

# ANNUAL REPORT 2015





# COMPANY PROFILE

## Thai Union Group Public Company Limited

Registration No. 0107537000891

Type of Business	Processor and exporter of frozen and canned seafood
Head Office	72/1 Moo 7, Sethakit 1 Road, Tarsrai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000 Tel.: 66 (0) 3481-6500 (Automatic 7 Lines) Fax: 66 (0) 3481-6886
Bangkok Office	979/12 M Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel.: 66 (0) 2298-0024, 2298-0537 - 41 Fax: 66 (0) 2298-0548, 2298-0550
Investor Relations Department	Tel.: 66 (0) 2298-0024 Fax: 66 (0) 2298-0342 Email: <a href="mailto:ir@thaiunion.com">ir@thaiunion.com</a>
Corporate Communications Department	Tel.: 66 (0) 2298-0024 Fax: 66 (0) 2298-0024 ext. 4449 Email: <a href="mailto:tu_corporate@thaiunion.com">tu_corporate@thaiunion.com</a>
Websit	<a href="http://thaiunion.com">thaiunion.com</a>  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



# THAI UNION'S FOOTPRINT









# CONTENTS

---

Company Profile	3
Message from Chairman	8
Message from President & CEO	10
Thai Union Strategies	12
Thai Union Strengths	18
Our Brands	20
Financial Highlights	24
5-Year Comparative Financial Statistics	25
Corporate History and Development	26
Vision and Mission	29
Organizational Chart	30
Board of Directors	31
Audit Committee and Sub-Committees	39
Global Leadership Team	40
Management Team	42
Awards and Recognition	44
Food Safety and Quality Standards	46
Our Core Product Categories	48
2015 Sales Breakdown and Distribution	50
Sales Structure of TU and Subsidiaries	51
Group Business Structure	52
Investment in Subsidiaries, Associated and Joint Venture Companies	54
Industry Overview	71
Sustainable Development	76
Report of Audit Committee	81
Report of the Nomination and Remuneration Committee	83
Report on the Practice of Good Corporate Governance	84
Report of Risk Management Committee	114
Risk Management and Risk Factors	116
Management Discussion and Analysis	121
Shareholding Structure and Management	134
Connected Transactions	136
Reference	142
Statement of the Board of Director's Responsibilities for the Financial Statements	146
Independent Auditor's Report	148
Financial Statements	149

## MESSAGE FROM CHAIRMAN

The company has achieved steady and continuous growth in the past year and was able to yield good dividends to our shareholders. This is yet another record-breaking year as the company net profit increased 19.4 percent or THB 6.1 billion (before non-operational one-time expense). Even when we have deducted the one-time expenses, the net profit still stand at 4.1 percent or THB 5.3 billion. This results in an earnings per share of THB 1.10 – 1.1 percent increase over 2014. The gross profit margin was at 16 percent – or 15.7 percent rise over the previous year.

The Earnings between Interest, Taxes, Depreciation and Amortization (EBITDA) also increased to THB 11.5 billion – 4.8 percent rise over the previous year. The annual sales revenue also hit a record high with THB 125.3 billion – 3.1 percent increase over the previous year which reached THB 121.4 billion. This encouraging performance results in a lower net debt-to-equity ratio from 0.85x in 2014 down to 0.75x. This is in line with the management policy to maintain the net debt-to-equity ratio under 1.0x and reflects our improving financial situation.

The company has grown remarkably this year and if we break down the sale revenues according to the three core business segments, we find that ambient seafood claimed 47 percent of the total. Chilled, frozen and related seafood account for 40 percent and pet food, value-added and other products for the remaining 13 percent.

Complementing our company's strong performance is a multitude of achievements such as:

1. Being included into the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the second consecutive year and with an impressive 67 percent increase in scores.
2. The company was included on the list of 2015 Thailand Sustainability Investment by the Stock Exchange of Thailand
3. Multiple awards from Asiamoney Magazine: Best Overall Corporate Governance in Thailand, Best Responsibilities of Management and the Board of Directors in Thailand, Best Corporate Social Responsibility in Thailand, 2nd Best Shareholders' Rights and Equitable Treatment in Thailand, 2nd Best Investor Relations in Thailand and 3rd Best Disclosure and Transparency in Thailand.

Moreover, the company has signed the Collective Action Coalition Against Corruption on August 20, 2015 – a joint MOU among government and private organizations to fight corruption. This is in perfect alignment of the company's vision to be the world's most trusted seafood leader and our long standing policy for ethical operations and good corporate governance.

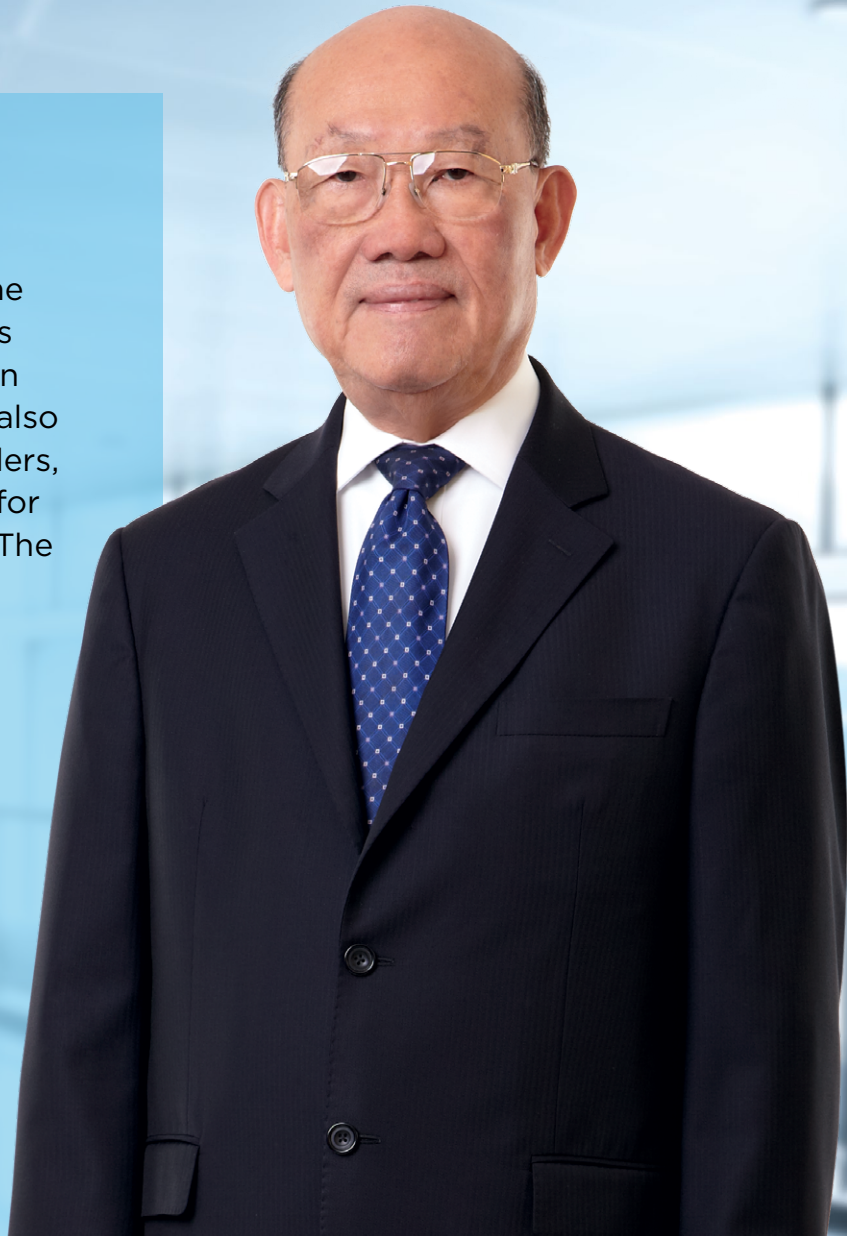


I, as the Chairman, wish to thank the management and all the employees for their hard work and contribution to another year of great success. I also wish to thank our valued shareholders, investors and financial institutions for their continued trust and support. The company is fully prepared to stay sustainably competitive and thrive in the global arena.



