporate social responsibility throughout the year.

8. Certificate for the Carbon Footprint for Organization Project from the Thailand Greenhouse Gas Management Organization (Public Organization).

TUF has been honored as one of the pioneer organizations who have recognized and given priority to the reduction of greenhouse gas emissions while actively participating in the project.

FACTS ABOUT THAI UNION GROUP

BEING THE WORLD'S SEAFOOD EXPERT WITH



TUNA PRODUCTION CAPACITY

610,000
TONS PER YEAR



SHRIMP PRODUCTION
CAPACITY

100,000
TONS PER YEAR



SARDINE & MACKEREL PRODUCTION CAPACITY

106,000 TONS PER YEAR



OVERALL COLD STORAGE
CAPACITY OF
135,000 TONS



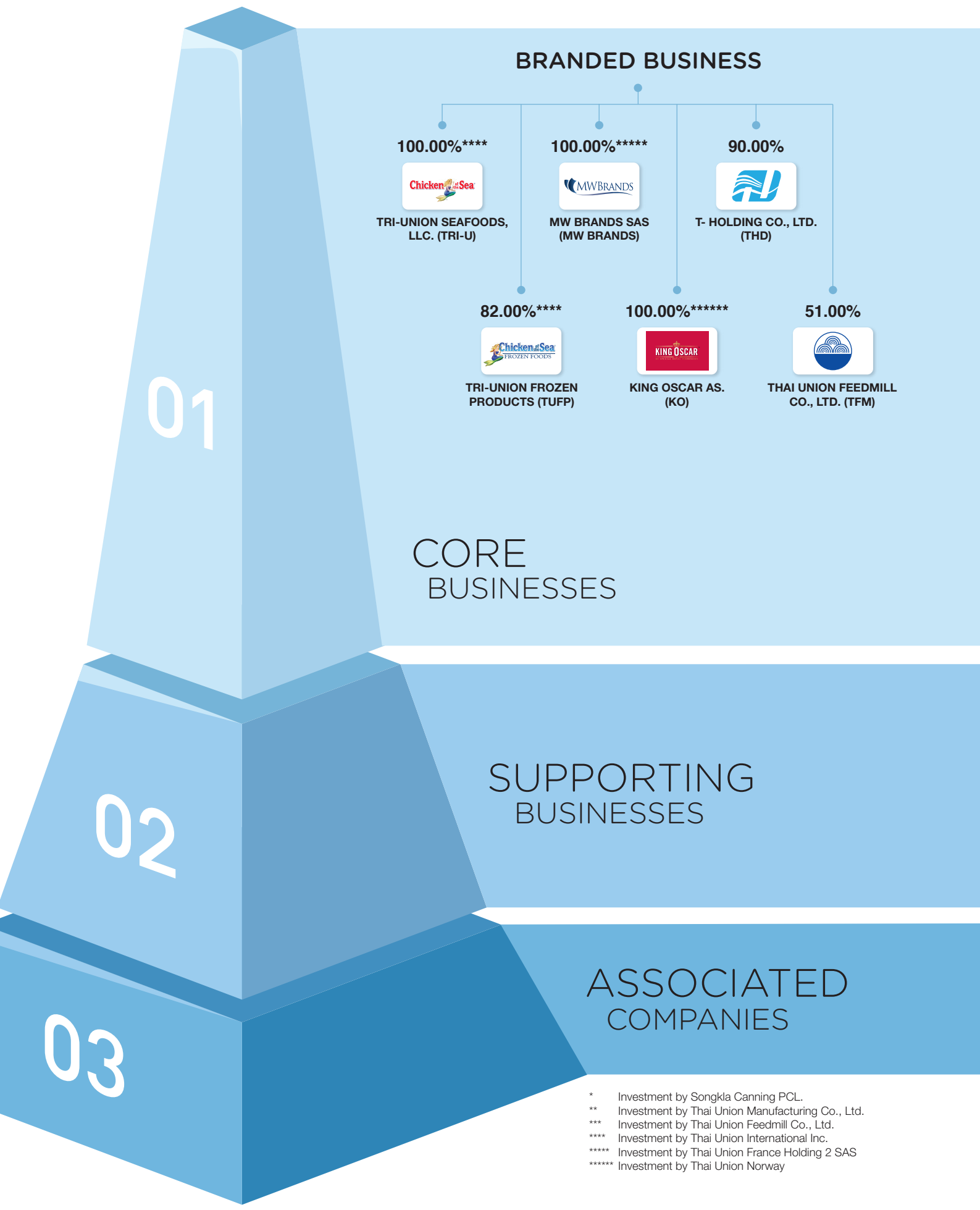
GLOBAL
WORKFORCE OF
35,000
PEOPLE



PET FOOD PRODUCTION
CAPACITY
49,000
TONS PER YEAR

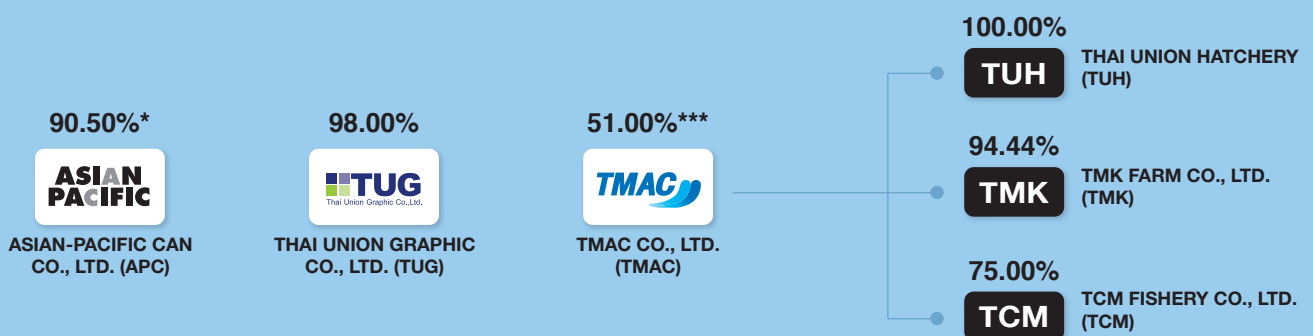
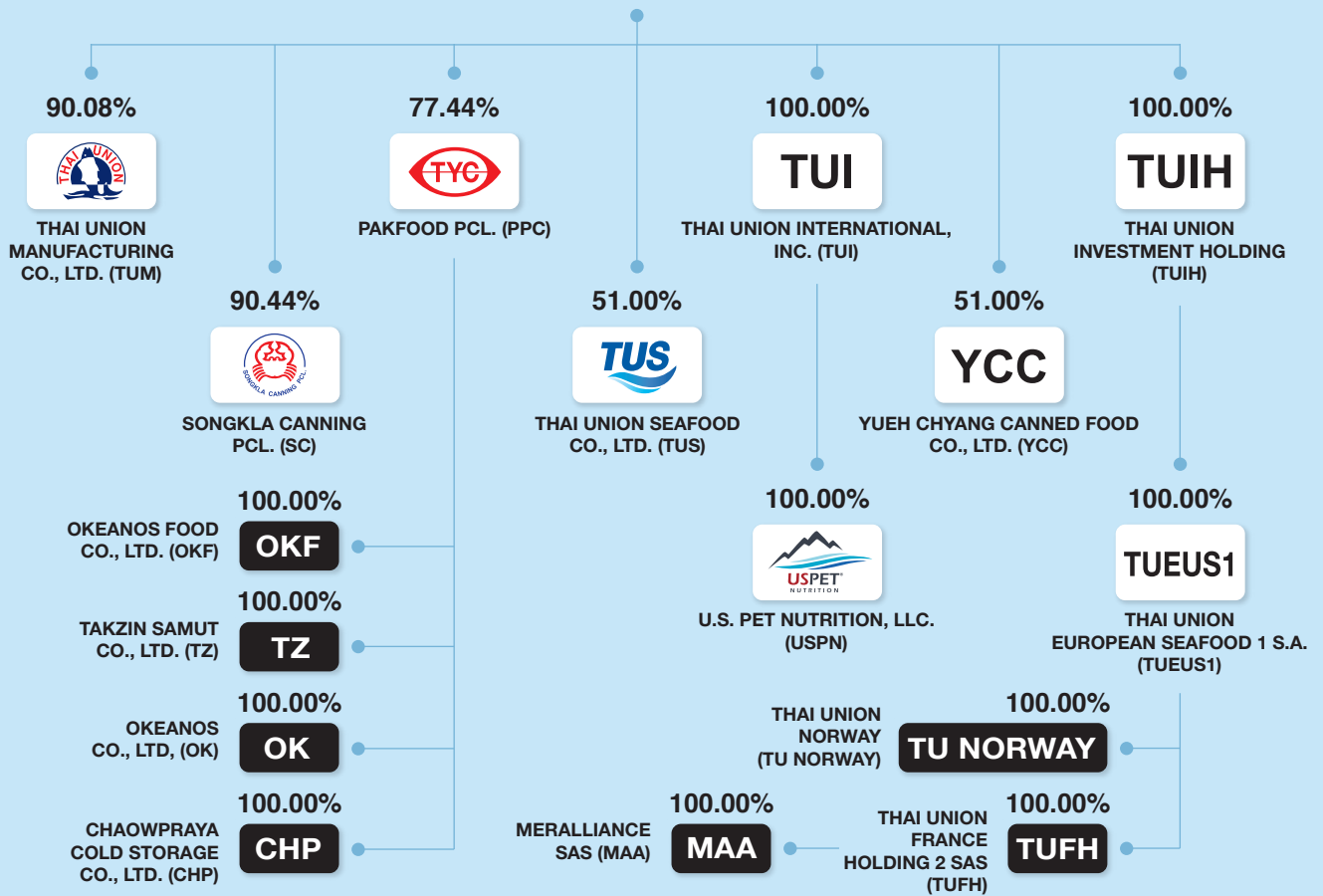
MANUFACTURING
FOOTPRINT COVERING
9 COUNTRIES
IN 4 CONTINENTS;
AMERICA, ASIA,
AFRICA AND EUROPE

GROUP BUSINESS STRUCTURE



* Investment by Songkla Canning PCL.
 ** Investment by Thai Union Manufacturing Co., Ltd.
 *** Investment by Thai Union Feedmill Co., Ltd.
 **** Investment by Thai Union International Inc.
 ***** Investment by Thai Union France Holding 2 SAS
 ***** Investment by Thai Union Norway

OEM BUSINESS



Remark: Subsidiaries that are held by subsidiaries in overseas will be shown in note to consolidated financial statement.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

GROUP BUSINESS 1:

CORE BUSINESSES BRANDED BUSINESS

01 TRI-UNION SEAFOODS, LLC. (TRI-U)



Office:	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
Tel:	(858) 558-9662
Fax:	(858) 597-4566
Type of Business:	Processor and distributor of canned seafood under "Chicken of the Sea" brand
Equity:	USD 44,738,978.81
Date of Investment:	July 1997 (Additional investment in January 2001)
Type/% Holding/No. of Shares:	100.00 percent membership interests (No shares were issued.) (Invested by Thai Union International, Inc.)
Website:	http://www.chickenofthesea.com

02 TRI-UNION FROZEN PRODUCTS, INC. (TUPF)



West Office:	222 North Sepulveda Boulevard, Suite 1550, El Segundo CA 90245, USA
Tel:	(866) 572-0996
Fax:	(310) 469-7037
East Office:	1981 Marcus Avenue, Suite 113E, Lake Success, NY 11042, USA
Tel:	(516) 740-4100
Fax:	(516) 621-0199
Type of Business:	Importer and distributor of frozen seafood products
Registered Capital:	Common share 10,000 shares at USD 0.001 par value
Type/% Holding/No. of Shares:	Common share 100 percent or 10,000 shares (8,200 shares owned by Thai Union International, Inc.)

03 MW BRANDS SAS (MW BRANDS)



Office:	104, Avenue du Président Kennedy 75016 Paris, France
Tel:	(33) 1-53-77-53-53
Fax:	(33) 1-53-77-17-13
Type of Business:	Processor and exporter of canned seafood in Europe
Registered Capital:	31,367,000 shares at EUR 1 par value
Date of Investment:	October 2010
Type/%Holding/No. of Shares:	Common share 100.00 percent or 31,367,000 shares (Invested by Thai Union France Holding 2 SAS)

04 KING OSCAR AS.



Office:	Nostegaten, Pp 400 Sentrum, N5805- Bergen, Norway
Tel:	(47) 482-93-000
Fax:	(47) 482-93-000
Type of Business:	Processor and exporter of canned seafood in Europe, the US and Australia
Registered Capital:	52,481 shares at NOK 100 par value
Date of Investment:	October 2014
Type/%Holding/No. of Shares:	Common share 100.00 percent or 52,481 shares (Invested by Thai Union Norway)

05 T-HOLDING CO., LTD. (THD)



Office:	98 17th Floor Room 9-12 Sathorn Square Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel:	66 (0) 2108-1980
Fax:	66 (0) 2108-1844
Type of Business:	Distributor of "Fishe", "Sealect" and "Bellotta" product lines
Registered Capital:	THB 70,000,000 at THB 10 par value
Date of Investment:	November 1996
Type/% Holding/No. of Shares:	Common share 90.00 percent or 6,300,000 shares
Website:	http://www.fishe.com and http://www.sealectbrand.com

06 THAI UNION FEEDMILL CO., LTD. (TFM)



Office/Factory:	89/1 Moo 2, Rama II Road, Tambon Kalong, Amphoe Mueang, Samut Sakhon 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7255
Factory:	103/1 Moo 2, Songkhla-Ranot Road, Tambon Pak-Trae, Amphoe Ranot, Songkhla 90140
Tel:	66 (0) 7453-6260-2
Fax:	66 (0) 7453-6268
Type of Business:	Processor and exporter of animal feeds
Registered Capital:	THB 500,000,000 at THB 10 par value
Date of Investment:	June 2000 (Additional investment in May 2001, October 2006 and August 2010)
Type/% Holding/No. of Shares:	Common share 51.00 percent or 25,500,000 shares
Website:	http://www.thaiunionfeedmill.com

GROUP BUSINESS 1:

CORE BUSINESSES

OEM BUSINESS

07 THAI UNION MANUFACTURING CO., LTD. (TUM)



Office:	979/13-16 M Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel:	66 (0) 2298-0025, 2298-0421 - 32
Fax:	66 (0) 2298-0027 - 28
Factory:	30/2 Moo 8, Sethakit 1 Road, Tambon Tarsrai, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3441-2210, 3481-6441 - 4
Fax:	66 (0) 3442-5459
Type of Business:	Processor and exporter of canned tuna and pet food
Registered Capital:	THB 300,000,000 at THB 10 par value
Date of Investment:	March 1994 (Additional investment in June 1999)
Type/% Holding/No. of Shares:	Common share 90.08 percent or 27,025,360 shares

08 SONGKLA CANNING PCL. (SC)



Office:	979/9-10 12th Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel:	66 (0) 2298-0029
Fax:	66 (0) 2298-0442 - 3
Factory:	333 Kanjanavanij Road, Tambon Pavong, Amphur Muang Songkhla, Songkhla 90100
Tel:	66 (0) 7433-4005 - 8
Fax:	66 (0) 7433-4009
Type of Business:	Processor and exporter of canned seafood
Registered Capital:	THB 360,000,000 at THB 10 par value
Date of Investment:	October 1995 (Additional investment in March 1999)
Type/% Holding/No. of Shares:	Common share 90.44 percent or 32,556,819 shares

09 THAI UNION SEAFOOD CO., LTD. (TUS)



Office:	979/8 12th Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel:	66 (0) 2298-0024
Fax:	66 (0) 2298-0550
Factory:	77 Moo 5, Songkhla-Ranot Road, Tambon Watkanun, Amphur Singhanakhon, Songkhla 90330
Tel:	66 (0) 7448-3482 - 7
Fax:	66 (0) 7448-3480 - 1
Type of Business:	Processor and exporter of frozen shrimp
Registered Capital:	THB 300,000,000 at THB 10 par value
Date of Investment:	December 1996 (Additional investment in March 2005 and October 2008)
Type/% Holding/No. of Shares:	Common share 51.00 percent or 15,300,000 shares

10 PAKFOOD PUBLIC COMPANY LIMITED (PPC)



Office:	103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
Tel:	66 (0) 2295-1991-9
Fax:	66 (0) 2295-2012
Factory:	30 Ekkachai Road, Tambon Nadee, Amphoe Mueang, Samut Sakhon 74000
Tel:	66 (0) 3483-3803 - 6
Fax:	66 (0) 3486-1110
Type of Business:	Processor and exporter of seafood and ready-to-eat products
Registered Capital:	THB 329,999,790 at THB 10 par value
Date of Investment:	April 2012 (Additional investment in December 2012, February 2013, March 2013 and November 2013)
Type/% Holding/No. of Shares:	Common shares 77.44 percent or 25,554,169 shares
Websties:	http://www.pakfood.co.th and http://www.ttimefood.com

11 CHAO PHRAYA COLD STORAGE COMPANY LIMITED

CHP

Office:	32 Soi Saphan Pla, Charoen Krung Road, Yannawa, Bangkok 10120
Tel:	66 (0) 2212-0496 - 7
Fax:	66 (0) 2211-5704
Type of Business:	Property leasing
Registered Capital:	THB 5,000,000 at THB 10 par value
Type/%Holding/No. of Shares:	Common shares 100.00 percent or 500,000 shares (Invested by Pakfood PCL.)

12 OKEANOS COMPANY LIMITED (OK)

OK

Office:	103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
Tel:	66 (0) 2295-1991-9
Fax:	66 (0) 2295-2012
Type of Business:	Wholesaler of fish and other marine products
Registered Capital:	THB 5,000,000 at THB 10 par value
Type/% Holding/No. of Shares:	Common shares 100.00 percent or 500,000 shares (Invested by Pakfood PCL.)

13 TAKZIN SAMUT COMPANY LIMITED (TZ)

TZ

Office:	103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
Tel:	66 (0) 2295-1991-9
Fax:	66 (0) 2295-2012
Type of Business:	Processor and distributor of frozen foods and aquatic animals
Registered Capital:	THB 15,000,000 at THB 10 par value
Type/%Holding/No. of Shares:	Common shares 100.00 percent or 1,500,000 shares (Invested by Pakfood PCL.)

14 OKEANOS FOOD COMPANY LIMITED (OKF)



Office:	103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
Tel:	66 (0) 2295-1991-9
Fax:	66 (0) 2295-2012
Factory:	85 Moo 4 Ekkachai Road, Tambon Nadee, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3483-3803 – 6
Fax:	66 (0) 3486-1110
Type of Business:	Processor, distributor and exporter of frozen seafood and delicatessen
Registered Capital:	THB 380,000,000 at THB 10 par value
Type/%Holding/No. of Shares:	Common shares 100.00 percent or 38,000,000 shares (Invested by Pakfood PCL.)

15 THAI UNION INTERNATIONAL, INC. (TUI)



Office:	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
Tel:	(858) 558-9662
Fax:	(858) 597-4566
Type of Business:	A holding company for investment in USA
Registered Capital:	8,100,000 shares at USD 1 par value
Date of Investment:	April 1996
Type/% Holding/No. of Shares:	Common share 100.00 percent or 8,100,000 shares owned by TUF

16 U.S. PET NUTRITION LLC. (USPN)



Office:	9330 Scranton Road, Suite 500, San Diego CA 92121, USA
Tel:	(858) 558-9662
Fax:	(858) 597-4566
Type of Business:	Processor and distributor of wet and dry pet food
Registered Capital:	USD 1
Equity:	USD 17,617,189
Date of Investment:	October 2010
Type/% Holding/No. of Shares:	Common share 99.00 percent (Invested by Thai Union International, Inc.) Common share 1.00 percent (Invested by Tri-Union Seafoods, LLC)

17 THAI UNION INVESTMENT HOLDING (TUIH)

TUIH

Office:	8th Floor, Medine Mews, La Chaussée Street, Port Louis, Republic of Mauritius
Type of Business:	A holding company for investment in Europe
Registered Capital:	222,000,000 shares at EUR 1 par value
Date of Investment:	June 2010
Type/%Holding/No. of Shares:	Common share 100.00 percent or 222,000,000 shares

18 THAI UNION EUROPEAN SEAFOOD 1 S.A. (TUEUS1)

TUEUS1

Office:	46A Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg
Type of Business:	Processor and exporter of seafood in Europe
Registered Capital:	210,250,690 shares at EUR 1 par value
Date of Investment:	October 2010
Type/%Holding/No. of Shares:	Common share 100.00 percent or 210,250,690 shares (Invested by Thai Union Investment Holding)

19 THAI UNION NORWAY (TU NORWAY)

TU NORWAY

Office:	Nostegaten, Pp 400 Sentrum, N5805- Bergen, Norway
Type of Business:	Processor and exporter of canned seafood in Europe and in the US
Registered Capital:	30 at NOK1000 par value
Date of Investment:	October 2014
Type/%Holding/No. of Shares:	Common share 100.00 percent or 30 shares (Invested by Thai Union European Seafood 1 S.A.)

20 THAI UNION FRANCE HOLDING 2 SAS (TUFH)

TUFH

Office:	104, Avenue du Président Kennedy 75016 Paris, France
Tel:	(33) 1-53-77-53-53
Fax:	(33) 1-53-77-17-13
Type of Business:	Processor and exporter of seafood in Europe
Registered Capital:	157,605,100 shares at EUR 1 par value
Date of Investment:	October 2010
Type/%Holding/No. of Shares:	Common share 100.00 percent or 157,605,100 shares (Invested by Thai Union European Seafood 1 S.A.)

21 MERALLIANCE SAS (MAA)



Office:	55, Avenue de Kéradennec 29556 Quimper, France
Tel:	(33) 2-98-68-44-45
Fax:	(33) 2-98-68-99-53
Type of Business:	Processor of smoked salmon products
Registered Capital:	31,190,410 shares at EUR 1 par value
Date of Investment:	October 2014
Type/% Holding/No. of Shares:	Common share 100.00 percent or 31,190,410 shares (Invested by Thai Union France Holding 2 SAS)

22 YUEH CHYANG CANNED FOOD CO., LTD. (YCC)

YCC

Office:	Nhut Chinh Village, Ben Luc District, Long An Province, People's Republic of Vietnam
Tel:	(84) 072-387-2377
Fax:	(84) 072-387-2388
Type of Business:	Processor and exporter of canned seafood
Registered Capital:	USD 1,919,936
Date of Investment:	December 2007
Type/%Holding/No. of Shares:	Common share 51.00 percent (Invested by Songkla Canning PCL.)

GROUP BUSINESS 2:

SUPPORTING BUSSINESS

23 ASIAN-PACIFIC CAN CO., LTD.
(APC)

Office:	38/70 Moo 8, Sethakit 1 Road, Tambon Tarsrai, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3442-3401 - 6
Fax:	66 (0) 3442-1493
Type of Business:	Manufacturer and distributor of steel and aluminum food packaging products
Registered Capital:	THB 80,000,000 at THB 400,000 par value
Date of Investment:	December 1993
Type/% Holding/No. of Shares:	Common share 90.50 percent or 181 shares (Invested by Songkla Canning PCL.)

24 THAI UNION GRAPHIC CO., LTD.
(TUG)

Office:	255 Smaedam Road, Smaedam, Bangkhunthian, Bangkok 10150
Tel:	66 (0) 2415-5808 - 9, 2895-5865 - 6
Fax:	66 (0) 2415-4371
Type of Business:	One-stop-service offset printing house specialized in standard high-quality printouts
Registered Capital:	THB 40,000,000 at THB 10 par value
Date of Investment:	July 1995 (Additional investment in May 2001)
Type/% Holding/No. of Shares:	Common share 74.00 percent or 2,960,000 shares
Website:	http://www.thaiuniongraphic.com

25 TMAC CO., LTD. (TMAC)



Office:	89/1 Moo 2, Rama II Road, Tambon Kalong, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7225
Type of Business:	Shrimp Farm
Registered Capital:	THB 860,000,000 at THB 10 par value
Date of Investment:	December 2012
Type/% Holding/No. of Shares:	Common share 50.99 percent or 43,859,997 shares (Invested by Thai Union Feedmill Co., Ltd.)

26 THAI UNION HATCHERY CO., LTD. (TUH)



Office:	89/1 Moo 2, Rama II Road, Tambon Kalong, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7255
Factory:	42 Moo 14, Tambon Kokkloy, Amphoe Takuatung, Phangnga 82140
Tel:	66 (0) 7658-4000 – 27
Fax:	66 (0) 7658-4028 – 9
Type of Business:	Quality white-shrimp breed development to produce and distribute high-quality nauplii and postlarvae to farmers
Registered Capital:	THB 240,000,000 at THB 10 par value
Date of Investment:	April 2006 (Additional investment in November 2007, April 2011 and January 2013)
Type/% Holding/No. of Shares:	Common share 100.00 percent or 23,999,950 shares (Invested by TMAC Co., Ltd.)

27 TCM FISHERY CO., LTD. (TCM)

TCM

Office:	89/1 Moo 2, Rama II Road, Tambon Kalong, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7255
Farm:	147 Moo 11, Tambon Kamphaeng, Amphoe La-ngu, Satun 91110
Type of Business:	Shrimp Farm
Registered Capital:	THB 70,000,000 at THB 10 par value
Date of Investment:	April 2012
Type/% Holding/No. of Shares:	Common share 75.00 percent or 5,250,000 shares (Invested by TMAC Co., Ltd.)

28 TMK FARM CO., LTD. (TMK)

TMK

Office:	89/1 Moo 2, Rama II Road, Tambon Kalong, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7255
Farm:	173/1 Moo 4, Tambon Bangsak, Amphoe Kantang, Trang 92110
Type of Business:	Shrimp Farm
Registered Capital:	THB 270,000,000 at THB 10 par value
Date of Investment:	June 2012
Type/% Holding/No. of Shares:	Common share 94.44 percent or 25,499,999 shares (Invested by TMAC Co., Ltd.)

GROUP BUSINESS 3:

ASSOCIATED COMPANIES

29 LUCKY UNION FOODS CO., LTD.
(LUF)

Office/Factory:	1/74-75 Samutsakhon Industrial Estate, Tambon Tarsrai, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3449-0330, 3449-0009
Fax:	66 (0) 3449-0008
Type of Business:	Processor and exporter of imitation crab stick
Registered Capital:	THB 150,000,000 at THB 100 par value
Date of Investment:	June 1990 (Additional investment in March 2004)
Type/% Holding/No. of Shares:	Common share 25.00 percent or 375,000 shares

30 BIZ DIMENSION CO., LTD.
(BZD)

Office:	979/79-80 26th Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel:	66 (0) 2298-0345
Fax:	66 (0) 2298-0331
Type of Business:	E-Procurement Service Provider
Registered Capital:	THB 25,000,000 at THB 5 par value
Date of Investment:	September 2003
Type/%Holding/No. of Shares:	Common share 20.00 percent or 1,000,000 shares

31 AVANTI FEEDS LIMITED
(AFL)

Office:	G2, Concorde Apartments, 6-3-658, Somaji Guda, Hyderabad 500 082, Andhra Pradesh, India
Tel:	91-40-2331-0260, 2331-0261
Fax:	91-40-2331-1604
Type of Business:	Processor and exporter of shrimp feed and frozen shrimp
Registered Capital:	INR 90,830,420 at INR10 par value
Date of Investment:	October 2008
Type/%Holding/No. of Shares:	Common shares 25.12 percent or 2,282,042 shares

32 TN FINE CHEMICALS CO., LTD. (TNFC)



Office:	30/2 Moo 8, Sethakit 1 Road, Tambon Tarsrai, Amphoe Mueang Samut Sakhon, Samut Sakhon 74000
Tel:	66 (0) 3442-3686
Fax:	66 (0) 3442-3688
Type of Business:	Processor and exporter of seafood by-products, i.e. high grade oil extracts from tuna fish, glucosamine derived from shrimp shell.
Registered Capital:	THB 90,000,000 at THB 10,000 par value
Date of Investment:	March 2009
Type/% Holding/No. of Shares:	Common share 48.97 percent or 4,407 shares (Invested by Thai Union Manufacturing Co., Ltd.)

33 MORESBY INTERNATIONAL HOLDINGS, INC. (MIH)

MIH

Office:	Unit 4, 2nd Floor, ADF Haus, Musgrave Street, Port Moresby, Papua New Guinea
Type of Business:	A holding company set up for investment in Majestic Seafood Corporation Ltd. in Papua New Guinea which operates tuna processing / tuna fishing in the country's waters and nearby maritime areas
Registered Capital:	USD 9,327,699
Date of Investment:	October 2009
Type/% Holding/No. of Shares:	Common share 33.33 percent (Invested by Thai Union Manufacturing Co., Ltd.)

34 CINDENA RESOURCES LIMITED (CR)

CR

Office:	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands
Agent:	Offshore Incorporations Limited
Type of Business:	Holding Company
Registered Capital:	USD 500,000
Date of Investment:	August 2014
Type/% Holding/No. of Shares:	Common Shares 100 percent or 500,000 shares (Invested by Thai Union Manufacturing Co., Ltd.)

35 CENTURY SHANGHAI TRADING (CS)



Office:	Room 8A1, Huafo Building, West Longhua Road, Xuhui District, Shanghai, China
Tel:	(86) 021- 64288761
Fax:	(86) 021- 64381081
Type of Business:	Food trading
Registered Capital:	USD 4,000,000
Date of Investment:	August 2005
Type/% Holding/No. of Shares:	Common Share 50 percent (Invested by Thai Union Manufacturing Co., Ltd.)

SALES STRUCTURE OF TUF AND SUBSIDIARIES

GROUP 1 CORE BUSINESSES

Unit: Billion Baht

COMPANIES		% HOLDING BY TUF	2014		2013		2012	
			SALE	%	SALE	%	SALE	%
1. BRANDED BUSINESS								
Tri-Union Seafoods LLC.	TRI-U	100.00*	15.1	13.5	14.9	13.2	14.1	13.2
Tri-Union Frozen Products Inc.	TUFP	82.00*	27.5	22.6	22.3	19.8	18.6	17.4
MW Brands SAS	MWB	100.00*	27.7	22.8	25.5	22.6	24.1	22.6
King Oscar AS.	KO	100.00*	0.4	0.4	N/A	N/A	N/A	N/A
T-Holding Co., Ltd.	THD	90.00	1.1	0.9	1.2	1.0	1.4	1.3
Thai Union Feedmill Co., Ltd.	TFM	51.00	3.0	2.5	3.5	3.1	5.0	4.6
2. OEM BUSINESS								
Thai Union Frozen Products PCL	TUF	-	12.8	10.5	13.8	12.3	15.0	14.1
Thai Union Manufacturing Co., Ltd.	TUM	90.08	17.5	14.4	17.3	15.3	17.2	16.2
Songkla Canning PCL	SC	90.44	6.3	5.2	6.7	6.0	7.2	6.8
Thai Union Seafood Co., Ltd.	TUS	51.00	1.3	1.1	1.4	1.2	1.4	1.3
Pakfood PCL	PPC	77.44	4.1	3.4	3.5	3.1	N/A	N/A
Thai Union International Inc.	TUI	100.00	N/A	N/A	N/A	N/A	N/A	N/A
U.S. Pet Nutrition LLC.	USPN	100.00*	2.0	1.7	1.5	1.3	0.5	0.5
Thai Union Investment Holding	TUIH	100.00	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union European Seafood 1 S.A.	TUEUS1	100.00*	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union France Holding 2 SAS	TUFH	100.00*	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union Norway	TU NORWAY	100.00*	N/A	N/A	N/A	N/A	N/A	N/A
MerAlliance SAS	MAA	100.00*	1.5	N/A	N/A	N/A	N/A	N/A
Yueh Chyang Canned Food Co., Ltd.	YCC	51.00*	0.3	0.2	0.3	0.3	0.3	0.3
Total Core Businesses			120.6	99.2	111.9	99.3	104.8	98.3

GROUP 2 SUPPORTING BUSINESSES

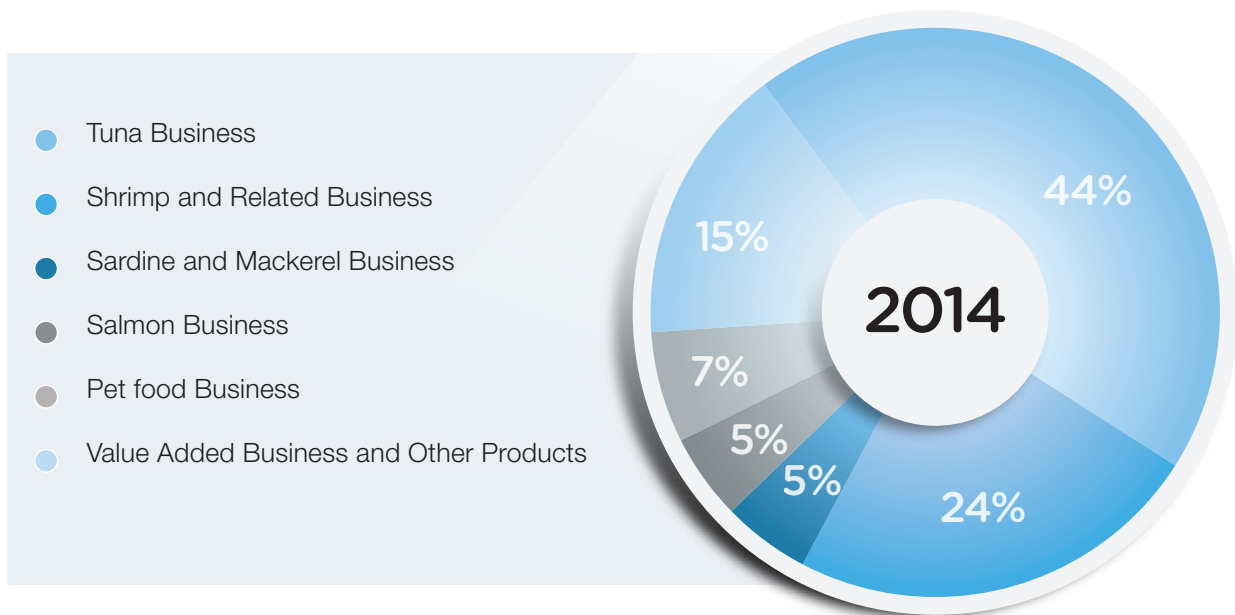
COMPANIES		% HOLDING BY TUF	SALE	%	SALE	%	SALE	%
Asian-Pacific Can Co., Ltd.	APC	90.50*	0.7	0.6	0.7	0.6	1.1	1.0
Thai Union Graphic Co., Ltd.	TUG	98.00	0.1	0.1	0.2	0.2	0.2	0.2
TMAC Co., Ltd.	TMAC	51.00*	N/A	0.01	0.02	0.0	N/A	N/A
Total Supporting Businesses			0.8	0.7	0.92	0.8	1.3	1.2
Grand Total			121.4	100.0	112.8	100.0	106.7	100.0

Remarks: The above data refers to sales structure after exclusion of connected transactions.

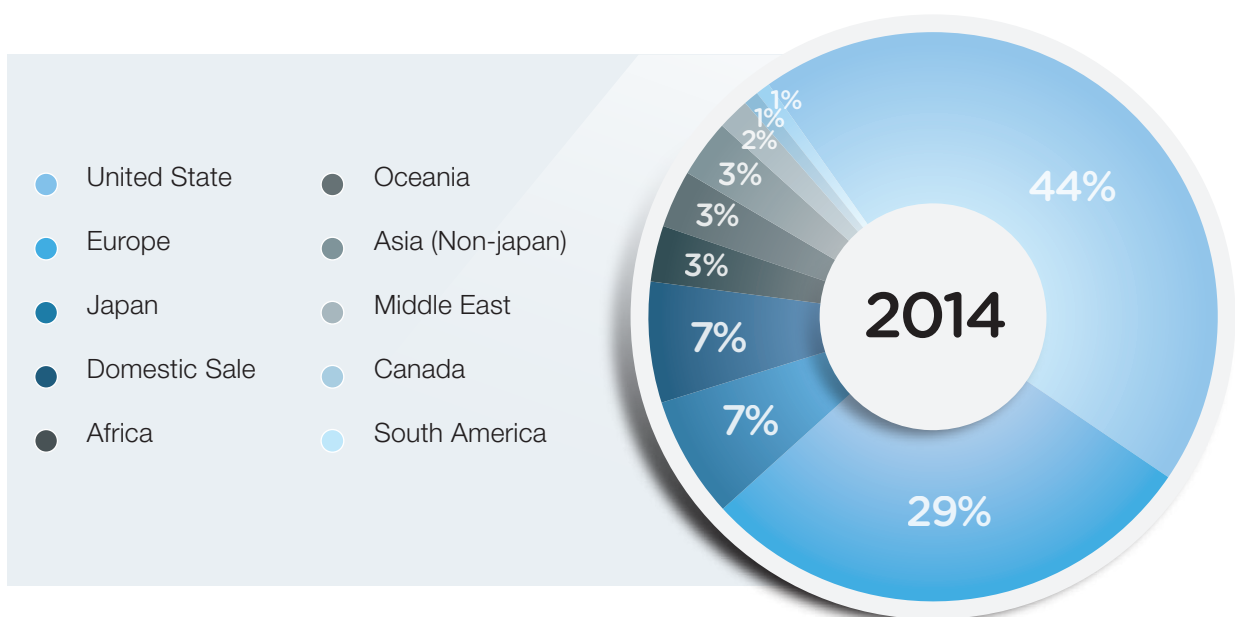
* APC and YCC holding owned by SC, TMAC holding owned by TFM, TRI-U, TUFP and USPN holding owned by TUI, MWB and TUEUS1 holding owned by TUIH, TU NORWAY and TUFH holding owned by TUEUS1, MAA holding owned by TUFH.

2014 SALES BREAKDOWN AND DISTRIBUTION

2014 SALES BREAKDOWN



2014 SALES DISTRIBUTION



INDUSTRY OUTLOOK AND COMPETITIVE SITUATIONS IN THAILAND

In 2014, Thailand's seafood industry experienced similar situation to the previous year. The country's overall export of canned and processed seafood was still challenged by several factors, e.g., prevalent EMS outbreak in shrimp which affected the country's consumption, sales and distribution, production and largely competitive advantages. The total shrimp production in Thailand throughout the whole year was 230,000 metric tons, a decrease of 8 percent, compared to the previous year while the overall global shrimp production was 2,200,000 metric tons, an increase of 25 percent comparing to 2013. Nevertheless, it is projected that Thailand's shrimp production in 2015 will be approximately 300,000 metric tons due to shrimp farmers' plan to reproduce more shrimps. The survival rate is expected to improve due to the assistance of the government sector in the areas of shrimp pond recondition, healthier shrimp breeds for shrimp hatchery and the supplies of quality shrimp breeds.

Furthermore, the non-tariff trade barriers from partner countries have been more critical, most notably the European Union's Illegal Unreported and Unregulated Fishing Agreement which has become significantly uncompromising. The Thai Government will support Thailand Fishery Act in 2015 which is expected to ease off the situation to some extent.

In the meantime, the labor issue in Thailand posed important implication towards the fishery industry in Thailand. The industry's perception has been impacted by Thailand being downgraded to Tier 3 according to the Trafficking in Persons Report, or TIP. However, the government sector has speeded up its action in tackling the problem such as stricter law enforcement in order to enhance a rigorous prevention and suppression of human trafficking problems in Thailand.

Additionally, the European Union suspended the Generalized System of Preferences or GSP, which became effective in January 2014. As a result, processed shrimp products from Thailand lost preferential access to the EU markets with the increased tariff rate to 20 percent (from 7 percent), while frozen shrimp products were imposed with tariff rate of 12 percent as opposed to 4.2 percent prior to the EU's announcement of GSP withdrawal of duties preferences. Thai exporters lost their price competitiveness to their counterpart countries due to the loss of EU's trade preferences.

The challenges the Thai exporters have faced were product quality standards -keeping up to the EU premium quality expectation amidst intensive competition as well as effective cost management in order to minimize the effects of increased duties. A priority is on strict product quality standards. Just as important, product traceability should be adopted throughout the whole supply chain in order to promote the country's long-term competitive and sustainable trade promotion. Provided that Thailand can accelerate the free trade negotiations with the European Union (Thailand – EU FTA), the country can regain trade privileges in substitution for the loss of GSP and at the same time, boosting up product development for a longstanding competitiveness.

EXPORTS OF SEAFOOD PRODUCTS FROM THAILAND IN 2014 CAN BE CATEGORIZED AS FOLLOWS:

TUNA



The overall export of canned and processed tuna from Thailand in 2014 was 595,479 metric tons with a value of THB 76.5 billion. The quantity increased at 8 percent while the value decreased at 4.5 percent compared to the previous year. The main market was the US, and the secondary markets were Australia and Japan.