**Mr. Kraisorn Chansiri**

Chairman



Although our company has succeeded in business, the global seafood industry confronted numerous challenges relating to Illegal Unregulated and Unreported Fishing (IUU fishing) and human right violations. We remain committed to addressing these issues. To support this, we recently launched our sustainability strategy “Sea Change” which is designed to deliver real and lasting change in the way we operate and in the broader Thai and global fishing industries. Sea Change identifies four crucial areas for improvement: responsible sourcing; marine conservation; safe and legal labor and caring for communities.

Under the current fierce global competition, differentiation is a key growth driver and this is best implemented by promoting innovation to create new value-added products. Therefore we focus on creating the most innovative food products to improve the health and to enhance the well-being of our customers and consumers worldwide.

## MESSAGE FROM PRESIDENT AND CEO

2015 was another successful year for Thai Union, as we delivered excellent performance and achieved new Thai Union sales and net profit records. This achievement reflects well on the management efficiency and competency under extensive challenges the Thai seafood industry is facing, including the volatile currency exchanges, the fluctuating tuna and shrimp prices, and the unpredictability of the world economy.

The outstanding performance is due to contributions from the strong performance of our leading brands in Europe, acquisition of MerAlliance, the leading chilled smoked salmon producer in Europe, King Oscar, the super-premium sardine brand and Orion Seafood, the leading lobster supplier in the US. Likewise, the recovering shrimp processing business in Thailand and the successful reorganization of the pet care unit in the US also contributed positively.

Our company continues to drive growth through our key strategies: 1) organic growth by means of adding value to products 2) food innovations, alongside 3) mergers and acquisitions. In 2015, we engaged in three new businesses: Orion International, a major lobster supplier in the US; a joint venture with Savola Foods Company, the largest consumer goods producer in the Middle East region and most recently, an investment in Rügen Fisch, Germany's leading shelf-stable seafood company.

Focusing on emerging markets is one of our core strategies as we march towards our ambition of USD 8 billion by 2020. After a careful assessment, we have identified the markets of the Middle East, Southeast Asia, and China to be our core focus of emerging markets. Over the next few years, we plan to bring full breadth of Thai Union's branded products into these emerging markets. The success of this move will be critical to the group's future growth. The consumer fundamentals in these markets are promising as the markets in the Middle East, China, and Southeast Asia present a sizeable potential with over 2 billion population and seafood market of USD 150+ billion.

In 2015, Thai Union signed a joint venture in the Middle East to accelerate growth in the Arabian Peninsula as well as Egypt. The joint venture brings together Thai Union's seafood brands and expertise with our partner's regional capabilities and reach. In China, we have a joint venture for branded ambient seafood products, but we are also expanding our position to include others categories; particularly in lobster, salmon, shrimps, as well as premium brands such as King Oscar. We would like to take advantage of the trend that China has become a net importer of many of these categories, with increasing demand for premium, high quality seafood. Finally, in Southeast Asia, we continue to focus on our premium brand, King Oscar, in order to bring unique products to consumers who are already familiar with canned fish.

Last year, sustainability remained the key challenge for Thai Union. We, as a world leading seafood company, are determined to drive positive change in the Thai seafood industry and move the company forward. We have been proactively working with the government and non-government organizations both domestic and international, to ensure sustainable fishing becomes a reality. On the issue of labor, we have released a revised Business Ethics and Code of Conduct which will enhance our capacity to protect our workers' rights. The Code of Conduct has been published into 19 different languages to cover our global operations. This is just one testament to our company's commitment to conducting business with responsibility, transparency and traceability.

In any case, for success to be realized, the key drivers are the vision and approach of management, coupled with the collective team spirit of all employees to do their part in accomplishing fine performances. At the same time, the valued support of all shareholders, suppliers, partners, customers and stakeholders also significantly contributes towards future success for the company.



**Mr. Thiraphong Chansiri**

President and CEO



This year also holds another significant transformation when we signaled our readiness to becoming a world class company with our global corporate rebranding. We integrated Thai Union's global operating units under a single corporate brand with new vision, mission and core values. For well almost four decades Thai Union has grown steadily in the seafood industry and will continue to expand. From this point onwards, our growth must come from strong global teamwork, as this corporate rebranding project is aimed to promote and instill unity and drive our organization forward under one common vision: to become the world's most trusted seafood leader, caring for our resources for generations to come.

Thanks to the outstanding performance this year, we are confident that the 2020 target of USD 8 billion revenue is realistic. To guide our operations towards this target, we are now operating under the new 6-pillar strategy, comprising innovation, sustainable development, operational excellence, mergers & acquisitions, talent development and sourcing efficiency. We will continue to focus on organic growth as a key driver for sustainable development. Recently we founded three new business units, namely emerging markets, marine ingredients and food services. These three new business units will help drive the company to achieve our ambitious target.



# THAI UNION'S VISION IS TO BE THE WORLD'S MOST TRUSTED SEAFOOD LEADER.

## THAI UNION STRATEGY

We have a goal to reach USD 8 billion in annual revenues by 2020. To achieve this, 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 is happening 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

Innovation is a strategic cornerstone for Thai Union to drive forward cutting-edge technological advancements and innovative solutions that promote a competitive and sustainable seafood business. We strive to bring the most innovative products and food solutions to improve the health and to enhance the well-being of our customers.

Our research project always begins with a simple question about we can address the fundamental needs of the global consumer, as we seek to satisfy their hunger in daily life. As such, our solution takes into account the safety, nutritional quality, latest market trend, and environmental sustainability of our products.

The innovation pipeline of Thai Union is based on preliminary in-house research findings from the fundamental research platforms. The research platforms are professionally supervised by leading academic investigators with decades of research experience in the field of marine biotechnology, food science, bioprocess engineering, biomedical sciences and nutritional science. In parallel, the team of research talents in the application platform is specially trained to translate those basic research findings and engineer our seafood products to another level of perfection. Doing so not only increases the value chain of tuna and its byproducts but also encourages the collaborative research between public and private sectors. Our innovation pipeline promises a return on shareholder investment at 10% increment of the corporate revenue by the year 2020.

In 2015, our fundamental research on tuna received a national recognition by the government of Thailand. Our research is financially supported by Thailand Board of Investment (BOI) and Thai Union has recently been committed to a financial endowment up to USD 10 million to continually fund its future research and development.

## SUSTAINABILITY

Sustainable development is an essential responsibility for any organization and is one of our six core pillars for the Group development. Thai Union has five guiding principles of sustainable development for our business conduct to address the Environmental, Social and Governance (ESG) risks within our operations, promote sustainable practices in our supply chain and create shared value in the communities in which we operate. Our approach includes:

- **Supply Chain Risk Management**

Understanding ESG risks is becoming increasingly important in the seafood industry. The complexity of global seafood supply chains is frequently beyond the control of a single company and places responsibility on various stakeholders along the value chain. Through the Thai Union Business Ethics and Labor Code of Conduct, supplier capacity building and development, the social compliance audit program as well as collaboration with government and non-governmental organizations (NGOs), the Group is working to minimize the risks in our supply chain to help deliver responsible products to our customers.

- **Marine and Environmental Conservation**

We realize that the growth of our business is not only about the growth of our revenue but also about being mindful of tomorrow. As our business expands across the globe, we are determined to continually explore opportunities to minimize our environmental impact. Through our fishery and aquaculture improvement projects, Thai Union is collaborating with multiple stakeholders in our supply chain including fishers, shrimp farmers, researchers, importers, retailers and NGOs to improve the practices and management of the fisheries and farms. These improvement projects can offer a stepwise approach to meeting the most credible certification standards such as Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC).

- **Creating Shared Value for our Communities**

As one of the leading global seafood companies, Thai Union believes that we have a duty to operate responsibly and provide healthy products to our customers, but we also have an opportunity to create long-term positive value for the society. Thai Union has worked together with private sector peers, local government, international organizations and civil society to support local communities where we operate to address the social and environmental problems. Furthermore, through our social enterprise program we are working to deliver sustainable benefit to communities, now and in generations to come.





# SEA CHANGE

## OUR OVERARCHING OBJECTIVES:

THE **SEAS ARE SUSTAINABLE**  
NOW AND FOR FUTURE GENERATIONS,  
THROUGH OUR WORK TO IMPROVE FISHERIES;

OUR **WORKERS ARE SAFE**, LEGALLY EMPLOYED  
AND EMPOWERED;

THE **VESSELS WE BUY FROM ARE LEGAL**  
AND OPERATE RESPONSIBLY.

### SEA CHANGE

Recognizing the leadership role that Thai Union can play in driving positive change across the seafood sector, we have developed the Sea Change plan. Sea Change addresses our commitment to fighting illegal labor and illegal fishing through four key programs: responsible sourcing, safe and legal labor, marine conservation and caring for our communities. For all of these programs we have a set of specific 2020 goals and developed respective action plans.

## OPERATIONAL EXCELLENCE

As a leader in the seafood industry, our business success is built on our expertise and know how throughout the entire seafood value chain. From sourcing to processing and manufacturing of raw material and ingredients into finished products, we have built a global network of facilities which all operate to the highest quality standards and norms.

In a total of 26 factories in Thailand (12), Vietnam, Papua New Guinea (associated company), Ghana, the Seychelles, Poland (2 plus one associated factory), Scotland/UK, France (2), Portugal and the United States (2) and four newly added plants through the acquisition of Ruegenfisch in Germany and Luthuania, we process most types of seafood like tuna; shrimp; sardines; mackerel; cephalopod; salmon; scallops; herring and chicken based products. We produce ambient or shelf stable products in cans, glass jars and pouches, frozen, fresh/chilled products as well as added value products like dim sum, rice based products or meal and bakery articles.

Our culinary development team of more than 200 food scientists, chefs, recipe developers and other cuisine and food processing experts is developing a range of more than 4,000 different recipes and products each year. With our focus on best natural ingredients and our care for authenticity, taste and quality, we partner with our branded businesses as well as our OEM customers to bring the best food to consumers all over the world.

Our factories fulfill all technical and quality standards and norms which includes: ISO9001, Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Point (HACCP), BRC, Marine Stewardship Council (MSC), Best Aquaculture Practices (BAP), International Food Standard (IFS), ISO 14001, ISO 50001 and OHSAS 18001. We also take care to respect religious beliefs and are kosher and halal certified.

To stay competitive in terms of production cost, we are using state of the art operational excellence tools like Kaizen, Six Sigma or Hoshin Kanri in our facilities. We work on continuous improvement in conversion cost and overall cost productivity and invite our customers as well as NGOs and external certifiers to review our processes, audit our operations and provide us with input and suggestions for improvement to become more customer focused, responsible and further strengthen ourselves as an organization willing to learn.

## MERGERS AND ACQUISITIONS (M&A)

M&A continues to be a key pillar of Thai Union's growth, allowing the Group to expand into new geographies and product categories. Our investment philosophy is to invest in attractive target companies which are within or would strongly complement our core business.

Our M&A process is systematic and can be divided into the following phases:

### **a. Active Deal Sourcing**

We have a strong deal pipeline that is regularly reviewed by our senior management team to ensure the target companies fit within our criteria.

### **b. Stringent Assessment and Evaluation**

Once selected, a thorough approach is used to evaluate the target company to ensure the business model is robust enough, future growth prospects attractive, competent management are in place and the valuation is accretive to Thai Union. We will work with the target company to identify synergies that can be realistically created. External professionals will also be engaged to ensure rigorous due diligence as well as transparency. This will lead to us forming a view on the overall attractiveness of the investment as well as identifying any gaps within management, governance, systems and process. These gaps would be addressed as part of our 100-day plan post acquisition, should we decide to proceed with the investment.

### **c. Monitoring and Synergy Creation**

The initial focus upon investment will be to execute the identified 100-day plan. Depending on the percentage of ownership, full integration of the target business will commence. A key focus at this stage will be active engagement with the target company's management to both monitor and ensure that the correct governance is in place, as well as that the identified synergies and financial targets committed at the evaluation stage are achieved.

## GLOBAL TALENT DEVELOPMENT

Investing in our human capital is our formula for success. At Thai Union, everyone is regarded as talent and valuable to the company. Therefore, developing in our people at every level is not only part of our core human resources strategies but also a continuous commitment from senior management.

Our global talent development program is designed to support our leadership and business strategies. To drive high impact talent development program, the human resources team partner closely with management and employees to let them take lead in learning and development outcomes. We assess and develop our talent pool in every operating companies around Thai Union Group to upscale their capability and prepare them for future roles. We provide a practical combined approach to ensure we offer meaningful development programs that help support our business ambitions. These programs include cross functional projects, stretched assignments, job rotations, international exposure programs, coaching/feedback and classroom training programs. To ensure, our employee receive proper support during the process, a follow up program is also put in place to track developmental progress.

“Human Resources Development is my long term commitment and this key to our business success”

**Thiraphong Chansiri**  
President and CEO

## STRATEGIC SOURCING

A global business of our size requires a strategic sourcing approach that secures continuous access to sufficient and sustainable raw material. Dependent on fish category and fishing grounds, the optimal setup may well entail differing strategies. In tuna we are the biggest processor of the world and have to thoroughly balance stock availability and price volatility. Thus, we have successfully developed an expansive flexible global sourcing network, buying from reliable traders same like going downstream to ensure alignment with fishing boat owners. For some fishing grounds we have also chosen to buy country fishing licenses to gain control on fish availability.

Apart from tuna, we strategically source multiple species of pelagic fish (e.g. sardine, herring, and mackerel), white fish, salmon and crustaceans such as shrimp, lobster and crab. In all cases we assess global supply opportunities, and sourcing decisions are based not only on landed cost but also on an end-to-end material flow analysis. Working towards full traceability of procured raw material back to fishing ground and boat is fundamental for our business.

For packaging and ingredients we constantly explore both commercial levers, such as volume bundling and low cost country sourcing, and operational levers, such as re-specification, 2<sup>nd</sup> tier sourcing and vertical integration.

The biggest spend category is primary packaging, in particular cans and lids with cost exposure to upstream steel and aluminum markets, and multiple oils such as soy, olive and sunflower oil, and this is the same for raw materials.





# THAI UNION STRENGTHS

## Global market leadership anchored in our expertise and passion for seafood:

We have almost 40 years of experience in the seafood industry since the founding of Thai Union Manufacturing in 1977. Today, we believe we are one of the largest seafood companies globally by value. We are also the largest processor of tuna by volume and the largest frozen shrimp importer by volume into the United States. We have successfully built a leading position across key consumer markets in Europe and Asia, which we are comprehensively serving through strong brands and innovative OEM products. Our knowledge of the seafood industry has allowed us to expand over time from tuna processing into many other seafood varieties, such as shrimp, sardines, mackerel, salmon and crab. We are able to identify additional seafood products with strong customer demand. We also have the platform to source, process and distribute such products to our customers. At the heart of our business is our passion for seafood, for providing healthy meals for consumers throughout the world and for advancing the sustainability of the overall seafood industry. We believe that our expertise and passion for seafood will continue to be a competitive advantage in the industry and allow us to operate and grow efficiently and sustainably.