SHRIMP



In 2014 the export of frozen and processed shrimp was 158,545 metric tons whose value equaled to THB 62.1 billion - a decrease from the previous year in quantity and value of 20 percent and 5 percent respectively due to the EMS outbreak in shrimps since the end of 2012, causing a severe shortage of raw materials. The largest market for the Thai shrimp exporters was the US. One of the important risk factors for Thai shrimp exports in 2015 will be the suspension of GSP from the European Union for frozen shrimp which will result in a tariff rate increase from 4.2 percent to 12 percent.

SALMON



The overall export of frozen and processed salmon in 2014 witnessed a quantity at 8,019 metric tons with a value of THB 2.9 billion. Japan was the largest market while the secondary markets were Taiwan and South Korea.

SARDINE AND MACKEREL



The overall export of canned sardine and mackerel of Thailand in 2014 was 96,459 metric tons with a value of THB 7.2 billion, a decrease of 17 percent and 16 percent respectively, compared to the previous year. The No.1 market was South Africa.

CANNED PET FOOD



The export of canned cat food in 2014 experienced a nearly two-fold expansion compared to the previous year, an increase of 14 percent with a quantity at 403,613 metric tons and a value of THB 31.3 billion. The first three main markets were Japan, the US, and Italy, respectively.

INDUSTRY TRENDS

In 2015 it is expected that the production and distribution of frozen and processed seafood will increase. This covers shrimp products which are expected to continually increase due to the fact that the Department of Fishery has come up with a solution to resolve the outbreak of Early Mortality Syndrome by supplying better quality shrimp breeds to farmers. Another important factor which will affect the 2015 export is the GSP suspension by the European Union. It will directly affect various categories of seafood products. The private sectors should look for opportunities in new market territories to compensate the preferential access to the European Union markets.

Additionally, the official opening of the ASEAN Economics Community or AEC in 2015 will position as an opened door of opportunity for the private sectors to build a network within the ASEAN community to strengthen trade promotion as well as expand the new markets.

Finally, the country's on-going human trafficking issue generates high impact on the perception of the Thai fishery and the seafood industry. The government sector has put in place a number of measureable actions - collaborating and integrating with the private sector and the civil society in order to tackle and prevent the problems as well as promoting good labor practice as a whole.

References


- Customs Department
- Ministry of Commerce
- Thai Frozen Foods Association (TFFA)

RISK FACTORS AND OTHER FACTORS FOR INVESTMENT CONSIDERATIONS

Thai Union Frozen Products (Public) Company Limited has set up the Risk Management Committee to ascertain that appropriate levels of risk management are installed according to COSO ERM (Enterprise Risk Management – Integrated Framework, The Committee of Sponsoring Organizations of the Treadway Commission) and ISO31000 (Risk Management, Australian/New Zealand Standards: AS/NZS ISO 31000:2009) to meet the international standards and to be applied to the operations of the organization. The risks at the organizational level have been managed and reported to the Risk Management Committee. Those risks which have been identified as important risks to the company will be reported to top management and the Board of Directors in every quarter.

With a perspective of the overall performance, 2014 was regarded as the year of changes and challenges for the business. The Early Mortality Syndrome (EMS) epidemic continued from 2013 to be a tough challenge for the Thai entrepreneurs, resulting in insufficient quantity of shrimp to be processed and exported. The situation of labor issue in Thailand was still prevalent and in 2014 the United States of America downgraded Thailand to a Tier 3 in its 2014 Trafficking in Persons (TIP) Report, putting Thailand on the watch list. The challenges also included raw material price fluctuations, including tuna and shrimp prices, which were inevitable for seafood producers. Nevertheless, with the company's systematic risk management and continuous operation monitoring to prevent and reduce risks, the operation result of the year 2014 was an achievement as the crisis in 2013 had been turned into opportunities and better performances. Although the company had to face more challenges and fiercer competition, the company, under the principles of good corporate governance, still believes in moving forward to become the world's sustainable leader of seafood production.

THE COMPANY HAS DIVIDED RISKS, WITHIN THE RISK MANAGEMENT FRAMEWORK, INTO 5 CATEGORIES: STRATEGY, OPERATION, FINANCE, COMPLIANCE, AND HAZARD. IN 2014 IMPORTANT CORPORATE RISKS, IDENTIFIED AND ASSESSED IN ACCORDANCE WITH THE RISK MANAGEMENT FRAMEWORK, CAN BE CATEGORIZED IN ACCORDANCE WITH THE RISK PROFILE AS FOLLOWS:



1. STRATEGY RISKS

Risks on Labor Practice Reputation in Thailand/ Risks on Sustainable Labor Development

The perception of Thai labor issues has been impacting the fishery industry for many years. Campaigns for human rights have consistently been activated by the NGOs and the public for human rights and against human trafficking. Lately, in 2014, the United States of America announced a downgrade for Thailand to be at Tier 3, the lowest ranking, in the 2014 Trafficking in Persons (TIP) Report, which affected exports from Thailand to the USA and the image of Thai products to be exported around the world, particularly of those food products and fishery products.

The Company's Policy and Action Taken

The company has consistently been collaborating with the government to support the development of labor practice in Thailand. In 2014 the Thai government signed a memorandum of understanding (MOU) with the government of Myanmar to ensure that the Myanmar laborers in Thailand can legally work and will receive fair treatment from their employers. Due to the fact the company uses a lot of labor, partly comprised of foreign laborers, the company thus has demonstrated its standpoint and responsibility by taking part in the signing for the project in order to reflect the company's commitment to help solve the labor problem for the company's own labor development. The company has also been actively reporting labor management to those important stakeholders while carrying out researches and examining the labor problems, which were significant to the business. Furthermore, the company has collaborated with Labour Rights Promotion Network Foundation (LPN) such as the TUF Child Care Center Project to create educational opportunities for foreigner laborer's children. The company focuses on moving forward to become the leader and the prototype company for fair treatment toward laborers in the seafood industry in Thailand.

Trade Barrier Risks

Currently, Thailand is a major production base for seafood export. Trade privileges, including tariff and non-tariff privileges, have been crucial for the country's economic expansion and beneficial to operators whose export production is based in Thailand. However, due to Thailand's political situation and consistent uncertainties, the Free Trade Agreement (FTA) negotiations with the European Union have not resulted in any progress while our rival countries, such as the Philippines, have made an agreement on trade privileges with the European Union and have gained a GSP Plus, resulting in lower costs of operation in our rival countries.

The Company's Policy and Action Taken

The company has closely monitored the export situations in Thailand, regarding laws and regulations and trade privileges from partner countries. The company has also established a good relationship with the Thai Frozen Foods Association to help them in negotiating with the government to push forward the foreign trade policy. The company has tried to establish a network for production and export with other countries to spread risks and to find new opportunities for trade privileges and better cost management.

2. OPERATION RISKS

Risks from Insufficient Shrimp Raw Material

Since the end of 2012, the region's Early Mortality Syndrome (EMS) epidemic has affected shrimp farming and the problem has not been resolved thus the company and other producers in the industry have consistently faced the problem of raw material shortage. Nevertheless, shrimp prices have adjusted upwards, due to decreased production and increased consumer demand. It is predicted that in the future the EMS epidemic will be improved because farmers have adjusted and have been assisted by the government sector and the private sector.

The Company's Policy and Action Taken

The company has solved the problem of raw material shortage by importing some shrimp portions from abroad as substitutes for the decreased raw material in Thailand and has been adjusting the strategy to spread risks which have been caused by relying solely on shrimp as raw material by developing new products whose mixture is made of shrimp and fish or shrimp and other seafood products. The company has also set up a global team to be responsible for searching for raw material sources, pricing data analysis to the demands and the competitive situations in domestic and global markets. Furthermore, the company has decreased the production capacity of the shrimp business to balance the shortage of raw material in order to deliver more efficient cost management. The company has also joined the government sector's project for research and solutions for the EMS epidemic while consistently providing knowledge and understanding to the shrimp farmers in Thailand.

Risks from Raw Materials Cost Fluctuations

The tuna price fluctuations have affected the product costs and the company's profit due to the fact that raw material is the major part of the main costs, at 60 – 70 percent of total costs. Most tuna raw material prices fluctuate in relation to supply and demand of the world markets. The company has a policy to set the selling price based on the market price in that particular period of time, mostly by setting the price 1-2 months in advance, resulting in a difference between the cost of the raw material and the selling price. The company have good production planning, selling and inventory management to reduce impact from fluctuation or raw materials cost which occur by nature of business.

The Company's Policy and Action Taken

The raw material buying price and its fluctuations are consistently analyzed and monitored by Tuna Procurement Department. With a long experience in the tuna industry and as the world's biggest buyer, the company has the capability and power to negotiate for the best price of tuna in the markets. As a heavy buyer, the company will sell 30-45 days in advance and will buy raw material 30-45 days in advance while trying to maintain the inventory turnover at a proper level, neither too high nor too low, in order to keep the time period for the buying price and the time period for the selling price similar.

Personnel Development Risks

With a commitment to become the world's No.1 seafood producer and distributor and the world's leader of innovations for seafood business, the company has consistently expanded its investment in its subsidiaries and joint ventures in Thailand and abroad, as evidenced by its continuous growth. Hence the company needs to develop top executives and middle management and the personnel in science and innovation to support its continuous growth and, more importantly, to answer the challenges of keeping such personnel for the long term in order to ensure that the company will grow sustainably and achieve its business goals.

The Company's Policy and Action Taken

Personnel development has been one of the company's priorities because human resources is considered one of the most valuable assets of the company. The company has consistently implemented plans to improve and develop human resources for the long term to conform to the business needs and the company's growth. For example, career development by creating clear career paths for the employees' progression and projects to develop and build personnel. The company also recognizes the importance of new generation development through the Young Talent Project to reflect the company's capability in developing and educating the staff so they are knowledgeable, qualified and ready for the executive positions. The company has also provided a succession plan for each director of the company to ensure that the company will maintain its steadiness and sustainability of growth.

3. FINANCIAL RISKS

Foreign Exchange Rate Risks

Due to the recent economic situation, the foreign exchange rates have fluctuated heavily, directly affecting the company's business since more than 90% of the income of the company's groups in Thailand has been earned from production for exports to countries such as the United States of America, the European Union, Japan, etc. thus the company has received its earnings in foreign currencies, mostly US dollars and Euros. Also consolidated financial statement of the company is presented in Thai Baht currency. As a result, the company's earnings and profits may have been affected by the fluctuated foreign exchange rates.

The Company's Policy and Action Taken

The company has been closely monitoring foreign exchange rates while considering other related factors. The company has practiced Natural Hedging which uses the income from sales, mostly in US dollars, to pay for raw materials or other expenses denominated in the same currency. Moreover, the company has made financial plans to cover various situations to prevent risks from any spillover effect and uses other financial tools such as forward contract, option, and the like to decrease foreign exchange fluctuations and to increase management efficiency which includes financial market trend and movement monitoring. In the future, the company has planned to expand its investment in other countries which use other currencies to reduce the affect from currency fluctuation.

4. COMPLIANCE RISKS

Risks from Non-Compliance with the Food and Safety Regulations

It is imperative for the operators to abide by the food regulations as non-compliance may result in inadequate standards and fatal risks for consumers. These are concerns not to be neglected. The company, as a producer of foods for exports to various countries, gives priority to strictly comply with food and safety regulations of each country to ensure all products is safe and being recognized from customers and consumers all over the world of its quality.

The Company's Policy and Action Taken

The company has established the Quality Management Committee to monitor communicate, educate and update the related units about laws and regulations for their compliance and to verify that the products meet the standards before they reach the consumers to ensure that the quality of the products meet the standards required by each country.

5. HAZARD RISKS

Risks from Business Interruption and Operation Continuity

Currently, there have been situations or crises or emergencies that can occur anytime such as flood, fire, terrorism, protest or riot, and plague. When these incidents occur, they may affect the operation or may interrupt the business. The company has recognized such problem thus has come up with plans to cover the risks to avoid the consequences both in the short term and the long term.

The Company's Policy and Action Taken

The company has been prepared to face risk which may cause business interruption from uncertain situations especially for fire and politics situations by setting up ad hoc teams to monitor and verify the uncertain political situation. The company has also prepared temporary offices for business continuity. The company has insurance policies covering compensations and losses in case of business interruption and has built more warehouses for storage of finished products for emergency product delivery to clients. The company has also come up with plans to check its data backup and recovery systems for more efficiency. Business Interruption and Operation Continuity plan is moving on with continuously improvement of the company to ensure it covers all key aspects of our business operations.

RISK MANAGEMENT

The company's risk management has consistently been developed since the establishment of the Risk Management Committee in 2013 to oversee the risk management of the company by issuing the policies and creating the framework. The Committee makes certain that appropriate level of risk management has been taken and informs the board of directors on matters of significant risks. In 2014, the company developed its risk management systems by extending from the direction implemented by EY Office Limited, the consulting firm, in accordance with the international standards of COSO ERM (Enterprise Risk Management - Integrated Framework, the Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000 (Risk Management, Australian/New Zealand Standards: AS/NZ ISO 31000:2009). The Company's risk management process can be summarized as follows:

- Issuing the policies and creating the framework of risk management as well as informing the directors and the employees of the company so they are well aware of the importance of risk management. The company's risk management systems shall be seriously implemented to ensure that the Company's objectives are achieved.
- Identifying corporate risks by sending out questionnaires to and interviewing the top executives to identify key risks.
- Setting the Corporate Risk Assessment Criteria and Risk Tolerance to stipulate high risk management measures. Anyhow, in the second quarter of 2014, the Company initiated the implementation of risk management among the Tier 1 subsidiaries (TUF, TUM, SCC, COSI, COSFF, MWB) for their operations, directed and instructed by the Risk Management Department, so that the frameworks and the Corporate Risk Assessment Criteria for the evaluation of their corporate risks conform to one another.
- Evaluating risks in accordance with the defined risk assessment criteria.
- Setting Risk Treatment for high-level risks and those beyond the Company's risk tolerance.
- Monitoring and reviewing the company's major risks and the Risk Treatment to ensure that those major risks are properly managed.

REPORT OF RISK MANAGEMENT COMMITTEE

DEAR BOARD OF DIRECTORS AND SHAREHOLDERS

The Risk Management Committee of Thai Union Frozen Products Public Company Limited, is comprised of Directors and the company's Top Executives who are knowledgeable, competent and experienced in the areas of corporate management such as strategy and business development, accounting, finance and investment, sustainability development, and personnel development. On December 31, 2014, the Risk Management Committee was comprised of 9 active directors. During the year, Mr. Joerg Ayrle and Mr. Faisal Shafait Sheikh, two of the top executives of the company, were appointed as additional directors of the Committee to ensure that the risk management systems of the company covered all important aspects in order to support the company to achieve its goals.

In 2014, the Risk Management Committee conducted a total of 4 meetings. The Meeting Attendance Report of Directors can be summarized as follows:

1. Dr. Thamnoon Ananthothai

Independent Director Number of meetings attended: 4/4	Chairman of the Risk Management Committee
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2. Mr. Sakdi Kiewkarnkha

Independent Director Number of meetings attended: 3/4	Director of the Risk Management Committee
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3. Mr. Kirati Assakul

Independent Director Number of meetings attended: 2/4	Director of the Risk Management Committee
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4. Mr. Thiraphong Chansiri

President and CEO

Number of meetings attended: 2/4

Director of the Risk Management Committee

5. Mr. Joerg Ayrlle

Group Chief Financial Officer

Number of meetings attended: 3/3

Director of the Risk Management Committee

6. Mr. Shue Chung Chan

Assistant Managing Director

Number of meetings attended: 4/4

Director of the Risk Management Committee

7. Mr. Wai Yat Paco Lee

**Deputy General Manager /
Investor Relations
and Company Information**

Number of meetings attended: 3/4

Director of the Risk Management Committee

8. Dr. Wit Soontaranun

**Director /
Sustainable Development**

Number of meetings attended: 3/4

Director of the Risk Management Committee

9. Mr. Faisal Shafait Sheikh

**Director / Corporate Strategy
and Business Development**

Number of meetings attended: 4/4

Director of the Risk Management Committee

The Risk Management Committee had performed their duties according to roles and responsibilities as identified in the Charter of the Risk Management Committee. The progress of risk management for the year 2014 can be summarized as follows:

1. Creating a clear framework for the operations of risk management, including the terms of reference and responsibilities of the Risk Management Committee, approved and endorsed by the Board of Directors.
2. Identifying ,evaluating, analyzing and reviewing of the company's risks at the levels of the corporation and applying the risk management framework to key six subsidiaries (Tier -1) which were significant to the overall operations of the company. The criteria for the afore-mentioned six companies included sales, gross profit and net profit – the major factors that influence the company's performance.
3. Setting up the formal risk management structure by appointing risk coordinators for the Tier-1 subsidiaries to comply. quarterly reports of major risks.
4. Considering and approving the level of Risk Tolerance and Risk Assessment Criteria, including quantitative and qualitative methods in impact evaluation of risk management.
5. Providing guidelines for operations, follow-ups and evaluations of the risk management systems of the company in accordance with quarterly risk reports by the Risk Management Department, to be used as early warning signs and monitoring of important risks.

The Risk Management Committee has initiated its major operation plan for the year 2015 as follows:

1. Supporting and developing Supporting and developing the risk management systems for the company focusing on Tier-1 subsidiaries so they can manage risks in the conforming framework. The Committee will also extend their risk management systems to those companies which are ready to take on the risk management systems for their organizations.
2. Arranging in-house training to provide knowledge of risk management to the employees so they will have a thorough understanding of corporate risk management and all levels of the employees will be able to embed in the risk management systems to their daily work operation.

The above-mentioned risk management system operations will play an important role in boosting our confidence that Thai Union Frozen Products Public Company Limited will achieve our goals and sustainable growth.



Dr. Thamnoon Ananthothai
Chairman of the Risk Management Committee

REPORT OF GOOD CORPORATE GOVERNANCE

The Board of Directors of Thai Union Frozen Products Public Company Limited has realized the importance of good corporate governance which should be provided by the Company to support its operations for sustainable growth and wider acceptance in the domestic market and the international markets. For this reason, the Board of Directors has been committed to run operations under good corporate governance framework which comprises of directors and executives who are leaders who have visions and responsibilities and a management structure which controls, monitors, checks and balances for fairness, morality and transparency to concern the equity of the shareholders and the stakeholders in order to increase the competitive advantage, which will build confidence among the shareholders, the investors and the stakeholders, to make the company operate with efficiency, stability, and sustainable growth along with added values in the investments for the shareholders in the long term.

OPERATIONS UNDER GOOD CORPORATE GOVERNANCE

The Board of Directors has set up a good corporate governance policy for registered companies by adhering to the principles of good corporate governance of the Stock Exchange of Thailand and has consistently reviewed, adjusted and improved for suitability to ensure that the duties of the Board of Directors have been performed with effectiveness and constant good corporate governance.

The Board of Directors has verified the performance in accordance with the policy in the year 2014 and has found that the performance had completely been in accordance with the stipulated policy and work processes, except for a few matters, resulting in implementation pauses as follows:

PRINCIPLES / GOOD CORPORATE GOVERNANCE OF THE STOCK EXCHANGE OF THAILAND	THE COMPANY'S EXPLANATION
The Chairman of the company should be an independent director.	The Chairman of the company is Mr. Kraisorn Chansiri who founded the company and holds the position of major shareholder, resulting in a lack of qualification as an independent director. However, if considering the work systems of the Directors combined with the Chairman's long experience and vision, the Company has been steadily growing until now.
An independent director should not remain in the position of Director of the company for more than 9 years.	Although Mr. Sakdi Kiewkarnkha has been an independent director of the Company for 13 years, his commitment and his full capability, which can be verified by the Audit Committee Report, make the Board of Directors feel confident that he will definitely not create the state of being non-independent, not to mention the other two independent directors who have held the Company for not too long, thus the Board believes that checks and balances will be properly implemented.
The directors of the company should regularly attend the meetings (for more than 80% of all meetings).	Since one member of the Board of Directors has been appointed by our business alliance, Mitsubishi Corporation, and his name is Mr. Takehiko Kakiuchi, who resides in Japan, it is unavoidable that he could not attend the meetings as scheduled. Nevertheless, the Company had sent the agendas of the meetings along with supporting documents to all directors and had made opportunities for directors to question and comment directly to the Chief Financial Officer of the Company before the meeting days.

THE BOARD OF DIRECTORS

It is the duty of the Board of Directors to supervise the company's operations to be conducted in accordance with the laws, the objectives and the regulations of the company, the corporate governance policy and the resolutions of the Board of Directors' Meetings, the company's vision, the goals, the business policy, and the directions of the company's operations. The Board of Directors also monitors the performances of the directors to ensure they are carried out with morality and effectiveness in pursuant to the stipulated policy and makes certain that conflicts of interest shall not be made between the stakeholders of the company by disclosing the company's information in a complete, accurate and constant manner.

AUTHORIZED DIRECTORS TO SIGN CONTRACTS

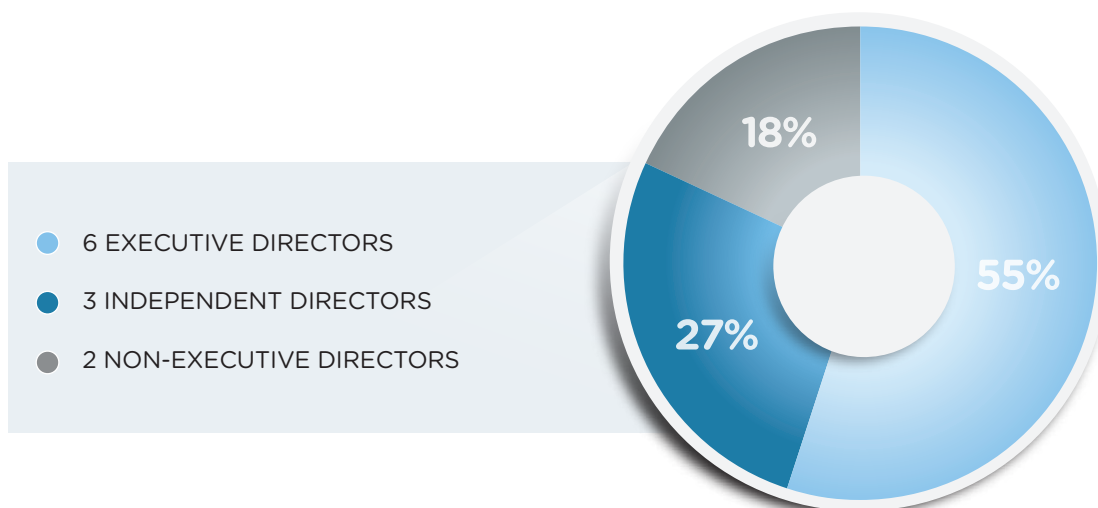
At least 2 directors of the Company shall cosign and affix the company's seal or in some cases the directors may appoint names as the authorized directors.

THE COMPOSITION OF THE BOARD OF DIRECTORS

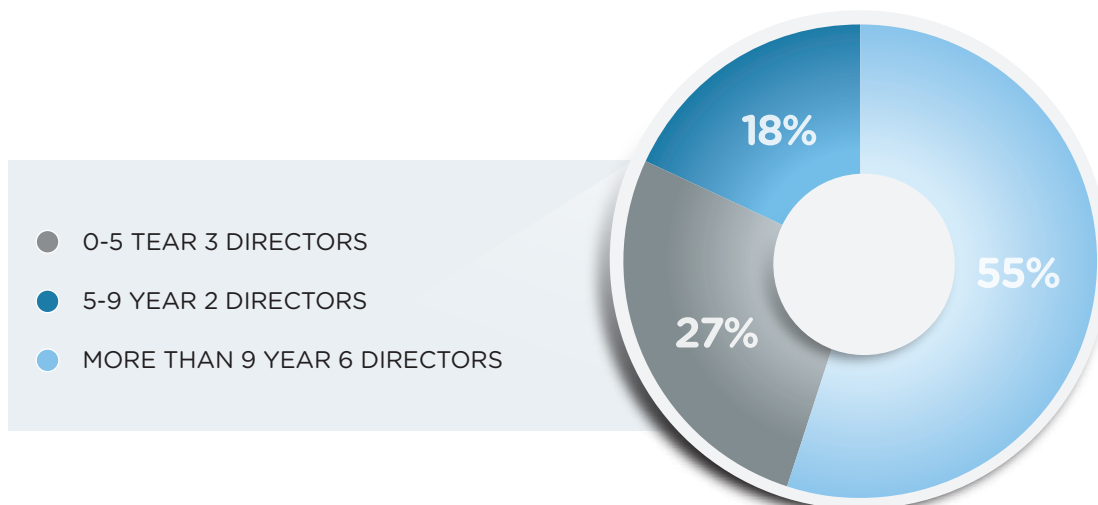
The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various filed of the business. As at December 31, 2014, the Board of Directors was comprised of 11 members and still in the process of recruiting of one more member.

NAME OF DIRECTOR	POSITION	DATE FIRST APPOINTED
1. Mr. Kraisorn Chansiri	Chairman	17 March 1988
2. Mr. Cheng Niruttinanon	Executive Chairman	8 April 1999
3. Mr. Thiraphong Chansiri	President&CEO	1 January1990
4. Mr. Chuan Tangchansiri	Executive Director	17 March 1988
5. Mr. Rittirong Boonmechote	President of Global Shrimp Business	5 January 1998
6. Mr. Shue Chung Chan	Executive Director	30 April 2001
7. Mr. Takehiko Kakiuchi	Non-Executive Director	25 April 2011
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	15 November 2010
9. Mr. Sakdi Kiewkarnkha	Independent Director	22 August 2000
10. Dr. Thamnoon Ananthothai	Independent Director	22 March 2010
11. Mr. Kirati Assakul	Independent Director	22 March 2010

PROPORTION OF INDEPENDENT DIRECTORS ON THE BOARD



LENGTH OF DIRECTORS' TENURE



TERMS OF THE DIRECTORS

According to the Regulations of the company, in each Annual General Meeting of Shareholders, it is required that the directors who hold the position for the longest period shall leave their position to make up 1/3 of the total number of the directors. If the total number of directors cannot be divided by three, the number of directors to leave the position shall be closest to 1/3 of the total number of directors.

In the case that a position of director has been deposited due to factors other than expired tenure, the resolution of the Board of Directors shall be based on votes of no less than $\frac{3}{4}$ of the remaining directors in order to select an individual, who is qualified and does not have any characteristic trait that is prohibited by the laws of a public company, to be a substitute director for the next Board of Directors' Meeting, except for the case in which the term of the such director remains for less than two months, such person shall hold the position of director for the remaining term of the substituted director.

The Regulations of the company has been disclosed in the company's website: www.thaiuniongroup.com.

AUTHORITY OF BOARD OF DIRECTORS

Board of Directors is authorized to manage the company in conformity with objectives, regulations and shareholder resolutions with honesty, in good faith, and for the best interest of the company. Additionally, Board of Directors is responsible for setting corporate policy and direction as well as ensure that the management implement the policy effectively and efficiently.

Board members are required to disclose any material interest in transactions or contracts which the company enters into and increase/decrease in share/debenture ownership in the company or its subsidiaries during any fiscal year. Board of Directors is authorized to implement and direct the company's activities except for the following issues, which require prior shareholder approval.

- 1) Any issue that requires shareholder approval, pursuant to the law;
- 2) Altering the company's par value or registered capital;
- 3) Increase in the company's Board members.
- 4) Any deed that yields Board of Directors' gain or loss or any deed that is obliged, by SET regulations, to have shareholder's approval.

DUTIES AND RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors is responsible to the shareholders in overseeing the company's business operations and steering the company towards the agreed targets and on a path that maximizes shareholders' long term benefits, with consideration to business ethics and fairness to all relevant stakeholders. Duties of the Board of Directors are as follows:

- 1) Manages the company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the company's business operations.
- 2) Sets targets and business policies to be implemented by the management.
- 3) Develops strategies, goals, corporate policies and investment policies.
- 4) Oversees the management's performance to ensure effectiveness.
- 5) Holds at least 5 Board meetings per year.
- 6) Holds at least 1 general shareholders' meeting to report the company's operating results and request approval on management matters that are beyond the scope of the directors' authorization.
- 7) Monitors operating results and financial status of the company and its subsidiaries.
- 8) Approves quarterly and annual financial reports, information disclosure report (Form 56-1), and annual report (56-2), in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- 9) Prepares a report on the Board of Directors' accountability for financial reporting, to be shown in conjunction with the auditor's report in the company's annual report, to give assurance that the company's financial reports are accurate and have been prepared based on standard accounting principles and consistent accounting policy.
- 10) Sets up the company's internal control system, internal audit system, and an effective risk management system.
- 11) Proposes the appointment of auditor and sets the level of compensation as proposed by the Audit Committee.
- 12) Proposes the list of directors to be replaced and their replacement to the general shareholders' meeting.
- 13) Proposes the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
- 14) Examines and approves matters proposed by the management committee.
- 15) Examines and approves matters related to connected transactions, potential conflict of interests, purchase and sales of assets and other matters as specified in the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 16) Examines and approves the company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.
- 17) Approves the appointment and sets the scope of work and compensation for the company's sub-committees.
- 18) Approves the appointment of the company's secretary.
- 19) Adheres to the Principle of Good Corporate Governance for Listed Companies, and other requirements on this subject by the Stock Exchange of Thailand and the Securities and Exchange Commission.

NOMINATION PROCESS

The Nomination and Remuneration Committee is responsible for reviewing, on an annual basis, the skills and characteristics required of directors in the light of the Board's composition for the business directions.

APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee shall propose to the Board for a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act. Such appointment can be made only in the event that directorship either expires by normal office term or prematurely falls vacant in consequence of whatever causes during the office term. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure. One third of directors shall retire and new directors shall be elected in an annual general meeting of shareholders according to criteria and procedures set forth below;

- 1) Each shareholder has a right to vote in proportion to share volume owned; the principle of "one share, one vote" is applied.
- 2) Each shareholder is required to cast the entire vote owned in 1 for one or more candidates but can not split the vote into portions.
- 3) Candidates shall be entitled to directorship based on votes received. Candidate with maximum votes is first entitled to directorship and followed by the other less voted, respectively. As a rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to statutory expiration of office term provided (a) three fourth of majority votes of all shareholders present at a meeting is recorded; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned by all shareholders present at the meeting. Such case shall be effective only when the qualifications of all board members and the management comply fully with Section 68 of the Public Companies Limited Act of 1992 and the SEC's Regulation Governing the Rules, Conditions and Procedures for the Securities Offer and Permission dated 18 May 1992.

Board of Directors shall appoint any person deemed professionally recognized and qualified to act as independent director provided that the appointee is (a) not an employee or staff member receiving regular salary from the company or its subsidiaries; (b) independent of major dominant shareholders; (c) a shareholder of not more than 0.05% of the respective paid-up capital of the company; and (d) able to equally protect the interests of minority shareholders. Board of Directors shall consider and vote to appoint qualified candidate and seek further approval during meeting of shareholders.

AGE AND TERM LIMITS

The Board of Directors believes that having experienced directors who continuously work with the Company increases the value of the Company thus age and term limits have not been applied.

INDEPENDENT DIRECTOR

Under the Corporate Governance Policy, at least one-third of the board members and not less than three persons, must be independent directors. These directors are a qualified and independent person of the same qualification criteria described in the Notification Governing Qualifications and Responsibilities of Audit Committee established by the Stock Exchange of Thailand. In addition, a person qualified to serve as independent director must be able to perform duties to preserve the best interests of all shareholders in equitable manner without conflict of interests and be available in Board meetings to give independent and unbiased opinions and judgments.

AN INDEPENDENT DIRECTOR MUST MEET THE FOLLOWING CRITERIA:

- 1) Not hold shares more than 0.05% of total voting stocks of TUF including stocks held by connected persons of the independent director, as well as nominees.
- 2) Not be nor have been a major shareholder.
- 3) Not be nor have been board member of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of TUF, its parent company, its subsidiaries or its associated companies.
- 4) Not be any professional advisor.
- 5) Not have nor have had a business relationship with the company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflict of interests, in the manner that may interfere with his independent judgment.
- 6) Not be appointed as a representative of the company's or its major shareholder's board members or a shareholder who is related to the company's major shareholders.
- 7) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the company's business affairs.

The afore-mentioned definition of independent director is based on the Company's Corporate Governance Policy established by the Board. Moreover, the company's criteria are stricter than "the criteria" required by the Stock Exchange of Thailand and the Securities Exchange and Commission in term of stock holding ratio.

The Board of Directors set up 6 subcommittees to prescreen the issues before bringing the important ones to the consideration of the Board of Directors as follows:

- 1) The Audit Committee
- 2) The Nomination and Remuneration Committee
- 3) The Risk Management Committee
- 4) Treasury Committee
- 5) Group Investment Committee
- 6) Sustainable Development Committee

THE AUDIT COMMITTEE

Membership and meeting attendance 2014

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	24/24
2. Dr. Thamnoon Ananthothai (Appointed 15 October 2014)	Member	Independent Director	8/8
3. Mr. Kiti Pilunthanadiloke (Resigned 1 October 2014)	Member	Independent Director	13/14
4. Pol.Maj.Gen Pracha Anucrokdilok (Resigned 1 January 2015)	Member	Independent Director	19/24

The Board of Directors has set up the Audit Committee since November 15, 2009, comprised of 1 Chairman of the Audit Committee and 2 audit committee members. All three of them are independent directors who have the qualifications required by the Office of Securities and Exchange Commission and are experts in accounting and finance, corporate management and laws. Nevertheless, all independent directors do not hold the position of director, employee or consultant of the Company. However, due to the resignation of Police Major General Pracha Anucrokdilok on January 1, 2015 for health reasons, the number of the members of the Audit Committee did not meet the standards hence the Board of Directors will speed up the process of nominating a new independent director to hold the position of Audit Committee Member at the 2015 Annual General Meeting of Shareholders to be held in this April.

ROLE AND RESPONSIBILITIES

- Review the internal audit processes and the risk management systems.
- Review and ensure that the company establishes the internal control systems in accordance with the Internal Control Framework: COSO 2013 and the appropriate and effective internal audit in accordance with the generally accepted international procedures and standards.
- Review the results of fraud audit and specify the fraud prevention measures for the company's internal uses, as well as review the company's internal processes regarding whistle blowing and complaint.
- Recommend to the management to improve their working processes or the working systems to reduce risks in various aspects in order to get the accurate and useful financial reports as well as the efficient working systems.
- Provide any suggestions regarding the good corporate governance policy determination and follow up, assess and report the compliance under the good corporate governance policy.
- Review the control process to ensure that the operations are in accordance with the policy, rules, regulations, procedures and concerning laws, as well as the resolutions of the Board of Director's meetings.
- Review the self-assessment reports related to the anti-corruption measures which have been verified and assessed by the internal audit team in order to ensure that the company has established the various anti-corruption systems as reported in the self assessment report of the Thai Institute of Directors (IOD).
- Review the financial reports preparation processes and coordinate with the external auditors to establish trustworthy financial reports and complete disclosures of important information in accordance with the generally-accepted accounting standards.
- Review the determination of the internal audit scope by verifying and approving the manpower, the annual internal audit plan and any the changes of annual plan and consider the internal audit results.
- Consider and give an opinion to the Board of Directors on the appointment, transfer, dismissal, remuneration determination and the merit consideration of the General Manager – Audit.
- Review the Internal Audit Charter to be the proper charter.
- Review the practice standards of Audit Unit to be in accordance with the standards of the Institute of Internal Auditors of Thailand and / or the Institute of Internal Auditors North America and / or the European Confederation of Institutes of Internal Auditing.
- Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
- Consider, select, and propose the persons who are independent to perform as the external auditors of the company and propose the remuneration for the external auditors as well as attend the private meeting, without the company's management, with the external auditors at least once a year.
- Collaborate with the external auditors and the General Manager – Audit Unit to assure the adequacy of the internal control and risk management systems.
- Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.
- Visit the business units of the company and the domestic and foreign subsidiary companies to review the risk management and internal control systems, the important operational systems and regulations as well as problems and comments of the external auditors and the audit unit.
- Hold the meeting at least 12 times per year or more if necessary. Invite the company's management or the external auditors or the specialist external auditors to attend the meetings which are related to them and report to the Board of Directors at least twice a year.
- Each Audit Committee quorum shall not less than half of the total appointed audit committee's members.

- The Chairman of the Audit Committee shall be the chair of the meeting. If the Chairman does not attend the meeting, members of audit committee who attend the meeting shall select one of them to be the chair of the meeting.
- The Audit Committee shall prepare report in written, represent their responsibility and performance to the Board of Directors and the mentioned report shall be a part of the company annual report. Moreover, the report shall be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - 1) Opinion on the accuracy, completeness and trustworthiness of the company's financial report,
 - 2) Opinion on the adequacy of the company's internal control and risk management systems,
 - 3) Opinion on the company's compliance with the Securities Law, the Stock Exchange's rules and regulations, or the relevant laws,
 - 4) Opinion on the suitability of the external auditors,
 - 5) Opinion on transactions which may lead to conflicts of interests,
 - 6) The number of audit committee meetings and the attendance of each Audit Committee member,
 - 7) Opinion or general comment of the Audit Committee on their performance in accordance with the Charter of the Audit Committee and
 - 8) The other matters are deemed that the shareholders and the general investors should acknowledge under the scope of duties and responsibilities that were assigned by the Board of Directors.
- While carrying on the operations, if the Audit Committee detect or has any query about any transactions or actions, which may provide significant effects on the company's financial status and the operational results, the Audit Committee shall report to the Company's Board of Directors to implement improvements within the time frame that the Audit Committee consider its suitability. Such transactions or actions are as follows:
 - 1) A transaction which may lead to conflicts of interest,
 - 2) Fraud or abnormalities or significant defect in the internal control systems,
 - 3) Infraction of the Securities and Exchange laws, the Stock Exchange's Regulations or any laws relating to the company's businesses

If the Company's Board of Directors or the Executives do not implement any improvements within the time frame that is specified in the previous paragraph, any member of the Audit Committee may report the mentioned transactions or actions that is specified in the previous paragraph to the Office of Securities and Exchange Commission or the Stock Exchange.

- After the Audit Committee has been informed any notifications that the external auditors have found a suspicious circumstance that the Managing Directors or the any persons responsible for the company's operations has offended under the Securities and Stock Exchange Act, Section 281/2, Paragraph 2, Section 305, Section, 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the Audit Committee shall investigate and report the preliminary investigation results to the Office of Securities and Exchange Commission and the external auditors within 30 days.
- Perform any other tasks that are assigned by the Board of Directors under the consent of the Audit Committee.

Any executions as the above-mentioned duties, the Audit Committee shall be directly responsible to the Company's Board of Directors and the Board of Directors shall be responsible for the company's operations towards third parties.

Details of the operations of the Audit Committee have been disclosed in the Audit Committee Report on page 122 - 124

THE NOMINATION AND REMUNERATION COMMITTEE

Membership and meeting attendance 2014

NAME	POSITION	STATUS	MEETING ATTENDED
1. Dr. Thamnoon Ananthothai	Chairman	Independent Director	2/2
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	2/2

The Board of Directors has set up the Nomination and Remuneration Committee since November 1, 2010 for a period of 3 years for each term. The Committee is comprised of 1 Chairman of the Nomination and Remuneration Committee and 1 member of the Nomination and Remuneration Committee. Both members are independent directors and have the qualifications required by the Office of Securities and Exchange Commission. They are knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

ROLE AND RESPONSIBILITIES

- Set the company's policy and criteria on the nomination and selection of candidates for the membership in the Board of Directors and sub-committees, and propose list of candidates to the Board of Directors for approval.
- Consider the criteria for succession for high-ranking executives.
- Consider and propose financial and non-financial compensation for the members of the Board of Directors and sub-committees.
- Propose compensation for the company's directors to the Board of Directors for consideration and subsequent approval by the Shareholders.
- Propose compensation for members of the sub-committees to the Board of Directors for approval.
- Propose compensation for the company's President and Managing Directors to the Board of Directors for approval.
- Review proposal from the company's management about remuneration policy for staff, as well as non-wage benefits, and recommend the matters to the Board of Directors for approval.
- Review proposal from the company's management about financial compensation and other benefits for the company's executives, and recommend the matters to the Board of Directors for approval.
- Prepare a report on the Committee's performance to be submitted to the Board of Directors at least once a year.
- Carry out any other tasks related to the consideration of nomination and remuneration assigned by the Board of Directors.

Details of the operations of the Nomination and Remuneration Committee have been disclosed in the Nomination and Remuneration Committee Report on page 145

THE RISK MANAGEMENT COMMITTEE

Membership and meeting attendance 2014

NAME	POSITION	STATUS	MEETING ATTENDED
1. Dr. Thamnoon Ananthothai	Chairman	Independent Director	4/4
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	3/4
3. Mr. Kirati Assakul	Member	Independent Director	2/4
4. Mr. Thiraphong Chansiri	Member	Executive Director	2/4
5. Mr. Shue Chung Chan	Member	Executive Director	4/4

The Board of Directors has set up the Risk Management Committee since November 1, 2010 for a period of 3 years for each term. The Committee is comprised of 3 independent directors 2 directors, and the chief executive administrators of main business while most of the directors are independent directors whose qualifications meet the standards required by the Office of Securities and Exchange Commission. They are also knowledgeable, competent and experienced and thoroughly understand their duties and responsibilities.