## Supply chain excellence across our global sourcing and production platform:

We have production facilities in 12 countries across five continents (North America, Europe, Africa, Oceania and Asia) and we are sourcing our seafood raw materials in every ocean; for example we source tuna from the Atlantic, Pacific and Indian Oceans. We have global access to sources of shrimp and other species from aqua farming, and security of a good quality supply throughout the year is one of our key strengths. In addition, for our shrimp trading, processing and related businesses we distribute to multiple markets and source our products from major shrimp producing countries. Our diversified sourcing and processing provide us with the flexibility to optimize our global supply chain to deliver the best product in a timely and cost-efficient manner to our consumers in each market.

## Portfolio of leading consumer brands complementary to our established OEM business:

We have leading businesses in the branded seafood market as well as the OEM market. We believe that these markets are naturally complementary and typically provide economies of scale; more diversified and stable demand; higher utilization of processing capacity and better margin stability for Thai Union relative to competitors who only compete in one of these markets. Our brand portfolio gives us direct access to consumers and allows us to better understand their needs to support the development of new products. Our established OEM business provides us with a large volume flow business that helps lower costs and increase efficiencies in our production.

### **Strong track record of product innovation with a dedicated innovation center:**

Our commitment to research and product development has resulted in significant innovations in our product portfolio, packaging and processes. We believe the GII is the world's first research center dedicated to tuna products and focuses on developing innovative research and studies of technology that we believe will provide improvements to our products and manufacturing processes.

### **Clear focus on sustainability, product quality and food safety:**

We manage our operations with a clear focus on sustainability, product quality and food safety. As a result we are able to offer our customers high quality products from sustainable sources.

### **Strong management team with experience of integrating acquired businesses:**

Almost 40 years we have moved from a Thai enterprise to become a global seafood leader. We have in place a strong professional management team with significant experience across our products, markets and processes. Our management team has a successful track record of organic growth and growth through acquisitions with successful integration of new businesses. We believe our management team and experience provide us with a strong platform to identify acquisition targets and continue growing both organically and inorganically.





## OUR BRANDS

Through the company's expansion strategy over the past three decades, Thai Union has acquired a diverse global brand portfolio covering 3 continents; shelf-stable, chilled and frozen seafood.

### NORTH AMERICA



#### CHICKEN OF THE SEA AND CHICKEN OF THE SEA FROZEN FOOD



Since 1914, Chicken of the Sea has been nurturing Americans with seafood goodness in canned form. In 2015, Chicken of the Sea launched the flavored ready-to-eat Salmon and Tilapia product.

Its shelf-stable seafood product portfolio ranges from tuna, salmon and sardines which available in the retailers across United States.

Genova is the Chicken of the Sea's brand of premium tuna in olive oil.

Apart from our strong brand in North America, we care also the No.1 frozen shrimp importer under the brand of Chicken of the Sea Frozen Foods.





## EUROPE



### JOHN WEST



Since 1857, John West has been known as a producer of quality seafood products in the United Kingdom through its passion to develop category leading innovations that meet consumers' needs in terms of taste, quality and convenience.

Today, John West is the No. 1 leading sardine brand in UK, Ireland and the Netherlands.



### PETIT NAVIRE AND PARMENTIER



Starting in 1932, Petit Navire and Parmentier has grown to be the leading seafood producer in France with three core products; tuna, sardines, mackerel.

Its mission is to offer millions of consumers all the tastes and diversity of fish every day, which can inspire different meals, with products of quality that will satisfy all consumers for years to come.



### KING OSCAR



Since 1873, King Oscar II of Norway graciously granted a permission to a Norwegian company to use his majesty's image and royal emblem on the finest canned sardines.

Over 140 years, King Oscar offers discerning consumers with premium sardines using the finest sardine sourced from the Norwegian fjords, North Sea and Baltic Sea.

Today, King Oscar is the number 1 premium sardine brand in U.S., Norway and Australia while its premium mackerel line is the number 1 in Poland and Belgium.



## MAREBLU



Since 1970, Mareblu has grown to be the one of Italy's leading tuna brands and in 2014 it was ranked as the second player in the tuna market in Italy.

In 2016, Mareblu will be repositioning itself under the slogan "Il Tonno Lavorato sul Luogo di Pesca" (The tuna processed where caught) to better preserve the good of taste and the goodness of nutritional values, that for the consumers means freshness, naturality and safety, in a relevant, memorable and highly differentiating way.

This repositioning delivers the two key benefits, which are "PLEASURE OF TASTE" and "PRESERVE NUTRITIONAL PROPERTIES"



## RÜGEN FISCH

Rügen Fisch has grown its business since 1949 and has become the well-known leading seafood player in Germany. The company represents a very powerful house of brands in the market for ambient and chilled seafood; Rügen Fisch, Hawesta, Ostsee Fisch, Lysell.

## ASIA-PACIFIC



## CENTURY



Century was founded in the Philippines in 1970 and soon became the number 1 canned tuna brand in the country. In 2004, Thai Union began a joint venture with Century to enter into the mainland China market under Century Trading Shanghai Company Limited. Today, Century is the most famous canned tuna brand in China market, and represents its brand positioning as "Think healthy, think Century Tuna"





## SEALECT



SEALECT has grown its business since 1992 and has become the number 1 tuna brand in Thailand. According to the recent consumer survey by Superbrands, Sealect has been ranked as the most famous tuna brand in Thailand.

In 2015, Sealect grew 22 percent with a market share of 49 percent (Nielsen survey). As a wholly owned subsidiary of Thai Union, the global expert in tuna, Sealect is able to produce premium quality, taste, nutrition values and product varieties for its canned tuna in the market.

SEALECT is the most trusted tuna brand with high quality; it is the best choice for daily family food and natural nutrition.



## FISHO



FISHO is a brand of fish-based snack targeting teenagers and children. Its product range of fish snack includes strands, sheets and crispy treats. With the FISHO's distinctive unique taste and offerings, it gives the consumers a 'peak' enjoyable taste experience.



## BELLOTTA AND MARVO



BELLOTTA and MARVO are the brand for discerning cat and dog lovers who demand only the best for their pets.

In 2015, BELLOTTA launched a comprehensive range of premium cat food products while Marvo was launched into the market as the international dog food brand. Marvo offers its product with exotic taste around the world, for example, New York, French and Japanese menus.

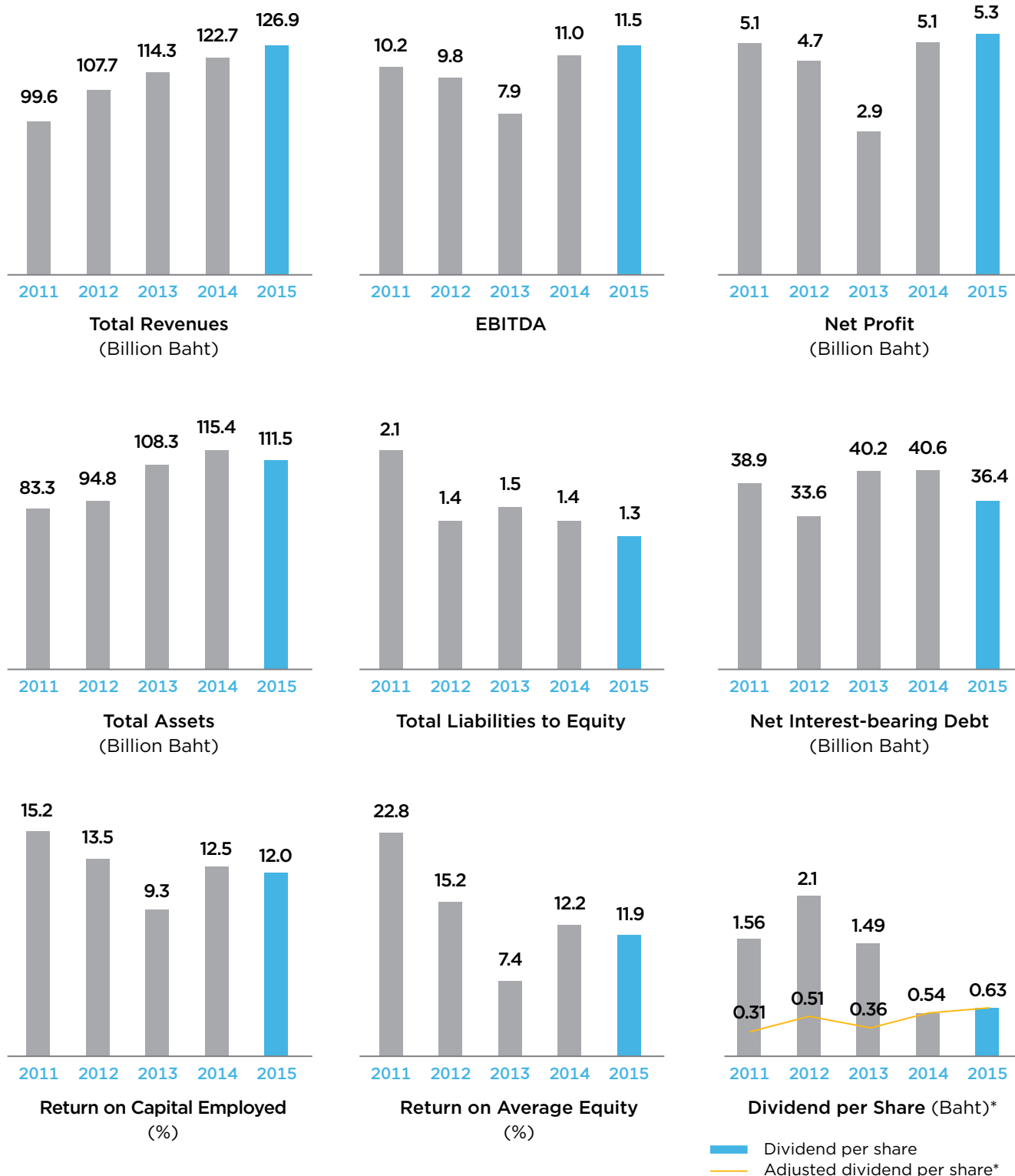
# FINANCIAL HIGHLIGHTS

Unit: Billion Baht

Financial Data	Year		
	2015	2014	2013
Net Sales	125.2	121.4	112.8
Total Revenues	126.9	122.7	114.3
Gross Profit	19.5	19.0	14.2
EBITDA	11.5	11.0	7.9
Total Assets	111.5	115.4	108.3
Total Liabilities	62.9	68.0	64.9
Shareholders' Equity	48.6	47.5	43.4
Net Cash from Operating Activities	14.9	9.4	3.9
Net Debt (Interest -bearing Debt Net of Cash)	36.4	40.6	40.2
Annual Dividend Payment	3.0	2.6	1.7
Per Share Data (Bath)			
Basic Earnings per Share	1.11	1.10	2.49
Diluted Earnings per Share	1.11	1.08	2.47
Dividend per share	0.63*	0.54*	1.49
Par Value	0.25	0.25	1.00
Book Value per Average Share	9.60	9.42	34.45

\* The company changed per value from THB 1 per share to THB 0.25 per share in December 2014

# 5-YEAR COMPARATIVE FINANCIAL STATISTICS



\* Adjusted dividend per share is calculated based on total diluted number of shares of 4,771,815,496. The company changed per value from THB 1 per share to THB 0.25 per share in December 2014.



# CORPORATE HISTORY AND DEVELOPMENT



Thai Union Group was originally founded in 1977 under Thai Union Manufacturing Company Limited, as a processor and exporter of canned tuna. Then, in 1988, Thai Union Group (Public) Company Limited, originally known as Thai Union Frozen Products was founded. The business was primarily concerned with frozen seafood production and export, as a private company limited, with an initial registered capital of THB 25 million. In 1992, the company entered into joint venture with Mitsubishi Corporation and Haboromo Foods Corporation, Japan's major trade, food production and distribution companies, who were TUF's customers and distributors in Japan. Both corporations played a significant role in developing company products to meet international standards and become competitive in the world markets. The company went public with a listing in the Stock Exchange of Thailand on 22 November 1994 as Thai Union Frozen Products PCL (TUF).

## GLOBAL EXPANSION MILESTONES

- 1997** First overseas investment with the acquisition of Chicken of the Sea, USA's number three canned tuna brand.
- 2003** Acquired Empress International Ltd., a frozen seafood importer and distributor in the USA.
- 2006** Established Chicken of the Sea Frozen Foods to market frozen seafood in the USA. Chicken of the Sea Frozen Foods later merged with Empress International and was renamed Tri-Union Frozen Products, Inc.
- 2006** Acquired majority stake in PT Jui Fa International Food, a canned tuna producer and exporter based in Indonesia.
- 2008** Acquired majority stake in Yueh Chyang Canned Food, a canned seafood producer and exporter based in Vietnam.
- 2009** Invested in Avanti Feeds Limited, a shrimp feed and frozen shrimp producer based in India.
- 2010** The company expanded into Europe with the acquisition of MW Brands SAS (now Thai Union Europe), producer and distributor of shelf-stable tuna and other seafood with leading European brands such John West, Petit Navire, Parmentier and Mareblu.
- 2010** Founded US Pet Nutrition, LLC to produce and market pet care in the USA.
- 2014** Further expansion into Europe with the acquisition of MerAlliance SAS, Europe's number four smoked salmon producer and number one in France.
- 2014** Acquired King Oscar AS of Norway, the number one premium shelf-stable sardine brand in Norway, USA and Australia and with over 140 years of heritage.

## PROGRESS IN THE LAST YEAR

- Thai Union successfully implemented a global corporate rebranding, bringing the entire company under a common vision, mission, core values and brand identity to drive alignment towards a common goal. This was the solution for the company's continuous growth and expansion worldwide in order to realign different work cultures and drive the company forward.

Apart from the corporate rebranding, company name changes were also implemented:

1. Thai Union Frozen PCL (TUF) was changed to Thai Union Group PCL (TU).
  2. MW Brands SAS was changed to Thai Union Europe.
  3. Thai Union International, Inc. was changed to Thai Union North America, Inc.
- The company was granted a permission to operate as "Treasury Center" (TC) by the Ministry of Finance on 12 June 2015. This provides more flexibility to the company in cash and financial management, including increasing the company's capability and efficiency in foreign exchange and financial risk management, funding arrangements and liquidity management for associated affiliates, both domestic and overseas.



- The company was also granted an approval to operate as “International Headquarter” (IHQ) for rendering Managerial, Technical, Supporting Services and Treasury Center by the Revenue Department, Ministry of Finance on 6 August 2015.