ROLE AND RESPONSIBILITIES

- Set the company's policy and code of practice on risk management and propose the matter to the company's management committee and the Board of Directors. The policy must cover various aspects of risks, such as business risks, production risks, management risks, and financial risks.
- Develop strategies to support the company's risk management policy aimed at ensuring effective monitoring and managing the company's risk exposure to a suitable level.
- Review the adequacy of the company's risk management policy and related systems and regularly report the findings to the Audit Committee to ensure consistency with the policy and strategies.
- Prepare a report on the Committee's performance to be submitted to the Board of Directors at least once every quarter.
- Set up a risk management working team provided adequate support for the team to function in accordance with its mandate.
- Carry out any other tasks related to risk management assigned by the Board of Directors.

Details of the operations of the Risk Management Committee have been disclosed in the Risk Management Committee Report on page 91 - 93

TREASURY COMMITTEE (“TC”)

The Board of Directors no.1/2014 on 24 February 2014 has approved to set up the Treasury Committee, who will have direct responsibilities to oversight of the risk management policy and procedures including provide advices and authorize treasury execution team to minimize such financial risks to the acceptable levels due to the fact that main Thai operations for TU Group has gradually increased exposures in foreign exchange risk and interest rate risk from the expanding business, therefore, the impact from foreign exchange and interest rate movement can have significant effect to the group’s financial performance.

The composition of Treasury Committee will be (1) Chairman, (2) CEO, (3) President of Global Shrimp Business, (4) Group CFO, and (5) Finance Management (GM/DGM/AGM). It is scheduled for TC to have annually meeting for review treasury policy. Any special meeting can be requested for approving any activities which considered risky and over the authorization limit of Treasury execution team.

GROUP INVESTMENT COMMITTEE (“GIC”)

The Board of Directors no.4/2014 on 13 August 2014 has approved to set up the Group Investment Committee with the members of Mr. Thiraphong Chansiri Group CEO, Mr. Cheng Niruttinanon MD of TUM, Mr. Rittirong Boonmechote President of Global Shrimp Business, and Mr. Joerg Ayrle Group CFO for the objective to set the guideline/policy for CAPEX/OPEX investment, approve and review budgets on a regular basis, and review all M&A transactions before TUF board and shareholders approval.

SUSTAINABLE DEVELOPMENT COMMITTEE

The Board of Directors no.4/2014 on 13 August 2014 has approved to set up the Sustainable Development Committee of which Mr. Thiraphong Chansiri is the Chairman, Mr. Cheng Niruttinanon is the Committee’s consultant and the chief executive administrators of the main business are the committee whose duties will be planning policies of the sustainability of company, monitoring and encouraging the operation of the five groups including working group for Corporate Social Responsibility, Ethical Labor Practice, Human Capital Development, Energy, Environment & Climate Change, Sustainable Supply Chain while Sustainable Development Working Group will be responsible to coordinate the work of five groups and affiliated companies both in country and overseas.

EXECUTIVE DIRECTORS

Authority of Executive Directors

- 1) Implement the company's policy, which obliges to laws, conditions, regulations, and rules of the company, except for those issues subjected to the consent of shareholders.
- 2) Set, propose and devise business policy and strategy to Board of Directors.
- 3) Set business plan, business management authority, annual budget estimation, and budget allocation to Board of Directors for review and approval, as well as follow business plan and strategy in accordance with the corporate policy and business guidelines to propose to the Board of Directors.
- 4) Handle general business administration, set up organization and management structures to cover all aspects of personnel recruitment, training, employment, and employment termination.
- 5) Approve credit facility requests made to financial institution, including giving collateral or making any payment for normal business transactions, e.g. payment made for branch expansion investment or any regular business operations. The approval of the said credit facility must involve not over Bt200 million or equivalent in value, or the value as approved by Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of Board of Directors.
- 6) Appoint or dismiss any employee holding position lower than managing director.
- 7) Perform other duties as assigned by Board of Directors.

In addition, the above-mentioned approval authorities must not be in nature of any business transactions that allow executive directors, or their authorized persons, to grant further approval for transactions having their conflicts of interest, vest interest, or any other forms of conflicts of interest (according to the company's articles of association and pursuant to the Notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the company or its subsidiaries. Exception is made for approval given for business transactions in accordance with corporate policy and criteria approved by Board of Directors, provided that executive directors with vested interest in such issue are not eligible for voting right. Board of Directors is authorized to make change to the authority of executive directors as deemed necessary or appropriate.

MANAGEMENT TEAM

As at 31 December 2014, the Company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons;

NAME	POSITION
1. Mr. Rittirong Boonmechote	President of Global Shrimp Business
2. Mr. Shue Chung Chan	Assistant Managing Director – Fish Business and Human Resource
3. Mr. Suthidej Amornkasemwong	Assistant Managing Director – Fish Business
4. Mr. Preerasak Boonmechote	Assistant Managing Director – Shrimp Business
5. Mr. Joerg Ayrlle	Group CFO
6. Mr. Yongyut Setthawiwat	Deputy General Manager – Finance
7. Mr. Niti Trakpiboon	Assistant General Manager – Accounting

SUCCESSION PLANNING FOR TOP EXECUTIVE POSITIONS

The Board of Directors has recognized the importance and the necessity of the succession of top executive positions of the organization, particularly for the positions of Chief Executive Officer and President of Global Shrimp Business thus the Board of Directors has appointed Assistant Managing Director of Human Resource along with the Chief Executive Officer to implement succession planning for the positions of Chief Executive Officer and President of Global Shrimp Business and the staff members reporting directly to both positions. The Board also laid a succession plan for the second tier positions from the manager level upwards by identifying the persons for replacements. In the case that the persons to be in charge are not available, the personnel development systems for the second tier personnel should be developed for further readiness in order to ensure that the company will continue its operations without pauses.

BOARD MEETINGS

SCHEDULES

The Board of Directors has set the standards for the general meeting to be conducted at least 5 times a year and has set the dates of the meetings in advance for the whole year so that the directors can attend all meetings and may set additional schedule, if necessary.

BOARD AGENDAS

The Chairman of the Board of the Directors and the Chief Executive Officer collaborate to set the agenda of the meeting while other directors may also present their agenda for consideration. The Company Secretary may also present agendas which are related to the rules and regulations to complete the list.

DISTRIBUTION OF INVITATION LETTER AND SUPPORTING DOCUMENTS

It is the duty of the Company Secretary to distribute the Invitation letter and supporting documents to the Meeting along with the agenda and the documents to the directors no less than 7 days in advance, except for matters which need urgent consideration.

BOARD MEETINGS AND THE QUORUM

The Board of Directors has set the quorum with a minimum of at least two-thirds of the total members of the directors in order to make a quorum. The Chairman of the Board shall be in charge and allocate sufficient time for each agenda so that the directors may express their opinions while the executives who are involved with that particular agenda present the data and information for the exchanges of views. Each meeting shall last 2-3 hours.

BOARD MINUTES

It is the duty of the Company Secretary to provide the minutes and present to the Chairman of the Board of Directors to verify and deliver to each director to comment. A meeting report shall consist of minutes of the resolutions of the meeting along with sufficient and accurate data and information.

MEETING ATTENDANCE

The Directors of the company are committed and always prepared to attend meetings, including the Board of Directors' Meetings, the Sub committees' Meetings, and the Annual General Meeting of Shareholders. Exception is reserved only for those directors who reside abroad.

NAME OF DIRECTOR	2014 AGM	BOARD MEETING			
		2013	%	2014	%
1. Mr. Kraisorn Chansiri	Attend	7/7	100.00	8/8	100.00
2. Mr. Cheng Niruttinanon	Attend	6/7	85.71	7/8	87.50
3. Mr. Thiraphong Chansiri	Attend	7/7	100.00	8/8	100.00
4. Mr. Chuan Tangchansiri	Attend	6/7	85.71	8/8	100.00
5. Mr. Rittirong Boonmechote	Attend	6/7	85.71	8/8	100.00
6. Mr. Takehiko Kakiuchi	Absent	1/7	14.29	1/8	12.50
7. Mr. Ravinder Singh Grewal Sarbjit S	Absent	5/7	71.43	8/8	100.00
8. Mr. Shue Chung Chan	Attend	4/7	57.14	8/8	100.00
9. Mr. Sakdi Kiewkarnkha *	Attend	7/7	100.00	7/8	87.50
10. Dr. Thamnoon Ananthothai *	Attend	7/7	100.00	7/8	87.50
11. Mr. Kirati Assakul *	Attend	5/7	71.43	6/8	75.00
12. Pol.Maj.Gen Pracha Anucrokdilok *	Attend	7/7	100.00	7/8	87.50
13. Mr. Kiti Pilunthanadiloke *	Attend	5/7	71.43	5/5	100.00

* Independent Directors

Remark: 1. Mr. Takehiko Kakiuchi is director, who reside outside the Kingdom of Thailand.

2. Pol. Maj.Gen Pracha Anucrokdilok and Mr. Kiti Pilunthanadiloke had resigned from the Board since 1 January 2015 and 1 October 2014, respectively.

BOARD ORIENTATION AND CONTINUOUS DEVELOPMENT

The company has supplied a manual for new directors to be informed of the information of the company, the objectives, the rules and regulations and important policies which are necessary to facilitate the new directors to perform their duties and express their opinions in the meetings. Furthermore, all directors are welcome to constantly improve their knowledge through training in order to effectively carry out corporate governance of the Company. In 2014, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar "Director Certificate Program Update #1/2014."

The Directors of the Company, who reside in Thailand, have attended various workshops conducted by the Thai Institute of Directors (IOD) and other institutions as follows:

NAME OF DIRECTOR	DCP	DAP	RCP	RCC	ACP	UFS	HRP and HCI	TLCA	Top Management
1. Mr. Kraisorn Chansiri			15/2007						12/2011
2. Mr. Cheng Niruttinanon									
3. Mr. Thiraphong Chansiri	10/2001								
4. Mr. Chuan Tangchansiri		86/2010							
5. Mr. Rittirong Boonmechote		84/2010						2/2009	
6. Mr. Shue Chung Chan	10/2002							1/2009	
7. Mr. Sakdi Kiewkarnkha	13/2001		4/2001	9/2009					
	2/2006						2/2012		
	1/2014						4/2008		
8. Dr. Thamnoon Ananthothai	70/2006	48/2005	14/2006		10/2005	7/2007			
9. Mr. Kirati Assakul	27/2003			5/2007					

DCP : Director Certification Program

DAP : Director Accreditation Program

RCP : The Role of Chairman Program

RCC : The Role of Compensation Committee

ACP : Audit Committee Program

UFS : Understanding the Fundamental of Financial Statement

HRP : How to Develop a Risk Management Plan

HCI : Handling Conflicts of Interest

TLCA : TLCA Executive Development Program

Top Management Courses : Capital Market Academy

EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

The company has set up a policy of self-evaluation for the Board of Directors at least once a year since 2013. The objective was to assist the directors in evaluating performance, issues and obstacles in the previous year as guidelines for improvements and more effective performance of the Board of the Directors. The evaluation of the performance of the Board of Directors has been categorized in the following topics:

- 1) Structure and qualification of the Directors
- 2) Role, duty and responsibility of the Directors
- 3) The Board of Directors' Meetings
- 4) Performance of the Directors
- 5) The Relationship with the Management Department
- 6) Self-development of the Directors and the development of the executives

The Company Secretary has sent evaluation forms of the Board of Directors to the directors, which summarized and presented the evaluation results to the Board of Directors in order to achieve the above mentioned objectives. The evaluation of the performance provided good results with an average score at 86% and the Committee suggested guidelines for improvement as follows:

- Business ethics should be reviewed regularly.
- The Board of Directors should be involved with the determination of the remuneration for the CEO.
- Information for the determination of the remuneration for the directors should include those outside of IOD.
- Urgent meetings should not be conducted due to insufficient time for determination of data and information for decision making.

SUBCOMMITTEES

Each subcommittee shall self-evaluate its own performance by comparing with the Charter and report the evaluation results to the Board of Directors. Nevertheless, the 2014 Evaluation Results concluded that each subcommittee completely performed its duties.

HOLDING THE POSITION OF DIRECTOR IN OTHER COMPANIES

The company has a policy to limit the number of other listed companies in which each director may hold the position of Director to be no more than 5. Nevertheless, holding such positions shall not affect the duty and performance of the director of the company.

CONFLICTS OF INTEREST

The Board of Directors has stipulated the measures to take care of and monitor transactions which may present conflicts of interest as well as connected transactions by prudently and independently determining the appropriateness of transactions under the framework of good corporate governance which has been constantly practiced for the benefits of the company as if transactions have been conducted with third parties. The Board has also provided summary reports for each quarter and will publish the summary on the last day of the year in the Annual Report and the Annual Registration Statement (Form 56-1). Furthermore the company has requested the Directors and the Executives to report to the company on gains and losses of their own or those who are related, particularly on the gains and losses which are related to the management of the business of the company and its subsidiaries in order to provide the company with information for business operations in accordance with the regulations on connected transactions, which may raise conflicts of interest and may lead to transfers of benefits of the company and its subsidiaries.

THE COMPANY SECRETARY

The Board of Directors has made a resolution to appoint a Company Secretary on December 14, 2007. The selected candidate was Mrs. Paralee Sukhatungka, 48 years old, who holds a Master's Degree from the Faculty of Commerce and Accountancy, Thammasat University. Mrs. Paralee will provide support and assistance to the activities of the Board of Directors for the right direction of corporate governance with more accuracy, transparency and efficiency. The assignments under her roles and responsibilities are as follows:

- Taking care of and arranging the Shareholders' Meetings, writing the Meeting Reports, and securing them in a safe place and arranging them in a chronological order.
- Taking care of and arranging the Board of Directors' Meetings and writing the Meeting Reports and compiling related documents.
- Ensuring that the Board of Directors performs under the laws and the related regulations.
- Suggesting guidelines related to corporate governance to the Board of Directors and the Executives.
- Being in charge of reports and disclosures in accordance with the laws.
- Monitoring to ensure implementations are carried out in accordance with the resolutions of the Board of Directors' Meetings and the resolutions of the Shareholders' Meetings.
- Implementing all matters with accuracy and completeness in accordance with the Public Limited Companies Act, the Securities and Exchange Act, the Announcement and Regulations of the Capital Market Supervisory Board, including laws and other related rules.

CONTACTING THE BOARD

The stakeholders may express their opinions, recommendations, complaints, or whistle blowings which may bring damages to the company, the company's unlawful actions or unethical actions, in writing and send them to the Audit Committee or the the Board of Directors at the following address:

Thai Union Frozen Products Public Company Limited

Company Secretary – Office of the President & CEO

979/12 M Floor, S. M. Tower

Phaholyothin Road, Samsen Nai,

Phayathai, Bangkok

Or to our e-mails:

The Audit Committee at complaint@thaiunion.co.th

The Board of Directors through the Company Secretary at paralee@thaiunion.co.th

THE RIGHTS OF THE SHAREHOLDERS

The company follows good corporate governance principles and sets clear business policy by perceiving equitable treatment of shareholders and stakeholders. This can be evident from the fact that the Board and the management cooperate to efficiently deliver work performance while prudently and carefully carrying out their administrative duties for the best interests of the company and shareholders. Operations are transparent and can be verified. Information disclosures are made in the complete, accurate, punctual, and equitable manner to all parties concerned. The company has appropriate and adequate control systems and risk management plans to facilitate well-informed decision making. The company adheres to business ethics as a main pillar to prevent damages to all stakeholders. The Board oversees the company's disclosures of all material information to ensure its accuracy, fairness and timeliness in order to secure investor confidence.

The company's information disclosures to shareholders are made on the basis of equity regardless of share volume owned, status as individual or juristic person - local or overseas. In each meeting of the shareholders, the company places emphasis on and respects the rights of the shareholders by strictly carrying out the meetings pursuant to the Public Limited Companies Act. Also, the company recognizes that the shareholders have the rights to decide, to obtain adequate, complete and timely information and to be encouraged to use their rights and not to have their rights violated, as follows:

SHAREHOLDERS' MEETING

- The Annual General Meeting of Shareholders (AGM) has been set annually within 4 months counting from the annual closing date of its accounting books, i.e, within April 30 of each year. For urgent matters regarding the shareholders' interest or those requiring shareholders' approval, the Board shall call for the Extraordinary General Meeting of Shareholders (EGM). For the year 2014, the Company had arranged the Annual General Meeting of Shareholders (AGM) on April 3, 2014 and the Extraordinary General Meeting 1/2557 on December 24th, 2014 with preparations as follows:

THE PREPARATION FOR THE MEETING AND THE DELIVERY OF THE INVITATION TO THE MEETING

- The Board allowed shareholders to propose a name list of potential director candidates and a meeting agenda for the 2013 Annual General Meeting of Shareholders. The Company Secretary was assigned to publicize such information by using the electronic media through the communication systems of the Stock Exchange of Thailand, forwarded to the corporate website 103 days prior to the date of the delivery of the Invitation to the Meeting in order to allocate appropriate time for the shareholders' proposals.
- The company publicized the Invitation to the 2014 Annual General Meeting of Shareholders along with the documents in which details, objectives and reasons had been sufficiently and accurately provided, including the comments of the Directors in each agenda and the proxy forms, comprising of Form A, Form B, Form C, as stipulated by the Ministry of Commerce on www.thaiuniongroup.com since February 27, 2014 – 35 days prior to the Annual General Meeting of Shareholders and since November 21, 2014 – 33 days prior to the Extraordinary General Meeting of Shareholders.
- The company authorized Thailand Securities Depository Co., Ltd., in its capacity as registrar, to deliver the Invitation to the Meeting to shareholders along with the documents in which details, objectives and reasons had been sufficiently and accurately provided, including the comments of the Directors in each agenda, to make opportunities for the shareholders to appoint their proxy or to authorize any independent director to act as proxy to vote on his/her behalf, and also to deliver the annual report in the form of CD-ROM to shareholders 15 days prior to the date of the 2014 AGM and 16 days prior to the 1/2014 EGM.
- The company publicized the Invitation to the Meeting in Post Today newspaper (in Thai) and Bangkok Post (in English) for 3 consecutive days, 7 days prior to the date of the meeting to reassure shareholders' attendance on the scheduled meeting date and time.

ON-SITE MEETING PROCEDURES

- The company facilitated all shareholders, including institution investors, in a fair manner by arranging the officers to welcome and provide sufficient information during the checking of documents before the registration. The company also arranged the AGM/EGM voting systems, serviced by Quid Lab Company Limited, to facilitate the 1/2014 Extraordinary General Meeting of Shareholders and to cover the preparation of information regarding shareholders who had the right to attend, the registration of shareholders who attended by printing ballots and the process of counting the votes in the meeting. The registration was open from 12:00 a.m. - 14:00 p.m. of April 3, 2014 and December 24, 2014 at the well-known and easy-to-commute-to Thai Army Club on Viphavadi-Rangsit Road in Bangkok. In 2014. There were a total of 934 shareholders who attended and proxies whose aggregate shares totaled as 656,172,370 shares, equivalent to 57.18% of the total issued and paid-up shares. In the 1/2014 Extraordinary General Meeting of Shareholders the total number of shareholders was 1,655 whose aggregate shares totaled as 809,501,652, equivalent to 67.86% of total issued and paid-up shares.
- Chairman of the Board chaired the 2014 Annual General Meeting of Shareholders, in which there were 11 board members in attendance out of the whole board of 13 members. The 1/2014 Extraordinary General meeting of Shareholders was comprised of 10 board members in attendance out of 12 members, and they were the Chief Executive Officer, the President of Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The two directors who could not attend were representatives of overseas shareholders who could not make it to the meeting due to inconvenience of long journeys. However, without their presence, the two directors had analyzed the information and expressed their opinions on the issues through the agendas delivered to them prior to the meeting. Moreover, the Group CFO, the Deputy General Manager / Finance, the Assistant to General Manager / Accounting, the Deputy General Manager / Investor Relations, legal advisors and independent auditors from EY Co., Ltd., attended the meetings to completely answer questions from the agendas while the Chairman provided appropriate and sufficient time and encouraged the shareholders to express their opinions and queries with equity.

- The Chairman of the meeting assigned the MC to clearly explain the vote-casting and vote-counting procedures for each agenda to the eligible shareholders as well as the procedure of one vote per one share according to the Company's Articles of Association No.35. The company's auditors from EY and 2 volunteers from the shareholders were the witnesses of the vote counting. The meeting was conducted in the manner that allowed and encouraged all shareholders to raise questions, express opinions and give suggestions about the issues throughout the entire meeting session. There were 10 shareholders who made queries and presented opinions for the 2014 AGM and 7 shareholders for the 1/2014 EGM.
- In order to preserve voting transparency, the company made available ballots to facilitate exercise of voting rights by shareholders in case of their disapproval or abstention of any agenda being considered. Such votes were deducted from the total votes of the meeting. The remaining votes were counted as approvals of such agenda. In order to conduct the meeting in a timely manner and to separate the election of the directors, shareholders were allowed to freely cast their votes for each director candidate on an individual basis, not on the whole board of candidates. Vote counts were clearly announced onsite to make known to all attending shareholders immediately following the end of the voting procedure in each agenda. The meeting session was also videotaped for further dissemination on the company's website. Interested shareholders may request a copy of the videotape from the Stock Information - Office of the President&CEO.

POST-MEETING PROCEDURE AND MEETING MINUTES

- The company publicized the resolutions of all agenda considered in 2014 Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) No.1/2014 on www.thaiuniongroup.com immediately on the date of meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to corporate website on April 16, 2014, or 13 days following the date of AGM and January 7, 2015, or 14 days following the date of EGM. Shareholders and investors may obtain further information on the meetings or submit their questions in advance by contacting the Company Secretary at 0-2298-0024 ext.671-674

Hosting of shareholders' meeting with great emphasis on equitable voting right has earned the company excellent performance in the 2014 annual evaluation of Annual General Meeting of Shareholders conducted by Thai Investors Association.

EQUITABLE TREATMENT OF SHAREHOLDERS

The company perceives the importance of right of shareholders, is well aware of its responsibility to ensure equitable treatment of shareholders and therefore have put the following initiatives into action.

- The Board assigned company secretary to prepare data and communicate to shareholders with regards to the company's invitation for shareholders to propose name list of potential director candidates and meeting agenda for consideration in 2014 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand communication systems and forwarded to investor relations section on corporate website 103 days prior to the date of meeting invitation delivery in order to allocate appropriate time for their proposals. Although the company has provided shareholders with such these proposal opportunities since 2007, no proposals, however, were submitted for either director candidates or meeting agenda during the past year. In addition, we do not have the additional agendas that did not notice.
- The Board facilitated shareholders who cannot attend the meeting by assigning any independent directors and proposed the name list of at least 2 independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In 2014 Annual General Meeting of Shareholders, there were 10 shareholders who authorized Mr. Sakdi Kiewkarnkha, Chairman of Audit Committee, there were 3 shareholders who authorized Mr. Kiti Pilunthanadiloke, a member of Audit Committee, to act as proxy and vote on his/her behalf, All of them have been serving as independent directors.

- The Board provided voting cards for the shareholders by the AGM/EGM voting system for each agenda separately so that they can vote as appropriate. The voting cards are then collected and calculated together with the votes cast before in the proxy form. The votes are then announced in the meeting room and filed the cards for inspection.
- The Board assigned company secretary to document and file the meeting resolutions in a correct and complete manner and to publicize the resolutions of all agenda considered in 2014 Annual General Meeting of Shareholders in investor relations section on www.thaiuniongroup.com immediately on the date of meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to corporate website within 14 days following the date of meeting.
- The company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on immediate basis and not later than 3 business days following the date of purchase, sell, transfer or receipt of such securities. The Board or management members or sections with access to, or acknowledgement of, internal information are not allowed to leak the information to outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the company's share on the Stock Exchange of Thailand. However, this prohibition is exempted in the case of continued fluctuation of securities trading prices driven naturally by overall stock market mechanism, which encourages those management to trade their securities only in response to the stock market situations and in good faith. Furthermore, the Board and management members are made aware of legal punishment and penalty pursuant to the Securities and Exchange Act B.E. 2535 and relevant regulations.
- The Board assigns company secretary to oversee and follow up items with potential conflict of interests and connected transactions. Company secretary is responsible for preparing quarterly summary report of those items and transactions and regularly publicizes such report at year-end in the company's annual report and Form 56-1. Furthermore, the Board and management members, in any Board meeting, are required to comply with good corporate governance policy by not participating in casting votes or giving opinions on any issues sensitive to conflict of interests or vested interests.
- The Board assigns company secretary to maintain the filing of report of vested interests as disclosed to the company by the Board and management members pursuant to the Notification No. Tor. Jor.2/2552 of Capital Market Committee Governing Required Vested Interests Disclosure by Listed Company Directors, Management Members and Connected Persons. With regards to this issue, the Section 89/14 of the Securities and Exchange Act B.E. 2535, as subsequently amended under the authority of the Securities and Exchange Act (No. 4) B.E. 2551, stipulates that the Board and management members must report to the company their vested interests in the Company's and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the company and to enable the company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflict of interests from leading to possible siphoning of corporate funds and interests from the company and its subsidiaries.

ROLES OF STAKEHOLDERS

The company perceives the importance of right of all stakeholders and equitable treatment, as the company foresees the importance of their support and the mutual cooperation between the company and the various groups of stakeholders in that it can secure long-term business wealth, employment and financial stability. Therefore, the company adheres to equitable treatment of all stakeholders as well as ensures that effective administration of internal controls and compliance controls are established and maintained, as summarized below;

SHAREHOLDERS

The company is determined to represent all shareholders efficiently through generating maximum long-term returns on investment and is committed to conducting business with transparency, to put in place reliable financial and accounting systems, and to deliver optimum shareholder satisfaction with regular and sustainable strong operational performance and continued growth. The executive board and all employees shall perform duties with integrity and make decisions in good faith and in fairness to major and minor shareholders alike, as well as for the good of relevant parties. They shall refrain from any activities that could cause conflicts of interest and serve self-interest. Confidential information shall not be divulged to outside parties while simultaneously paying attention to accurate, complete and punctual disclosure of material information to all shareholders in response to their unwavering trust and support given to the company and provide the investment returns that satisfy the shareholders the most.

EMPLOYEES

The company treats employees equitably and fairly with no discrimination against national origin, religion, gender, marital status, language, or workforce ranks, not associating with forced labor, child labor, and human trafficking, and not supporting bribery and corruption. The company sets the appropriate compensation comparable to compensation paid in the same industry. Provision of fringe benefits to employees not only complies with but also exceeds relevant standard mandatory requirements. Among those benefits available to employees are provident fund, annual health check-up and adoption of Kaizen principle, safe and sanitary workplace environment, employee recreational activities, and in-house physical workout facility to promote mutual recreation among employees. In addition, the annual mini-marathon run started since 2009 to encourage the employees to be committed to that goal. Although some employees will not do before, but they will try to practice successfully. Besides, much emphasis is also placed on long-term personnel development, ample learning and self-development opportunity for career advancement and improved life quality. In order to put these implementations in actions, the company introduces organization-wide professional human resources management systems to maximize personnel potentiality and capability throughout the entire business group. Employees of all levels are encouraged to acquire new knowledge and skills through company-subsidized scholarship program along with seminar/training attendance at leading educational institutions. The company provides employee manual, which equips employees with necessary information on corporate policy and entitled fringe benefits. In addition, the company has adopted a progress-oriented HR policy, driven by passionate belief in the utmost importance of human capital in business and the vital contribution it makes to the company's achievement of common goals. Therefore, the company is committed to promoting greater professional capability among employees in parallel with continued improvements in their quality of life. Concerning learning and development paths made available to employees, appropriate practical learning programs are developed and applied to employees from their first day of employment within the company until their retirement. Our employees are the prime driver for sustainable development of both business and environmental and social responsibility. Through employee satisfaction and employee engagement surveys, the company is on track to enhance the level of engagement of our employees. We are also committed to promote a wider access to the engagement platforms, for instance, by opening up an opportunity for employees of all nationalities to become the representatives in the welfare committee and occupational health and safety committee. In this regard, the company has provided continued support to facilitate their greater learning experiences through time allocation, financial contribution and career progression as detailed below:

HUMAN CAPITAL DEVELOPMENT

The company's human capital development is intended to encourage employees to perform respective functions at their optimum efficiency. In order to achieve this goal, the company develops, and capitalizes on, tailored individual development plan on a continued basis. The individual development plan is implemented in conjunction with systematic follow-up and performance evaluation conducted to personnel training and development programs. Employees of all levels throughout the business gain benefits from organization-wide adoption of knowledge-based approach. In addition, the availability of Human Resource Information System (HRIS) within the company not only enhances efficiency and accuracy of HR data management but also lowers operating costs. Under this human capital management policy, all people across the business are

engaged side by side in continual process of knowledge acquisition and management. Apart from these continued HR development efforts regardless of position levels of employees, the company has been making regular investment in the area of organizational development since 2004 with the intention of further strengthening organizational performance. In this regard, the company has hired qualified advisors and experts in different disciplines to work in advisory capacity on the organizational and human capital development initiatives. Those professional advisory bodies include Accenture, CSR, INWIS and APM Group, among others. Moreover, as the company foresees the importance of specific functional, management and soft skills development among each position level as one of job enhancement factors, other personnel development efforts have also been made. These efforts encompass a wide range of personnel development aspects; for example, prerequisite knowledge for industrial establishment personnel, development of specific functional skills, development of management and soft skills, Leadership Program, Coaching Program, cross-functional rotation system, inter-departmental personnel realignment system, trial function performance in superior position, Star Program and the most recent program “TUF Management Associate Program” has been introduced to provide opportunities for young talents from within and outside the organization to experience working in our overseas operations, the management program called ‘War Room’ that is successful in unleashing the potential of the employees at all levels and engaging each individual in celebrate his/her work accomplishment along with organizational success. The key principles lie on the right balance of leadership development, executions of best practices, and proper change management within a short period of time after launching. The remarkable improvements in its performances in terms of efficiency, cost, quality, and employees’ morale.

Moreover, the company stresses the importance of communicating information concerning its business to all employees, such as CEO meets employees every 6 months for announcement the annual targets, the results including as the spirit and morale in the operating in the event of circumstances.

PERFORMANCE AND CAREER DEVELOPMENT

At the end of each year, monthly staffs at all levels will be expected on key performance achievements, competencies, and successors’ development, have to be agreed upon as an individual KPI. A career discussion comes right after KPI setting where all three sets of competencies (i.e. core, management, and functional competencies) are used as references for setting up the development priorities and goals in the form of an individual development plan (IDP). As our general development rule, IDP puts more focus on learning by doing (70%), less on learning from feedback and coaching (20%), and the least on formal training (10%). On average, the training hour per person is fairly distributed across all levels. Around double efforts made in the group of entry level management reflects our emphasis on successors’ development.

BENEFITS

Apart from those benefits realized at present, the company seek to provide an assurance of continued decent living for our employee as well as their immediate family members after their careers at the company end. These include life insurance and retirement fund. The retirement fund is provided to both daily workers and monthly staffs based on the number of years of service. To make sure that our employee will be readily prepared for their retirement well in advance, the company together with the Social Security Office have arranged the training program about sufficiency economy and retirement plan saving to all who are interested. Additionally, the company have looked into how to secure the payments of wages and benefits when there is a temporary disruption to our business. The coverage of compensation by the insurance policy in case of business interruptions has been extended beyond commercial impacts to include payments of wage and benefits for all employees affected throughout the disrupting period.

CUSTOMERS

The company builds customer satisfaction and is responsible for customers through offering developing high-quality products in compliance with food safety, occupational health and environment standards, adhering to commitments given to customers, delivering goods and service on-time and at fair prices, making customers accurately well-informed of available goods and service, and also placing much attention to customer confidentiality. The company also sets aside special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.

BUSINESS PARTNERS

The company treats suppliers equitably and fairly in line with commercial conditions, is willingly open for their opinions and suggestions to forge stronger business relations and places much attention to their commercial confidentiality. Routine engagements have been channeled to various business functions such as marketing teams versus customers, procurement teams versus trading partners and suppliers, human resources versus employees, government relations and administrative functions versus government and local communities, finance teams versus financial markets and institutes, investor relations versus capital markets and investors, corporate communication versus media and public sectors, etc.). In addition, some new key initiatives have been launched during the year namely, deploying sustainability features and capabilities to innovate as new sources of inspirations for customers, investing in resource sustainability in partnership with international NGO(s), collaborating with academic institutions and government to strengthen the basic knowledge and science of seafood products, participating together with customers, trade associations, and business partners in various taskforces in order to tackle the challenges in natural resource and labor protection, and exchanging views and experiences about sustainable development with private institutions and regulators, etc.

CREDITORS

The company honestly and strictly adheres to loan agreement commitments given to respective creditors and financial institutions so as to ensure the availability of proper and fair returns on their loan investments. Furthermore, the company takes best efforts to minimize its exposure to potential conflict of interests with creditors and not omitting information or facts that may damage creditors. If the company cannot respect the conditions of the contracts, it must notify its creditors in advance to jointly solve the problems.

COMPETITORS

The company competes with competitor under fair commercial competition, with business ethics and in compliance with applicable legislation. The Company does not seek information that is its competitors' trade secret by dishonest means, thereby having no trading disputes with any competitor.

CORPORATE SOCIAL RESPONSIBILITY

The company perceives the corporate responsibility for the environment in the society and community and for natural resources conservation. In turning its nature-care spirit into actions, extensive corporate support is given to communities around the plant in terms of both safety and environment at its best. Among our corporate social responsibilities having been materialized include, for example, "Sealect See Love" volunteering camp recently launched to promote employees' participation in community and social works, Hometown Community Development Program, which has been running on continued basis with clear objectives of promoting community strength and fostering pride in hometowns among employees, and "Blood Donation" organized for eight consecutive years with accumulated blood donated to Thai Red Cross Society Other company-sponsored CSR initiatives in actions through the entire 2014 are further described under Sustainable Development heading on page 42 - 61 of this annual report.

RESPECT OF COPYRIGHTS AND INTELLECTUAL PROPERTY RIGHTS

The company respects copyrights and intellectual property rights of others by forbidding the employees to use illegal programs or software and strictly comply with the Copyright Act B.E.1994

ANTI-CORRUPTION

The Board of Directors no.8/2014 on 24 December 2014 has approved the Anti-Corruption Policy of Thai Union Frozen Products Public Company Limited to take a firm stand against any acts of corruption, in all of our business dealings at all levels. Hence, the Company has issued the Anti-Corruption Policy and Code of Conduct for Anti-Corruption, which details strict guidelines to prevent and/or deal with any corrupt activities. Further, the process of reviewing our policies and procedures are implemented on a periodic basis, in order to make sure our guidelines are up-to-date and responsive to new developments in the current business conducts as well as changing laws, rules and regulations to which the company is subject, and to make sure that our integrity and ethical business conduct is upheld; and by which all board members, management and employees must abide. Board members, management and employees shall perform their duty in compliance with this policy and communicate the policy to external stakeholders for corruption-related risk prevention. The company shall provide a protection to board members, management and employees who act against corruption in accordance with this Policy and respective Code of Conduct.

Anyone who violates this Policy and Code of Conduct shall be subject to disciplinary action in accordance with the company's rules and regulations.

ROLE AND RESPONSIBILITY

1. Board of Directors are responsible make sure that the business conduct is transparent, accountable, and strictly in accordance with Anti-Corruption Policy, respective code of conducts and procedures. The Audit Committee is responsible for
 - Overseeing internal controls both financial and operational of accounting and documenting procedures including all other anti-corruption related procedures,
 - Providing channel(s) for complaint or report of corrupt activities,
 - Providing advices on the implementations per Anti-Corruption Policy and Code of Conduct, and
 - Reporting finding(s) to Board of Directors on a regular basis.
2. Management is responsible for implementing this Anti-Corruption Policy, including communication and awareness raising among internal and external stakeholders. Proper management systems and measures must be put in place and periodically reviewed to ensure effective governance and implementation in alignment with the intent and new developments in the current business conducts as well as changing laws, rules and regulations.
3. Management and employees at all levels are responsible for mitigating and preventing corruption-associated risks in their assigned duties, and are responsible for reporting of corrupt activities.

GENERAL PROVISIONS

1. Board members, management and employees must agree to perform their duties and services in compliance with the Company Anti-Corruption Policy; and must not allow any person, whether directly or indirectly, to exert influence on their behalf so as to engage in any corrupt practice, with the purpose of obtaining any personal or undue advantage.
2. In addition to carrying on their duties as assigned, they shall agree not to engage in any corrupt practices as mentioned in section 1, which also include:
 - Giving or accepting gifts or hospitality,
 - Giving or accepting cash or its equivalents,
 - Bribing government officials or third parties or accepting or soliciting bribery,
 - Embezzling Company's assets or working hours,
 - Laundering money,
 - Obstructing or impeding due administration of justice or judicial proceeding,
 - Making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc.,
 - Donating to charitable causes, and
 - Sponsoring, For a personal or other undue advantage.

GIFTS, HOSPITALITY, AND EXPENDITURES

- Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the Company competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.
- Any offers or receipt of gifts and hospitality as per customs and traditions shall be conformance to the Company's rules and regulations. In other cases where the Company's rules and regulations cannot be applied, they must be proportionate, transparent and legitimate with no hidden agenda, as stated above.

WHISTLE-BLOWING AND COMPLAINTS

The Company provided the channel for whistle-blowing or complaint-making that stakeholders are or may be affected by the damage caused by the Company's operation, or the employees are involved in unlawful, dishonest acts or corruption by directly submitting the case or via post to;

Chairman of the Audit Committee, or General Manager, Audit Unit
Thai Union Frozen Products Public Company Limited
 23rd floor, S.M.Tower, Samsennai, Phyathai, Bangkok 10400
 Telephone 02 298-0024 ext 695-6
 Facsimile 02 298-0024 ext 697

The whistle-blowers or filers of complaints that are employees, customers, individuals hired for work by the Company or other groups of stakeholders who are whistle-blowers will have their rights protected and defended according to the law or the guidelines set by the Company.

INFORMATION DISCLOSURE AND TRANSPARENCY

The Board devises policy on correct, complete and punctual disclosure of material financial and non-financial information through dissemination channels of the Stock Exchange of Thailand and investor relations section on corporate website in both English and Thai languages so as to provide equitable and credible access opportunity for shareholders, institution investors and any persons interested in obtaining such information.

The Board stands behind the Company and its subsidiaries' consolidated financial statements and financial information presented in the Company's annual report. The said financial statements are prepared in accordance with generally accepted accounting standards by applying appropriate accounting policy on a regular and carefully considered basis. Material information is sufficiently disclosed in the notes to the financial statements.

The Board has provided report indicating its responsibilities to prepare financial statements. Such report is exhibited alongside the auditor's report in the Company's annual report to ensure true and fair presentation of the financial statements regularly following the generally accepted accounting standards and accounting policy.

The Board opinions that there is effective administration of internal controls in the Company and that the reasonable fairness is assured for the financial statements for period ending December 31, 2014, for which the Company's auditors have conducted the audits on a generally accepted auditing standards.

REMUNERATION FOR DIRECTORS AND MANAGEMENT

- Directors are remunerated in the form of monthly retainer and meeting allowance comparable in average to the general practice in the industry, suitable for the scope and amount of assigned responsibilities, and shareholders approved. Aside from the preceding meeting allowance, directors are not additionally remunerated from the Company's subsidiaries.
- Executive directors are remunerated in the form of monthly retainer, meeting allowance, salary, provident fund matching contribution and annual bonus based mainly on operational performance of the Company and work performance of each director.

- The management team is remunerated in the form of salary, provident fund matching contribution and annual bonus based mainly on operational performance of the company and work performance of each management member.
- Aside from the preceding monetary remuneration, the company does not pay any other remuneration to directors.

The company considers the total amount of annual remuneration paid to the Board and management members is not high when compared to the average amount paid by other listed companies in the Stock Exchange of Thailand due to the company's attention to the best interests of shareholders. The remuneration paid to the Board and management members in the year 2014 in comparison with its counterparts in the year 2013 is set forth below:

Unit : Million baht

	2014		2013	
	Board of Directors	Management Team	Board of Directors	Management Team
Number (Person)	13	10	15	11
Retainer/Meeting Allowance	7.87	-	7.64	-
Salary/Annual Bonus	-	89.11	-	63.24
Provident Fund Matching Contribution	-	4.83	-	4.62
Total	7.87	93.94	7.64	67.86

The Board perceives the importance of correct, complete and transparent information disclosure to all shareholders, investors and all parties concerned on equitable treatment basis. Information on operations and financial status is communicated clearly and timely under relevant laws to provide target groups with correct understanding of the company, thereby creating acceptance and investment sentiment among investors. The communication also allows the company to gain insight into public view on the company's operations, which will be a part of considerations for future goal and strategy setting. Although the Investor Relations Unit is not officially set up, the company clearly assigns the management and other personnel to assist in communicating with the public as follows:

1. Mr. Thiraphong Chansiri President&CEO
2. Mr. Wai Yat Paco Lee Deputy General Manager, Investor Relations & Corporate Investment
3. Ms. Suthipa Vacharotayangul Investor Relations Manager

The past continued communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2014 were as follows:

- Approximately 69 company visits by investors and stock analysts
- 38 times of conference call
- 5 analysts meetings following the announcement of operating results
- 4 times of Opportunity Day by SET
- 4 plant visits by stock analysts
- 2 plant visits by minor shareholders
- 13 overseas investor conferences
- 7 local roadshows

In addition, the company provides the public with written information dissemination through corporate website <http://www.thaiuniongroup.com> and printed media as follows:

- Investor note, a press release giving information on operational results issued to investors and stock analysts on a quarterly basis
- Presentation issued to investors and stock analysts on a quarterly basis
- TUF IR-Newsletters, a quarterly corporate newsletter delivered to shareholders and investors to regularly report new information and updates on the company's operations
- IR calendar, Raw material price, and the details of debts payment in the company website
- Annual report for shareholders, investors and other interested general public
- Report or notification of any corporate changes in need of public disclosure pursuant to the Notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand

Due to continued strong adherence to transparent information disclosure, Securities Analysts Association had ever granted to the company its annual SAA's Picked Award for being the most-admired listed company's top executive. The company had ever achieved totally 2 awards in Agro & Food category; The Most-admired CEO Award, The Most-admired IR Award, The grant of the awards is based on favorable votes cast by stock analysts and fund managers who identify the Company's regular provision of complete and accurate in-depth information, including facilitating convenient availability and accessibility for interviews as their deciding factors to vote for the company.

BUSINESS CODE OF CONDUCT

The company has created the code of ethics or statement of business conduct for all directors, management team and employees. The code serves as guidelines for their honest and equitable work operations and is made known to all directors, management team and employees to ensure their awareness, understanding and compliance. The company believes that such practice would improve the standards of good corporate governance and promote investor confidence in the company's management as well as preserve justice and credibility in the capital market. The code of conduct covers the following area;

- | | |
|---|---|
| 1. Responsibility to shareholders | 9. Anti-corruption |
| 2. Responsibility to customers | 10. Safeguarding the Company's assets |
| 3. Responsibility to employees | 11. Intellectual property |
| 4. Responsibility to business partner and creditors | 12. Conflicts of interest |
| 5. Responsibility to trade competition | 13. Related transactions within the group |
| 6. Responsibility to society and the environment | 14. Use of inside information and trading of the Company's security |
| 7. Responsibility to the Company | 15. Distribution of information to the public |
| 8. Compliance with laws, rules and regulations | |

CONTROLLING SYSTEM AND INTERNAL AUDIT

The company has established an audit unit that functions as an independent unit. The current head of this unit is Ms. Sureenard Sukhawanchai. She holds a Bachelor's Degree in Accountancy from Chulalongkorn University, Economics from Sukhothai Thammathirat Open University and Master's Degree in Finance and Accountancy from Chulalongkorn University, and is a Certificated Professional Internal Auditor (CPIA) and Certificated Internal Auditor (CIA)

The internal Audit Unit regularly oversee internal controls system, to inspect significant items including operations, compliance controls, risk management and extraordinary items are incorporated, to ensure the effectiveness of controlling system for greater credibility of financial statements. They report directly to the Audit Committee and administratively to the President&CEO. The internal audit unit has adopted a risk-based approach in the annual audit plan which focuses on key business risks of the company and subsidiaries that might have an impact on business goals and the accuracy of financial reports. The Audit Committee reviews the annual audit plan and the audit results and progress reports continuously.

The past internal audit reports indicated that the company's operations have been in line with the planned systems, possessed efficient internal controls, risk assessment, risk management and prevention measures, compliance control and shown no significant non-compliance in its operations.

RISK MANAGEMENT

The Risk Management Committee assigns the management team to regularly identify internal and external risk factors as well as to conduct assessment of their impacts on the company's business. Risk management team is diversely composed of management members and top executives who are directly responsible for the work areas where risk factors are identified. The risk management team analyzes target risk factors in order to determine root causes and create countermeasures. The countermeasures are turned into practical guidance to either prevent or minimize potential impacts of those risks. In addition, the risk management team also follows up and ensures that taken corrective and preventive actions are in line with its directed countermeasures and reports the performance of countermeasure implementation to Audit Committee for subsequent address in Board meeting.

THE HANDLING OF INSIDER INFORMATION

The company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 on immediate basis and not later than 3 business days following the date of purchase, sell, transfer or receipt of such securities. The Board or management members or sections with access to, or acknowledgement of, internal information are not allowed to leak the information to the outsiders or other unauthorized persons. In addition, no securities trading by those management is allowed within the period of one month prior to the disclosure of financial statements or any other material information to the public in order to prevent illegal use of internal information undisclosed to the public, which can affect the trading of the Company's share on the Stock Exchange of Thailand.

The company secretary reports every change in the company's securities held by directors and management to the Chairman of Board and Chairman of Audit Committee, and also provides the report of any changes made to the securities held by directors and management for year to the board meeting.

CONNECTED TRANSACTION

Connected transaction policy between TUF and its subsidiaries, the Audit Committee is entrusted to review the connected transactions that need to be approved by the Board of Directors. The Board of Directors shall ensure that the company is operating in compliance with the rules and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand including the acquisition and disposition of assets, as well as the accounting standards concerning the disclosure of information concerning connected parties and business, as defined by the Federation of Accounting Professional of Thailand. The Audit Committee will provide comments about the necessity and justification of such transactions for the best interest of the company. Costs are charged at the market price like transactions with any other outside parties (Arm's Length Basis). In the case of the Audit Committee does not have expertise in the connected transactions, the company will provide independent appraiser or external auditor of the company to ensure that such price is reasonable to the company before that such transactions must be approved by the Board of Directors and Shareholders. Directors and management personnel with potential conflicts of interest are not allowed to vote the transactions. The connected transactions are disclosed under the Notes to Financial Statements for year ended December 31, the annual report and form 56-1.

POLICY FOR FUTURE CONNECTED TRANSACTIONS

In undertaking future connected transactions, the company will continue its product and service transactions with connected companies, since these represent the normal business practices in the same industry. The pricing of products and services follow market practices and/or the details in any commercial agreements. However, the company will take into consideration its best interests and ensure that such price is reasonable to maximize the company's benefits. The Audit Committee and Audit Unit are to supervise and review the business transactions that are considered connected transactions according to the requirements, announcements, rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, the transactions involving directors and management, they are not allowed to vote and attend the meeting.

REPORT OF THE AUDIT COMMITTEE

TO THE BOARD OF DIRECTORS AND SHARE HOLDERS

The Thai Frozen Union Products Public Company Limited Audit Committee is comprised of three independent directors who are experts in finance, accounting, organization management, law, internal control and risk management. Each member of the Audit Committee meets the criteria as stipulated by the Stock Exchange Commission and the Stock Exchange of Thailand. None of them hold any managerial position, are employed nor perform consulting roles for the company.

In 2014, the Audit Committee convened 24 times as follows.

1. Mr. Sakdi Kiewkarnkha,

Independent Director and Audit Committee Chairman,

attended 24 meetings.

2. Pol. Maj. Gen. Pracha Anucrokdilok,

Independent Director and Audit Committee Member,
Resigned on 1 January 2015.

attended 19 meetings.

3. Mr. Kiti Pilunthanadiloke,

Independent Director and Audit Committee Member,
Resigned on 1 October 2014.

attended 13 meetings.

4. Dr. Thamnoon Ananthothai,

Independent Director and Audit Committee Member,
Succeeded Mr. Kiti Pilunthanadiloke on 1 October 2014.

attended 8 meetings.



THE AUDIT COMMITTEE, APPOINTED BY THE COMPANY BOARD OF DIRECTORS, PERFORMED AUDIT DUTIES IN COMPLIANCE WITH THE AUDIT COMMITTEE CHARTER. THE AUDIT COMMITTEE HEREBY SUMMARIZES THE TASKS PERFORMED IN 2014 AS FOLLOW:

1. Examination of the annual and quarterly financial statements for the year 2013, and the first three quarters of 2014 that of the company and of its subsidiary. Meetings were held with auditors and the company management to make certain that financial statements have been accurately prepared, in compliance with accounting standards, contain adequately disclosed, complete and reliable information. Observations and recommendations of the account auditor were well received and appropriately applied to company operations. The Audit Committee had met with auditor once and it was stated that auditor was given freedom to work and received good cooperation from the company executives. The company accounting manager also confirmed that the company accounting system is efficient, completely cover all accounting data and comply with current accounting standard. The Audit Committee finds, after verification with the management and the auditor that the financial statements of this company and its subsidiaries complies with applicable accounting standards, adequately disclose information, complete and reliable.
2. The Audit Committee examined and evaluated the internal control system of the company and its subsidiaries by regularly perusing the work plan and internal control reports. The Audit Committee found no significant flaws and found that internal control system of the company and its subsidiaries have effective mechanisms for fraud prevention and fraud monitoring. Also, the auditor reported similarly that the internal control system for finance is sufficiently effective. The Audit Committee concluded that the internal control system of the company and its subsidiaries is sufficient and appropriate. To support in development of company risk management, the Committee was informed that the company is to commission a consultancy with expertise in corporate risk management with the Administration Manager as coordinator.
3. The Audit Committee was confirmed by the company management that throughout 2014 the company and its management operated in conformity with all application laws and regulations. They also confirmed that the company had disclosed all information required by the Stock Exchange Commission and the Stock Exchange of Thailand. The Audit Committee found that this claim to be true that the company had operated and disclosed information as per legal requirements.
4. The Audit Committee conducted inspection of the company, ten of its domestic subsidiaries and two overseas. With each company, the Audit Committee convened with the management, reviewed their operations, internal control system, risk management system, environmental management system, financial statements, financial auditors and internal auditors. The Committee also observed production facilities, inventory management and overall situations.

5. The Audit Committee was able to conduct their duties according to the Audit Committee Charter without any restrictions of access to information. The Committee has reviewed the operational performances and concluded that the company operation is good. The committee was also involved in appraising general manager in charge of audit who was responsible for internal control operations of the company and its subsidiaries.
6. The Audit Committee reviewed the executive report on the mergers and acquisitions of the following three companies:
 - 6.1 100 percent acquisition of MerAlliance SAS of France, a specialist Salmon smoked business, by MW Brands SAS, a 100 percent subsidiary of Thai Union Frozen PCL for THB 1.6 billion.
 - 6.2 100 percent acquisition of King Oscar AS of Norway, a canned fish producer in Norway, by Thai Union EU Seafood1 a 100 percent subsidiary of Thai Union Frozen PCL for THB 1.8 billion.
 - 6.3 100 percent acquisition of Bumble Bee Holdco S.C.A., listed in Luxembourg, from Lion/Big Catch Cayman L.P. At the time of acquisition, the total shares were valued at USD 1.51 billion or THB 49.8 billion for the reviewed nine months period ending 30 September 2014. The net debt of Bumble Bee Holdco and its subsidiaries was approximately USD 0.76 billion or around THB 25.7 billion. The net value of this acquisition is therefore approximately USD 0.75 billion or around THB 24.7 billion.

For all three acquisitions the audit committee had reviewed the relevant executive reports and reports on Financial and HR Due Diligence, Legal Due Diligence, Commercial and Fixed Assets Due Diligence and approved of the three acquisitions to the Board of Directors.

Acquisitions as per 6.1 and 6.2 have been completed and as of November 2014. The company has learned of their performances. The acquisition as per 6.3, however, is pending the ruling of US Federal Trade Commission under the US antitrust law.

7. In 2014, the Audit Committee considered and appraised the performance of the auditors and found that they had performed their professional roles with independence, knowledge, ability and experience and had full unconditional access to all data required. The independent auditors made inquiries to the Company's executives and directors to provide observations and suggestions in the aspect of the accounting systems, the internal control measures and risk management to the company and its subsidiaries as they deemed necessary and appropriate. Seeing that their professional performance, according to the performance appraisal conducted, was satisfactory and proved beneficial to shareholders' and the company's interests, the Audit Committee therefore proposed that one of the following from EY Office Limited should be re-appointed to act in the same capacity for the year 2015 and that consultancy fees be discussed: Mr. Sophon Permsirivallop, Ms. Rungnapa Lertsuwankul, Ms. Pimjai Manitkajohnkit, Ms. Rosaporn Decharkom or Ms. Sumana Panpongsanont.



Mr. Sakdi Kiewkarnkha
Audit Committee Chairman

SHAREHOLDING STRUCTURE AND MANAGEMENT

SHAREHOLDERS	NUMBER OF SHARES	% HOLDING
1. Chansiri Group	1,028,660,452	21.6
2. Thai NVDR Co., Ltd.	508,768,661	10.7
3. Mitsubishi Corporation	347,745,120	7.3
4. Niruttinanon Group	330,997,812	6.9
5. Social Security Office (2 cases)	166,995,448	3.5
6. State Street Bank Europe Limited	159,393,515	3.3
7. The Bank of New York Mellon	123,384,656	2.6
8. The Bank of New York (Nominees) Limited	102,281,457	2.1
9. State Street Bank and Trust Company	96,632,680	2.0
10. Boonmechote Group	85,282,980	1.8

Remarks: As of closing of 26 January 2015, from total of 4,771,815,496 shares traded and paid at 0.25 Baht a share and include shares of concerned parties and under the same corporate group. Shares held by Thai NVDR, accounting for 10.66 percent of total, are ineligible for voting.

SHAREHOLDING STRUCTURE

TYPES	% HOLDING	
	30 December 2013	30 December 2014
Juristic Persons		
Thai	33.16	35.67
Foreign	38.52	39.21
Total	71.68	74.88
Private Individuals		
Thai	28.31	25.12
Foreign	0.01	0.00
Total	28.32	25.12
GRAND TOTAL	100.00	100.00

COMPARISON OF SHARES HELD
BY THE BOARD INCLUDING THOSE
OF THEIR SPOUSES AND CHILDREN
UNDER LEGAL AGE BETWEEN
AS OF 30 DECEMBER 2013 AND
26 JANUARY 2015.

BOARD OF DIRECTORS		As of 30 December 2013*	As of 26 January 2015
1.	Mr. Kraisorn Chansiri	471,134,720	471,134,720
2.	Mr. Cheng Niruttinanon	282,223,736	269,352,676
3.	Mr. Chuan Tangchansiri	39,468,000	38,668,000
4.	Mr. Thiraphong Chansiri	458,847,772	458,847,772
5.	Mr. Rittirong Boonmechote	63,442,980	63,442,980
6.	Mr. Takehiko Kakiuchi	-	-
7.	Mr. Shue Chung Chan	12,695,272	12,295,272
8.	Mr. Ravinder Singh Grewal Sarbjit S	-	-
9.	Mr. Sakdi Kiewkarnkha	-	-
10.	Pol.Maj.Gen. Pracha Anucrokdilok (Resigned on 31 December 2014)	30,288	30,288
11.	Dr. Thamnoon Ananthothai	-	-
12.	Mr. Kirati Assakul	53,248	53,248
TOTAL		1,327,896,016	1,313,824,956

Remarks: *The par value was changed from 1 Baht to 0.25 Baht, thus the number of shares were adjusted on 30 December 2013 at a ratio of 1:4 for comparison purposes.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

2014 proved a year of revival after a perfect storm in 2013. Despite the continual presence of several key challenges in the tuna and shrimp industries, we managed to adapt and made use of them to our advantage during the year.

Profitability rebounded with a vengeance as net profit surged by 78.5 percent from a year ago while group sales consecutively made another new high at THB 121.4 billion (USD 3.8 billion). Sales value in Thai baht term rose by 7.6 percent from the previous year, though only 2.4 percent in US dollar term to USD 3.8 billion. The appreciation of US dollar did contribute to part of this growth. The actual overall volume (ton) declined very slightly mainly due to shrimp and related business and sardine & mackerel products while tuna sales generally benefited from low raw material costs that led to a small volume increase over 2013.

Net profit (THB 5.1 billion) retouched the record level achieved in 2011. Brand business continued to demonstrate its ability to withstand market uncertainties to deliver sustainable contribution. Besides strong earnings recovery, free cash flows were positive in every quarter during the year thanks to operating margin expansion and tighter control on working capital and capital expenditure. In addition to encouraging financials, a series of acquisitions in the last quarter also marked the year as the busiest ever in terms of transaction volume.

The tuna category, particularly our own brands, made big strides. For instance, our European brands managed to gain shares in their key markets and increased their earnings. However, our Thailand-based export-oriented contract manufacturing (OEM) business did not recover in full yet as low raw material prices failed to fully translate into a buying spree from major private label accounts. On the other hand, shrimp business managed to stay profitable despite the ongoing presence of the Early Mortality Syndrome (EMS) epidemic that actually made 2014 as the year of the lowest annual shrimp output (c. 200,000 tons) in Thailand in recent history. Increasing shrimp output from EMS-free countries, such as Indonesia, India and Ecuador, also caused pressure on Thai shrimp exports. Our focus on value-added items so far has been our life-saver to take on this challenge and even allows us to outperform the peers under the current situation. On the other hand, the margin of our US-based frozen seafood trading unit returned to normal through the year as market volatility lessened.



Tuna remained the largest category of our sales, followed by shrimp and related business. Though YoY sales growth can be seen across all product categories, salmon, valued-added and other products and pet food categories led the pack while tuna, sardine & mackerel showed very minimal increase. Average selling prices (ASP) across all categories were generally higher, up 5 percent YoY, but dropped in tuna where the selling price of OEM orders declined in line with lower raw material prices, due to cost-plus pricing. As a result, the proportion of tuna sales of the total annual sales also fell to 44 percent from 47 percent in 2013. Another key factor leading to this changing proportion was a significant increase in sales of value-added and others category where volume and selling prices were up thanks to our US subsidiary's increased exposure in lobster business (through an alliance with Orion) since the second half of the year. The consolidation of MerAlliance and King Oscar into TUF's books since November 2014 also helped drive sales increase in our salmon and sardine & mackerel categories. An increase in pet food sales was a result of improved performance in our Thailand-based operations.

On the other hand, the US remained our largest market and its proportion grew to 44 percent from 40 percent a year ago thanks to the US dollar strength as well as the growth in lobster business. Europe was our second largest market at 29 percent, slightly below 30 percent in the previous year, caused by EURO weakness in Q4. The third largest market was Thailand at 7 percent, barely overtaking Japan which was dampened by deep depreciation of Japanese Yen. Our other smaller markets, such as Africa and the Middle East, faced some contraction.

The following are the key factors that contributed to our revival in 2014:



1. Strong performance of own tuna brands upon low raw material prices

Thanks to reduced price competition (absence of cut throat pricing) and generally lower fish cost, our own tuna brands marked a great year of increased profitability. Despite minimal sales growth in the US, competitive inventory cost and reasonable market conditions helped lift the margin of our US brand. But what drove the significant YoY margin improvement was MW Brands whose European brands performed in almost all major markets, namely France, UK and Italy. Again, competitive inventory costs and reasonable market conditions supported better margins. But its brands, namely Petit Navire, John West and Mareblu, also managed to gain shares in their respective markets. These positive combinations allowed them to achieve satisfactory sales and margin expansion.

2. Profitable shrimp operations despite ongoing EMS challenges

2014 turned out to be the worst year for shrimp output (c.200,000 tons down from 250,000 tons in 2013) in Thailand for more than a decade. The EMS epidemic hit the country the hardest in the first half of the year when shrimp output was literally in a historic low at slightly more than 80,000 tons, compared with about 120,000 tons a year earlier. But the positive was that the domestic raw material price did not exactly correlate with the shortfall when the general price level started steady decline since Q2. That in turn allowed our Thailand-based OEM processing for export business to sustain its margin despite short raw material supply. On another front, our US based frozen seafood trading operations also continued to perform despite normalization of its margins after a great year in 2013.

3. Restructuring at USPN bearing fruits

Our US-based pet food subsidiary (US Pet Nutrition, USPN) consistently incurred losses since its inception about 3 years ago. With firm determination to revive the operations and turn it around into a profitable one, we decided to carry out a major restructuring and an overhaul of its business model since the second half of 2013. The process accelerated through the early half of 2014, resulting in additional restructuring charges. The aggregate restructuring charges, including fixed asset (PPE) impairment, inventory write-down, employee severance and other expenses, amounted to USD 16 million. However, it was a successful endeavor because its operations did become profitable (excluding restructuring charges) since the second half of 2014, resulting in a much smaller loss than a year ago. We essentially reconfigured USPN by significantly scaling down its US production facility and instead imported a majority of its products from our Thai plants to meet its US customers' needs. USPN performance is expected to improve continuously. So, it should no longer post any major loss going forward.

4. Depreciation of Thai baht (vs. US dollar)

As more than 90 percent of TUF's group sales were denominated in foreign currencies, any foreign exchange movement could create either positive or negative impact on the top and bottom lines of our business. The majority of our foreign sales were based in US dollar and about a quarter in EURO. The gradual depreciation of THB against USD allowed us to enhance our sales and margin in THB term. We generally benefited from this trend throughout 2014, except for rapid depreciation of EURO (vs. Thai baht) in Q4 which made a dent in MWB's contributions to the group's sales and margins from the negative translation effect.



TUNA BUSINESS

Total tuna sales were THB 53.8 billion, up 0.9 percent from THB 53.4 billion a year ago while volume (tonnage) increased by 2.3 percent. Essentially, lower skipjack raw material prices drove OEM selling prices down. But higher volume made up for the slack, sustaining sales value at a slightly higher level than a year ago. The declining raw material price trend allowed better cost management of our own branded business, leading to margin expansion. Nevertheless, the same price development did not help our contract manufacturing (OEM) business much as buyers continued to delay their purchases in hope for lower prices, withholding their typical procurement patterns. However, overall OEM sales volume (ton) was still up, compared with a year ago when a higher raw material price discouraged purchases.

On the other hand, the majority of branded sales growth came from our European brands where they were also leaders in few key markets. For the first time, branded tuna sales (59 percent) exceeded OEM tuna sales (41 percent), compared with the 50 percent split in the past few years. As a result, the higher margin branded tuna business helped boost the overall tuna margin for the year. Also, price adjustments and sensible market competition, supported by lower raw material costs, made it possible for our own tuna brands to expand their margins through the year despite limited volume growth.

The movement of the skipjack tuna raw material price was unpredictable throughout the year. Despite a generally downward trend for the year, there was a short term spike of raw material prices from June to August (touching USD 1,800 per metric ton at its peak) as speculation mounted on likely declining supplies due to the imposition of seasonal FAD ban and fishing restrictions. However, the price quickly declined afterwards upon lack of demand from packers whose customers hesitated to place new orders. Supplies were good but demand from processors was weak, sending raw material prices to hit below USD 1,200 per metric before the end of the year.

On average, the skipjack price (WPO/Bangkok landing) during the year dropped by 30 percent to USD 1,361 per metric ton from USD 1,956 a year ago. The decline continued into early 2015 with the price hitting USD 1,150 in Jan-Feb. However, the low price level did attract more OEM buyers' interests. It is likely that the current price trend will support more promotion, eventually consumption, at the retail level in 2015.



SHRIMP AND RELATED BUSINESS (FROZEN SHRIMP AND FEED)

Total sales of shrimp and related business were THB 29.5 billion, up 4.9 percent from THB 28.2 billion a year ago. The EMS epidemic continued to keep Thai shrimp output at a recent new low level that caused our volume (tonnage) to drop by 11.4 percent as both frozen shrimp and shrimp feed sales were down. Shrimp feed business was seen more affected by the situation as its sales value declined by 11.9 percent YoY in contrast with 7.2 percent YoY growth in frozen shrimp sales. Despite a volume drop, an upward price adjustment of 17.2 percent was enough to sustain continual sales growth of frozen shrimp, except for shrimp feed business.

In 2014, the average domestic shrimp raw material price was 2 percent higher than a year ago, but it was actually a declining trend through the year where a historic peak was seen in January and the annual low at the year end. Thai shrimp output did not get better from a year ago. For the first 6 months, the output was at one of the lowest level ever seen as there were only slightly more than 80,000 tons of shrimp harvested. The EMS epidemic continued to haunt Thai shrimp cultivation. With the supply shortage and the resultant high raw material price, many local processors were forced to close shop at least on a temporary basis as many buyers decided to place their orders elsewhere, such as India, Indonesia or Ecuador. Despite no exact cure on the disease, supply did gradually recover in the second half of the year when farmers turned to more traditional ways to solve their problems, practically reducing the stocking intensity and paying extra attention at each step of the process, all the way from hatchery through farm management as well as feed selection. Still, the annual output was barely over 200,000 tons (compared with 250,000 tons in 2013) that is one of the lowest levels in recent history.

In 2014, the average price of white shrimp was THB 223 per kg (60 pieces per kg), up 2 percent from a year ago. This figure was distorted by some very high levels (above THB 270 per kg) seen in the earlier part of the year. As shrimp supply increased in the second half of the year, the domestic raw material price also followed a downward trend with the December price ended at THB 181 per kg. Generally, there is more enthusiasm among farmers for a higher output in 2015. The industry is expecting to see shrimp output to rebound to at least the same level in 2013, or even higher. In sum, the challenges remain given the regional competition, but there is a clear sight of hope of higher output going forward.

FINANCING AND INVESTMENT

During 2014, we have carried out a few important financing and investment activities as follows:

1. Successful issuance of longer term Thai baht bonds worth THB 12.75 billion

In 2014, we issued a few sets of longer term (3,5,7 and 10 years) Thai baht-denominated debentures on two occasions in order to meet redemption of a Thai baht debenture worth THB 3.3 billion coming due in July as well as increasing the proportion of our long term debts on hand. On February 6, we successfully raised 4 sets of debentures (interest rates ranging from 3.58 percent to 5.18 percent) worth THB 8.25 billion with maturities in 2017, 2019, 2021 and 2024 respectively. Also, on October 9, we issued 2 other sets of debentures (7 and 10 years) worth THB 4.5 billion (interest rates ranging from 4.21 percent to 4.58 percent) with maturities in 2021 and 2024. As of the end of 2014, long term debts accounted for 44 percent of our total interest-bearing debt portfolio. That allowed us to maintain our interest costs at c.4 percent, assuming no major unexpected disruption in the debt capital markets.

2. Conversion of Euro Convertible Bond (ECB) lowering our financial leverage

Standard Chartered Private Equity, our partner since MW Brands acquisition, decided to convert our ECB in its hand worth THB 2.4 billion into 45.4 million new TUF shares in mid-October before expiration. The ECB was issued about 4 years as part of our financing scheme to support the acquisition of MW Brands. As a result of the conversion, our debts were reduced while our equity increased, effectively bringing down the financial gearing in terms of the debt-equity ratio as well as our interest burden.

3. Change of par value of TUF shares

With an objective to improve TUF's daily share trading liquidity and invite boarder participation by general individual investors, the board of directors approved a change of par value of TUF shares from THB 1 per share to THB 0.25 per share on November 13. That practically boosted the number of TUF issued and paid up shares from 1,192,953,874 to 4,771,815,496. However, the value of our paid up capital remains unchanged. The effective date for new par trading was January 5, 2015.

4. Acquisitions of MerAlliance and King Oscar

During the fourth quarter, we managed to complete two value-accretive acquisitions, namely MerAlliance and King Oscar. With annual sales of USD 220 million, MerAlliance is one of the four largest smoked salmon producers in Europe with its headquarters located in France and production facilities in Scotland, Poland and France, mainly serving private label accounts in Europe. MerAlliance will help springboard us into a new category in Europe under our European subsidiary MW Brands' own brands, creating new growth opportunities. On the other hand, King Oscar is a world famous premium canned sardine producer with its headquarters based in Norway and production facilities in Poland and Norway. Its products are distributed across Europe, the US and Australia under King Oscar brand. With its world recognition for premium canned sardine (and other products), King Oscar will allow us to penetrate more markets, taking advantage of its strong brand equity. The firm generated annual sales of about USD 80 million. The aggregate enterprise value of these two transactions amounted to about THB 3.4 billion.

5. Signing of a definitive agreement to acquire Bumble Bee

On December 18, we entered into a definitive share purchase agreement (SPA) to acquire Bumble Bee Foods for an enterprise value of USD 1.51 billion. Bumble Bee is the largest seafood company in North America with annual sales close to USD 1 billion. In addition to Bumble Bee brand, the company also owns leading canned seafood brands in Canada, namely Clover Leaf, Brunswick, Snow's and Beach Cliff while its other brands for frozen seafood are Anova and SuperFresh. Bumble Bee should help us build on our position as the leading global tuna and other seafood player, creating cost saving synergies and helping shift our portfolio towards higher margins branded products. Moreover, it has a higher cash generation profile. Despite canned tuna as its main product, Bumble Bee also offers products in salmon, sardine, clam and others. The transaction is currently under antitrust review by US authorities, but we hope to see it to be completed within 2015.

In addition to these activities, our US subsidiary Chicken of the Sea Frozen Foods (COSFF) acquired certain lobster business-related assets from Orion, a major distributor of lobsters and other seafood products for the US market, in early 2015, making COSFF on as Orion's exclusive lobster buyer. This arrangement should allow our subsidiary to become a leading player in another major category in the restaurant and food service segment in the United States, after frozen shrimp and crab meat.

FUTURE PROSPECT AND ACTION PLAN

In 2015, we expect a year of continual growth driven by two main sources: 1) organic expansion of our existing business and, 2) full year consolidation of our newly acquired subsidiaries in the fourth quarter of 2014. They would together drive our sales, helping us achieve our target of USD 5 billion which will be another new record. We should see significant sales growth in salmon, sardine & mackerel and lobster (currently classified under value-added and other products) thanks to MerAlliance, King Oscar and Orion.

Moreover, as soon as we are able to complete the acquisition of Bumble Bee (which is subject to the US antitrust review at the moment), it should further ensure the achievement of this annual top line target.

On the back of strong earnings recovery in 2014, margins should continue to show gradual improvement this year. The current tuna raw material price should be positive to our branded business in the spite of the fact that aggressive sales promotions or price cutting activities from major players could also exert more pressure on margins if the competition gets predatory. OEM tuna business should improve given that the raw material price stabilizes at a reasonably low level.

Critical factors that could determine whether these goals can be achieved or not are as follows:

1. Our ability to adjust prices, manage costs and concentrate more on value-added items in order to accommodate still relatively high shrimp prices when a full recovery will not happen soon in Thailand.
2. Our ability to procure adequate shrimp raw materials from Thailand at reasonable prices.
3. Stable supply of tuna raw materials at acceptable price levels to ensure normal buying of our OEM customers and our ability to exercise cost-plus pricing for those accounts.
4. Reasonable US canned tuna market competition that focuses more on consumption creation than market share alone.
5. Successful integration of our newly acquired overseas subsidiaries (MerAlliance and King Oscar) and the new business arrangement (Orion) with the group.
6. Stable demand for packaged seafood from consumers in European markets despite the recent economic setbacks in the region.
7. Generally stable Thai baht against all major currencies.

Total planned capital investment will be THB 3.5 billion as we continue to improve and streamline our existing operations in order to achieve sustainable long term growth. Key investment items will be machinery & equipment and construction and improvements on buildings. Due to the continual expansion of our existing business, the general financial health should improve further as positive cash flows increase.

Our dividend policy is to pay at least 50 percent of our net profit twice a year. We have followed this policy all along, except for the year of 2011 when we had to limit the annual dividend to a fixed amount of THB 1.2 billion due to the covenants of the debts incurred for the acquisition of MW Brands. However, we have returned to this long term policy since September 2012.

Thanks to our prudent management and ability to adapt to changing business environments, we have managed to report consecutively profitable quarters and dividend payments since our listing on the Stock Exchange of Thailand in 1994.

RISKS

In addition to proper execution of our focused strategy and our staff's determination to success, we believe the likelihood of meeting our goal this year will also be subject to the following critical factors:

FOREIGN EXCHANGE RATE FLUCTUATIONS

As at least 90 percent of the group's revenues are denominated in foreign currencies, any extreme fluctuations of foreign exchange rates will have impact on our profitability. It is mainly because a portion of our Thai plants' expenses are in Thai baht. In 2014, approximately 75 percent of our group (consolidated) operating expenses were in foreign currencies. As a US dollar earner, we normally benefit from a strong USD situation. But, thanks to our non-speculative and timely currency hedging policy, we have been successful in riding out most of the foreign exchange rate fluctuations, with consistent foreign exchange gains in the past few years as a proof.

RAW MATERIAL PRICE FLUCTUATIONS

Raw material price is the main factor for earnings volatility as it accounts for a majority of our typical product costs. The raw material price volatility from time to time could exert pressure on margins as price adjustments might not be as timely as we wish, but we can generally match prices with costs over a longer period of time. Our long term track record shows that non-speculative procurement, careful inventory management of raw materials and timely adjustment of the selling price has helped us minimize most impacts from such volatility. Our selling prices, particularly for OEM business, are normally set on the (raw material) cost -plus (processing fees) basis.

FOOD SAFETY & SUSTAINABILITY CONCERNS

Food safety (and traceability) and sustainability are becoming increasingly important competitive factors for food processing and exporting business. Awareness and care for the sustainability of each producer's business practices in respect to the environment and the society become consumers' interests.

Both concerns can serve either as an advantage or a disadvantage (in form of trade barriers) to any food company. Given our on-going certification programs and frequent factory audits by global customers from most food safety-stringent markets, we are confident that our high standards and track record will work to our advantage. Besides, our management also takes note of consumers and investors' growing awareness of the impact of each business on the environment in terms of preservation and sustainability. That intention led to our involvement in co-founding the International Seafood Sustainability Foundation since 2009, which performs scientific research and promote preservation of tuna resources. Furthermore, our four-star certification on our shrimp hatchery, shrimp feed mill, partner farms and processing facilities by Aquaculture Certification Council (ACC) is another proof of this intention. We work closely with all stakeholders to ensure TUF as socially responsible.

We also do not overlook or underestimate the potential impact of the mass and social media and non-governmental organization (NGO) movements on environmental and human rights issues which could potentially lead to unexpected negative customer concerns / reactions and even subsequent government actions against the industry. In the case of the UK-based newspaper The Guardian's attack on Thailand's human right abuses of migrant workers on Thai flagged fishing vessels in early 2014, it was very clear that the consequent impact on the image of Thai fisheries that raised general concerns among UK, EU and US customers and end consumers on Thai shrimp exports was far more substantial than the industry's initial assessment. Damage on reputation and trade were significant. Also, during the same year, the US State Department downgraded Thailand to the Tier 3 in its annual TIP (Trafficking in Persons) report sent another blow to Thai food processing industry. Thanks to our strong sustainability development program and proactive policies on

these areas, we nevertheless managed to turn around the situation and earned our customers' trust as their primary supplier. This can be further proved by the voluntary launch of our first ever Sustainability Development (SD) report and the first ever admission to the highly selective and prestigious Dow Jones Sustainability Index (DJSI) Emerging Markets, together with the Outstanding CSR award granted by the Stock Exchange of Thailand. These events demonstrated our proactive stance on sustainable business practices.

CORPORATE GOVERNANCE AS OUR GUIDING PRINCIPLE

Finally, we also uphold corporate governance, transparency and professional management as our guiding principles. We treat shareholders, whether large or small, in the fairest and most responsible manner by committing to full and timely information disclosure and returning cash in form of dividend to them as much as possible. Investors' confidence in our commitments has been consistently proved in numerous awards which we received over the years. Furthermore, consistent coverage by analysts from world and local leading investment banks and securities brokers and frequent visits by influential investment managers are just some of the evidences of our long term commitment to good corporate governance.

COMPARATIVE FINANCIAL RATIOS

RATIOS		2012	2013	2014
1	Liquidity Ratios			
	• Current Ratio (Times)	1.36	1.18	1.51
	• Quick Ratio (Times)	0.37	0.32	0.43
2.	Leverage Ratios			
	• Total Liabilities to Equity (Times)	1.35	1.50	1.43
	• Debt to Equity (Times)*	0.87	0.99	0.98
	• Net Debt to Equity (Times)*	0.83	0.92	0.85
	• Time Interest Earned (Times)	3.40	3.40	5.07
3.	Efficiency Activity Ratios			
	• Assets Turnover (Times)	1.20	1.11	1.09
	• Inventory Turnover (Times)	3.04	2.81	2.75
	• Accounts Receivable Turnover (Times)	9.35	8.93	8.42
	• Accounts Payable Turnover (Times)	11.66	11.70	12.65
	• Inventory Days (Days)	118	127	131
	• Account Receivable Day (Days)	38	40	43
	• Account Payable Days (Days)	31	30	28
4.	Profitability Ratios			
	• Gross Profit Margin (%)	15.34	12.61	15.67
	• Net Profit Margin (%)	4.36	2.50	4.15
	• Return on Average Equity (%)	15.22	7.43	12.24
	• Return on Assets (%)**	8.90	5.54	7.58
	• Return on Capital Employed (%)	13.51	9.34	12.43
5.	Per Share Data			
	• Earnings per Share (Thai Baht)	4.39	2.49	1.099***
	• Dividend per Share (Thai Baht)	2.10	1.49	0.54
	• Book Value per Share (Thai Baht)	34.77	34.45	9.42

* Debt = Interest-bearings debt only

** Pre-tax ROA = EBIT / Average total assets

*** Restated for par change to THB 0.25 (from THB 1.00) in December 2014

FINANCIAL ANALYSIS

OVERVIEW

2014 was another consecutive year of record sales for TUF despite the effect of low tuna raw material prices, the continual shrimp shortage in Thailand, restructuring of our US pet food operations, and the negative impact of weak Euro against THB in 4Q14.

- The lower YoY tuna raw material prices since the beginning of 2014 supported more promotional activities at the retail level that resulted in improving tuna sales volume. The overall gross margin of tuna business also improved YoY from lower fish costs during the year.
- The presence of EMS in Thailand continued to cut the country's shrimp output by 20 percent to around 200,000 tons in 2014 and the shrimp raw material price remained high. However, our shrimp & related business continued to grow, thanks to increased sales of frozen shrimp from exports out of Thailand (more focus on higher margin value-added products) as well as the US trading unit.
- During the year, there were restructuring charges and asset write-offs booked at our USPN. The US subsidiary ceased a majority of its production line and instead imported pet food product from our subsidiaries in Thailand to meet its customers' needs. This business restructuring helped improve overall sales and gross margin of the overall pet food business.

SALES

2014 sales set a new record at THB 121.4 billion (+7.6 percent YoY), equivalent to USD 3.8 billion (+2.4 percent YoY), driven mostly by THB depreciation (vs. USD) and stronger sales of non-tuna categories, such as value added & other products (e.g. lobsters from business alliance with Orion International since 3Q14), salmon (thanks to the acquisition of MerAlliance in 4Q14), shrimp & related business, and pet food. The average exchange rate in 2014 was at THB 32.37/USD compared to THB 30.80/USD a year ago.

Although tuna and shrimp & related business together accounted for most of total sales at 44.3 percent and 24.3 percent respectively, the proportion was slightly lower from the previous year (from 47.3 percent and 25.0 percent) mainly due to higher contribution from value-added & other products at 13.5 percent (10.9 percent in 2013) from lobster sales that were added to this category since 3Q14. Pet food sales ranked the fourth with 7.3 percent of total sales (7.1 percent in 2013). Sales from sardine & mackerel accounted for 5.4 percent (5.7 percent in 2013) while salmon sales for 5.1 percent (4.0 percent in 2013), thanks to the acquisition of MerAlliance in 4Q14.

Sales from the US market continued to grow by 17.5 percent YoY, accounting for 44.0 percent of the total sales, mainly due to increased sales at the US frozen shrimp trading unit. Europe remained the second largest market for TUF with 28.9 percent contribution with 2.9 percent YoY sales growth. Sales from the Japanese market shrank by 10.0 percent while Thai domestic sales contribution was stable from 2013, growing 6.8 percent YoY.

Of the total sales, branded business sales slightly increased to 41.3 percent (from 40.6 percent in 2013). 2014 branded business sales increased by 9.4 percent YoY whereas OEM business sales grew by 6.4 percent YoY.

In 2014, the US operating units accounted for 33 percent of total sales while EU operating units accounted for 25 percent. Sales from Thai and other operating units remained the biggest portion at 43 percent.

GROSS MARGIN

2014 gross margin increased to 15.7 percent from 12.6 percent in 2013, driven mainly by a higher gross margin of tuna products, recovery of the pet food gross margin, and a resilient gross margin of shrimp & related business.