IHQ is one of the Royal Thai Government tax incentives to promote Thailand as an investment hub for oversea investment, which shall provide the company with the following benefits:

1. Corporate income tax exemption for income received from foreign affiliates and corporate income tax rate reduction of income received from Thai affiliates for the following:
    - 1.1 Income from Managerial, Technical, Supporting Services and Treasury Center including interest receivable;
    - 1.2 Royalty; and
    - 1.3 Dividend.
  2. Minimize cost of funds by way of interest withholding tax exemption;
  3. Attract potentially talented expatriates due to personal income tax rate reduction.
- Completed acquisition of Orion Seafood International, USA-based leading global supplier of lobsters, by Chicken of the Sea Frozen Foods, a Thai Union subsidiary. This M&A makes Chicken of the Sea Frozen Foods a leading player in lobster, bolstering its shrimp and crab businesses.
  - The company entered into joint venture with Savola Foods Company, one of the largest consumer goods producers in the Middle East. The joint venture is beneficial to both companies in terms of access to global seafood with the expertise of Thai Union and regional expertise of the Savola Foods. This synergy shall strengthen one another with the Thai Union’s current strength being sourcing, producing and R&D, while Savola Foods has strength in sales, marketing and distribution.

Savola Foods Company is a 100 percent subsidiary of the Savola Group, a large conglomerate publicly listed in the Kingdom of Saudi Arabia. Savola Foods is one of the largest food companies in the Middle East with prominent brands such as Afia, Alarabi Ladan and Yudum.

- Increased investment in Thai Union Manufacturing (TUM) from 90.80 to 99.66 percent of the THB 300 million registered capital.
- Increased investment in Songkla Canning PCL (SC) from 90.44 to 99.55 percent of the THB 360 million registered capital.
- The company terminated the acquisition, of Bumble Bee Seafoods a leading seafood company in North America, on December 4, 2015.

Previously, Thai Union announced that it had agreed to acquire Bumble Bee Seafoods on December 19, 2014. Over the course of twelve months, both Thai Union and Lion Capital, the owner of Bumble Bee Seafoods, vigorously advocated the merits of the deal to the U.S. Department of Justice. However, both parties concluded that the clearance would be unlikely under the time stipulated in the Share Purchase Agreement and mutually terminated the acquisition.

- The company has acquired a majority stake in Rügen Fisch, Germany’s leading shelf-stable and chilled seafood company. This synergy will help Thai Union enter the German market which is one of Europe’s largest market and contribute to company sustainable growth in Europe.



# OUR VISION

To be the world's most trusted seafood leader, caring for our resources to nurture generations to come.

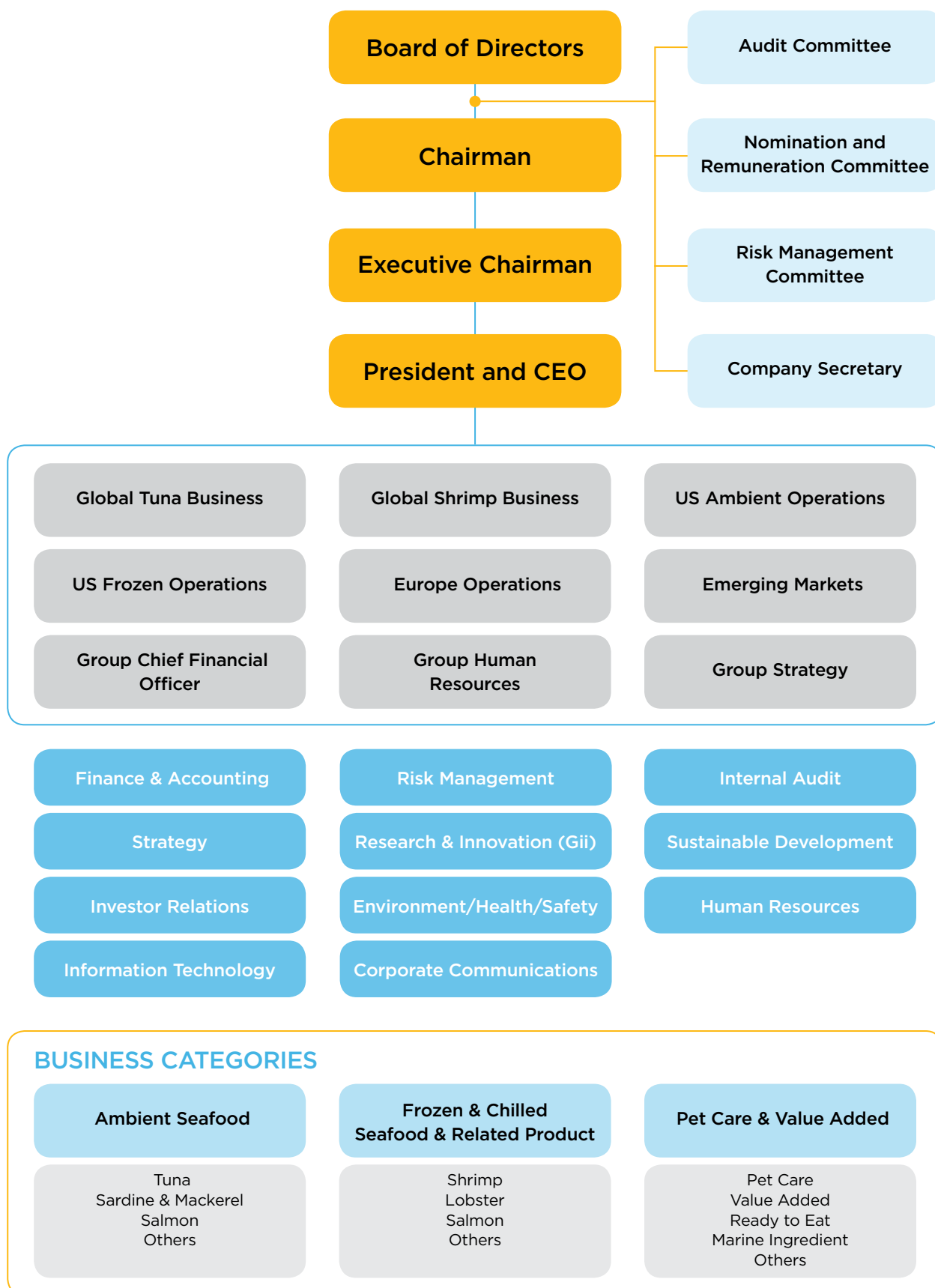
# OUR MISSION

To be the seafood industry's leading agent of change, making a real positive difference to our consumers, our customers and the way the category is managed.

[thaiunion.com](http://thaiunion.com)



# ORGANIZATION CHART



# BOARD OF DIRECTORS

## MR. KRAISORN CHANSIRI



Chairman  
Age 81

### 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.
- Director, Thai Union High-Tech Pearl Cultivation 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: 231,134,720 shares \*

- \* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. CHENG NIRUTTINANON**

Executive Chairman  
Age 74

**EDUCATION**

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

**OTHER POSITIONS**

- Chairman, Asian-Pacific Can Co., Ltd.
- Chairman, Lucky Union Global PCL.
- Executive Director and Managing Director, Thai Union Manufacturing Co., Ltd.
- Director, TC Union Agrotech Co., Ltd.
- Director, Jana Industry Co., Ltd.
- Director, New Century Printing and Package Co., Ltd.
- Director, Lucky Surimi Products Co., Ltd.
- Director, Thai Union Feedmill Co., Ltd.
- Director, Tri-Union Seafoods, LLC.
- Director, Yueh Chyang Canned Food Co., Ltd.
- Director, Tri-Union Frozen Products, Inc.
- Director, U.S. Pet Nutrition LLC.
- Director, Thai Union Europe
- Director, Waithai Co., Ltd.
- Director, Thaipatana Stainless Steel Co., Ltd.
- Director, Phil-Union Frozen Foods, Inc.
- Director, King Oscar AS.