Branded tuna business continuously showed gross margin expansion, supported by positive raw material price movements throughout the year, along with active promotions to stimulate consumers' demand at the retail level. The overall gross margin of tuna in 2014 improved to 17.0 percent (from 12.5 percent in 2013) mainly due to gross margin expansion of branded business from lower fish costs, price adjustments of EU operation in early 2014 as well as rational market competition in the US. The gross margin of OEM tuna nevertheless increased only slightly YoY.

Despite the continual challenges of the EMS disease outbreak since 2H12, the gross margin of frozen shrimp in 2014 increased YoY to 9.9 percent (from 8.9 percent) due to a higher gross margin of frozen shrimp for export out of Thailand (which put more focus on less price sensitive value-added products) albeit a lower gross margin of the US trading operation (due to a high inventory cost and a global shrimp price correction in 2H14).

The gross margin of our pet food business was higher YoY, thanks to smaller losses at US pet food operation and despite some one-time restructuring charges and asset write-offs during the year at our USPN. Excluding this US pet food unit, the gross margin of the pet food business for export out of Thailand remained in a good shape.

SELLING AND ADMINISTRATIVE EXPENSE (SG&A)

2014 SG&A expenses increased by 17.6 percent YoY to THB 12 billion from THB 10.2 billion particularly due to more sales promotions at our overseas subsidiaries (further strengthening our brand leadership), increased personnel expenses, some one-time restructuring charges and asset write-offs at USPN as well as M&A advisory fees. SG&A as percent of sales was however 9.8 percent, in line with the company's budget.

OTHER INCOME (INCLUDING SHARE OF INCOME FROM INVESTMENT IN ASSOCIATES)

2014 other incomes (excluding FX Gain/loss) dropped by 24.0 percent YoY to THB 1.2 billion from THB 1.6 billion mainly due to an absence of one-time insurance compensation covering the asset loss from a fire incident at our shrimp plant totaling THB 0.2 billion (booked in 1Q13) despite a higher interest income from our other short term investments during the year.

FX GAIN/LOSS

2014 FX gain increased by more than four fold YoY to THB 284 million from THB 52 million, thanks to favorable exchange rate movements during the first 9 months. There was a sizeable FX loss of THB 244 million in 4Q14, compared with a FX loss of THB 150 million in 4Q13 and a FX gain of THB 133 million in 3Q14. However, our actual FX exposure (net of our hedging position) in 4Q14 was minimal as this accounting loss had been effectively balanced out by a corresponding FX-related other income item (amortized premium on FX contracts) of THB 207 million.

FINANCE COST

2014 finance cost was stable YoY to THB 1.7 billion from THB 1.7 billion despite a lower 2014 effective interest rate of 3.75 percent, compared with 4.24 percent in 2013 and 6.23 percent in 2012.

CORPORATE INCOME TAX

2014 corporate income tax more than doubled to THB 1.0 billion from THB 0.5 billion with a higher effective tax rate of 15.3 percent versus 12.4 percent in 2013 mainly due to an increase in reserve for taxes at our overseas subsidiaries as well as one time tax credits in 2013 which did not repeat in 2014.

NET PROFIT

2014 net profit surged by 78.5 percent YoY to THB 5.1 billion from THB 2.9 billion, thanks mainly to a higher gross margin and a larger FX gain despite a larger corporate income tax. Net profit margin also improved to 4.2 percent, compared with 2.5 percent in 2013.

ASSETS

Total assets in 2014 amounted to THB 115.4 billion, representing an increase of THB 7.2 billion from THB 108.3 billion in 2013.

- Net trade receivables were THB 15.3 billion, up 13 percent from 13.5 billion in 2013 mainly due to larger trade receivables at Europe and US-based subsidiaries. Accounts receivable turnover increased to 9.35 times from 8.93 times in 2013, thanks to a faster increase in average accounts receivables relative to sales growth (+12 percent YoY compared to 6 percent YoY). 2014 accounts receivable days rose to 43 days from 40 days in 2013.
- Net inventories increased by 2 percent to THB 37.5 billion from THB 36.9 billion a year ago in line with growth 2014. Inventory days slightly increased to 131 days from 127 days a year ago, mainly due to a decrease in inventory turnover to 2.75 times from 2.84 times in 2013. The smaller turnover rate was a result of slower inventory movement relative to the expansion rate of COGS (+3 percent YoY vs +4 percent YoY). 4Q14 inventory days were, however, smaller at 117 days, compared with 123 days at the end of 4Q13, and 125 days in 3Q14, thanks to improved inventory management.
- Asset turnover rate fell to 1.09 times in 2014 from 1.11 times in 2013 due to a higher growth rate of average total assets relative to sales growth (+11 percent YoY vs +7 percent YoY).
- Current ratio was higher YoY at 1.51 times in 2014 from 1.18 times in 2013. Quick ratio also rose to 0.43 time from 0.32 time. These increasing ratios were a result of a lower level of total current liabilities (-14 percent YoY) relative to a higher level of total current assets (+10 percent YoY). Total current liabilities were lower YoY mainly due to lower level of bank overdrafts and short-term loans from financial institutions and a smaller current portion of long term loans and debentures.
- Property plant and equipment totaled THB 23.1 billion, increased by 7 percent, compared with THB 21.5 billion in 2013 mainly due to new equipment and machinery purchased for improving the existing plants (mainly at APC and YCC) as well as some European subsidiaries.

LIABILITIES

Total liabilities in 2014 amounted to THB 68 billion, representing an increase of THB 3 billion from THB 64.9 billion in 2013.

- Trade payables were THB 8.4 billion, up 7 percent from THB 7.8 billion mainly due to a higher level of trade payables of subsidiaries in the US. 2014 trade payables days decreased to 28 days from 30 days in 2013, thanks to a higher accounts payable turnover rate (12.65 times compared with 11.70 times a year ago).
- Bank overdrafts and short-term loans decreased by 11 percent to THB 26.1 billion from THB 29.4 billion.
- Long term loans increased by 100 percent to THB 19.2 billion from THB 9.6 billion due to issuance of new debentures (THB 12.8 billion), redemption of a debenture (THB 3.3 billion), and conversion of the ECD (Euro 60 million).
- Interest-bearing debts were THB 46.3 billion, up 8 percent from THB 43.1 billion a year ago. The proportion of long term debts increased from 32 percent of the total interesting bearing debts to 44 percent (including 2 percent of current portion). In addition, around 78 percent of the interest-bearing debts were in THB currency while 18 percent were in USD and 4 percent in Euro (before swap transactions).

SHAREHOLDERS' EQUITY

Equity attributable to shareholders of the Company in 2014 amounted to THB 43.7 billion, representing an increase of THB 4.1 billion from THB 39.5 billion in 2013 due to greater earnings incurred during the year and the additional equity injection from ECD conversion totaling 45,360,045 new common shares (the number of fully paid up common shares of the company was 1,192,953,874 after the conversion).

- Total liabilities to equity ratio in 2014 declined to 1.43 times from 1.50 times in 2013 mainly due to a lower level of short term debts and other current liabilities and an increase in shareholders' equity.
- 2014 net debt-to-equity ratio dropped YoY to 0.85 time from 0.92 time a year ago despite the acquisition of King Oscar and MerAlliance, thanks to an increase in total shareholders' equity. Net debt, nonetheless, was stable at THB 40.1 billion, compared with THB 39.8 billion in 2013.
- Return on average equity in 2014 surged to 12.2 percent from 7.4 percent in 2013, mainly as a result of strong YoY earnings growth.

CASH FLOWS

Net cash flows from operating activities in 2014 surged by THB 5.4 billion to THB 9.3 billion from THB 3.9 billion a year ago due to a significant increase in profit before tax. The annual depreciation and amortization expenses amounted to THB 2.5 billion.

Meanwhile, cash spent on investing activities amounted to THB 8.7 billion, representing an increase of THB 3.1 billion from THB 5.6 billion a year ago. The capital expenditure during the year was THB 3.3 billion, in line with the budget of THB 3.5 billion. In addition, the acquisition cost of King Oscar and MerAlliance of THB 3.2 billion was recorded in 4Q14.

Cash inflows from financing activities in 2014 were THB 1 billion, a decrease of THB 1.3 billion from THB 2.3 billion in 2013. The net outflows came mainly from reduction of bank overdrafts and short term loans, and redemption of an expiring debenture despite a significant increase in long term debts due to issuance of a series of debentures during the year. Also, there were dividend payments totaling THB 2.4 billion.

Net increase in cash and cash equivalents at the end of 2014 amounted to THB 0.5 billion.

CONNECTED TRANSACTIONS OF LISTED COMPANY

The company has connected transactions with individuals / parties who might have conflicts of interest when considering the shareholding structure, or as a result of the materiality or significance of such transactions. Those transactions shall not cause any conflict of interest to the minority shareholders. Nevertheless, the company shall review such transactions based on data and information and shall analyze if such transactions are reasonable and have been conducted for the benefits of the Company. In the case that such transactions have significant materiality implications in accordance with the Announcement of the Stock Exchange of Thailand, the company shall request for procedures to be carried out according to regulations such as reviewed by Audit Committee, approved by the board of directors, disclosing information to the Stock Exchange of Thailand through the use of information technology, delivering information to shareholders through the use of information technology, advertising in newspapers, and organizing shareholders' meetings for approvals of transactions.

Furthermore, the company has revised the Regulation of the company and its Subsidiaries by adding statements regarding treatments for connected transactions or transactions involving acquisitions or sales of the company's assets in accordance with the Announcement of the Stock Exchange of Thailand. Transactions with individuals who might have conflicts of interest have been disclosed by the company in the Notes – Item 9 for reference. Further details related to those transactions, excluding those already provided in the Notes to the Financial Statements, are as follows:

1. Thai Union Feedmill Co., Ltd. (Subsidiary, TUF holding 51.00%)

Transactions: Commercial transactions - purchases of raw materials and products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Rittirong Boonmechote	Director	5,974,975	11.9%	Market Price, comparable to those charged to other clients
Mr. Prasert Boonmechote (Mr. Rittirong's father)	Relative of Director	2,500,000	5.0%	
Mr. Wattana Boonmechote (Mr. Rittirong's younger brother)	Relative of Director	1,750,000	3.5%	
Ms. Rungtiwa Boonmechote (Mr. Rittirong's younger sister)	Relative of Director	1,750,000	3.5%	

2. Thai Union Seafood Co., Ltd. (Subsidiary, TUF holding 51.00%)

Transactions: Commercial transactions - purchases of raw materials and products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Rittirong Boonmechote	Director	3,974,850	13.2%	Market Price, comparable to those charged to other clients
Mr. Prasert Boonmechote (Mr. Rittirong's father)	Relative of Director	3,000,000	10.0%	
Mr. Wattana Boonmechote (Mr. Rittirong's younger brother)	Relative of Director	900,000	3.0%	
Ms. Rungtiwa Boonmechote (Mr. Rittirong's younger sister)	Relative of Director	900,000	3.0%	

3. Lucky Union Foods Co., Ltd. (Associated Company, TUF holding 25.00%)

Transactions: Commercial transactions - purchases of raw materials and products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	102,000	11.3%	Market Price, comparable to those charged to other clients

4. Chansiri Real Estate Co., Ltd.

Transactions: Short-term rent of immovable property

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Thiraphong Chansiri	Director	19,680,000	32.8%	Rental fee comparable to others in the vicinity areas
Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	15,260,000	25.4%	
Mr. Disaphol Chansiri (Mr. Kraisorn's son)	Relative of Director	15,260,000	25.4%	
Mr. Kraisorn Chansiri	Director	7,800,000	13.0%	
Mrs. Bussakorn Chansiri (Mr. Kraisorn Chansiri's spouse)	Relative of Director	2,000,000	3.4%	
Mr. Chuan Tangchansiri	Director	-	-	

5. Jana Industry Co., Ltd.

Transactions: Commercial transactions - purchases of raw materials

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	50,000	25.0%	Market Price, comparable to those charged to other clients

6. TC Union Agrotech Co., Ltd.

Transactions: Commercial transactions - purchases of raw materials

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	496,000	49.6%	Market Price, comparable to those charged to other clients

7. Lucky Surimi Products Co., Ltd.

Transactions: Short-term rent of immovable property

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	1	0.0%	Rental fee comparable to rental fee in the vicinity areas

8. Geminai & Associate Co., Ltd.

Transactions: Commercial transactions - purchases of products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	459,870	92.0%	Market Price, comparable to those charged to other clients

9. Wai Thai Co., Ltd.

Transactions: Supporting commercial transactions (tractor trailer service)

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	100,000	31.3%	Market Price, comparable to those charged to other clients
Mr. Kraisorn Chansii	Director	59,200	18.5%	
Mr. Chuan Tangchansiri	Director	20,000	6.3%	
Mr. Thiraphong Chansiri	Director	20,000	6.3%	

10. Ahead Way International Co., Ltd.

Transactions: Commercial transactions - purchases of products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	6,998	70.0%	Market Price, comparable to those charged to other clients

11. Thaipatana Stainless Steel Co., Ltd.

Transactions: Asset or service transactions (equipment manufacturer and stainless restorer)

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	20,000	40.0%	Market Price, comparable to those charged to other clients
Mr. Chuan Tangchansiri	Director	5,000	10.0%	

12. Yueh Chyang Canned Food Co., Ltd. (Subsidiary, SC holding 51.00%)

Transactions: Commercial transactions - purchases of raw materials and products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	120,181 USD	6.2%	Market Price, comparable to those charged to other clients

13. Biz Dimension Co., Ltd. (Associated Company, TUF holding 20.00%)

Transactions: Supporting commercial transactions (biddings through websites)

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Kraisorn Chansiri	Director	475,000	9.5%	Market Price, comparable to those charged to other clients
Mr. Thiraphong Chansiri	Director	8,333	0.2%	

14. TN Fine Chemicals Co., Ltd. (As Associated Company, TUM holding 48.97%)

Transactions: 1) Commercial transactions - purchases of products
2) Supporting commercial transactions (marketing service fees)

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Thiraphong Chansiri	Director	1	0.0%	Market Price, comparable to those charged to other clients

15. Geminai Water Craft Co., Ltd.

Transactions: Supporting commercial transactions (General printing)

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	400,000	80.0%	Market Price, comparable to those charged to other clients

16. Phil-Union Frozen Foods, Inc.

Transactions: Commercial transactions - purchases of products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Cheng Niruttinanon	Director	149,996	100.0%	Market Price, comparable to those charged to other clients

17. Factory Storage Service Co., Ltd.

Transactions: Short term rent of immovable property

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Nakorn Niruttinanon (Mr. Cheng Niruttinanon's son)	Relative of Director	300,000	60.0%	Rental fee comparable to others in the vicinity areas

18. The Minor Food Group PCL.

(Subsidiary, 99.73% held by Minor International PCL in which Mr. Thiraphong Chansiri holds the position as Joint Director)

Transactions: Commercial transactions - purchases of products

First & Last Name	Position Held in TUF	No. of Shares Owned in Connected Company		Policy of Price
Mr. Thiraphong Chansiri	Director	-	-	Market Price, comparable to those charged to other clients
Mrs. Pornnapa Chansiri (Mr. Thiraphong Chansiri's spouse)	Relative of Director	13,000	0.0%	

Remarks:

- Commercial transactions refer to purchases or sales of raw materials in the normal course of business under general trading conditions and in accordance with the Resolution of the Board of Directors' Meeting No. 5/2551(2008) on August 20, 2008.
- For items 7, 9, 12-14 and 18 Mr. Kraisorn Chansiri, Mr. Cheng Niruttinanon, Mr. Chuan Tangchansiri, and Mr. Thiraphong Chansiri are TUF directors who share ownership in the connected company for less than 10% of its registered capital but also hold director positions in the said connected company.
- For item 12, due to the fact that Yueh Chyang Canned Food Company Limited is located in Vietnam, the number of shares held by directors may not be identified thus the investment value has been identified instead.

In addition, the company and its subsidiaries have entered into the policy of property insurance policy via Asia-Pacific Risk Consultants (Thailand) Co., Ltd. and Asia-Pacific Insurance Brokers Co., Ltd., the insurer, as connected transactions, due to the fact that Mr. Chuan Tangchansiri, the Director and Shareholder, holds the positions in both companies.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

TO SHAREHOLDERS,

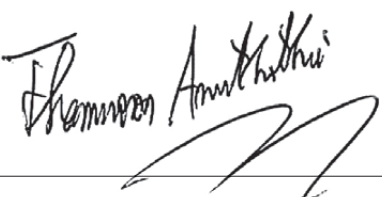
Thai Union Frozen Products Public Company Limited has appointed the Nomination and Remuneration Committee which comprises two directors, all of whom are independent director of the Company. The members of the existing Nomination and Remuneration Committee are:

1. Dr. Thamnoon Ananthothai
Chairman of the Nomination and Remuneration Committee
2. Mr. Sakdi Kiewkarnkha
Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors and as defined in the charter of the Nomination and Remuneration Committee. Its major responsibilities are the recommendation of director nominees for the Board of Directors' approval in case of director resignation, and for the shareholders' appointment in case of director retirement by rotation included the selection of director nominees was carried out with the qualifications, knowledge, competencies, required skills, experiences, various expertise and the time commitment to the Company's activities, which would contribute to the board size, structure and composition appropriate to the efficient corporate governance and management. In 2014, the committee held two meetings to carry out the duties assigned with the attendance of member at 100%. The details were as follows;

1. Determine the time for the grant of those rights to allow shareholders' proposal of decent persons they think fit to become director candidates.
2. Determine and propose the remuneration for the members of the Board of Directors. The Committee must to ensure that the remuneration of directors is competitive and sensible because of the remuneration is a key factor to attract quality directors and retain the talents in the Company and an incentive to a better performance, as well as the ability to factor in persuading other people are interested to be the directors of the Company.

The remuneration for the directors and executives is presented in this Annual Report for transparency. The Committee is of the opinion that such remuneration is appropriate and commensurate with the assigned duties and responsibilities, and complies with the remuneration guidelines and policy approved by the Board.



Dr. Thamnoon Ananthothai
Chairman of the Nomination and Remuneration Committee

REFERENCES

Common Share Register

Thailand Securities Depository Co., Ltd
7th Floor, The Stock Exchange of Thailand Building,
62 Rachadapisek Road, Klongtoey
Bangkok 10110
Tel: 66 (0) 2229-2440

Convertible Debentures Registrar

Stock Information Department, Office of the President
Thai Union Frozen Products PCL. (TUF)
25th Floor, S.M. Tower, Phaholyothin Road,
Samsennai, Phayathai, Bangkok 10400 Thailand
Tel: 66 (0) 2298-0024
Fax: 66 (0) 2298-0553

DETAILS OF DEBENTURES

At the date of declaration the company has 8 series of unpaid debentures that has been registered and can be sold in the Thai Bond Market Association (ThaiBMA). Details of the debentures are as follows:

NAME:	
"Series 2 Debentures"	"The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2554 Series 2 Due B.E. 2016"
"Series 3 Debentures"	"The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2554 Series 3 Due B.E. 2021"
Maturity:	
1. Series 2 Debentures:	maturing 5 years after issuance.
2. Series 3 Debentures:	maturing 10 years after issuance
Value of debentures offered: THB 3,450,000,000 divided into	
1. Series 2 Debentures:	THB1,950,000,000
2. Series 3 Debentures:	THB1,500,000,000
Number of Debentures offered: 3,450,000 units divided into	
1. Series 2 Debentures:	1,950,000 units
2. Series 3 Debentures:	1,500,000 units
Price stated per debenture: THB1,000	
Price offered per debenture: THB1,000	
Issuance date: July 27, 2011	
Maturity date:	
Series 2 Debentures:	July 27, 2016
Series 3 Debentures:	July 27, 2021
Interest rates and Interest payment	
Series 2 Debentures:	Fixed rate 4.70 percent per year
Series 3 Debentures:	Fixed rate 5.02 percent per year
Interest payments will be made every 3 months on July 27, October 27, January 27 and April 27 of every year during the entire life of each debentures series. The first payment was made on October 27, 2011 and the final interest payment of each series will be paid on the maturity date of each particular series of debentures.	
Redeeming debentures:	
Can be made on the maturity date of each series of debentures by payment of all principle and final interest.	
Registrar and Paying Agency:	
Kasikorn Bank PCL or legally-appointed Registrar and Paying Agent	

NAME:

“Series 1 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2557 Series 1 Due B.E. 2017”
“Series 2 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2557 Series 2 Due B.E. 2019”
“Series 3 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2557 Series 3 Due B.E. 2021”
“Series 4 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 1/2557 Series 4 Due B.E. 2024”

Maturity:

1. Series 1 Debentures:	maturing 3 years after issuance.
2. Series 2 Debentures:	maturing 5 years after issuance.
3. Series 3 Debentures:	maturing 7 years after issuance
4. Series 4 Debentures:	maturing 10 years after issuance

Value of debentures offered: THB 8,250,000,000 divided into

1. Series 1 Debentures:	THB 2,500,000,000
2. Series 2 Debentures:	THB 3,150,000,000
3. Series 3 Debentures:	THB 1,550,000,000
4. Series 4 Debentures:	THB 1,050,000,000

Number of Debentures offered: 8,250,000 units divided into

1. Series 1 Debentures:	2,500,000 units
2. Series 2 Debentures:	3,150,000 units
3. Series 3 Debentures:	1,550,000 units
4. Series 4 Debentures:	1,050,000 units

Price stated per debenture: THB 1,000**Price offered per debenture:** THB 1,000**Issuance date:** February 6, 2014**Maturity date:**

Series 1 Debentures:	February 6, 2017
Series 2 Debentures:	February 6, 2019
Series 3 Debentures:	February 6, 2021
Series 4 Debentures:	February 6, 2024

Interest rates and Interest payment:

Series 1 Debentures:	Fixed rate 3.58 percent per year
Series 2 Debentures:	Fixed rate 4.21 percent per year
Series 3 Debentures:	Fixed rate 4.69 percent per year
Series 4 Debentures:	Fixed rate 5.18 percent per year

Interest payments will be made every 3 months on February 6, May 6, August 6 and November 6 of every year during the entire life of each debentures series. The first payment will be made on May 6, 2014 and the final interest payment of each set will be paid on the maturity date of each particular series of debentures.

Redeeming debentures:

Can be done on maturity date of each series of debentures by payment of all principle and final interest.

Registrar and Paying Agency:

Kasikorn Bank PCL or legally-appointed Registrar and Paying Agent

NAME:

“Series 1 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 2/2557 Series 1 Due B.E. 2021”
“Series 2 Debentures”	“The Debentures of Thai Union Frozen Products Public Company Limited No. 2/2557 Series 2 Due B.E. 2024”

Maturity:

1. Series 1 Debentures:	maturing 7 years after issuance.
2. Series 2 Debentures:	maturing 10 years after issuance

Value of debentures offered: THB 4,500,000,000 divided into

1. Series 1 Debentures:	THB 1,000,000,000
2. Series 2 Debentures:	THB 3,500,000,000

Number of Debentures offered: 4,500,000 units divided into

1. Series 1 Debentures:	1,000,000 units
2. Series 2 Debentures:	3,500,000 units

Price stated per debenture: THB 1,000

Price offered per debenture: THB 1,000

Issuance date: October 9, 2014

Maturity date:

Series 1 Debentures:	October 9, 2021
Series 2 Debentures:	October 9, 2024

Interest rates and Interest payment:

Series 1 Debentures:	Fixed rate 4.21 percent per year
Series 2 Debentures:	Fixed rate 4.58 percent per year
Interest payments will be made every 3 months on January 9, April 9, July 9 and October 9 of every year during the entire life of each debentures series. The first payment was made on January 9, 2015 and the final interest payment of each series will be paid on the maturity date of each particular series of debentures.	

Redeeming debentures:

Can be made on the maturity date of each series of debentures by payment of all principle and final interest.

Registrar and Paying Agency:

TMB Bank PCL or legally-appointed Registrar and Paying Agent

Independent Auditors

**Mr. Sophon Permsirivallop or
Ms. Rungrapa Lertsuwankul or
Ms. Pimjai Manitkajohnkit or
Ms. Rosaporn Decharkom or
Ms. Sumana Punpongsanon**

EY Office Limited

193/136-137, 33rd Floor, Lake Rajada Office Complex,
New Rachadapisek Road, Klongtoey, Bangkok 10110
Tel: 66 (0) 2264-0777, 2661-9190
Fax: 66 (0) 2264-0709

Independent Auditor Remuneration**1. Audit Fee**

The Company and subsidiaries paid audit fee to:

- Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2012 fiscal year at THB 10,041,000

2. Non-Audit Fee

The Company and subsidiaries paid remuneration incurred by the following service:

- Audit fee paid to Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2012 fiscal year amounts totally to THB.
- Audit fee for special items, pursuant to the Notification Por 4/2001 of the Board of Investment, paid to Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2012 fiscal year amounts totally to THB 800,000

STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

As the company is a listed company on the Stock Exchange of Thailand, the Board of Directors hereby expresses its responsibility for ensuring that the company's financial reports contained herein genuinely reflect its actual financial status and operating results, based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect. We affirm that all due care and attention have been taken in the reporting of the financial statements and that they strictly comply with the generally accepted accounting standards. We also wish to assure that adequate disclosure of all pertinent material data has been made in notes to financial statement in accordance with the updated Accounting Standards as applied to the past financial year. Independent auditors have unconditionally expressed their opinions on our financial statements in the Report of Independent Auditors.



Mr. Kraisorn Chansiri
Chairman



Mr. Thiraphong Chansiri
President and CEO

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THAI UNION FROZEN PRODUCTS PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of Thai Union Frozen Products Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

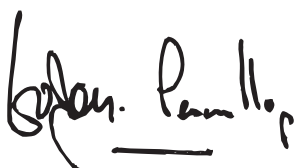
AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgement, 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Union Frozen Products Public Company Limited and its subsidiaries and of Thai Union Frozen Products Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 27 February 2015

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	6	2,123,441,142	1,620,733,842	12,091,024	69,190,002
Short-term investments	7	4,032,884,358	1,593,720,000	4,032,884,358	1,593,720,000
Trade and other receivables	8,9	15,403,766,438	13,948,340,827	3,527,687,332	3,367,595,407
Short-term loans to subsidiaries	9	-	-	1,631,880,900	80,000,000
Short-term loans to other companies		4,190,549	2,958,144	-	-
Current portion of long-term loans to subsidiaries	9	-	-	1,982,410,000	724,893,875
Current portion of long-term loans to other companies		4,527,284	4,116,389	-	-
Inventories	10	37,517,574,734	36,917,346,432	4,103,171,547	5,019,971,420
Other current assets					
Prepaid income tax		264,910,200	210,550,144	74,055,789	76,604,805
Current portion of forward exchange contracts receivables		127,232,183	4,416,493	108,897,183	3,766,952
Value added tax refundable		463,727,277	360,128,163	38,459,252	33,167,458
Others		921,645,384	881,998,439	82,231,858	144,607,784
Total other current assets		1,777,515,044	1,457,093,239	303,644,082	258,146,999
Total current assets		60,863,899,549	55,544,308,873	15,593,769,243	11,113,517,703
Non-current assets					
Restricted bank deposits	11	43,431,894	11,093,803	-	-
Investments in associates	12	1,368,820,607	1,289,600,593	155,573,639	155,573,639
Investments in subsidiaries	13	-	-	16,500,073,014	16,442,429,520
Investments in joint ventures	14	552,484,252	578,939,615	-	-
Other long-term investments	15	30,592,384	33,919,431	-	-
Long-term loans to subsidiaries - net of current portion	9	-	-	22,936,080,058	23,863,646,852
Long-term loans to other companies - net of					
current portion		23,979,691	10,871,831	-	-
Property, plant and equipment	16	23,051,729,809	21,472,833,289	4,261,711,074	4,188,048,894
Goodwill		13,078,776,785	12,791,945,754	-	-
Other intangible assets	17	14,197,193,924	14,696,284,206	21,081,546	4,445,278
Other non-current assets					
Forward exchange contracts receivables					
- net of current portion		1,208,571,100	48,275,500	1,208,571,100	48,275,500
Leasehold rights		30,186,252	204,929,425	-	-
Advance payment for purchase of property,					
plant and equipment		14,952,190	97,089,256	-	-
Deferred tax assets	27	796,370,285	1,328,856,000	25,256,110	31,497,750
Unamortised discount from forward exchange contracts		64,252,266	29,581,420	64,252,266	29,581,420
Others		117,420,159	151,753,855	11,908,922	20,343,697
Total non-current assets		54,578,761,598	52,745,973,978	45,184,507,729	44,783,842,550
Total assets		115,442,661,147	108,290,282,851	60,778,276,972	55,897,360,253

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	18	26,086,541,039	29,374,817,980	8,889,560,679	11,473,312,757
Trade and other payables	9,19	10,724,557,023	9,802,404,454	1,963,106,426	1,593,911,988
Short-term loans from associated	9	52,700,000	-	-	-
Current portion of long-term loans	20	936,034,537	779,500,000	450,000,000	450,000,000
Current portion of debentures	21	-	3,297,649,536	-	3,297,649,536
Income tax payable		272,609,805	235,338,189	13,454,824	110,449,932
Other current liabilities		2,281,404,217	3,440,727,862	199,168,682	1,926,162,378
Total current liabilities		40,353,846,621	46,930,438,021	11,515,290,611	18,851,486,591
Non-current liabilities					
Long-term loans - net of current portion	20	3,050,224,081	3,442,645,296	2,857,040,458	3,297,722,485
Debentures - net of current portion	21	16,174,785,391	3,441,968,780	16,174,785,391	3,441,968,780
Convertible debenture	22	-	2,713,756,045	-	2,713,756,045
Provision for long-term employee benefits	23	1,831,625,035	1,718,005,641	414,845,608	377,386,130
Deferred tax liabilities	27	5,167,596,399	5,534,565,671	56,848,407	47,887,494
Forward exchange contracts payable - net of					
current portion		207,031,217	709,677,314	117,293,000	625,211,000
Other non-current liabilities		1,190,645,184	452,117,488	634,379,726	83,019,089
Total non-current liabilities		27,621,907,307	18,012,736,235	20,255,192,590	10,586,951,023
Total liabilities		67,975,753,928	64,943,174,256	31,770,483,201	29,438,437,614
Shareholders' equity					
Share capital	24				
Registered					
4,808,000,000 ordinary shares of Baht 0.25 each					
(2013: 1,202,000,000 ordinary shares of Baht 1 each)		1,202,000,000	1,202,000,000	1,202,000,000	1,202,000,000
Issued and paid-up					
4,771,815,496 ordinary shares of Baht 0.25 each					
(2013: 1,147,593,829 ordinary shares of Baht 1 each)		1,192,953,874	1,147,593,829	1,192,953,874	1,147,593,829
Share premium		19,948,328,826	17,500,508,871	19,948,328,826	17,500,508,871
Retained earnings					
Appropriated - statutory reserve	25	120,200,000	120,200,000	120,200,000	120,200,000
Unappropriated		21,526,719,737	18,716,270,733	7,566,721,542	7,511,030,410
Other components of shareholders' equity		877,180,375	2,051,805,259	179,589,529	179,589,529
Equity attributable to owners of the Company		43,665,382,812	39,536,378,692	29,007,793,771	26,458,922,639
Non-controlling interests of the subsidiaries		3,801,524,407	3,810,729,903	-	-
Total shareholders' equity		47,466,907,219	43,347,108,595	29,007,793,771	26,458,922,639
Total liabilities and shareholders' equity		115,442,661,147	108,290,282,851	60,778,276,972	55,897,360,253

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales	9, 28	121,402,355,983	112,812,594,229	21,120,430,731	23,457,148,276
Other income					
Dividend income		66,000	5,904,000	1,425,091,068	835,437,467
Interest income		158,984,967	14,704,705	1,154,634,703	1,026,379,407
Exchange gains		283,681,557	51,774,083	-	100,291,708
Others		885,703,678	1,392,317,105	467,895,880	554,120,471
Total other income		1,328,436,202	1,464,699,893	3,047,621,651	2,516,229,053
Total revenues		122,730,792,185	114,277,294,122	24,168,052,382	25,973,377,329
Expenses					
Cost of sales		102,381,913,425	98,590,391,272	18,906,905,243	21,562,120,190
Selling expenses		5,995,761,423	5,060,281,049	654,278,224	692,676,898
Administrative expenses		6,035,104,026	5,173,919,602	1,143,381,720	857,433,919
Total expenses		114,412,778,874	108,824,591,923	20,704,565,187	23,112,231,007
Profit before share of profit from investments in associates and joint ventures, finance cost and income tax expenses		8,318,013,311	5,452,702,199	3,463,487,195	2,861,146,322
Share of profit from investments in associates and joint ventures	12, 14	162,408,003	175,795,934	-	-
Profit before finance cost and income tax expenses		8,480,421,314	5,628,498,133	3,463,487,195	2,861,146,322
Finance cost		(1,673,261,199)	(1,654,909,119)	(929,438,168)	(855,088,580)
Profit before income tax expenses		6,807,160,115	3,973,589,014	2,534,049,027	2,006,057,742
Income tax expenses	27	(1,039,750,579)	(494,616,168)	(80,008,549)	(205,929,525)
Profit for the year		5,767,409,536	3,478,972,846	2,454,040,478	1,800,128,217
Profit attributable to:					
Equity holders of the Company		5,091,579,693	2,852,828,488	2,454,040,478	1,800,128,217
Non-controlling interests of the subsidiaries		675,829,843	626,144,358		
		5,767,409,536	3,478,972,846		
			(Restated)		(Restated)
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.099	0.622	0.530	0.392
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.084	0.619	0.530	0.392

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year	5,767,409,536	3,478,972,846	2,454,040,478	1,800,128,217
Other comprehensive income:				
Exchange differences on translation of				
financial statements in foreign currency	(1,170,118,887)	1,406,488,173	-	-
Gain on change in value of available-for-sale investments,				
net of income tax	684,679	4,851,646	-	-
Gain (loss) on change in the value of pension fund	7,452,938	(12,886,232)	-	-
Actuarial gain, net of income tax	115,453,727	-	-	-
Increase (decrease) in other reserves	(41,073,950)	7,718,563	-	-
Other comprehensive income for the year	(1,087,601,493)	1,406,172,150	-	-
Total comprehensive income for the year	4,679,808,043	4,885,144,996	2,454,040,478	1,800,128,217
Total comprehensive income attributable to:				
Equity holders of the Company	4,037,031,438	4,191,396,101	2,454,040,478	1,800,128,217
Non-controlling interests of the subsidiaries	642,776,605	693,748,895		
	4,679,808,043	4,885,144,996		

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

	Consolidated financial statements														(Unit: Baht)
	Equity attributable to owners of the Company														
	Other components of shareholders' equity														
	Other comprehensive income														
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	Appropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of investments available-for-sale	Provision for changes in the value of pension fund	Revaluation surplus on land	Other reserves	Deficit on revaluation of investments in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2013	1,147,593,829	17,500,508,871	-	17,699,516,062	120,200,000	163,550,536	(11,569,973)	(16,798,419)	604,591,494	7,837,488	-	747,611,124	37,215,429,886	3,128,203,282	40,343,633,168
Profit for the year	-	-	-	2,852,828,488	-	-	-	-	-	-	-	-	2,852,828,488	626,144,358	3,478,972,846
Other comprehensive income for the year	-	-	-	-	-	1,338,883,636	4,851,646	(12,886,232)	-	7,718,563	-	1,338,567,613	1,338,567,613	67,604,537	1,406,172,150
Total comprehensive income for the year	-	-	-	2,852,828,488	-	1,338,883,636	4,851,646	(12,886,232)	-	7,718,563	-	1,338,567,613	4,191,396,101	693,748,895	4,885,144,996
Dividend paid (Note 33)	-	-	-	(1,836,073,817)	-	-	-	-	-	-	-	-	(1,836,073,817)	(240,713,374)	(2,076,787,191)
Increase in proportion of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(34,373,478)	7,607,722	(26,765,756)
Increase in shares capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	48,204,604	48,204,604
Increase in non-controlling interests from change in investment in subsidiaries (Note 2.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	1,147,593,829	17,500,508,871	-	18,716,270,733	120,200,000	1,502,434,172	(6,718,327)	(29,684,651)	604,591,494	15,556,049	(34,373,478)	2,051,805,259	39,536,378,692	3,810,729,903	43,347,108,595
Balance as at 1 January 2014	1,147,593,829	17,500,508,871	-	18,716,270,733	120,200,000	1,502,434,172	(6,718,327)	(29,684,651)	604,591,494	15,556,049	(34,373,478)	2,051,805,259	39,536,378,692	3,810,729,903	43,347,108,595
Profit for the year	-	-	-	5,091,579,693	-	-	-	-	-	-	-	-	5,091,579,693	675,629,843	5,767,209,536
Other comprehensive income for the year	-	-	-	117,218,657	-	(1,138,830,579)	684,679	7,452,938	-	(41,073,950)	-	(1,171,766,912)	(1,054,548,255)	(33,053,238)	(1,087,601,493)
Total comprehensive income for the year	-	-	-	5,208,798,350	-	(1,138,830,579)	684,679	7,452,938	-	(41,073,950)	-	(1,171,766,912)	4,037,031,438	642,576,665	4,679,608,043
Convertible bond treated as equity securities issued (Note 22, 24)	45,360,045	2,447,819,955	-	-	-	-	-	-	-	-	-	-	2,493,180,000	-	2,493,180,000
Dividend paid (Note 33)	-	-	-	(2,398,349,346)	-	-	-	-	-	-	-	-	(2,398,349,346)	(599,401,414)	(2,997,750,760)
Increase in proportion of investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2,857,972)	(52,580,687)	(55,438,659)
Balance as at 31 December 2014	1,192,953,874	19,948,328,826	-	21,526,719,737	120,200,000	363,603,593	(6,033,648)	(22,231,713)	604,591,494	(25,517,901)	(2,857,972)	877,180,375	43,665,382,812	3,801,524,407	47,466,907,219

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

Thai Union Frozen Products Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

	Separate financial statements							(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity			
			Appropriated	Unappropriated	Other comprehensive income	Revaluation Surplus on land	Total other components of shareholders' equity	
Balance as at 1 January 2013	1,147,593,829	17,500,508,871	120,200,000	7,546,976,011	179,589,529	179,589,529	26,494,868,240	
Profit for the year	-	-	-	1,800,128,217	-	-	1,800,128,217	
Total comprehensive income for the year	-	-	-	1,800,128,217	-	-	1,800,128,217	
Dividend paid (Note 33)	-	-	-	(1,836,073,818)	-	-	(1,836,073,818)	
Balance as at 31 December 2013	1,147,593,829	17,500,508,871	120,200,000	7,511,030,410	179,589,529	179,589,529	26,458,922,639	
Balance as at 1 January 2014	1,147,593,829	17,500,508,871	120,200,000	7,511,030,410	179,589,529	179,589,529	26,458,922,639	
Profit for the year	-	-	-	2,454,040,478	-	-	2,454,040,478	
Total comprehensive income for the year	-	-	-	2,454,040,478	-	-	2,454,040,478	
Convertible bond treated as equity securities issued (Note 22, 24)	45,360,045	2,447,819,955	-	-	-	-	2,493,180,000	
Dividend paid (Note 33)	-	-	-	(2,398,349,346)	-	-	(2,398,349,346)	
Balance as at 31 December 2014	1,192,953,874	19,948,328,826	120,200,000	7,566,721,542	179,589,529	179,589,529	29,007,793,771	

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	6,807,160,115	3,973,589,014	2,534,049,027	2,006,057,742
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,518,083,960	2,238,134,174	371,265,403	402,754,290
Amortisation of discount/premium from forward foreign exchange contracts	(207,443,862)	72,506,413	(202,793,062)	72,212,043
Amortisation of issue cost of convertible bond, debentures and long-term loans from financial institutions	13,826,629	12,371,202	13,826,629	12,371,202
Allowance for doubtful accounts (reversal)	25,490,178	80,841,482	(517,020)	1,529,429
Reduction of inventory to net realisable value (reversal)	225,084,923	494,367,773	(50,778,002)	97,610,178
Allowance for loss on impairment of assets (reversal)	15,564,374	(3,517,526)	-	-
Allowance for loss on impairment of other intangible assets	-	2,506,826	-	-
Allowance for loans to other companies (reversal)	(10,000,000)	10,000,000	-	-
Share of profit from investments in associates and joint ventures	(162,408,003)	(175,795,934)	-	-
Loss on sale of other investments	937,976	1,328,736	-	3,491,789
Provision for long-term employee benefits	173,577,426	213,398,696	44,814,600	41,666,008
Gain on transfer investment in associates to subsidiaries	-	(49,735,894)	-	-
Loss on dissolution of subsidiaries	-	58,200,188	-	-
Gain on fair value adjustment from investments in joint venture	-	(160,994,223)	-	-
Gain on sale of investments in subsidiaries to joint venture	-	(37,691,845)	-	-
Loss (gain) on sale / write-off of property, plant and equipment and other intangible assets	419,351,491	(38,342,810)	17,458,883	8,095,967
Loss on write-off of leasehold right	8,168,906	-	-	-
Unrealised exchange loss (gain)	(589,234,904)	337,795,135	(450,678,712)	218,493,313
Dividend income	(66,000)	(5,904,000)	(1,425,091,068)	(835,437,467)
Interest income	(158,984,967)	(14,704,705)	(1,154,634,703)	(1,026,379,407)
Interest expenses	1,334,705,136	1,554,723,457	904,411,354	836,744,559
Profit from operating activities before change in operating assets and liabilities	10,413,813,378	8,563,076,159	601,333,329	1,839,209,646
Decrease (increase) in operating assets				
Trade and other receivables	(834,784,634)	(934,068,832)	(137,277,552)	837,250,719
Inventories	(910,885,108)	(1,620,946,259)	965,876,178	(247,620,249)
Other current assets	(407,051,278)	215,671,996	(3,782,554)	31,347,727
Other non-current assets	103,488,404	(59,016,526)	8,361,787	19,873,753
Increase (decrease) in operating liabilities				
Trade and other payables	1,122,975,060	(1,690,281,305)	298,096,425	(283,925,270)
Other current liabilities	246,525,573	(60,575,118)	14,197,519	(92,180,466)
Other non-current liabilities	117,099,660	(144,699,645)	(46,171,371)	(69,206,815)
Cash flows from operating activities	9,851,181,055	4,269,160,470	1,700,633,761	2,034,749,045
Cash paid for corporate income tax	(575,345,269)	(398,068,790)	(159,252,088)	(95,153,725)
Net cash from operating activities	9,275,835,786	3,871,091,680	1,541,381,673	1,939,595,320

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

Thai Union Frozen Products Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the year ended 31 December 2014**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease (increase) in restricted deposits with financial institutions	(35,861,266)	2,147,280	-	-
Increase in short-term investments	(2,450,091,607)	(1,593,720,000)	(2,450,091,606)	(1,593,720,000)
Acquisitions of property, plant and equipment	(3,267,451,059)	(4,206,425,735)	(465,881,332)	(813,426,967)
Acquisitions of intangible assets	(29,837,546)	(17,438,383)	-	(1,980,558)
Acquisitions of leasehold rights	(19,812,887)	(3,367,025)	-	-
Other investments	-	(1,350)	-	-
Decrease (increase) in short-term loans to subsidiaries	-	-	(1,554,090,000)	1,337,041,200
Decrease (increase) in short-term loans to other companies	(1,232,405)	8,693,869	-	5,465,000
Increase in long-term loans to subsidiaries	-	-	(2,787,517,254)	(1,127,723,524)
Decrease (increase) in long-term loans to other companies	(3,458,029)	6,369,684	-	2,868,338
Increase in investments in subsidiaries	-	-	(57,643,494)	(1,180,226,767)
Increase in investments in associates	-	(39,553,333)	-	-
Increase in other long-term investments	(170,588)	-	-	-
Interest received	162,053,466	9,468,087	1,144,873,911	1,083,105,498
Dividend received	94,852,028	79,907,440	1,425,091,068	835,437,467
Proceeds from sale of investment in subsidiaries	-	602,181,622	-	79,480,740
Increase in investments in joint ventures	(8,075,000)	(438,410,217)	-	-
Proceeds from acquisitions of subsidiaries	(3,202,751,645)	(324,572,169)	-	(508,713,486)
Proceeds from sales of investments	3,317,694	3,212,621	-	-
Proceeds from sales of property, plant and equipment and other intangible assets	67,547,591	347,108,965	4,074,843	2,871,801
Net cash used in investing activities	(8,690,971,253)	(5,564,398,644)	(4,741,183,864)	(1,879,521,258)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(3,566,618,913)	5,157,997,283	(2,583,752,078)	1,685,388,601
Increase (decrease) in long-term loans from financial institutions	(610,076,456)	1,105,120,000	(450,000,000)	1,435,622,300
Increase in short-term loans from associate	52,700,000	-	-	-
Cash paid for deferred financial fee	(21,785,825)	(4,424,700)	(21,785,825)	(4,427,000)
Cash paid for debentures	(3,300,000,000)	(500,000,000)	(3,300,000,000)	(500,000,000)
Proceeds from issued debentures	12,750,000,000	-	12,750,000,000	-
Cash paid for interest expense	(1,231,841,983)	(1,563,586,125)	(853,616,861)	(834,254,741)
Decrease in non-controlling interests of the subsidiaries	(651,982,101)	(11,222,274)	-	-
Dividend paid	(2,398,142,023)	(1,835,548,009)	(2,398,142,023)	(1,835,548,009)
Net cash from (used in) financing activities	1,022,252,699	2,348,336,175	3,142,703,213	(53,218,849)
Decrease in translation adjustment	(1,104,409,932)	(434,340,222)	-	-
Net increase (decrease) in cash and cash equivalents	502,707,300	220,688,989	(57,098,978)	6,855,213
Cash and cash equivalents at beginning of year	1,620,733,842	1,400,044,853	69,190,002	62,334,789
Cash and cash equivalents at end of year (Note 6)	2,123,441,142	1,620,733,842	12,091,024	69,190,002

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

Thai Union Frozen Products Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the year ended 31 December 2014**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Supplemental cash flows information				
Non-cash items:				
Undue installment of acquisition of property, plant and equipment	169,401,318	165,177,470	27,793,599	10,577,356
Unrealised gain on changes in the value of investments	(684,679)	(4,851,646)	-	-
Transfer of non-current assets to other intangible assets	9,897,312	5,522,955	-	-
Transfer of property, plant and equipment to non-current assets	182,747,374	179,043,803	17,920,203	-
Transfer of non-current assets to property, plant and equipment	214,530,498	-	-	-
Unpaid dividend	5,071,030	4,863,707	1,460,342	1,253,019
Transfer of investments in associate to investment in subsidiary	-	714,754,055	-	773,459,946
Conversion of convertible bond to ordinary share	2,493,180,000	-	2,493,180,000	-
Transfer of investment in associates to joint ventures	30,304,742	-	-	-

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

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

Thai Union Frozen Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand.

The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiaries are also engaged in the packaging, printing and pet food businesses.

The principal activities of the overseas subsidiaries such as the subsidiaries in United States are the manufacture and distribution of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailing, and wholesaling, the subsidiaries in Europe are the manufacturer and distributor of ambient seafood products to countries in Europe under their trademarks, and a subsidiary in Asia is the manufacturer and distributor of seafood in Vietnam.

In addition, during the current year, the Company acquired new groups of overseas subsidiaries as described in Note 2.2. Their principal activities are as follows.

- MerAlliance, a producer of smoked salmon products with the headquarters located in France, and having production facilities in Scotland, Poland and France.
- King Oscar, a producer and distributor of canned seafood products across Europe, United States and Australia under its brands with the headquarters located in Norway, and having the production facilities in Poland and Norway.

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

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thai Union Frozen Products Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of	Percentage of	
		incorporation	shareholding	
			2014	2013
			Percent	Percent
<u>Held by the Company</u>				
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	90.08	90.08
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	90.44	90.44
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	90.00	90.00
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	98.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	100.00	100.00
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	100.00	100.00
Pakfood Pcl.	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.44	77.06
<u>Held by subsidiaries</u>				
Tri-Union Seafoods, LLC (100% held by TUI)	Manufacturer & distributor of canned tuna and seafood	USA	100.00	100.00
Tri-Union Frozen Products, Inc. (TUFP) (82% held by TUI)	Importer and distributor of frozen seafood	USA	82.00	82.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
US Pet Nutrition, LLC (USPN) (99% held by TUI and 1% held by Tri-Union Seafoods, LLC)	Manufacturer & distributor of premium pet food	USA	100.00	100.00
Canadian Pet Nutrition, ULC (100% held by USPN)	Distributor of pet food	Canada	100.00	100.00
Asian-Pacific Can Co., Ltd. (90.5% held by Songkla Canning Pcl.)	Manufacturer & distributor of packaging for food products	Thailand	81.85	81.85
Yueh Chyang Canned Food Co., Ltd. (51% held by Songkla Canning Pcl.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	46.12	46.12
New Frontier Food Co., Ltd. (100% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of canned tuna and pet food	Thailand	-	90.08
Thai Union European Seafood 1 SA (100% held by TUIH)	Holding company	Luxembourg	100.00	100.00
Thai Union France Holding 2 SAS (100% held by Thai Union European Seafood 1 SA)	Holding company	France	100.00	100.00
MW Brands SAS (100% held by Thai Union France Holding 2 SAS)	Headquarters activity	France	100.00	100.00
MW Brands Seychelles Limited (100% held by MW Brands SAS)	Exporter of canned Tuna	Seychelles	100.00	100.00
Etablissements Paul Paulet SAS (100% held by MW Brands SAS)	Manufacturer, importer, distributor and exporter of canned seafood	France	100.00	100.00
European Seafood Investment Portugal (74% held by MW Brands SAS and 26% held by Thai Union France Holding 2 SAS)	Manufacturer and exporter of canned sardines and mackerel	Portugal	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
Pioneer Food Cannery Limited (100% held by Etablissements Paul Paulet SAS)	Manufacturer of canned tuna	Ghana	100.00	100.00
Mareblu SRL (74% held by MW Brands SAS and 26% held by Thai Union France Holding 2 SAS)	Importer and distributor of canned seafood	Italy	100.00	100.00
UK Seafood Investments Limited (100% held by MW Brands SAS)	Holding company	United Kingdom	100.00	100.00
Indian Ocean Tuna Limited (60% held by MW Brands SAS)	Manufacturer and exporter of canned tuna	Seychelles	60.00	60.00
John West Foods Limited (100% held by UK Seafood Investments Limited)	Importer and distributor of canned seafood	United Kingdom	100.00	100.00
Irish Seafood Investments Limited (100% held by MW Brands SAS)	Importer and distributor of canned seafood	Ireland	100.00	100.00
John West Holland BV (100% held by Irish Seafood Investments Limited)	Importer and distributor of canned seafood	Netherlands	100.00	100.00
TTV Limited (50% held by Etablissements Paul Paulet SAS)	Deep-sea fishing fleet operation	Ghana	50.00	50.00
Chaophraya Coldstorage Co., Ltd (100% held by Pakfood Pcl.)	Property rental	Thailand	77.44	77.06
Okeanos Food Co., Ltd. (100% held by Pakfood Pcl.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.44	77.06
Okeanos Co., Ltd. (100% held by Pakfood Pcl.)	Dormant	Thailand	77.44	77.06
Takzin Samut Co., Ltd. (100% held by Pakfood Pcl.)	Dormant	Thailand	77.44	77.06

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
EUROPEENNE DE LA MER SAS (100% held by Thai Union France Holding 2 SAS)	Holding company	France	100.00	-
MERINVEST SAS (100% held by EUROPEENNE DE LA MER SAS)	Holding company	France	100.00	-
MERALLIANCE ARMORIC (100% held by MERINVEST SAS)	Manufacturer of smoked salmon	France	100.00	-
IMSAUM SCI (100% held by MERINVEST SAS)	Property rental	France	100.00	-
MERALLIANCE SAS (100% held by MERINVEST SAS)	Distributor of smoked salmon	France	100.00	-
MERALLIANCE LOGISTIC (100% held by MERINVEST SAS)	Logistic company	France	100.00	-
MERALLIANCE POLAND (100% held by MERINVEST SAS)	Manufacturer of smoked salmon	Poland	100.00	-
ARMORIC NORWAY (100% held by MERINVEST SAS)	Holding company	Norway	100.00	-
NACO TRADING (100% held by ARMORIC NORWAY)	Distributor of salmon	Norway	100.00	-
ESCO (100% held by MERINVEST SAS)	Manufacturer and distributor of smoked salmon	Scotland	100.00	-
ARMORIC USA (100% held by MERINVEST SAS)	Dormant	USA	100.00	-
Thai Union Norway AS (100% held by Thai Union European Seafood 1 SA)	Holding company	Norway	100.00	-
King Oscar Holding AS (100% held by Thai Union Norway AS)	Holding company	Norway	100.00	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
King Oscar AS	Manufacturer and distributor	Norway	100.00	-
(100% held by King Oscar Holding AS)	of canned seafood			
King Oscar Inc.	Importer and distributor	USA	100.00	-
(100% held by King Oscar AS)	of canned seafood			
Norway Foods Europe b.v.	Importer and distributor	Belgium	100.00	-
(100% held by King Oscar AS)	of canned seafood			
Norway Foods AS	Importer and distributor	Norway	100.00	-
(100% held by King Oscar AS)	of canned seafood			
Thai Union Poland Sp. Z.o.o.	Holding company	Poland	100.00	-
(100% held by Thai Union European Seafood 1 SA)				
King Oscar Poland Sp. Z.o.o.	Manufacturer and distributor	Poland	100.00	-
(100% held by Thai Union Poland Sp. Z.o.o.)	of canned seafood			

During the current year, Thai Union France Holding 2 SAS (TUFH), a company registered in France, invested in EUROPEENNE DE LA MER SAS a company registered in the France. These consolidated financial statements include the statement of financial position of that company as at 31 December 2014 and the statement of comprehensive income for the period from the investment date to 31 December 2014. Such company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. However, the Company has recorded some tangible assets acquired at their net book value, not fair value. The Company is awaiting tangible a third party appraisal in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by the end of December 2015.

Details of the fair values of net assets of EUROPEENNE DE LA MER SAS and their net book values, are as follows:

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	233	233
Trade and other receivables	822	822
Inventories	481	444
Property, plant and equipment, net (Note 16)	842	842
Intangible assets (Note 17)	395	4
Other assets	53	53
Total assets	2,826	2,398
Liabilities		
Short-term loans from financial institutions	586	586
Trade accounts payables	653	653
Long-term loans	202	202
Deferred tax liabilities (Note 27)	168	35
Other liabilities	465	465
Total liabilities	2,074	1,941
Net asset value	752	457
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	752	
Positive goodwill	866	
Purchase price	1,618	
Less: Cash and cash equivalents of subsidiaries	(233)	
Net cash paid for purchase of subsidiaries	1,385	

Details of acquisition of EUROPEENNE DE LA MER SAS are as follows.

	(Unit: Million Baht)
Purchase price	
Cash paid	1,618
Fair value of net assets received	(752)
Goodwill	866

The revenue and profit of EUROPION DE LA MER Group from the acquisition date to 31 December 2014 amounting to Baht 1,551 million and Baht 7 million, respectively, is included in the consolidated financial statements.

During the current year, Thai Union European Seafood 1 S.A., a company registered in Luxemburg, invested in Thai Union Norway AS (TU Norway), a company registered in Norway, to acquire King Oscar in Norway. These consolidated financial statements include the statement of financial position of that company as at 31 December 2014 and the statement of comprehensive income for the period from the investment date to 31 December 2014. Such company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill. However, the Company has recorded some tangible assets acquired at their net book value, not fair value. The Company is awaiting tangible a third party appraisal in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by the end of December 2015.

Details of the fair values of net assets of King Oscar and their net book values, are as follows:

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	14	14
Trade and other receivable	324	324
Inventories	507	486
Property, plant and equipment, net (Note 16)	583	583
Intangible assets (Note 17)	617	264
Other assets	7	7
Total assets	2,052	1,678
Liabilities		
Short-term loans from financial institutions	374	374
Trade accounts payables	196	196
Long-term loans	191	191
Deferred tax liabilities (Note 27)	160	64
Other liabilities	132	132
Total liabilities	1,053	957
Net asset value	999	721
Equity of the Company (%)	100	
Net assets value attributable to the company's investment	999	
Positive goodwill	833	
Purchase price	1,832	
Less: Cash and cash equivalents of subsidiaries	(14)	
Net cash paid for purchase of subsidiaries	1,818	

Details of acquisition of King Oscar are as follows.

(Unit: Million Baht)

Purchase price

Cash paid	1,832
Fair value of net assets received	(999)
Goodwill	<u>833</u>

The revenue and loss of King Oscar Group from the acquisition date to 31 December 2014 amounting to Baht 469 million and Baht 29 million, respectively, are included in the consolidated financial statements.

During the first quarter of the year 2013, the Company sold investment in PT Juifa International Foods (a subsidiary) to third party for 23,970 shares, totally 88.78% of shareholding in the subsidiary at the price of Baht 3,315.84 per share or amounting to Baht 79 million, resulting in loss incurred from sale of investment in subsidiary of Baht 58 million presented in the consolidated profit or loss (separate profit or loss: loss of Baht 3 million). As a result of the transaction, PT Juifa International Foods was no longer the subsidiary of the Company. Up to the disposal date of such investments, the Company received the dividend amounting to Baht 164 million.

Details of the net asset value of PT Juifa International Foods as at the disposal date are as follows:

(Unit: Million Baht)

Total assets	193
Total liabilities	(80)
Translation adjustment	<u>45</u>
Net asset value	158
Less: Non-controlling interests of subsidiary	<u>(21)</u>
Net asset value attributable to the Company's investment	137
Selling price	<u>(79)</u>
Loss from the disposal of investment in subsidiary	<u>58</u>

During the first quarter of the year 2013, Thai Union Manufacturing Co., Ltd. formed New Frontier Foods Co., Ltd. to engage in Manufacturer & exporter of canned tuna and pet food.

During the first quarter of the year 2013, the Company purchased 9.6 million ordinary shares of Pakfood Public Company Limited (PPC) (or 29.2% of the total 33 million issued and paid-up shares of PPC). As a result of the transaction, the investment proportion in PPC increased from 49.97% (of the total 30 million issued and paid-up shares of PPC) to 74.64%. Thus, PPC is a subsidiary of the Company. These consolidated financial statements included the statement of financial position of PPC as at 31 December 2013 and the comprehensive income for the period from the investment date to 31 December 2013. Such company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price under the fair value of the net assets acquired has been recorded as other income in income statement. During the fourth quarter of the year 2013, the Company completed the purchase price allocation of PPC; however, the appraised price is not materially different from the book value, then the Company did not record goodwill allocation.

Details of the fair value of net assets of PPC and their net book value, are as follows:

	(Unit: Million Baht)	
	Fair value	Net book value
Assets		
Cash and cash equivalents	184	184
Trade and other receivables	351	351
Inventories	813	813
Property, plant and equipment	1,927	1,431
Other assets	65	65
Total assets	3,340	2,844
Liabilities		
Trade and other payables	215	215
Long-term loans	1,305	1,305
Other liabilities	70	62
Total liabilities	1,590	1,582
Net assets value	1,750	1,262
Equity of the Company (%)	74.64	
Net asset value attributable to the company's investment	1,306	
Negative goodwill	(24)	
Purchase price	1,282	
Less: Cash and cash equivalents of subsidiary	(184)	
Cash paid for investment in PPC	1,098	
Less: Cash paid for investment in associated PPC	(773)	
Net cash paid for purchase of subsidiary PPC	325	

During the second quarter of the year 2013, Thai Union Feedmill Co., Ltd. (TFM) restructured its investments in subsidiaries by selling its holdings in three subsidiaries namely Thai Union Hatchery Co., Ltd., TCM Fishery Co., Ltd., and TMK Farm Co., Ltd, to TMAC Co., Ltd., another joint venture of TFM. As a result of the transaction, these subsidiaries of TFM were no longer the subsidiaries of the Company. These consolidated financial statements included the statement of comprehensive income of TFM and these subsidiaries for the period from the 1 January 2013 to the selling date of these investments.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.
 - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>

TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements as the Company and its subsidiaries have already applied the equity method to an investment in a jointly controlled entity.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value of goods supplied, excluding value added tax, of goods supplied after deducting discount and allowances.

Sales of merchandise by an overseas subsidiary under commercial agreements are recognised when the subsidiary's distributor sells such merchandise. The overseas subsidiary may be reimbursed for bank charges, warehousing, and certain other costs incurred in connection with these agreements, and the subsidiary records such reimbursements as a deduction from cost of sales.

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Tax coupon received

Subsidies granted by the Ministry of Finance in the form of tax coupons are recognised as income when the Company obtains written notification of approval of the tax coupon.

4.2 Cash and cash equivalents

Cash and cash equivalents included cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, ingredients and packaging are valued at cost (average method).

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investment, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment and Depreciation

Land is stated at cost or revalued amount. Land improvement, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of land improvement, plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement, buildings and construction	-	5 - 40	years
Machinery and equipment	-	3 - 20	years
Furniture and fixtures	-	3 - 20	years
Motor vehicles	-	3 - 20	years

Depreciation of machinery and equipment, furniture and fixtures and motor vehicles of an overseas subsidiary is calculated on the declining balance basis over their estimated useful lives of 5 - 20 years. The effect of the difference in accounting policy is immaterial to profit or loss.

No depreciation is provided for land and construction in progress.

Equipment under a capital lease is stated at the present value of the minimum lease payments and amortised on a straight-line method over the lesser of the lease term or the estimated useful life of the equipment.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Trademarks	- 5, 10 ,20, 40 years
Copyrights	- 3, 5, 10 years
Computer software	- 3, 5, 10 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation. Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the period of lease.

4.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining borrowing costs.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the leased assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Company and its subsidiaries recognised an impairment loss in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognise at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

The overseas subsidiaries have a defined benefit plan covering all of its former production employees in American Samoa. The benefits are based on a percentage of contribution during each year of service. The overseas subsidiaries make annual contributions to the plan equal to the minimum required by applicable regulations.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

The Company and its subsidiaries record income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. Income tax of the overseas subsidiaries is provided for in the accounts based on the taxable profits determined in accordance with tax legislation of their countries.

Deferred tax

The Company and its subsidiaries record deferred income tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to share holders' equity.

4.19 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The Company and its subsidiaries recognise the net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts as income or expenses on an accrual basis.

Foreign currency option agreements

The notional amounts of the foreign currency option agreements utilised by the Company and its subsidiaries are not recognised as assets or liabilities upon inception of the agreements. Gain and loss from the translation are included in determining income.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Lease agreements

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgments and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets on the acquisition date, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

The Company and its subsidiaries recognise deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefit under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2014	2013	2014	2013
Cash	2,781	4,534	504	781
Bank deposits	2,120,660	1,616,200	11,587	68,409
Total	<u>2,123,441</u>	<u>1,620,734</u>	<u>12,091</u>	<u>69,190</u>

As at 31 December 2014, bank deposits in savings accounts and fixed accounts carried interests between 0.10% and 2.12% per annum (2013: between 0.10% and 2.50% per annum).

7. Short-term investment

As at 31 December 2014, short-term investments represented a fixed deposit at financial institutions totaling Baht 2,000 million and USD 62 million (2013: CNY 300 million). The fixed deposit carries interest at the rates from 2.85% and 1.30% per annum, respectively (2013: 3.05% per annum) and will be due in April 2015 (2013: July 2014).

8. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	69,936	116,166	1,673,398	1,329,262
Past due				
1 - 30 days	24,037	41,258	312,542	595,317
31 - 60 days	1,381	-	47,554	125,788
61 - 90 days	-	-	19,503	-
91 - 120 days	-	65	151	65
181 - 365 days	-	1,071	-	-
Over 365 days	229	-	-	-
Total trade receivables - related parties	95,583	158,560	2,053,148	2,050,432
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	12,557,427	10,651,694	1,127,774	883,504
Past due				
1 - 30 days	1,734,705	2,099,448	254,090	268,471
31 - 60 days	302,439	319,186	3,194	4,649
61 - 90 days	221,919	187,924	15,316	1,191
91 - 120 days	361,064	72,124	959	-
121 - 180 days	89,252	84,218	613	-
181 - 365 days	64,107	108,115	-	554
Over 365 days	218,613	208,821	26,484	26,477
Total trade receivables - unrelated parties	15,549,526	13,731,530	1,428,430	1,184,846
Total trade receivables	15,645,109	13,890,090	3,481,578	3,235,278
Less: Allowance for doubtful accounts	(362,647)	(344,789)	(26,628)	(27,145)
Total trade receivables - net	15,282,462	13,545,301	3,454,950	3,208,133
<u>Other receivables</u>				
Interest receivables - related parties	-	-	37,881	25,420
Interest receivables - unrelated parties	2,324	5,393	2,296	4,996
Accrued income	48,215	132,632	30,686	122,024
Advance payment	70,765	265,015	1,874	7,022
Total other receivables	121,304	403,040	72,737	159,462
Total trade and other receivables - net	15,403,766	13,948,341	3,527,687	3,367,595

As at 31 December 2014, certain trade receivables of three overseas subsidiaries (2013: three overseas subsidiaries) have secured their credit facilities as mentioned in Note 18.

As at 31 December 2014, foreign currency trade receivables of two overseas subsidiaries amounting to Baht 767 million (2013: Baht 1,776 million) have been sold at a discount rate to financial institutions, with recourse.

In April 2013, Tri-Union Frozen Products, Inc. (TUFPP) entered into a receivable purchase agreement ("RPA") with a bank to sell certain receivables at a discount rate. The agreement requires lenders to release the lien on these receivables except receivables related to the distribution services that TUFPP provides to the Company and Thai Union Seafoods Co., Ltd.

In August 2014, TUFPP entered into receivables purchase agreement to sell certain receivables of a new account with the same terms and conditions.

Insurance claim receivable

On 11 February 2012, there was a fire incident in shrimp section of the Company's plant located in Samutsakorn province, which had no effect to other production lines. The Company assessed the damage caused by the fire incident and found damage to inventories with costs amounting to Baht 261 million and damage to building and machineries with total net book value of Baht 123 million. However, the Company has insurance coverage for direct asset damage and filed a claim with the insurance company. The Company received a compensation payment totaling of Baht 410 million. The Company recorded insurance recovery income by offsetting it with the loss from the fire incident in the income statement for the year ended 31 December 2012. The Company received an additional compensation payment of Baht 287 million, and recorded the insurance recovery income in the income statement for the year ended 31 December 2013.

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2014	2013	2014	2013	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	8,346	9,504	Cost plus margin
Dividend income	-	-	1,376	806	As declared

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2014	2013	2014	2013	
Interest income	-	-	1,001	1,021	1.08% - 5.50% per annum (2013: 1.44 - 5.50% per annum)
Other income	-	-	25	56	Near market price
Purchases of goods	-	-	1,111	1,797	Cost plus margin
Management fee	-	-	161	55	Contract price
Other expenses	-	-	108	129	Near market price
Transactions with associates and joint ventures:					
Sales	282	320	57	34	Cost plus margin
Dividend income	49	64	49	29	As declared
Other income	24	18	-	-	Near market price
Purchases of goods	459	204	7	-	Cost plus margin
Transactions with related companies:					
Sales	925	765	490	343	Cost plus margin
Purchases of goods	1,764	3,302	-	2,221	Cost plus margin
Transportation expenses	42	44	6	4	Near market price
Acquisition of assets and expenses relating to assets	126	112	9	12	Near market price

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common shareholders and directors. During the year 2014, insurance premiums paid through that company amounted to Baht 108 million (2013: Baht 122 million).

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

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary
T-Holding Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Pakfood Pcl.	Subsidiary
Tri-Union Seafoods, LLC (Tri-U)	Subsidiary (Held by subsidiary)
Tri-Union Frozen Products, Inc. (TUFP)	Subsidiary (Held by subsidiary)
US Pet Nutrition, LLC (USPN)	Subsidiary (Held by subsidiary)
Canadian Pet Nutrition, ULC	Subsidiary (Held by subsidiary)

List of related companies	Relationship
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
New Frontier Food Co., Ltd.****	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.****	Subsidiary (Held by subsidiary)
Thai Union European Seafood 1 S.A.	Subsidiary (Held by subsidiary)
Thai Union France Holding 2 SAS (TUFH)	Subsidiary (Held by subsidiary)
MW Brands SAS	Subsidiary (Held by subsidiary)
European Seafood Investment Portugal	Subsidiary (Held by subsidiary)
UK Seafood Investment Limited	Subsidiary (Held by subsidiary)
John West Food Limited	Subsidiary (Held by subsidiary)
Mareblu SRL	Subsidiary (Held by subsidiary)
MW Brands Seychelles Limited	Subsidiary (Held by subsidiary)
Indian Ocean Tuna Limited	Subsidiary (Held by subsidiary)
Pioneer Food Cannery Limited	Subsidiary (Held by subsidiary)
TTV Limited	Subsidiary (Held by subsidiary)
Etablissements Paul Paulet SAS	Subsidiary (Held by subsidiary)
Irish Seafood Investments Limited	Subsidiary (Held by subsidiary)
John West Holland BV	Subsidiary (Held by subsidiary)
Chaophraya Coldstorage Co., Ltd.	Subsidiary (Held by subsidiary)
Takzin Samut Co., Ltd.***	Subsidiary (Held by subsidiary)
Okeanos Co., Ltd.***	Subsidiary (Held by subsidiary)
Okeanos Food Co., Ltd.	Subsidiary (Held by subsidiary)
EUROPEENNE DE LA MER SAS	Subsidiary (Held by subsidiary)
MERINVEST SAS	Subsidiary (Held by subsidiary)
MERALLIANCE ARMORIC SAS	Subsidiary (Held by subsidiary)
IMSAUM SCI	Subsidiary (Held by subsidiary)
MERALLIANCE SAS	Subsidiary (Held by subsidiary)
MERALLIANCE LOGISTIC	Subsidiary (Held by subsidiary)
MERALLIANCE POLAND	Subsidiary (Held by subsidiary)
ARMORIC NORWAY	Subsidiary (Held by subsidiary)
NACO TRADING	Subsidiary (Held by subsidiary)
ESCO	Subsidiary (Held by subsidiary)
ARMORIC USA***	Subsidiary (Held by subsidiary)
Thai Union Norway AS	Subsidiary (Held by subsidiary)
King Oscar Holding AS	Subsidiary (Held by subsidiary)

List of related companies	Relationship
King Oscar AS	Subsidiary (Held by subsidiary)
King Oscar Inc.	Subsidiary (Held by subsidiary)
Norway foods Europe b.v.	Subsidiary (Held by subsidiary)
Norway Food AS	Subsidiary (Held by subsidiary)
Thai Union Poland Sp. Z.o.o.	Subsidiary (Held by subsidiary)
King Oscar Poland Sp. Z.o.o.	Subsidiary (Held by subsidiary)
TMAC Co., Ltd.*	Joint Venture (Held by subsidiary)
Cindena Resources Limited	Joint Venture (Held by subsidiary)
Century (Shanghai) Trading Co., Ltd.**	Joint Venture (Held by subsidiary)
TCM Fishery Co., Ltd. *	Subsidiary of Joint Venture (Held by subsidiary)
TMK Farm Co., Ltd. *	Subsidiary of Joint Venture (Held by subsidiary)
Thai Union Hatchery Co., Ltd.*	Subsidiary of Joint Venture (Held by subsidiary)
Lucky Union Foods Co., Ltd.	Associated company
Biz Dimension Co., Ltd.	Associated company
Avanti Feeds Limited	Associated company
TN Fine Chemicals Co., Ltd.	Associated company (Held by subsidiary)
Moresby International Holdings Inc.	Associated company (Held by subsidiary)
LDH (La Doria) Limited	Associated company (Held by subsidiary)
Majestic Seafood Corporation Ltd.	Associated company (Held by associated company)
Lucky Union Foods Euro Sp.z.o.o.	Associated company (Held by associated company)
Geminai & Associate Co., Ltd.	Common shareholders/Director related to director
Geminai Watercrafts Co., Ltd.	Common shareholders/Director related to director
Factory Storage Service Co., Ltd.	Director related to director
Chansiri Real Estate Co., Ltd.	Common major shareholders/Common directors

List of related companies	Relationship
Asian Pacific Thai Tuna Co., Ltd.	Common major shareholders/Common directors
T.C. Union Global Pcl.	Common major shareholders/Common directors
Jana Fish Industries Co., Ltd.	Common major shareholders/Common directors
T.C. Union Agrotech Co., Ltd.	Common major shareholders/Common directors
Waithai Co., Ltd.	Common major shareholders/Common directors
Thaipatana Stainless Steel Co., Ltd.	Common major shareholders/Common directors
Phil-Union Frozen Foods, Inc.	Common major shareholders/Common directors
Thai Union Properties Co., Ltd.	Common major shareholders/Common directors
Ahead Way International Co., Ltd.	Common major shareholders
Merchant Partners Securities Pcl.	Common shareholders/Common directors
Merchant Partners Asset Management Limited	Common shareholders/Common directors
Lucky Surimi Products Co., Ltd.	Common shareholders/Common directors
Asia-Pacific Risk Consultants (Thailand) Co., Ltd.	Common shareholders/Common directors
Asia-Pacific Risk Insurance Broker Co., Ltd.	Common shareholders/Common directors
Minor International Pcl.	Common director
Darford International Inc.	Common director
Miss Rungtiwa Boonmechote	Relative of director
Pae Parichart Boonmechote	Relative of director
* Transferred to investment in joint venture during the year 2013	
** Transferred to investment in joint venture during the year 2014	
*** Ceased operation	
**** Liquidation	

The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			2014	2013
	2014	2013	2014	2013
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	2,036,490	2,003,380
Associated companies	30,345	73,095	6,653	6,846
Related companies	65,238	85,465	47,886	65,626
Total trade and other receivables - related parties	95,583	158,560	2,091,029	2,075,852
<u>Trade and other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	429,423	378,660
Associated companies	34,976	6,148	19	1,575
Related companies	122,515	137,470	32,896	68,651
Total trade and other payables - related parties	157,491	143,618	462,338	448,886
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union International, Inc.	-	-	1,472,585	-
Thai Union Investment Holding Co., Ltd.	-	-	79,296	-
Total	-	-	1,631,881	80,000
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	23,609,526	22,560,467
Thai Union International, Inc.	-	-	1,308,964	2,028,074
Total	-	-	24,918,490	24,588,541
Less: Current portion				
Thai Union International, Inc.	-	-	-	(724,894)
Thai Union Investment Holding Co., Ltd.	-	-	(1,982,410)	-
Net	-	-	22,936,080	23,863,647
<u>Short-term loans from associated</u>				
TN Fine Chemical Co., Ltd.	52,700	-	-	-

During 2014, movements of loans to/from related parties were as follows:

	(Unit: Thousand Baht) Consolidated financial statements			
	Balance as at	During the year		
	1 January 2014	Increase	Decrease	Revaluation
<u>Short-term loans from associated</u>				
TN Fine Chemicals Co., Ltd.	-	71,500	(18,800)	-
				52,700

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2014	Increase	Decrease	31 December 2014
<u>Short-term loans to subsidiaries</u>				
Songkla Canning Pcl.	-	14,820	(14,820)	-
Thai Union Graphic Co., Ltd.	80,000	160,000	(160,000)	80,000
Thai Union International, Inc.	-	2,351,463	(879,713)	1,472,585
Thai Union Investment Holding Co., Ltd.	-	205,850	(123,510)	79,296
	80,000	2,732,133	(1,178,043)	1,631,881
<u>Long-term loans to subsidiaries</u>				
Thai Union Investment Holding Co., Ltd.	22,560,467	5,492,000	(1,979,589)	23,609,526
Thai Union International, Inc.	2,028,074	326,500	(1,051,394)	1,308,964
	24,588,541	5,818,500	(3,030,983)	24,918,490

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefits expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	866	521	94	75
Post-employment benefits	40	34	8	7
Other long-term benefits	2	4	-	-
Termination benefits	17	19	-	-
Total	925	578	102	82

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	19,610,614	19,770,390	(1,152,105)	(928,825)	18,458,509	18,841,565
Work in process	177,308	247,355	(6,013)	-	171,295	247,355
Raw materials	11,487,217	10,290,450	(281,400)	(293,362)	11,205,817	9,997,088
Ingredients and packaging	1,564,840	1,813,344	(107,953)	(133,254)	1,456,887	1,680,090
Goods in transit	5,327,985	5,338,134	-	-	5,327,985	5,338,134
Spareparts	922,844	820,271	(25,762)	(7,157)	897,082	813,114
Total	39,090,808	38,279,944	(1,573,233)	(1,362,598)	37,517,575	36,917,346

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,747,752	2,107,943	(94,290)	(127,027)	1,653,462	1,980,916
Work in process	5,540	12,651	-	-	5,540	12,651
Raw materials	1,998,195	2,287,250	(16,612)	(25,859)	1,981,583	2,261,391
Ingredients and packaging	188,232	226,070	(9,930)	(18,724)	178,302	207,346
Goods in transit	266,135	536,356	-	-	266,135	536,356
Spareparts	18,150	21,311	-	-	18,150	21,311
Total	4,224,004	5,191,581	(120,832)	(171,610)	4,103,172	5,019,971

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 1,344 million (2013: Baht 1,569 million) (The Company only: Baht 121 million and 2013: Baht 208 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 1,133 million (2013: Baht 958 million) (The Company only: Baht 172 million and 2013: Baht 110 million), and reduced the amount of inventories recognized as expenses during the year.

As at 31 December 2014, two overseas subsidiaries (2013: three overseas subsidiaries) have mortgaged certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 18.

11. Restricted bank deposits

These represent fixed deposits pledged with financial institution to secure credit facilities.

12. Investments in associates

12.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
Investments in associates, directly held by the Company								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	430,829	381,161
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	29,034	23,248
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	343,780	197,654
Investments in associates, directly held by subsidiaries								
Century (Shanghai) Trading Co., Ltd. (50% held by Thai Union Manufacturing Co., Ltd.)	Importer & exporter of food products	The People's Republic of China	-	45.04	-	75,900	-	41,502
TN Fine Chemical Co., Ltd. (49% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of by-products from seafoods	Thailand	44.14	44.14	44,070	44,070	59,276	52,240
Moresby International Holdings Inc. (33% held by Thai Union Manufacturing Co., Ltd.)	Holding in fishing company	British Virgin Island	30.03	30.03	136,535	136,535	75,513	141,855
LDH (La Doria) Limited (20% held by MW Brands)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	430,389	451,941
					432,119	508,019	1,368,821	1,289,601

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2014	2013	2014	2013
			(%)	(%)		
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064
					155,574	155,574

12.2 Share of profit/loss and dividend received

During the years, the Company and its subsidiaries have recognised their share of profit (loss) from investments in associates in the consolidated financial statements, and dividend received in the separate financial statements as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
Company's name	2014	2013	2014	2013
Lucky Union Foods Co., Ltd.	75,668	69,137	26,000	17,500
Biz Dimension Co., Ltd.	10,786	5,714	5,000	4,400
Avanti Feeds Limited	164,351	84,292	18,225	7,454
Century (Shanghai) Trading Co., Ltd.	-	6,586	-	-
TN Fine Chemicals Co., Ltd.	7,036	5,394	-	-
Moresby International Holding Ltd.	(66,342)	5,321	-	-
LDH (La Doria) Limited	45,561	40,240	-	-
Pakfood Pcl.	-	(20,233)	-	-
Total	237,060	196,451	49,225	29,354

12.3 Financial information of associates

Financial information of associates is summarised below.

Company's name	(Unit: Million Baht)									
	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the		Profit (loss) for the	
	31 December		31 December		31 December		years ended		years ended	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Lucky Union Foods Co., Ltd.	Baht 150 million	Baht 150 million	2,058	2,064	500	648	1,836	1,667	246	276
Biz Dimension Co., Ltd.	Baht 25 million	Baht 25 million	112	67	27	11	170	116	54	29
Avanti Feeds Limited	Rupee 90.8 million	Rupee 90.8 million	2,396	1,450	1,051	814	8,885	5,298	654	336
Century (Shanghai) Trading Co., Ltd.	-	USD 4 million	-	103	-	13	-	314	-	13
TN Fine Chemicals Co., Ltd.	Baht 90 million	Baht 90 million	113	98	5	5	83	77	15	11
Moresby International Holdings Inc.	USD 13.3 million	USD 13.3 million	464	458	132	131	4	16	4	16
LDH (La Doria) Limited	GBP 1 million	GBP 1 million	5,324	5,681	2,898	3,985	16,497	17,318	619	630

The Company

During the first quarter of the year 2013, the Company purchased 9.6 million ordinary shares of Pakfood Public Company Limited (PPC) (or 29.2% of the total 33 million issued and paid up shares of Pakfood), a total of Baht 509 million. Thus, the investment proportion in PPC increased from 49.97% (of the total 30 million issued and paid up shares of Pakfood) to 74.64% of the total issued and paid up shares of PPC and during the fourth quarter of the year 2013, the Company purchased 0.8 million ordinary shares of PPC at a purchase price of Baht 53.14 per share, or a total of Baht 42.3 million. As at 31 December 2013, the Company held 25.4 million ordinary shares of PPC or 77.06% of the total issued and paid up shares of PPC. The Company changed the recording of the investment in PPC from investment in associated company to investment in subsidiary. These consolidated financial statements included the statement of financial position of PPC as at 31 December 2013 and the comprehensive income for the period from the investment date to 31 December 2013.

Thai Union Manufacturing Co., Ltd. (TUM)

During the first quarter of the year 2013, Thai Union Manufacturing additionally invested USD 1.3 million or Baht 39.6 million in Moresby International Holdings Inc.