**No. of Shares Held: 271,252,676 shares\***

\* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. CHUAN TANGCHANSIRI**

Executive Director  
Age 71

**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 TU that included spouse and children as of 30 December 2015



**MR. THIRAPHONG CHANSIRI**

President and CEO  
Age 51

**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, Thai Union Europe
- President, Thai Union North America
- 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, 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.
- Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.

**CURRENT POSITION IN OTHER LISTED COMPANY**

- Director, Minor International PCL.

**SOCIAL POSITIONS**

- Councilor, Thailand Management Association (TMA)
- Board of Trustees of Siam Technology College

**No. of Shares Held: 460,547,772 shares \***

- \* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. RITTIRONG BOONMECHOTE**

President Global  
Shrimp Business Unit  
Age 54

**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, Thaksin- 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 TU that included spouse and children as of 30 December 2015

**MR. YUTAKA KYOYA**

Director  
Age 54

**EDUCATION**

- Bachelor's Degree (Commerce), Waseda University, Japan

**EXPERIENCE**

- Executive Vice President, Group CEO (Living Essentials Group), Mitsubishi Corporation

**No. of Shares Held: -**

\* Shareholders of TU that include spouse and children as of 30 December 2015

**MR. SHUE CHUNG CHAN**

Executive Director  
Age 41

**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 TU that included spouse and children as of 30 December 2015

**MR. RAVINDER SINGH GREWAL SARBJIT S**

Director  
Age 47

**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, Thai Union Europe
- Director, Scmi Oilfield Limited (Bermuda)

**No. of Shares Held: -**

- \* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. SAKDI KIEWKARNKHA**

Independent Director  
Age 81

**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 Plan 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, Federation of Accounting Professions
- Corporate Governance in the Perspective of Investors – CG Forum 4 June 2014, The Stock Exchange of Thailand
- Management for CEO's and Senior Executive: the Thai Institute of Directors Association
- Director Certification Program Update organized by the Thai Institute of Directors Association (DCPU 1/2010)
- The Updated COSO's 2013 Integrated Internal Control 4 December 2013, The Stock Exchange of Thailand
- COSO - ERM Evaluation 12 - 13 October 2013, Federation of Accounting Professions
- Advanced Audit Committee Program organized by the Thai Institute of Directors Association (AACP 20/2015)

**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 the Board of Director & Audit Committee, 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 TU that included spouse and children as of 30 December 2015



**DR. THAMNOON ANANTHOTHAI**

Independent Director  
Age 59

**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 and Audit Committee, Bangkok University

**No. of Shares Held: -**

- \* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. KIRATI ASSAKUL**

Independent Director  
Age 58

**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: 103,248 shares \***

- \* Shareholders of TU that included spouse and children as of 30 December 2015

**MR. NART LIUCHAREON**

Independent Director  
Age 58

**EDUCATION**

- Bachelor's Degree of Engineering (Computer), Chulalongkorn University
- Master of Science in Business Administration (MSBA), University of Southern California, USA
- Master of Business Administration (MBA), University of Southern California, USA
- Leader Program no. 12/2010, Capital Market Academy
- Diploma, National Defence College, The Joint State - Class 2004
- Director Accreditation Program organized by Thai Institute of Directors Association (DAP 120/2015)

**EXPERIENCE**

- Executive Director and CEO, G-ABLE Group
- Executive Director and CEO, CDG Group

**No. of Shares Held: -**

- \* Shareholders of TU that included spouse and children as of 30 December 2015

# AUDIT COMMITTEE AND SUB-COMMITTEES

## AUDIT COMMITTEE



**Mr. Sakdi Kiewkarnkha**  
Chairman of Audit Committee



**Dr. Thamnoon Ananthothai**  
Audit Committee



**Mr. Nart Liuchareon**  
Audit Committee

*Remark: Mr. Nart Liuchareon has been appointed as Independent Director and Audit Committee, according to the 2015 Annual General Meeting of Shareholders on April 3, 2015.*

## SUB-COMMITTEES

### 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   |

### RISK MANAGEMENT COMMITTEE

- |                             |                                       |
|-----------------------------|---------------------------------------|
| 1. Mr. Kirati Assakul       | Chairman of Risk management Committee |
| 2. Mr. Sakdi Kiewkarnkha    | Member of Risk management Committee   |
| 3. Dr. Thamnoon Ananthothai | Member of Risk management Committee   |
| 4. Mr. Thiraphong Chansiri  | Member of Risk management Committee   |
| 5. Mr. Joerg Ayrle          | Member of Risk management Committee   |
| 6. Mr. Shue Chung Chan      | Member of Risk management Committee   |
| 7. Mr. Wai Yat Paco Lee     | Member of Risk management Committee   |
| 8. Dr. Darian McBain        | Member of Risk management Committee   |
| 9. Mr. Faisal Sheikh        | Member of Risk management Committee   |