During the third quarter of the year 2014, TUM, the shareholder of investment in associated company - Century (Shanghai) Trading Co., Ltd. (Century) entered into new agreement with the existing shareholders. The new agreement is a joint venture agreement with the investment proportion of 50% (31 December 2013: 50%). TUM changed the recording of the investment in Century from investment in associated company to investment in joint venture. The changed of investment type has no effect to profit or loss of the Company's consolidated financial statements.

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

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
			%	%				
Songkla Canning Pcl.	Baht 360 million	Baht 360 million	90.44	90.44	1,379,791	1,379,791	293,011	325,568
Thai Union Manufacturing Co., Ltd.	Baht 300 million	Baht 300 million	90.08	90.08	1,212,172	1,212,172	756,710	405,380
Thai Union Seafood Co., Ltd.	Baht 300 million	Baht 300 million	51.00	51.00	189,316	189,316	-	15,300
T-Holding Co., Ltd.	Baht 70 million	Baht 70 million	90.00	90.00	20,699	20,699	-	5,670
Thai Union Feedmill Co., Ltd.	Baht 500 million	Baht 500 million	51.00	51.00	255,000	255,000	326,145	49,725
Thai Union Graphic Co., Ltd.	Baht 40 million	Baht 40 million	98.00	74.00	96,019	45,331	-	4,440
Thai Union International, Inc. (TUI)	USD 98.6 million	USD 98.6 million	100.00	100.00	3,115,350	3,115,350	-	-
Thai Union Investment Holding Co., Ltd. (TUIH)	EUR 222 million	EUR 222 million	100.00	100.00	8,900,256	8,900,256	-	-
Pakfood Pcl.	Baht 330 million	Baht 330 million	77.44	77.06	1,331,470	1,324,515	-	-
Total					16,500,073	16,442,430	1,375,866	806,083

The Company

During the first quarter of the year 2013, the Company increased investment in Pakfood Pcl. (PPC), and thus the investment proportion in PPC increased from 49.97% to 74.64%. The Company changed the recording of the investment in PPC from investment in associated company to investment in subsidiary, as mentioned in Note 12.3. During the fourth quarter of the year 2013, the Company purchased 0.8 million ordinary shares of PPC at a purchase price of Baht 53.14 per share, or a total of Baht 42.3 million. As at 31 December 2013, the Company held 25.4 million ordinary shares of PPC or 77.06% of the total issued and paid up shares of PPC.

During the first quarter of the year 2013, the Company sold all of its investment in PT Juifa International Foods to third party for 23,970 shares, totally 88.78% of shareholding in the subsidiary at price of Baht 3,315.84 per share or amounting to Baht 79 million, resulting in loss incurred from sale of investment in subsidiary of Baht 58 million presented in the consolidated profit or loss (separate profit or loss: loss of Baht 3 million) for the year ended 31 December 2013. As a result of the transaction, PT Juifa International Foods was no longer the subsidiary of the Company.

During the first quarter of the year 2013, the Company additionally invested USD 14 million or Baht 415.3 million in Thai Union International, Inc. (TUI).

During the second quarter of the year 2013, the Company additionally invested USD 7.5 million or Baht 220.4 million in TUI.

During the fourth quarter of the year 2013, the Company additionally invested USD 15.5 million or Baht 502.2 million in TUI.

On 1 July 2014, the Company increased investment in Thai Union Graphic Co., Ltd. (TUG) which is the subsidiary of the Company for 0.96 million ordinary shares at a purchase price of Baht 52.80 per share, or a total of Baht 50.7 million. As at 31 December 2014, the Company holds 3.9 million ordinary shares of TUG or 98% of the total issued and paid up shares of TUG.

During the third quarter the current year, the company purchased 25,890 ordinary shares of PPC at a purchase price of Baht 53.14 per share, or total of Baht 1.4 million.

During the fourth quarter the current year, the Company purchased 100,000 ordinary share of PPC of a purchase price of Baht 55.80 per share, or total of Baht 5.6 million. As at 31 December 2014, the Company held 25.5 million ordinary shares of PPC or 77.44% of the total issued and paid up shares of PPC.

Acquisition of MerAlliance

On 13 August 2014, the meeting of the Company's Board of Directors approved the acquisition of EUROPEENNE DE LA MER SAS (MerAlliance), by Thai Union France Holding 2 SAS (TUFH), a subsidiary of the Company incorporated in France. TUFH entered into an agreement to purchase shares of MerAlliance, a producer of smoked salmon products with the headquarters located in France, and having production facilities in Scotland, Poland and France. The products of MerAlliance are distributed across Europe.

TUFH and the sellers entered into a sale and purchase agreement in relation to the Company's proposed acquisition of MerAlliance on 3 September 2014 in order to acquire all shares held by MerAlliance, or equivalent to 100 % of the issued and paid-up shares capital of MerAlliance. Completion of the transaction is conditional on the process of carrying out transactions to comply with the terms and conditions of the agreement and the Competition Clearance.

Acquisition of King Oscar AS

On 10 September 2014, the meeting of the Company's Board of Directors approved the acquisition of King Oscar AS (King Oscar) by approving Thai Union EU Seafood 1 S.A., a subsidiary of the Company incorporated in Luxembourg, to incorporate a company in Norway under the name Thai Union Norway AS (TU Norway), which would undertake the acquisition of King Oscar. TU Norway entered into an agreement to purchase shares and business of King Oscar, a producer and distributor of canned seafood products under its brands with the headquarters located in Norway, and having the production facilities in Poland and Norway. The products of King Oscar are distributed across Europe, the United States and Australia.

TU Norway and the sellers entered into a sale and purchase agreement in relation to the Company's proposed acquisition of King Oscar on 12 September 2014 in order to acquire all shares held by King Oscar, or equivalent to 100 % of the issued and paid-up shares capital of King Oscar which were held mainly by Private Equity Fund Procuritas Capital Investors IV. Completion of the transaction is conditional on the process of carrying out transactions to comply with the terms and conditions of the agreement and the Competition Clearance.

After the closing date, the Company passed a resolution for restructure of investments in King Oscar group by approving of Thai Union EU Seafood 1 S.A., a subsidiary of the Company incorporated in Luxembourg, to incorporate a company in Poland under the name Thai Union Poland Sp. Z.o.o. (TU Poland), which would undertake the acquisition of King Oscar Poland Sp. Z.o.o. (King Oscar Poland). King Oscar Poland is a subsidiary under King Oscar Holding AS, incorporated in Norway. The restructure of investments is no effect to profits or loss on the Company's consolidation.

Acquisition of Bumble Bee

On 17 December 2014, the meeting of the Company's Board of Directors approved the acquisition of Bumble Bee, which can be summarized as follows:

- Approval of the entry into Share Purchase Agreement and associated ancillary agreements in regard to the acquisition of shares and business of Bumble Bee Holdco S.C.A. ("Bumble Bee"), a producer and distributor of canned and pouched seafood products under its brands with the headquarters located in the United States and having factories located in Fiji, Columbia, Mauritius, China, Thailand and the United States. The products of Bumble Bee are distributed across North America. The details of the transaction as prescribed in the Acquisition Rule are as follows:
 - The Company and the Seller (Lion/Big Catch Cayman L.P., an exempted limited partnership registered in the Cayman Islands) entered into a sale and purchase agreement in relation to the Company's proposed acquisition of Bumble Bee on 18 December 2014. Completion of the transaction is conditional on the process of carrying out transactions to comply with the terms and conditions of the agreement and Competition Clearance.
 - The Company will purchase 1,000,001 shares of Bumble Bee, consisting of 1,000,000 ordinary shares and 1 management share, equivalent to 100 % of the issued and outstanding share capital of Bumble Bee.

- The Company has agreed to pay for 100% of the share capital of Bumble Bee from the sources of funds derived from domestic financial institutions and for the total enterprise value of up to USD 1,510 million (equivalent to Baht 49,801 million). The payment shall be made to the seller on the closing date.
 - The Company will purchase shares of Bumble Bee at the base purchase price equivalent to the total enterprise value amounting to USD 1,510 million (equivalent to Baht 49,801 million). However, the “purchase price” will be calculated based on the base purchase price deducted by:
 - (a) net debts of Bumble Bee and subsidiaries as of the closing date
 - (b) agreed transaction expenses of the Seller and
 - (c) net working capital adjustment*
- * Net working capital adjustment represents the increase or decrease derived from the difference between projected net working capital and the net working capital of Bumble Bee and subsidiaries as at the closing date.
- The consideration to be paid for the purchase of shares calculated based on the most recent available information is approximately USD 749,847,000 or Baht 24,731 million. The consideration is determined using a formula, in which the consideration equals to the base purchase price according to the share purchase agreement amounting to USD 1,510 million (equivalent to Baht 49,801 million) deducted by the net debts of Bumble Bee and its subsidiaries based on Bumble Bee’s consolidated financial statements as at 30 September 2014 amounting to approximately USD 760,153,000 or Baht 25,070 million. Therefore, based on the most recent available information, the consideration would be approximately USD 749,847,000 or Baht 24,731 million as mentioned above. Nevertheless, such consideration for the purchase of shares may be further changed because the amount of the net debts could be changed, and the Company has not been able to make estimates of the transaction expenses of the Seller as agreed and determine the net working capital adjustment in accordance with the formula. Under the formula, the exchange rate applied to the calculation is Baht 32.981 per USD 1.
 - The source of funds for this acquisition is short-term loans from two domestic financial institutions for the total credit line of up to USD 1,510 million. Such bridge financing loans will mature within 13 months after the loan agreement execution date.

- Approval of the execution of Credit Facilities Agreements for the acquisition of shares and business of Bumble Bee as described above.
- Approval of the appointment of UBS as M&A advisor of the Company.

As at 31 December 2014, the Company was in the process of carrying out transactions to comply with the terms and conditions of the agreement and the Competition Clearance. The Company expects to complete these transactions in the third quarter of the year 2015.

Assets acquisition of Orion Seafood International

On 17 December 2014, the Board of Directors' meeting of the Company passed a resolution to approve the acquisition of certain assets of Orion Seafood International (Orion) by approving Tri-Union Frozen Products, Inc (TUFPI), a subsidiary of the Company incorporated in the United States, to undertake and execute a asset purchase agreement. Subsequently, on 4 February 2015, TUFPI entered into an agreement to purchase certain assets from Orion, distributor of lobsters products and other marine animals with its headquarters located in the United States. The products of Orion are distributed across primarily in the United States. TUFPI expects to complete the asset acquisition in the first quarter of the year 2015.

Thai Union Manufacturing Co., Ltd. (TUM) and its subsidiary

During the first quarter of the year 2013, TUM formed New Frontier Foods Co., Ltd. (NFF), in which it holds 1 million ordinary shares (or 100% of the issued and paid-up shares of such company) with a par value of Baht 10 per share, fully paid up, for a total payment of Baht 10 million.

During the second quarter of the year 2013, NFF a subsidiary of TUM, registered the increase of its registered share capital with the Ministry of Commerce from Baht 10 million (1 million ordinary shares of Baht 10 each) to Baht 200 million (20 million ordinary shares of Baht 10 each), 25% paid-up, for a total payment of Baht 47.5 million.

On 17 June 2014, the Extraordinary General Meeting of NFF's shareholders passed a special resolution to approve the dissolution of the Company. NFF registered the dissolution with the Ministry of commerce on 17 June 2014. NFF completed the liquidation process on 26 August 2014.

Thai Union Feedmill Co., Ltd. (TFM) and its subsidiaries

During the year 2013, TFM has entered into the joint venture agreement with a Japanese company for the joint investment in TMAC Co., Ltd. (TMAC). As a result, an investment in TMAC had been reclassified from an investment in subsidiary by a subsidiary to investment in joint venture. The investments were readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification amounting to Baht 161 million is recorded in the profit and loss statement for the year ended 31 December 2013.

During the year 2013, TFM restructured its investments in subsidiaries by selling its holdings in three subsidiaries to TMAC, another joint venture of TFM. The investments in the subsidiaries, namely Thai Union Hatchery Co., Ltd., TMK Farm Co., Ltd. and TCM Fishery Co., Ltd., were sold at prices of Baht 340 million, Baht 127 million and Baht 56 million, respectively. As a result of these transactions, all of these subsidiaries of TFM were no longer the subsidiaries of the Company.

On 15 March 2014, the Extraordinary General Meeting of Thai Quality Shrimp Co., Ltd. (TQS)'s shareholders passed a special resolution to approve the dissolution of the Company. TQS registered the dissolution with the Ministry of Commerce on 27 March 2014 and completed the liquidation process on 24 June 2014.

Pakfood Pcl (PPC)

During the first quarter of the year 2013, an Extraordinary General Meeting of PPC's shareholders approved the increase of the Company's registered share capital from Baht 300 million (30 million ordinary shares of Baht 10 each) to Baht 330 million (33 million ordinary shares of Baht 10 each), through the issuance of 3 million additional ordinary shares with a par value of Baht 10 each, for the offer to existing shareholders of the Company at Baht 50 per share.

During the year 2013, an Extraordinary General Meeting of PPC's shareholders considered and approved the delisting of PPC's securities from the Stock Exchange of Thailand ("the SET"), whereby the Company, the major shareholder of PPC, was to conduct a tender offer for the securities of PPC for the purpose of delisting. The SET approved the delisting of PPC's securities on 15 November 2013.

14. Investments in joint ventures

14.1 Details of investments in joint ventures

Investments in joint ventures represents investments in entities which are jointly controlled by Thai Union Feedmill Company Limited (a subsidiary) Thai Union Manufacturing Co., Ltd. (TUM) and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Jointly controlled entities	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2014	2013	2014	2013	2014	2013
		(%)	(%)				
TMAC Company Limited (Joint venture of TFM and other company)	Distribution of shrimp feed and supplies for breeding and rearing of shrimp and the investment in companies which engaged in the breeding, rearing and distribution of shrimp	51	51	438,600	438,600	514,764	578,940
Cindena Resources Limited (Joint venture of TUM and other company)	Owner of trademark "Century", which is the trademark of canned tuna distributed overseas	50	-	8,075	-	8,075	-
Century (Shanghai) Trading Co., Ltd. (Joint venture of TUM and other company)	Importer & exporter of food products	50	-	75,900	-	29,645	-
Total				522,575	438,600	552,484	578,940

During the first quarter of the year 2014, TMAC Co., Ltd. (TMAC) additionally purchased 4 million ordinary shares of Thai Union Hatchery Co., Ltd. (TUH) (its subsidiary) (or 100% of the total 4 million increase of its registered, issued and paid up shares capital), a total of Baht 40 million.

During the first quarter of the year 2014, TMAC Co., Ltd. (TMAC) additionally purchased 12 million ordinary shares of TMK Co., Ltd. (TMK) (its subsidiary), a total of Baht 120 million. Thus, the investment proportion of TMAC in TMK increased from 80% (of the total 15 million issued and paid up shares) to 88.89% (of the total 27 million issued and paid up shares) and during the second quarter of the year 2014, TMAC additionally purchased 1.5 million ordinary shares of TMK, a total of Baht 12 million. Thus, TMAC holds 25.5 million ordinary shares of TMK or 94.44% of the total 27 million issued and paid up shares of TMK.

During the third quarter of the year 2014, TUM entered into a joint venture agreement with a company in Philippines to jointly invest in Cindena Resources Limited (Cindena) by purchasing USD 250,000 or Baht 8.1 million (250,000 ordinary shares of USD 1 per share). As a result, the Company holds 50% of the total issued and paid up shares of Cindena.

During the third quarter of the year 2014, TUM, the shareholder of investment in associated company - Century (Shanghai) Trading Co., Ltd. (Century), entered into new agreement with the existing shareholders. The new agreement is a joint venture agreement. TUM changed the recording of the investment in Century from investment in associated company to investment in joint venture, as mentioned in Note 12.

14.2 Share of profit/loss

During the years, the Company recognised its share of profit/loss from investments in joint venture in the consolidated financial statements as follows:

Jointly controlled entities	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	Share of loss from investments in joint ventures during the year	
	2014	2013
TMAC Company Limited	(62,795)	(20,655)
Cindena Resources Limited	-	-
Century (Shanghai) Trading Co., Ltd.	(11,857)	-
Total	(74,652)	(20,655)

14.3 Summarised financial information of jointly controlled entities

a) TMAC Company Limited

The Company's proportionate shares of the assets, liabilities, revenues and expenses of a joint venture, according to proportion under joint venture agreement, are as follows:

(Unit: Million Baht)

	As at 31 December	
	2014	2013
Current assets	22	50
Non-current assets	183	182
Total assets	205	232
Current liabilities	(17)	(7)
Non-current liabilities	-	(1)
Total liabilities	(17)	(8)
Net assets	188	224

(Unit: Million Baht)

	For the year ended 31 December	
	2014	2013
Revenue	34	33
Cost of sales	(50)	(35)
Selling and administrative expenses	(19)	(13)
Loss before income tax income	(35)	(15)
Income tax income	2	4
Loss for the year	(33)	(11)

b) Cindena Resources Limited

The Company's proportionate shares of the assets, liabilities, revenues and expenses of a joint venture, according to proportion under joint venture agreement, are as follows:

(Unit: Million Baht)

	As at	
	31 December 2014	
Current assets	-	
Non-current assets	7	
Total assets	7	
Current liabilities	-	
Non-current liabilities	-	
Total liabilities	-	
Net assets	7	

c) Century (Shanghai) Trading Co., Ltd.

The Company's proportionate shares of the assets, liabilities, revenues and expenses of a joint venture, according to proportion under joint venture agreement, are as follows:

	(Unit: Million Baht)
	As at
	31 December 2014
Current assets	35
Non-current assets	-
Total assets	35
Current liabilities	(5)
Non-current liabilities	-
Total liabilities	(5)
Net assets	30

	(Unit: Million Baht)
	For the year ended
	31 December 2014
Revenue	74
Cost of sales	(59)
Selling and administrative expenses	(26)
Loss for the year	(11)

15. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	37,307	29,771	41,563	33,181
Unrealised loss on changes in the value of investments	(7,536)		(8,382)	
Total available-for-sale securities	29,771		33,181	
Other investments				
- Ordinary shares	821		738	
Total other long-term investments	30,592		33,919	

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					Total
	Land and land improvements	Buildings and building improvement	Machineries and equipments	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	
Cost/Revalued amount							
As at 1 January 2013	2,791,812	7,745,933	17,984,435	776,351	717,222	2,071,719	32,087,472
Increase from investment in subsidiaries	348,900	1,177,782	1,430,069	66,670	67,030	6,879	3,097,330
Additions	120,998	17,513	454,152	44,481	14,867	3,530,784	4,182,795
Sales of investment in subsidiaries	(258,826)	(327,954)	(158,884)	(14,595)	(9,943)	(34,889)	(805,091)
Disposals/write off	(3,987)	(58,655)	(907,547)	(24,500)	(105,902)	(16,189)	(1,116,780)
Transfer of investments from subsidiaries to joint ventures	-	-	-	(273)	-	-	(273)
Transfer to non-current assets	-	-	-	-	-	(184,567)	(184,567)
Transfer in (out)	48,151	750,538	1,697,292	(102,426)	55,680	(2,449,235)	-
Translation adjustment	9,345	250,438	701,097	27,518	14,828	35,960	1,039,186
As at 31 December 2013	3,056,393	9,555,595	21,200,614	773,226	753,782	2,960,462	38,300,072
Increase from investments in subsidiaries	358,107	1,133,066	946,611	141,092	34,097	35,940	2,648,913
Additions	13	7,153	139,012	43,922	20,790	3,062,667	3,273,557
Disposals/write off	-	(136,681)	(1,031,221)	(56,541)	(81,038)	(33,061)	(1,338,542)
Transfer from (to) non-current assets	-	214,530	-	-	-	(182,747)	31,783
Transfer in (out)	11,989	890,177	1,510,569	104,310	79,613	(2,596,658)	-
Translation adjustment	(13,542)	(232,967)	(421,944)	(28,568)	(12,005)	(33,580)	(742,066)
As at 31 December 2014	3,412,960	11,430,873	22,343,641	977,441	795,239	3,213,023	42,173,177
Accumulated depreciation							
As at 1 January 2013	32,408	2,923,381	10,262,056	482,157	424,198	-	14,124,200
Increase from investment in subsidiaries	-	357,413	707,948	52,422	46,410	-	1,164,193
Depreciation for the year	7,972	378,974	1,547,291	16,231	72,681	-	2,023,149
Sales of investment in subsidiaries	(17,925)	(115,501)	(93,654)	(9,669)	(3,989)	-	(240,738)
Depreciation for disposals/write off	-	(47,788)	(646,673)	(22,640)	(95,032)	-	(812,133)
Transfer of investments from subsidiaries to joint ventures	-	-	-	(16)	-	-	(16)
Translation adjustment	372	107,773	390,158	19,950	9,265	-	527,518
As at 31 December 2013	22,827	3,604,252	12,167,126	538,435	453,533	-	16,786,173
Increase from investments in subsidiaries	66,632	521,820	562,891	55,535	16,087	737	1,223,702
Depreciation for the year	3,443	384,836	1,724,605	114,860	82,863	-	2,310,607
Depreciation for disposals/write off	-	(100,809)	(625,803)	(54,114)	(75,222)	-	(855,948)
Transfer from (to) non-current assets	-	43,709	1,316	(973)	-	-	44,052
Translation adjustment	(1,615)	(108,170)	(308,662)	(17,508)	(7,991)	(17)	(443,963)
As at 31 December 2014	91,287	4,345,638	13,521,473	636,235	469,270	720	19,064,623

(Unit: Thousand Baht)

Consolidated financial statements						
Revaluation basis	Cost basis					
Land and land improvements	Buildings and building improvements	Machineries and equipment	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	Total
Allowance for loss on impairment of assets						
As at 1 January 2013	-	36,923	3,080	-	-	40,003
Increase from investment in subsidiaries	4,535	-	-	-	-	4,535
Decrease during the year	-	(662)	(2,855)	-	-	(3,517)
Translation adjustment	-	-	45	-	-	45
As at 31 December 2013	4,535	36,261	270	-	-	41,066
Increase during the year	-	-	15,564	-	-	15,564
Translation adjustment	-	-	194	-	-	194
As at 31 December 2014	4,535	36,261	16,028	-	-	56,824
Net book value						
As at 31 December 2013	3,029,031	5,915,082	9,033,218	234,791	300,249	21,472,833
As at 31 December 2014	3,317,138	7,048,974	8,806,140	341,206	3,212,303	23,051,730
Depreciation for the years						
2013 (Baht 1,982 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						2,023,149
2014 (Baht 2,065 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						2,310,607

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					
	Land and land improvements	Buildings and building improvements	Machineries and equipment	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	Total
Cost /Revalued amount							
As at 1 January 2013	980,327	2,021,427	2,475,199	94,636	160,026	494,462	6,226,077
Additions	28,320	-	237,351	4,387	2,198	479,470	751,726
Disposals/write off	-	-	(7,451)	(182)	(17,620)	(8,425)	(33,678)
Transfer in (out)	7,085	306,327	162,084	989	8,172	(484,657)	-
As at 31 December 2013	1,015,732	2,327,754	2,867,183	99,830	152,776	480,850	6,944,125
Additions	-	-	13,821	3,201	1,935	464,141	483,098
Disposals/write off	-	(43,213)	(65,584)	(1,724)	(4,846)	(320)	(115,687)
Transfer to other intangible assets	-	-	-	-	-	(17,920)	(17,920)
Transfer in (out)	-	353,080	275,019	15,638	3,035	(646,772)	-
As at 31 December 2014	1,015,732	2,637,621	3,090,439	116,945	152,900	279,979	7,293,616
Accumulated depreciation							
As at 1 January 2013	-	624,427	1,580,034	53,781	81,993	-	2,340,235
Depreciation for the year	-	114,255	259,080	16,752	12,203	-	402,290
Depreciation for disposals/ write off	-	-	(6,106)	(177)	(16,427)	-	(22,710)
As at 31 December 2013	-	738,682	1,833,008	70,356	77,769	-	2,719,815
Depreciation for the year	-	103,942	236,742	15,723	13,575	-	369,982
Depreciation for disposals/ write off	-	(35,538)	(52,267)	(1,497)	(4,851)	-	(94,153)
As at 31 December 2014	-	807,086	2,017,483	84,582	86,493	-	2,995,644

(Unit: Thousand Baht)

Separate financial statements						
Revaluation basis	Cost basis					
Land and land improvements	Buildings and building improvements	Machineries and equipment	Furnitures and fixtures	Motor vehicles	Assets under installation and under construction	Total
Allowance for loss on impairment of assets						
As at 1 January 2013	36,261	-	-	-	-	36,261
Increase during the year	-	-	-	-	-	-
As at 31 December 2013	36,261	-	-	-	-	36,261
Increase during the year	-	-	-	-	-	-
As at 31 December 2014	36,261	-	-	-	-	36,261
Net book value						
As at 31 December 2013	1,015,732	1,552,811	1,034,175	29,474	75,007	4,188,049
As at 31 December 2014	1,015,732	1,794,274	1,072,956	32,363	66,407	4,261,711
Depreciation for the years						
2013 (Baht 376 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						402,290
2014 (Baht 340 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						369,982

During the year 2012, the Company and its subsidiaries hired an independent appraiser to evaluate their land price using market approach.

Breakdown of the land carried on the revaluation basis as at 31 December 2014 and 2013 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Historical cost	1,509,815	742,370
Surplus from revaluation	907,217	224,487
Revalued amount	2,417,032	966,857

As at 31 December 2014, the Company and its subsidiaries had equipment under finance lease agreements with net book values amounting to Baht 200 million (2013: Baht 505 million).

As at 31 December 2014, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 7,680 million (2013: Baht 6,830 million).

During the second quarter of the current year, TUI approved USPN (a subsidiary) restructuring plan to cease part of the pet food production line of USPN facility in Lyons, Georgia, USA. The cease is scheduled on 15 August 2014. TUI recorded the restructuring charges for the year ended 31 December 2014 amounting to USD 6.5 million which include the employee severance accrual, write-down of inventory and property, plant and equipment and other restructuring related accruals.

In addition, as at 31 December 2014, TUI recorded the write off of USPN's machinery and equipment amounting to USD 9.3 million. The machinery and equipment was phased out according to USPN's production restructuring plan as discussed in the above paragraph. The write off of assets was recognised as expense in the consolidated financial statements for the year ended 31 December 2014.

As at 31 December 2014, a local subsidiary and an overseas subsidiary are subject to a restriction on the creation of lien or encumbrance over its property, plant and equipment, as mentioned in Note 20 (2013: a local subsidiary).

17. Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements						
	Licences	Trademarks	Customer relationships	Covenant not to complete	Computer software	Distributor relationships	Others
Cost							
As at 1 January 2013	267	13,051	129	13	513	229	3
Additions	-	1	-	-	196	-	-
Write off	-	-	-	-	(5)	-	-
Translation adjustment	19	1,400	10	1	53	25	-
As at 31 December 2013	286	14,452	139	14	757	254	3
Additions	-	-	-	-	144	-	-
Increase from investments in subsidiaries	-	617	-	-	56	-	407
Disposal	-	-	-	-	(25)	-	-
Transfer from non-current assets	13	-	-	-	-	-	-
Translation adjustment	(24)	(1,483)	1	-	(36)	(28)	(18)
As at 31 December 2014	275	13,586	140	14	896	226	392
Amortisation							
As at 1 January 2013	39	274	122	13	277	25	-
Amortisation	10	1	8	-	162	12	-
Translation adjustment	1	19	9	1	32	4	-
As at 31 December 2013	50	294	139	14	471	41	-
Increase from investments in subsidiaries	-	-	-	-	52	-	16
Disposal	-	-	-	-	(21)	-	-
Amortisation	8	1	-	-	102	12	-
Transfer from other non-current assets	3	-	-	-	-	-	-
Translation adjustment	(1)	1	1	-	(23)	(5)	-
As at 31 December 2014	60	296	140	14	581	48	16

(Unit: Million Baht)

Consolidated financial statements							
	Licences	Trademarks	Customer relationships	Covenant not to complete	Computer software	Distributor relationships	Others
Impairment							
As at 1 January 2013	-	177	-	-	-	-	177
Increase during the year	-	3	-	-	-	-	3
Translation adjustment	-	20	-	-	-	-	20
As at 31 December 2013	-	200	-	-	-	-	200
Increase during the year	-	-	-	-	-	-	-
Translation adjustment	-	(23)	-	-	-	-	(23)
As at 31 December 2014	-	177	-	-	-	-	177
Net book value							
As at 31 December 2013	236	13,958	-	-	286	213	14,696
As at 31 December 2014	215	13,113	-	-	315	178	14,197

(Unit: Million Baht)

Separate financial
statements

Computer software

Cost

As at 1 January 2013	11.2
Additions	2.0
As at 31 December 2013	13.2
Transfer in	17.9
As at 31 December 2014	31.1

Amortisation

As at 1 January 2013	8.3
Amortisation	0.5
As at 31 December 2013	8.8
Amortisation	1.2
As at 31 December 2014	10.0

Net book value

As at 31 December 2013	4.4
As at 31 December 2014	21.1

As at 31 December 2014 and 2013, an overseas subsidiary's trademark "Chicken of the sea" was used as collateral of credit facilities of an overseas subsidiary as mentioned in Note 18.

Acquisition of intangible assets during the year

Trademarks, customer relationships and other intangible assets acquired through business combinations, customer relationship have the useful life for approximately from 3 years to 14 years. Trademarks and other intangible assets acquired have indefinite useful life.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank overdrafts and short-term loans from financial Institutions	26,086,541	29,374,818	8,889,561	11,473,313

As at 31 December 2014, the Company had unsecured bills of exchange, trust receipt and packing credit totaling Baht 8.9 million (2013: Baht 11.5 million). The loans carried the interest rates of 2.14% - 2.20% per annum (2013: 2.38% - 2.43% per annum).

As at 31 December 2014 and 2013, the Company and its subsidiaries had the following unused overdraft lines from banks and other credit facilities:

	2014	2013
Currency	(Million)	(Million)
Baht	31,975	25,774
USD	5,867	5,709
EURO	311	329

The Company and its subsidiaries entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 35.1.

Tri-Union Frozen Products, Inc. (TUFPP)

TUFP entered into an amended and restated credit agreement (TUFP Credit Agreement) with Bank of America N.A. (BOA). The TUFP Credit Agreement was initially made for USD 85 million revolving facility through 15 October 2013. The second through seventh amendments included the extended terms and increased credit line to USD 140 million.

In April 2013, TUFP entered into a seventh amendment (TUFP Amendment No. 7) with BOA to modify the definition of eligible receivables to exclude certain receivables from the borrowing base as a result of the receivables purchase agreement as discussed in Note 8.

On 5 August 2013, an eighth amendment (TUFPP Amendment No. 8) with BOA was executed to maintain the USD 140 million revolving credit, and include a feature to extend credit line to USD 160 million, as needed. TUFPP Amendment No. 8 also extends the TUFPP Credit Agreement period to 5 August 2016, which was formerly ended on 15 October 2013.

On 11 December 2013, TUFPP entered into the TUFPP Amendment No. 9 with existing lenders to exercise its right to temporarily increase its USD 140 million revolving credit by USD 15 million to USD 155 million commencing on 11 December 2013 and ending on 11 June 2014. Terms and conditions of the additional loans remain the same as previously established in the TUFPP Credit Agreement plus additional interest bearing of 0.25%.

On 10 January 2014, TUFPP entered into the TUFPP Amendment No. 10 with existing lenders to exercise its right to temporarily increase its USD 155 million revolving credit by USD 5 million to USD 160 million commencing on 10 January 2014 and ending on 11 June 2014. Terms and conditions of the additional loans remain the same as previously established in the TUFPP Credit Agreement plus additional interest bearing of 0.25%.

On 27 August 2014, TUFPP entered into the TUFPP Amendment No. 11 with existing lenders to exercise its rights to define the new receivable accounts under the receivables purchase agreement (RPA) and the new eligible accounts.

On 14 October 2014, TUFPP entered into the TUFPP Amendment No. 12 with existing lenders to increase its USD 140 million revolving credit by USD 10 million to USD 150 million. The revolving facility is increased to USD 170 million during a Seasonal Increase Period (the first business day of October 2014 through the last business day of February 2015).

Borrowings under the TUFPP Credit Agreement bear interest, at TUFPP's option, at LIBOR plus a margin of 1.25% to 2.25% per annum, or the bank's prime rate plus 0.25% to 1.25% per annum, subject to excess availability evaluated on a quarterly basis. An unused line fee is charged at 0.25% per annum, subject to adjustment, on the average daily unused portion of the TUFPP Credit Agreement. The TUFPP Credit

Agreement is secured by accounts receivable and inventories of TUFPP. This revolving credit agreement includes a requirement that all borrowers maintain a lockbox arrangement whereby cash receipts are used directly to repay the amounts outstanding under the TUFPP Credit Agreement. Therefore, all borrowings made under the TUFPP credit agreement will be classified as short-term.

As at 31 December 2014, the balance under the credit facility was USD 156 million (2013: USD 132 million) at the interest rate between 1.42% and 3.25% per annum (2013: between 1.42% and 3.50% per annum) and actual unused availability, which is based upon substantially all of the collateralised assets, was approximately USD 10 million (2013: USD 20 million). TUFPP is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others, including limitations on indebtedness, capital leases, and capital expenditures, transactions with affiliates, distributions, and dividend payment. As at 31 December 2014, TUFPP determined it was in compliance with these covenants.

Tri-Union Seafoods, LLC (Tri-U)

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility agreement with BOA. The credit facility, which expires on 11 March 2014, provides for borrowings and the issuance of letters of credit up to USD 95 million subject to limitations based on eligible accounts receivable and inventory. The issuance of letters of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at Tri-U's option, at LIBOR plus a margin of 2.00% or 2.25% per annum, the bank's prime rate, or the bank's prime rate plus 1.00% or 1.25% per annum, depending upon the ratio of outstanding amounts to secured accounts receivable and inventory, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U.

On 6 June 2011, Tri-U amended its credit facility with BOA to incorporate the "Chicken of the Sea" trademark as eligible collateral with USD 10 million additional availability component loan at LIBOR plus a margin of 3.75% or 4.00% per annum or the bank's prime rate plus 2.75% or 3.00% per annum within the USD 95 million credit line. Until the repayment in full of the additional component loan, borrowing under Tri-U credit facility bears interest at LIBOR plus 2.25% or 2.50% per annum, or the bank's prime rate plus 1.25% or 1.50% per annum at Tri-U's option.

On 23 March 2012, Tri-U entered into the second amendment of revolving credit facility agreement to increase the credit line to USD 110 million through 11 March 2014.

On 22 August 2012, Tri-U entered into the third amendment of its credit facility with BOA, which has a "Keep-well" provision allowing Tri-U to utilise equity contributions from its member funded within a 45-day grace period when calculating the leverage ratio for purposes of assessing compliance with covenants. Tri-U agreed to a 0.25% increase in the annual interest rate in consideration of this provision.

On 11 March 2014, Tri-U entered into the fifth amendment with BOA to maintain the USD 110 million revolving credit until 10 March 2017.

Borrowings under the credit facility bear interest, at LIBOR plus a margin of 2.25% to 2.75% per annum, the bank's prime rate or the bank's prime rate plus 1.25% to 1.75% per annum, depending upon the ratio of amounts outstanding to secured accounts receivable and inventory, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility.

As at 31 December 2014, the balance under the credit facility was USD 99 million (2013: USD 90 million), with interest rate at 2.75% to 6.25% per annum (2013: interest rate at 3.00% to 6.50% per annum) and actual unused availability was approximately USD 8 million (2013: USD 8 million). Tri-U is subject to certain financial covenants including an interest coverage ratio and leverage ratio and other covenants, including limitations on indebtedness, capital leases, capital expenditures, transactions with affiliates, distributions, and dividend payment. As at 31 December 2014, Tri-U determined it was in compliance with these covenants.

Yueh Chyang Canned Food Co., Ltd. (YCC)

As at 31 December 2014, Yueh Chyang Canned Food Co., Ltd. (YCC) obtained credit facilities from financial institutions amounting to USD 24 million (2013: USD 26 million). The credit facilities bear interest rate at 1.95% to 2.20% per annum (2013: 1.86% to 2.50% per annum). As at 31 December 2014, the balance under the credit facilities was USD 6.9 million (2013: USD 11 million). The unused availability was approximately USD 17.1 million (2013: USD 15 million). The credit facilities were secured by accounts receivable of YCC (2013: the credit facilities were secured by accounts receivable and inventories of YCC).

19. Trade and other payables

	Consolidated financial		(Unit: Thousand Baht)	
	statements		Separate financial	
	2014	2013	2014	2013
Trade payables - related parties	69,412	57,897	427,979	410,578
Trade payables - unrelated parties	8,292,596	7,770,338	1,075,440	897,161
Accrued expenses - related parties	81,600	78,094	29,532	34,216
Accrued expenses - unrelated parties	2,111,548	1,730,898	402,362	241,380
Other payables - construction and equipment purchase - related party	6,479	7,627	4,827	4,092
Other payables - construction and equipment purchase - unrelated parties	162,922	157,550	22,966	6,485
Total trade and other payables	10,724,557	9,802,404	1,963,106	1,593,912

20. Long-term loans

The Company and its subsidiaries entered into interest rate swap agreements for long-term loans from financial institutions to hedge interest rate risk, as mentioned in Note 35.1.

Long-term loans as at 31 December 2014 and 2013 consist of:

	Consolidated financial		(Unit: Million Baht)	
	statements		Separate financial	
	2014	2013	2014	2013
USD loans	1,784	1,623	1,622	1,614
Baht loans	1,823	2,603	1,688	2,138
EUR loans	382	-	-	-
Less: Deferred financial fees	(3)	(4)	(3)	(4)
Total	3,986	4,222	3,307	3,748
Less: Current portion	(936)	(779)	(450)	(450)
Net	3,050	3,443	2,857	3,298

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. During the third quarter of the current year, that subsidiary made a loan repayment in full (2013: Baht 273 million).

During the third quarter of 2011, the Company has entered into a 7-year loan agreement amounting to Baht 2,250 million with a local financial institution. The loan carries interest at THBFIX per annum and is to be repaid in quarterly installments, the first of which will be due in October 2013. As at 31 December 2014, the balance of this

loan was Baht 1,688 million (2013: Baht 2,138 million). The loan agreement contains covenants as specified in the agreement that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2014, the Company was able to maintain the required covenants.

During the fourth quarter of 2011, a local subsidiary entered into a long-term loan agreement amounting to Baht 350 million with a local financial institution. The loan carried interest at 4.75% per annum since October 2011, and FDR plus 2.5% per annum since October 2012 and is to be repaid in monthly installments, the first of which will be due in April 2012. The subsidiary is subject to restriction on the creation of lien or encumbrance over its property, plant and equipment. As at 31 December 2014, the balance of this loan was Baht 135 million (2013: Baht 192 million). The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2014, the subsidiary was able to maintain the required covenants.

During the fourth quarter of the year 2013, the Company entered into loan agreement amounting to USD 49 million or Baht 1,614 million with a local financial institution. The loan carried interest at LIBOR plus 0.92% per annum and will be due on 27 July 2016, 27 July 2017 and 27 July 2018. As at 31 December 2014, the balance of this loan was USD 49 million or Baht 1,622 million (2013: USD 49 million or Baht 1,614 million). The loan agreement contains covenants as specified in the agreement that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2014, the Company was able to maintain the required covenants.

During the current year, an overseas subsidiary entered into a long-term loan agreement amounting to USD 5 million with an overseas financial institution. The loan carried interest at LIBOR plus 1.7% per annum and is to be repaid in semi-annually installments, the first of which will be due in November 2014. As at 31 December 2014, the balance of this loan was USD 4.4 million or Baht 152 million. The loan contains covenants relating to various matters stipulated in the agreement. As at 31 December 2014, the subsidiary was able to maintain the required covenants. The credit facilities were secured by plants and equipment of the said subsidiary.

During the fourth quarter of the current year, the Company entered into bridge loan facility agreement as the source of fund for the acquisition of shares and business of Bumble Bee as described in Note 13 amounting to USD 1,510 million with two local financial institutions. The loan carried interest at LIBOR plus 2.5% per annum and will be due within 13 months from the agreement date. As at 31 December 2014, the

Company has not withdrawn such loan facility. The loan agreement contains covenants as specified in the agreement that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2014, the Company was able to maintain the required covenants.

During the fourth quarter of current year, Thai Union France Holding 2 SAS (TUFH), a company registered in France, invested in EUROPEENNE DE LA MER as mentioned in Note 2.2. The long-term loan acquired through business combination amounted to EUR 5 million or Baht 200 million. The loan carried interest rate at 0.7 to 1.7% per annum and is to be repaid in 2015. The loan was secured by equity shares in overseas subsidiaries, and contains covenants as specified in the agreement that among other things, require the subsidiary to maintain certain debt to equity. As at 31 December 2014, the subsidiary was able to maintain the required covenants.

During the fourth quarter of current year, TU Norway, a subsidiary of the Company, entered into an agreement to purchase shares and business of King Oscar as mentioned in Note 2.2. The long-term loan acquired through business combination amounted to EUR 4.5 million or Baht 182 million. The loan carried interest at NIBOR 3 month plus 1.95% per annum and is to be repaid in 2015. The loan was secured by equity shares in overseas subsidiaries.

21. Debentures

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

On 25 April 2011, the Annual General Meeting of Shareholders approved the increase of credit limit for issuance of debentures of the Company and/or its subsidiaries in an amount of up to Baht 15,000 million or the equivalent in other currencies, for the purpose of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

On 3 April 2014, the Annual General Meeting of Shareholders approved the increase of credit limit for issuance of debentures of the Company and/or its subsidiaries in the amount of Baht 15,000 million, according to Section 9 of the resolutions of the Annual General Meeting of Shareholders of 2011, up to Baht 25,000 million or the equivalent amount in other currencies. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

The Company's debentures which are unsecured debentures with no trustee, issued with a registered certificate and unsubordinated, are summarised below:

				(Unit: Million Baht)	
				Consolidated/ Separate financial statements	
Debentures	Interest rate (% p.a.)	Terms	Due date	2014	2013
*Debentures # 1/2011 (1)	4.51	3 years	27 July 2014	-	3,300
*Debentures # 1/2011 (2)	4.70	5 years	27 July 2016	1,950	1,950
*Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500
**Debentures # 1/2014 (1)	3.58	3 years	6 February 2017	2,500	-
**Debentures # 1/2014 (2)	4.21	5 years	6 February 2019	3,150	-
**Debentures # 1/2014 (3)	4.69	7 years	6 February 2021	1,550	-
**Debentures # 1/2014 (4)	5.18	10 years	6 February 2024	1,050	-
***Debentures # 2/2014 (1)	4.21	7 years	9 October 2021	1,000	-
***Debentures # 2/2014 (2)	4.58	10 years	9 October 2024	3,500	-
Total debentures - face value				16,200	6,750
Less: Unamortised portion of deferred transaction costs				(25)	(10)
Net debentures				16,175	6,740
Less: Debentures due within one year				-	(3,298)
Debentures - due over one year				16,175	3,442

* Debentures # 1/2011: the Company issued three sets of debentures on 27 July 2011 of Baht 6,750 million (6,750,000 units of debentures of Baht 1,000 each), with interest rate at 4.51% to 5.02% per annum and the redemption is due in 2014, 2016 and 2021, respectively.

** Debentures # 1/2014: the Company issued four sets of debentures on 6 February 2014 of Baht 8,250 million (8,250,000 units of debentures of Baht 1,000 each), with interest rate at 3.58% to 5.18% per annum and the redemption is due in 2017, 2019, 2021 and 2024, respectively.

*** Debentures # 2/2014: the Company issued two sets of debentures on 9 October 2014 of Baht 4,500 million (4,500,000 units of debentures of Baht 1,000 each), with interest rate at 4.21% to 4.58% per annum and the redemption is due in 2021 and 2024, respectively.

Movements of the convertible debenture account during the year ended 31 December 2014 are summarised below.

	(Unit: Million Baht)
Balance as at 1 January 2014	6,740
Add: Issuance of debentures	12,750
Less: Redemption of debentures	(3,300)
Less: Issuance cost of debentures	(15)
Balance as at 31 December 2014	16,175

On 11 November 2013, the meeting of the Company's Board of Directors approved the issuance of four sets of debentures 1/2014 amounting to Baht 8,250 million (8,250,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 3.58% to 5.18% per annum and the redemption is due in 2017, 2019, 2021 and 2024.

On 9 October 2014, the Company issued two sets of debentures 2/2014 amounting to Baht 4,500 million (4,500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.21% to 4.58% per annum and the redemption is due in 2021 and 2024.

The above debentures contain covenants relating to various matters such as the maintenance of debt to shareholders' equity ratio and interest coverage ratio, and certain conditions in issuance of debentures agreements, for example, annual dividend payment in the form of cash exceeding 60 percent of net income of the year is prohibited. As at 31 December 2014, the Company was able to maintain the required covenants.

On 27 July 2014, the Company paid Baht 3,300 million for the redemption of the due debenture.

22. Convertible bond

On 2 September 2010, the Extraordinary General Meeting of Shareholders approved the issuance non-secured convertible bond to specific investors (Private Placement) of EUR 60 million. The bond has a tenor of 4 years and an annual coupon of 5% p.a. and an overall yield of 8% p.a. unless converted into common shares. The bond can be converted into common shares at any time after the first year at a conversion price of Baht 56 per share. On 27 October 2010, the Company issued this convertible bond. The convertible bond contains covenants relating to various matters. On 6 March 2012, the meeting of the Company's Board of Directors approved the change of conversion price to Baht 52.91 per share.

According to the Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentation", the issuer of convertible bond is required to classify the bond's liability and equity components and present them separately from the owner's equity in the statements of financial position. However, the rate of interest payable in the future on the convertible bond was the same as the market rate prevailing on the date of bond issuance. The Company therefore recorded all the convertible bond as liabilities. The liability component continues to be presented on an amortised cost basis, until conversion to ordinary shares or maturity of the bond.

On 8 October 2014, holder of convertible bond (Standard Chartered Private Equity Limited) sent a notification to the Company expressing the intention to exercise its right to convert 42,857,143 units of convertible bonds, at the conversion price of Baht 52.91 per share, or equivalent to 45,360,045 shares of the Company at the par value of Baht 1 each. The Company registered the additional paid-up capital of Baht 45,360,045 from the existing paid-up capital of Baht 1,147,593,829 to Baht 1,192,953,874 with the Ministry of Commerce on 17 October 2014. The exercise of right to convert convertible

bonds is in accordance with to the resolution of the Extraordinary General Meeting of the Company's shareholders on 2 September 2010.

Movements of the convertible bond account during the year ended 31 December 2014 and 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	As at 31 December	
	2014	2013
Balance as at the beginning of year	2,713,756	2,439,563
Amortisation of issue cost of convertible bond	5,582	6,473
Unrealised (gain) loss on exchange rate	(226,158)	267,720
Conversion to ordinary shares	(2,493,180)	-
Balance as at the end of year	-	2,713,756

23. Provision for long-term employee benefits

Long-term employee benefit expenses included in the profit or loss and the statement of financial position consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	146,705	133,742	32,555	30,708
Interest cost	93,396	77,035	12,260	10,958
Long-term employee benefit expenses for the year	240,101	210,777	44,815	41,666
Line items under which such expenses are included in profit or loss				
Cost of sales	142,529	158,034	29,706	25,342
Selling and administrative expenses	97,572	52,743	15,109	16,324

The change in the present value of defined benefit obligation is as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	1,723,838	1,474,661	377,386	341,674
Increase from investment in subsidiaries	61,841	46,523	-	-
Sale of investment in subsidiaries	-	(3,663)	-	-
Current service cost	146,705	133,742	32,555	30,708
Interest cost	93,396	77,035	12,260	10,958
Benefits paid during the year	(61,557)	(56,271)	(7,355)	(5,954)
Actuarial losses (gain)	(120,708)	23,385	-	-
Translation adjustment	(10,229)	28,426	-	-
Defined benefit obligation at end of year	1,833,286	1,723,838	414,846	377,386

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.1 - 17.0	3.1 - 17.0	3.7	3.7
Future salary increase rate (depending on age of employee)	3.0 - 15.0	3.0 - 15.0	3.5 - 10.0	3.5 - 10.0
Staff turnover rate	1.0 - 30.0	1.0 - 30.0	2.5 - 30.0	2.5 - 30.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Obligated amount adjusted as a result of experience	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	1,833,286	414,846	-	-
Year 2013	1,723,838	377,386	-	-
Year 2012	1,474,661	341,674	323,133	112,228
Year 2011	966,024	190,433	6,459	-
Year 2010	540,345	-	(3,064)	-

The overseas subsidiary has a defined benefit plan as mentioned in Note 4.16. Long-term employee benefit expenses included in the profit or loss and the statement of financial position consist of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
Interest cost	975	925
Expected return on plan asset	488	1,358
Amortisation of net loss	228	339
Expenses recognition due to settlements	7,673	-
Long-term employee benefit expenses for the year	9,364	2,622

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2014	2013
Defined benefit obligation	8,860	21,100
Fair value of plan assets	(10,521)	(26,932)
Provisions for long-term employee benefits	(1,661)	(5,832)

The change in the present value of defined benefit obligation is as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2014	2013
Defined benefit obligation at beginning of year	21,100	29,421
Interest cost	975	925
Benefits paid during the year	(1,402)	(1,512)
Actuarial loss (gain)	2,982	(9,225)
Translation adjustment	(40)	1,491
Curtailments	(14,755)	-
Defined benefit obligation at end of year	8,860	21,100

The change in the fair value of plan assets is as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2014	2013
Fair value of plan assets at beginning of year	26,932	27,188
Expected return on plan assets	(1,886)	(555)
Benefits paid during the year	(1,398)	(1,512)
Settlements	(13,038)	-
Translation adjustments	(89)	1,811
Fair value of plan assets at end of year	10,521	26,932

The major categories of plan assets as a percentage of total plan assets are as follows:

	Consolidated financial statements	
	2014	2013
	(%)	(%)
Debt securities	100	100

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	4.9	4.9
Expected long-term rate of return on plan assets	8.0	8.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

	(Unit: Thousand Baht)	
	Defined benefit obligation	Obligated amount adjusted as a result of experience
	Consolidated financial statements	Consolidated financial statements
Year 2014	(1,661)	(397)
Year 2013	(5,832)	(6,675)
Year 2012	2,233	4,951
Year 2011	39,679	998
Year 2010	44,304	(3,342)

24. Share capital

Movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

Description	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)
<u>Registered share capital</u>		
As at 1 January 2014	1,202,000	1,202,000
Increase in number of ordinary shares due to change in par value	3,606,000	-
As at 31 December 2014	4,808,000	1,202,000

Description	Number of shares (Thousand shares)	Amount (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Issued and paid-up share capital</u>			
As at 1 January 2014	1,147,594	1,147,594	17,500,509
Increase in capital from conversion of convertible bond	45,360	45,360	2,447,820
Increase in number of ordinary shares due to change in par value	3,578,861	-	-
As at 31 December 2014	4,771,815	1,192,954	19,948,329

On 24 December 2014, the Extraordinary Annual General Meeting of the Company's shareholders approved a change in a par value of the ordinary shares, from 1 ordinary share at the par value of Baht 1 to 4 ordinary shares at the par value of Baht 0.25 each. As a result, the number of the Company's registered share capital increased by 3,606,000,000 shares, from 1,202,000,000 shares to 4,808,000,000 shares and the number of the Company's issued and paid-up ordinary shares increased by 3,578,861,622 shares, from 1,192,953,874 shares to 4,771,815,496 shares. However, the Company's registered and issued and paid-up share capital shall remain unchanged at Baht 1,202,000,000 and Baht 1,192,953,874, respectively. The Company registered the increase in its registered share capital with the Ministry of Commerce on 25 December 2014.

25. Statutory reserve

Pursuant to section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	10,882,279	11,551,506	2,333,423	2,315,994
Depreciation	2,310,607	2,023,149	369,982	402,290
Amortisation	207,477	210,242	1,284	464
Rental expenses under operating lease agreements	1,121,384	1,357,979	324,466	400,604
Raw materials, consumables used and finished goods purchased	89,983,532	65,581,917	14,546,514	17,319,639
Changes in finished goods and work in progress	229,823	(2,682,394)	367,302	(411,593)

27. Income tax

Income tax expenses of the Company and its subsidiaries for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Corporate income tax for the year	773	530	47	189
Adjustment in respect of income tax of previous year	18	3	18	-
Translation adjustment	1	-	-	-
Expense (income) in deferred income tax	248	(38)	15	17
Income tax expense reported in the statement of comprehensive income	1,040	495	80	206

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before income tax	6,807	3,974	2,534	2,006
Applicable tax rate	10-35%	10-35%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,818	779	507	401
Adjustment in respect of income tax of previous year	18	12	18	-
Tax effect of intercompany transactions	(5)	(9)	-	-
Tax effect for:				
investment promotion (Note 28)	(629)	(248)	(160)	(56)
tax-exempt income and non-deductible expenses	(618)	(34)	(300)	(156)
Decrease in deferred tax assets	324	42	6	19
Increase (decrease) in deferred tax liabilities	132	(47)	9	(2)
Income tax expenses in the statement of comprehensive income	1,040	495	80	206

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Unused tax loss	137	465	-	-
Tax effect of non-deductible expenses				
Allowance for diminution in value of				
Accounts receivable	26	25	5	5
Inventories	154	189	3	2
Asset value	20	7	7	7
Others	35	77	-	-
Provision for long-term employee benefits	54	54	7	5
Accrued liabilities	125	191	-	-
Inventory cost capitalisation	243	268	-	-
Others	2	53	3	12
Total	796	1,329	25	31

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax liabilities				
Depreciation and amortisation	593	684	3	3
Intangible assets	3,959	4,197	-	-
Prepaid expense	1	15	-	-
Other reserves	201	227	-	-
Surplus on revaluation of land	301	321	45	45
Others	113	91	9	-
Total	5,168	5,535	57	48

As at 31 December 2014 the subsidiaries had unused tax losses totaling Baht 136 million (2013: Baht 156 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The above deferred tax liabilities included the deferred tax liabilities of EUR 8 million or Baht 328 million from the appraised value of fair value of intangible assets as at acquisition date as discussed in Note 2.2.

28. Promotional privileges

The Company has been granted investment promotional privileges by the Board of Investment to carry on the activity of producing frozen seafood, processed and semi-processed food and others. In addition, five subsidiaries were granted investment promotional privileges by the Board of Investment to produce frozen seafood, processed and semi-processed food, processed animal foods and others. Subject to certain imposed conditions, the tax privileges of the Company and these subsidiaries include the following:

- Exemption from corporate income tax on income from the promoted activities for a period of 8 years, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital for manufacturing frozen seafood and canned pet food, and for a period of 8 years for processed canned food or semi-canned food and frozen ready-meal commencing as from the date of first earning operating income.

In case that there are losses incurred during the corporate income tax exemption period, the Company and its subsidiaries are allowed to utilise the losses as a deduction against net income of future years after the expiry of the tax exemption period but with a time limit of 5 years after that period.

- Exemption from income tax on dividend paid to the shareholders from the income of the promoted operation during the corporate income tax exemption period.
- Exemption from import duty on raw materials and essential materials imported for use specifically in producing for export for a period of 1 year and/or 5 years as from the first import.
- Exemption from import duty on items which the promoted person imports for re-export for a period of 1 year and/or 5 years as from the first import.
- Five percent of any increment in export income over that of the preceding year is deductible from taxable income for a period of 10 years commencing as from the date of first earning operating income, provided that the export sales of that year are not lower than the average export sales of the past three years, except for the first two years.
- Exemption from import duty on machinery as approved by the Board.

In addition, subsidiaries have been accorded the following additional privileges:

- A fifty percent reduction of corporate income tax on their net income, for a period of five years after the corporate income tax exemption expired.
- Permission to double deduct the costs of transportation, electricity and water supply for corporate income tax purpose, for a period of ten years, commencing as from the date of first earning operating income.
- Permission to deduct 25 percent of the cost of public utilities, in addition to normal depreciation charges.

The Company's operating revenues for the year ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Revenue from domestic sales	3,052,997	2,233,880	819,948	1,563,181	3,872,945	3,797,061
Revenue from export sales	16,941,111	19,173,849	306,375	486,238	17,247,486	19,660,087
Total revenues	<u>19,994,108</u>	<u>21,407,729</u>	<u>1,126,323</u>	<u>2,049,419</u>	<u>21,120,431</u>	<u>23,457,148</u>

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value in accordance with the resolutions of the Extraordinary General Meeting of the Company's shareholders held on 24 December 2014, as discussed in Note 24. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if such change had been occurred at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	(Restated)
Basic earnings per share						
Profit attributable to equity holders of						
the parent	5,092	2,853	4,633	4,590	1.099	0.622
Add: Interest expense from convertible bond						
recognised during the year, net of						
income tax	81	99	-	-		
Effect of dilutive potential ordinary shares						
Conversion of convertible bonds	-	-	139	181		
Diluted earning per share						
Profit of ordinary shareholders assuming						
the conversion of convertible bond to						
ordinary shares	5,173	2,952	4,772	4,771	1.084	0.619

Separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share					
Profit attributable to equity holders of					
the parent					
2,454	1,800	4,633	4,590	0.530	0.392

There was no disclosure of diluted earnings per share in the separate financial statements for the years ended 31 December 2014 and 2013 since the effect of diluted earnings per share was antidilutive.

As at 31 December 2014, there was the conversion of all convertible bond as mentioned in Note 22.

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- Production and distribution of processed frozen and canned food products segment and
- Operation support and other business segments

The Company and its subsidiaries have no operating segments that have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. The Company measures segment performance based on operating profit or loss and total assets which on a same basis consistent with that used to measure operating profit or loss and total asset in the financial statements.

Transactions between operating segments on an arm's length basis are recorded in a manner similar to transactions with third parties.

Information regarding of the Company's and its subsidiaries' operation segments presented revenue profit and total assets/total liabilities for the years ended 31 December 2014 and 2013 is as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2014				
	Production and distribution of processed frozen and canned food products segment	Operation support and other business segment	Total reportable segments	Eliminations	Consolidated financial statements
Revenue from external customers	128,831,462	4,974,650	133,806,112	(12,403,756)	121,402,356
Inter-segment revenue	5,573,050	2,982,408	8,555,458	(8,555,458)	-
Interest income	1,224,064	324	1,224,388	(1,065,403)	158,985
Depreciation and amortisation	2,193,722	314,592	2,508,314	9,770	2,518,084
Interest expenses	2,373,271	28,503	2,401,774	(1,067,069)	1,334,705
Share of profits from associates and joint ventures	45,561	-	45,561	116,847	162,408
Income tax expenses	957,142	90,807	1,047,949	(8,198)	1,039,751
Segment profit	6,594,462	462,489	7,056,951	(1,965,371)	5,091,580
Segment total assets					
Investment in associates and joint ventures accounted for by the equity method	17,569,111	438,600	18,007,711	(16,086,406)	1,921,305
Additions to non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	1,295,395	(39,718)	1,255,677	(130,816)	1,124,861
Segment total liabilities	97,460,826	3,194,152	100,654,978	(32,679,224)	67,975,754
	For the year ended 31 December 2013				
	Production and distribution of processed frozen and canned food products segment	Operation support and other business segment	Total reportable segments	Eliminations	Consolidated financial statements
Revenue from external customers	122,631,876	5,536,837	128,168,713	(15,356,119)	112,812,594
Inter-segment revenue	4,194,038	3,194,827	7,388,865	(7,388,865)	-
Interest income	1,107,837	3,555	1,111,392	(1,096,687)	14,705
Depreciation and amortization	1,936,161	297,230	2,233,391	-	2,233,391
Interest expenses	2,640,751	39,265	2,680,016	(1,125,293)	1,554,723
Share of profits from associates and joint ventures	40,240	-	40,240	135,556	175,796
Income tax expenses	424,602	82,751	507,353	(12,737)	494,616
Segment profit	3,585,633	407,631	3,993,264	(1,140,436)	2,852,828
Segment total assets					
Investment in associates and joint ventures accounted for by the equity method	17,595,364	442,600	18,037,964	(16,169,423)	1,868,541
Additions to non-current assets other than financial instruments, deferred tax assets and net defined benefit assets	7,583,298	333,690	7,916,988	(30,435,115)	6,351,929
Segment total liabilities	93,026,957	2,351,332	95,378,289	(30,435,115)	64,943,174

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	2014	2013
Revenue from external customers		
Thailand	8,989	8,445
The United States	53,472	45,506
Japan	8,388	8,159
European countries	35,071	34,145
Others	15,482	16,558
Total	121,402	112,813
Non-current assets (other than financial instruments, deferred tax assets and net defined benefit assets)		
Thailand	17,035	16,340
United States	2,147	2,692
European countries	32,972	32,165
Others	288	120
Total	52,442	51,317

Major customer information

For the years 2014 and 2013, the Company and its subsidiaries had no major customer with revenues of 10 percent or more of an entity's revenues.

31. Provident fund

The Company, its local subsidiaries and their employees have jointly established provident funds under the Provident Fund Act B.E. 2530. The funds are contributed to on a monthly basis, by the employees at rates ranging from 2 to 5 percent of the basic salaries, and by the Company and its local subsidiaries at rates ranging from 2 to 10 percent, based on the length of employment. The Company's fund is managed by MFC Asset Management Pcl. and the local subsidiaries' funds are managed by Kasikorn Asset Management Co., Ltd. and TISCO Asset Management Co., Ltd.

During the year 2014, the Company and its local subsidiaries contributed approximately Baht 50 million (2013: Baht 67 million) to the funds.

32. Provision for changes in the value of pension fund

An overseas subsidiary has established a pension fund under which it matches participants' contributions under these plans at a rate of 50 percent of an employee's contribution up to a maximum of 6 percent of eligible compensation. The overseas subsidiary contributed USD 0.5 million to the fund in the year 2014 (2013: USD 0.4 million).

33. Dividends

Dividends declared in 2014 and 2013 consist of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends on income for the period 1 July 2013 to 31 December 2013	Annual General Meeting of the shareholders on 3 April 2014	1,021	0.89
Interim dividends for 2014	Board of Director's Meeting on 13 August 2014	1,377	1.20
Total for 2014		2,398	
Dividends on income for the period 1 July 2012 to 31 December 2012	Annual General Meeting of the shareholders on 10 April 2013	1,148	1.00
Interim dividend for 2013	Board of Director's Meeting on 13 August 2013	688	0.60
Total for 2013		1,836	

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2014 and 2013, the Company and its subsidiaries had capital commitments relating to the construction of factory buildings, warehouse, acquisition of machinery and equipment under the following agreements:

	2014	2013
Factory and warehouse construction agreements	Baht 78 million	Baht 130 million
Purchase of machinery and equipment agreements	Baht 44 million	Baht 22 million
	-	USD 2 million
	-	EUR 1 million
	-	CHF 3 million

34.2 Operating and other service agreement commitments

As at 31 December 2014 and 2013, the Company and its subsidiaries had the following commitments:

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

As at 31 December 2014						
	Payable within			Total		
	Less than 1 year	1 to 5 years	More than 5 years			
Office rental and service agreements	Baht 111 million	Baht 250 million	Baht 216 million	Baht 577 million		
	EUR 2 million	EUR 8 million	EUR 3 million	EUR 13 million		
Land lease agreements	Baht 1 million	Baht 2 million	Baht 1 million	Baht 4 million		
	USD 4 million	USD 9 million	-	USD 13 million		
	EUR 1 million	EUR 1 million	EUR 1 million	EUR 3 million		
Vehicle lease agreements	Baht 34 million	Baht 23 million	-	Baht 57 million		
	EUR 1 million	EUR 1 million	-	EUR 2 million		
Machinery lease agreements	Baht 3 million	Baht 6 million	-	Baht 9 million		
	-	USD 1 million	-	USD 1 million		
Computer and copy machine lease agreements	Baht 14 million	Baht 12 million	-	Baht 26 million		
Advisory agreements	Baht 14 million	-	-	Baht 14 million		
Computer program agreements	Baht 1 million	-	-	Baht 1 million		
Marketing and management service agreements	Baht 10 million	Baht 1 million	-	Baht 11 million		
Internet network services agreements	Baht 3 million	Baht 3 million	-	Baht 6 million		
Security service agreements	Baht 2 million	-	-	Baht 2 million		
Financial advisory service agreement	Baht 3 million	-	-	Baht 3 million		

As at 31 December 2013						
	Payable within			Total		
	Less than 1 year	1 to 5 years	More than 5 years			
Office rental and service agreements	Baht 94 million	Baht 120 million	Baht 42 million	Baht 256 million		
	EUR 1 million	EUR 5 million	EUR 2 million	EUR 8 million		
Land lease agreements	Baht 1 million	Baht 1 million	Baht 2 million	Baht 4 million		
	USD 4 million	USD 11 million	-	USD 15 million		
	EUR 1 million	EUR 2 million	EUR 1 million	EUR 4 million		
Vehicle lease agreements	Baht 34 million	Baht 14 million	-	Baht 48 million		
	EUR 1 million	-	-	EUR 1 million		
Machinery lease agreements	Baht 2 million	-	-	Baht 2 million		
	USD 1 million	USD 1 million	-	USD 2 million		
Computer and copy machine lease agreements	Baht 10 million	Baht 7 million	-	Baht 17 million		
Advisory agreements	Baht 42 million	-	-	Baht 42 million		
Security service agreements	Baht 1 million	-	-	Baht 1 million		
Marketing and management service agreements	Baht 6 million	-	-	Baht 6 million		
Internet network service agreements	Baht 1 million	-	-	Baht 1 million		

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

		As at 31 December	
		2014	2013
The local subsidiary		-	Baht 128.4 million
The overseas subsidiary	USD	1.9 million	USD 1.9 million

- c) The overseas subsidiary has agreed to make payments under royalty agreements for the use of certain production machinery and equipment. The agreements require fixed payments plus an additional sum based on output. Total payments made under these arrangement for the year end 2014 amounted to USD 1 million (2013: USD 1 million).

34.3 Guarantees

- a) As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 30 million (2013: Baht 32 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- b) As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 82 million and USD 2 million (2013: Baht 95 million and USD 9 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.
- c) A local subsidiary's board of directors approved the issuance of letter of Shareholder Undertaking of its overseas associate, stating that it shall be liable to pay the amount not exceeding USD 10 million if its two joint ventures are called for repayment to a financial institution in accordance with the credit facility guarantee agreement.
- d) As at 31 December 2014, a subsidiary issued corporate guarantees on behalf of the Company of Baht 61.2 million to a financial institution to secure credit facilities of its joint venture.

34.4 Litigation

The Office of the Attorney General of a US state filed a lawsuit against the three largest canned tuna companies in the US, including TUI, for failure to warn consumers that certain tuna contains mercury. Such case was dismissed on 8 January 2007. However, the plaintiff filed a notice of appeal and the appeal was granted on 19 August 2008. TUI filed a petition for an en banc appeal, which was denied. On 13 January 2009, TUI filed a petition with the Supreme Court, but the Court declined to hear. Each party has subsequently filed motions and is currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI had no accrual expenses related to this matter as of 31 December 2014 and 2013.

35. Financial instruments

35.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, short-term investments, restricted bank deposits, trade receivables, loans, trade payables, loans, debentures and convertible bond. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company's and its subsidiaries are exposed to credit risk primarily with respect to trade receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its deposits at financial institutions, bank overdrafts, short-term borrowings, long-term borrowings, debentures and convertible bond. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including the Company and its subsidiaries had entered into interest rate swap agreements.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statement as at 31 December 2014

Consolidated financial statement as at 31 December 2014							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	22	-	-	2,098	3	2,123	0.10 - 2.12
Short-term investment	4,033	-	-	-	-	4,033	1.30 - 2.85
Trade and other receivables	-	-	-	-	15,404	15,404	-
Short-term loans to other companies	3	-	-	-	1	4	2.20
Restricted bank deposits	31	-	-	1	11	43	1.08
Long-term loans to other companies	5	17	-	-	7	29	3.70 - 5.00
	4,094	17	-	2,099	15,426	21,636	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	16,686	-	-	9,401	-	26,087	1.40 - 3.64
Trade and other payables	-	-	-	-	10,725	10,725	-
Short-term loans from associated	53	-	-	-	-	53	1.95
Long-term loans	832	3,002	-	152	-	3,986	0.70 - 5.00
Debentures	-	9,088	7,087	-	-	16,175	3.58 - 5.18
	17,571	12,090	7,087	9,553	10,725	57,026	

Consolidated financial statement as at 31 December 2013

	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	23	-	-	1,593	5	1,621	0.10 - 2.50
Short-term investment	1,594	-	-	-	-	1,594	3.05
Trade and other receivables	-	-	-	-	13,948	13,948	-
Short-term loans to other companies	3	-	-	-	-	3	2.62
Restricted bank deposits	-	-	-	11	-	11	1.22
Long-term loans to other companies	4	11	-	-	-	15	3.75 - 5.00
	1,624	11	-	1,604	13,953	17,192	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	4,040	15,953	-	9,382	-	29,375	1.13 - 3.50
Trade and other payables	-	-	-	-	9,802	9,802	-
Long-term loans	-	9	-	4,213	-	4,222	4.68
Debentures	3,298	1,946	1,496	-	-	6,740	4.68
Convertible bond	-	2,714	-	-	-	2,714	5.00
	7,338	20,622	1,496	13,595	9,802	52,853	

Separate financial statement as at 31 December 2014

	Fixed interest rates						
	Within		Over	Floating	Non- interest		
	1 year	1-5 years	5 years	interest rate	bearing	Total	Interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	11	1	12	0.10 - 0.50
Short-term investment	4,033	-	-	-	-	4,033	1.30 - 2.85
Trade and other receivables	-	-	-	-	3,528	3,528	-
Short-term loans to subsidiaries	1,632	-	-	-	-	1,632	1.46 - 2.80
Long-term loans to subsidiaries	-	1,309	23,609	-	-	24,918	1.08 - 4.00
	5,665	1,309	23,609	11	3,529	34,123	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	8,890	-	-	-	-	8,890	2.14 - 2.20
Trade and other payables	-	-	-	-	1,963	1,963	-
Long-term loans	450	2,857	-	-	-	3,307	1.09 - 2.86
Debentures	-	9,088	7,087	-	-	16,175	3.58 - 5.18
	9,340	11,945	7,087	-	1,963	30,335	

Separate financial statement as at 31 December 2013

Separate financial statement as at 31 December 2019

	Fixed interest rates						
	Within		Over	Floating	Non- interest		
	1 year	1-5 years	5 years	interest rate	bearing	Total	Interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	68	1	69	0.10 - 2.50
Short-term investment	1,594	-	-	-	-	1,594	3.05
Trade and other receivables	-	-	-	-	3,368	3,368	-
Short-term loans to subsidiaries	80	-	-	-	-	80	3.00 - 3.40
Long-term loans to subsidiaries	-	652	18,101	5,836	-	24,589	1.44 - 5.50
	1,674	652	18,101	5,904	3,369	29,700	
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	3,682	7,791	-	-	-	11,473	2.42
Trade and other payables	-	-	-	-	1,594	1,594	-
Long-term loans	-	-	-	3,748	-	3,748	1.10 - 3.48
Debentures	3,298	1,946	1,496	-	-	6,740	4.68
Convertible bond	-	2,714	-	-	-	2,714	5.00
	6,980	12,451	1,496	3,748	1,594	26,269	

Interest rate swap transaction agreements

The details of the interest rate swap agreements outstanding as at 31 December 2014 and 2013 are as follows:

The Company

As at 31 December 2014 and 2013				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 2,040 million (first 2 years) Baht 170 - 1,700 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.52%	October 2016
2	Baht 510 million (first 2 years) Baht 42.5 - 425 million (remaining 4 years)	Floating rate 3-month THBFIX plus 1.50% (first 2 years) Floating rate 3-month THBFIX plus 1.75% (remaining 4 years)	Fixed rate 4.48%	October 2016
3	Baht 500 million	Floating rate 6-month THBFIX	Fixed rate 3.50%	August 2015

Subsidiaries

As at 31 December 2014				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 68 million	Floating rate 3-month EURIBOR	Fixed rate 2.70%	October 2017
2	EUR 100 million	Floating rate 3-month EURIBOR	Fixed rate 2.73%	October 2017
3	USD 80 million	Floating rate LIBOR	Fixed rate 1.85 - 2.55%	February 2016

As at 31 December 2013				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 88 million	Floating rate 3-month EURIBOR	Fixed rate 2.70%	October 2017
2	EUR 123 million	Floating rate 3-month EURIBOR	Fixed rate 2.73%	October 2017
3	USD 80 million	Floating rate LIBOR	Fixed rate 1.85 - 2.55%	February 2016

Cross Currency and Interest Rate Swap agreements

The Company

As at 31 December 2014					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 2,000 million	Fixed rate 1.78%	EUR 50 million	-	June 2015
2	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
3	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Floating rate 3-month LIBOR plus 0.20%	June 2016
4	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Fixed rate 1.54%	June 2018
5	USD 14 million	Floating rate LIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
6	USD 35 million	Floating rate LIBOR plus 0.92%	Baht 1,106 million	Fixed rate 3.62%	July 2017
7	Baht 4,106 million	Fixed rate 2.32%	EUR 96.50 million	-	December 2019
8	Baht 2,050 million	Floating rate 6-month THBFIX plus 1.26%	USD 50 million	Floating rate 3-month LIBOR plus 1.375%	October 2021
9	Baht 1,647 million	Floating rate 6-month THBFIX plus 1.26%	USD 40 million	Floating rate 3-month LIBOR plus 1.375%	October 2021

As at 31 December 2013					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 674 million	Floating rate 3-month THBFIX plus 2.31%	USD 22 million	Floating rate 3-month LIBOR plus 3.00%	June 2014
2	Baht 2,000 million	Fixed rate 1.78%	EUR 50 million	-	June 2015
3	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
4	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Floating rate 3-month LIBOR plus 0.20%	June 2016
5	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Fixed rate 1.54%	June 2018
6	USD 14 million	Floating rate LIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
7	USD 35 million	Floating rate LIBOR plus 0.92%	Baht 1,106 million	Fixed rate 3.62%	July 2017

Subsidiary

As at 31 December 2014 and 2013					
	Currency and Interest Revenue Rate Swap agreement		Currency and Interest Expense Rate Swap agreement		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 976 million	Floating rate 3-month THBFX plus 2.94%	USD 32 million	Fixed rate 5.65%	March 2015

Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate.

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	416	634	82	74	32.92	32.76
JPY	215	276	380	576	0.27	0.31
EUR	599	506	1	61	40.00	44.96
VND	-	2,395	-	-	0.0016	0.0016
NOK	-	-	1	-	4.41	-

The Company and its subsidiaries have forward exchange contracts outstanding as summarised below.

As at 31 December 2014						
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date	
			Bought amount	Sold amount		
	(Million)	(Million)				
<u>The Company</u>						
USD	49	241	31.58 - 31.60 Baht against USD	30.70 - 33.32 Baht against USD	January 2015 - July 2018	
JPY	-	377	-	0.27 - 0.32 Baht against JPY	March 2015 - July 2015	
EUR	-	574	-	39.94 - 48.45 Baht against EUR	April 2015 - October 2021	
<u>Subsidiaries</u>						
USD	-	281	-	32.08 - 33.47 Baht against USD	January 2015 - December 2015	
JPY	-	252	-	0.27 - 0.28 Baht against JPY	April 2015 - June 2015	
USD	21	-	0.80 EUR against USD	-	December 2015	
USD	46	-	0.62 GBP against USD	-	December 2015	
EUR	55	-	0.79 GBP against EUR	-	December 2015	

As at 31 December 2013						
Foreign currency	Bought amount	Sold Amount	Contractual exchange rate		Contractual maturity date	
			Bought amount	Sold amount		
	(Million)	(Million)				
<u>The Company</u>						
USD	-	182	-	29.80 - 33.25 Baht against USD	January 2014 - July 2018	
JPY	-	190	-	0.31 - 0.32 Baht against JPY	March 2014 - July 2014	
EUR	-	436	-	38.46 - 45.70 Baht against EUR	January 2014 - June 2017	
CNY	-	306	-	5.22 Baht against CNY	July 2014	
<u>Subsidiaries</u>						
USD	-	243	-	30.27 - 33.07 Baht against USD	January 2014 - December 2014	
JPY	-	97	-	0.30 - 0.33 Baht against JPY	January 2014 - May 2014	
USD	32	-	0.73 EUR against USD	-	December 2014	
EUR	84	-	0.84 GBP against EUR	-	December 2014	
GBP	37	-	0.62 GBP against USD	-	December 2014	

As at 31 December 2014, the Company and its local subsidiaries had outstanding option agreements with special conditions with financial institutions under which they had obligations to sell amounts of between USD 10.6 million up to USD 23 million (2013: between USD 34 million up to USD 55 million), depending on conditions stipulated in the agreements, at rates of Baht 32.75 to Baht 33.50 per USD 1 (2013: at rates of Baht 29.80 to Baht 32.32 per USD 1). These agreements will terminate within June to November 2015 (2013: August 2014).

As at 31 December 2014 and 2013, the Company has outstanding option agreements with two local banks under which the Company has obligations to sell a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR 1. These agreements will terminate within May 2017. At the same time, the two local banks have obligations to buy a total of EUR 200 million at rates of Baht 42.00 and Baht 42.50 per EUR 1. These agreements will terminate within May 2017.

Moreover, the overseas subsidiaries have outstanding option agreements as follows.

As at 31 December 2014					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
EUR	5	7.5	1.295 USD against EUR	1.295 USD against EUR	December 2015

As at 31 December 2013					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
EUR	47.6	66.4	1.33 - 1.38 USD against EUR	1.33 - 1.38 USD against EUR	February 2014 - December 2014
GBP	75.0	50.0	1.62 - 1.63 USD against GBP	1.62 USD against GBP	July 2014 - December 2014

35.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments bear floating interest rates, their fair value except debentures is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of debentures, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 31 December 2014		As at 31 December 2013	
	Book value	Fair value	Book value	Fair value
Debentures	16,200	16,845	6,750	6,857

The main purpose of issuing debentures is to finance the acquisition of MW Brands in 2010 by lending such money from TUF to its subsidiaries. It is the policy to finance long-term investment by long-term sources of funding and it is the strategy to finance from TUF where the cost of financing is lowest.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts and equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- e) For derivatives, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt to equity ratio was 1.43:1 (2013: 1.50:1) and the Company's was 1.10:1 (2013: 1.11:1).

37. Events after the reporting period

The Company

On 27 February 2015, the meeting of the Company's Board of Directors No.1/2015 passed the following resolutions to be proposed to Annual General Meeting of the shareholders to be held in April 2015.

- Approved a resolution to pay a dividend of Baht 2,570 Million from its net operating profit of the year 2014, to the Company's shareholders. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2014 held on 13 August 2014, the Company paid out the interim dividend payment of Baht 0.30 per share at the par value of Baht 0.25 for 4,590,375,316 issued and paid-up ordinary shares of the Company (or Baht 1.20 per share at the par value of Baht 1 each for 1,147,593,829 issued and paid-up ordinary shares of the Company) each from the six-month operating profit ended 30 June 2014, to the Company's shareholders totaling Baht 1,377 million on 10 September 2014. The remaining dividend is Baht 0.25 per share or totaling Baht 1,193 million for 4,771,815,496 issued and paid-up ordinary shares. The dividend will be paid on 21 April 2015.
- Approved the increase in credit limit for issuance of debentures of the Company and/or its subsidiaries from the amount of Baht 25,000 million, according to Section 8 of the Annual General Meeting of the Shareholders of 2014, to the amount up to Baht 40,000 million or the equivalent amount in other currencies, such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.
- Approved the decrease in the Company's registered share capital from Baht 1,202,000,000 (4,808,000,000 ordinary shares of Baht 0.25 each) to Baht 1,192,953,874 (4,771,815,496 ordinary shares of Baht 0.25 each), by canceling Baht 9,046,126 (36,184,504 ordinary shares of Baht 0.25 each) that had yet to be allocated, and the amendment Clause 4 of the Company's memorandum of association to be consistent with the reduction of the Company's registered share capital.

- Approved the increase in the Company's registered share capital by Baht 300,000,000, from Baht 1,192,953,874 to Baht 1,492,953,874 by issuing ordinary shares totaling 1,200,000,000 shares at a par value of Baht 0.25 per share, and the amendment of Clause 4 of the Company's memorandum of association to be consistent with the increase of the Company's registered share capital.
- Approval of the offering and allocation of up to 1,200,000,000 new ordinary shares with the following details:
 - a) Up to 1,200,000,000 new ordinary shares at a par value of Baht 0.25 per share will be offered and allocated to the Company's eligible existing shareholders, whose names are on the register book as of the date to be determined by the Company's Board of Directors, on a pro rata basis to their respective holdings (Preferential Public Offering).
 - b) In the case where there are new ordinary shares remaining unsubscribed after the allocation set out in Clause a) above, those remaining shares will be offered and allocated to investors, as the Company deems appropriate, on a private placement (the Private Placement Offering)

At its discretion, the Company may not consider allocating any new ordinary shares under Clause a) and b) to any subscribers if the offering or allocation may (a) result in a breach of foreign laws and regulations or (b) require the Company to comply with obligations in addition to regulatory and legal obligations already applicable to the offering or allocation of new ordinary shares under Thai laws, or (c) not be in compliance with the methods, rules or conditions of the allocation specified by the Company.

38. Approval of financial statements

These financial statements were authorised for issue by the Audit Committee and the Company's management on 27 February 2015.

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NOTE



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