# GLOBAL LEADERSHIP TEAM

**Mr. Cheng Niruttinanon**

Executive Chairman

**Mr. Thiraphong Chansiri**

President and CEO

**Mr. Rittirong Boonmechote**

President, Global Shrimp Business Unit

**Mr. Joerg Ayrle**

Group CFO

**Ms. Elisabeth Fleuriot**

President and CEO, Thai Union Europe

**Mr. Shue Wing Chan**President and CEO,  
Thai Union U.S. Ambient Operation**Mr. Shue Chung Chan**

Head of Group Human Resources

**Mr. Faisal Sheikh**

Managing Director, Emerging Market

**Dr. Sven Massen**

Director of Group Strategy

**Mr. Bryan Rosenberg**President and CEO,  
Thai Union U.S. Frozen Operation

\* This information is current as of 15 February 2015

Mr. Cheng  
Niruttinanon



Mr. Thiraphong  
Chansiri



Mr. Rittirong  
Boonmechote





Mr. Joerg Ayrle



Ms. Elisabeth Fleuriot



Mr. Shue  
Wing Chan



Mr. Shue  
Chung chan



Mr. Faisal  
Sheikh



Dr. Sven Massen



Mr. Bryan Rosenberg



## MANAGEMENT TEAM



**Dr. Tunyawat Kasemsuwan**  
Director, Global Innovation



**Dr. Darian McBain**  
Group Director, Sustainable Development



**Mr. Scott Solar**  
Group Director, Food Services



**Ms. Sirikamol Phoothong**  
Group Business Director, Marine Ingredients



**Mr. Preerasak Boonmechote**  
Managing Director, Shrimp Business Unit



**Mr. Suthidej Amornkasemwong**  
Managing Director, Fish Business Unit



**Mr. Comgrit Sorchom**  
Group Director, Environmental Health and Safety



**Mr. Colin Loo**  
Head of Group Information Technology



**Mr. Yongyut Setthawiwat**  
General Manager, Group Corporate Finance and Tax



**Mr. Wai Yat Paco Lee**  
Deputy General Manager, Investor Relations



**Ms. Sasatorn Totana**  
Assistant General Manager, Risk Management  
and Group Performance Controller

# AWARDS AND RECOGNITION



MEMBER OF

## Dow Jones Sustainability Indices

In Collaboration with RobecoSAM





1. **2015 Person of the Year by IntraFish Media awarded** to Mr. Thiraphong Chansiri – the first executive to receive this same honor twice, with the first time in 2012. The award criteria includes leadership vision and commitment and perseverance against challenges. This can be reflected in the executive's vision for the company, industry and country as a whole.
2. **Awards from FinanceAsia's 2014 Best Managed Companies Poll:**
  - a. Best CEO in Thailand (Mr. Thiraphong Chansiri)
  - b. 2<sup>nd</sup> Best Investor Relations in Thailand
3. **The Outstanding Investor Relations (IR) Award for publicly listed Thai companies with market capitalization in excess of THB 100 billion for the second year running.** The award is part of the grand SET Awards 2015 organized annually by the Stock Exchange of Thailand and Money & Banking Magazine.
4. **Certificate for Excellence in Investor Relations, awarded by the IR Magazine at the 2015 IR Awards South East Asia Ceremony.** The award panel comprises over 400 senior investors and analysts around Asia with the selection criteria focusing on accurate, timely and complete disclosure of investor information.
5. **Multiple awards from Asiamoney Magazine:**
  - 1) Best Overall Corporate Governance in Thailand
  - 2) Best Responsibilities of Management and the Board of Directors in Thailand
  - 3) Best Corporate Social Responsibility in Thailand
  - 4) 2<sup>nd</sup> Best Shareholders' Rights and Equitable Treatment in Thailand
  - 5) 2<sup>nd</sup> Best Investor Relations in Thailand
  - 6) 3<sup>rd</sup> Best Disclosure and Transparency in Thailand

The poll is based on a survey of over 350 respected analysts and investors in the Asia Pacific region outside Japan.
6. **Award for 2015 Asia's Best Forecasting Strategy under the Best Treasury & Finance Strategies in Asia-Pacific by Corporate Treasurer Magazine**
7. **Inclusion in the Dow Jones Sustainability Index (DJSI)** for Emerging Markets for the second consecutive year, with the 2015 overall score boasting a 67 percent improvement over the previous year. The scoring criteria includes progress in the environmental, economic and social management with focus on good corporate governance and social impact management.
8. **Inclusion in the list of 2015 Thailand Sustainability Investment by the Stock Exchange of Thailand.**
9. **Sustainability Report Award for the second consecutive year.** The award is jointly presented by the Thai Securities and Exchange Commission, Thai Listed Companies Association, the Thai CSR Club and Thaipat Institute. The criteria are completeness, credibility and communication.

*"What sets Thai Union apart in its sustainability report is the simple and clean design with concise information, completed with images pertaining to the content, making for an interesting read."*

# FOOD SAFETY AND QUALITY STANDARDS

Thai Union is committed to innovating products of the highest quality to attain trust and confidence of customers and consumers domestic and overseas. All of our products meet international food quality and safety standards with full traceability to satisfy customer demands the world over.

Each and every Thai Union product has undergone stringent quality control in every stage of processing to ensure the end product is free from biological and chemical contaminations. The company operate its own food testing laboratory with ISO/IEC 17025 accreditation from the Department of Medical Sciences, Ministry of Public Health.

The laboratory was also awarded the most outstanding laboratory in 2010 by the National Bureau of Agricultural Commodity and Food Standards, Ministry of Agriculture and Cooperatives.

The company continually strives for excellence in food safety and environmental protection which is reflected in numerous national and international accreditations including: ISO 9001:2008 Quality Management System, ISO 14001 Environmental Management System, ISO 15001 Energy Management System, certified Best Aquaculture Practices for the whole shrimp supply chain, HACCP, GMP, BRC, IFS, Kosher and Halal.







## OUR CORE PRODUCT CATEGORIES

In 2015, we regrouped our previous 6 product categories into 3 categories for disclosure purposes and to be in line with the latest accounting presentation standard, where audited segment reporting is required. Our previous grouping mainly focused on seafood species. This new segmentation, consisting of ambient seafood; frozen and chilled seafood and related business; and pet food, value-added and other business, will allow us to better describe the business dynamics of each category due to their respective differences in distribution channels, the buying behavior of direct customers; and the methods of storage and packaging as well as product shelf-life. In addition to manufacturing and marketing these products under our own brands, we also produce for our clients under their own trademarks (private labels).

### AMBIENT SEAFOOD

---

The ambient seafood category is mainly composed of shelf-stable items that are primarily sold to consumers through retail channels and occasionally wholesalers. The key seafood species include tuna, sardine, salmon, specialty seafood and other pelagic fishes. The business dynamics and margin trends of these items share some similarities. There is a higher brand awareness from consumers towards these type of items. Consumer brands in this category generally command price premium over their private label peers thanks to consumer preference or brand loyalty. The degree of the price premium will depend on the market position of the brand, the competitive nature of the product category, uniqueness of the brand's offerings and consumers' emotional attachment towards the brand.

In 2015, sales of this category amounted to THB 59.1 billion, representing 47 percent of the Group's total sales and were led by the tuna products, which remain the largest product category for Thai Union Group. In addition, based on our estimate, about 61 percent of these sales came from our own brands while private label or contract manufacturing sales accounted for the balance. Key customers in this category are supermarket chains; discount stores; club stores; convenient and drug stores; and other modern trade outlets. The typical shelf life ranges from 2 to 4 years, depending on the products. The most typical packaging is a can format. Most products are of ready-to-eat type.



## FROZEN AND CHILLED SEAFOOD AND RELATED BUSINESS

---

The chilled and frozen seafood and related business category is mainly composed of seafood items that are normally sold directly to restaurants, hotels, food catering units as ingredients for further processing (cooking) at kitchens when they are prepared into dishes for final consumption. However, these items are also sold through retail channels to consumers. The products generally need to be refrigerated all the time to maintain its shelf-life. Since aqua feed (for shrimp and fish) is part of the supply chain of shrimp business it is also included in this category as related business. Brand awareness is generally not very strong as many of the leading trademarks in this category are indeed private labels or store brands with promotion only limited within their own stores.

In 2015, sales of this category amounted to THB 50.3 billion, representing 40 percent of the Group's total. Shrimp is the most important species in this category, followed by salmon, lobsters, crabs, squid, octopus, jelly fish, and others. Based on our estimate, sales from our own brands (including industrial or non-consumer brands) accounted for about 39 percent of this category with the balance from private label orders. Most products are not immediately ready for consumption by final consumers. The typical shelf life of these items is much shorter than that of ambient seafood, ranging from a few days to a year. The most typical packaging is a plastic bag format.

## PET CARE, VALUED-ADDED AND OTHER BUSINESS

---

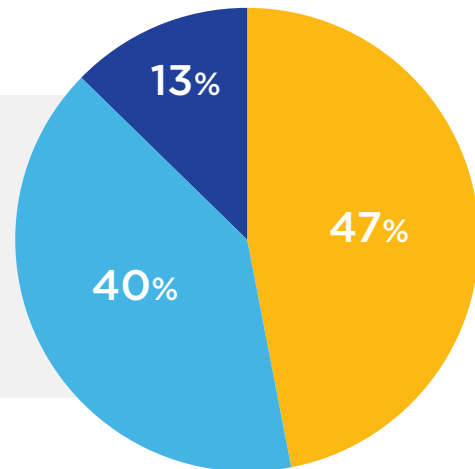
The pet care, value-added and other business category is a mix of many different items that include pet care (mostly cat food), seafood, non-seafood as well as sub-materials and sales of scrap. Examples of these items are surimi-based fish snack, canned cod liver, wet seafood-based cat foods, dog food, microwave oven ready meals, Chinese-styled dim sum, packaged cooking sauce, scrap from fish and shrimp processing lines (to be further processed for fish meal and fish oil), bakery products (namely, pies, soft cake and butter bread), empty cans for ambient seafood, printing service for can label and other purposes, etc. Due to the great diversity of this category, there is no common pattern demonstrated among these items in terms of sourcing, distribution and consumption.

In 2015, sales of this category amounted to THB 15.7 billion, representing 13 percent of the Group's total. Pet care contributed to the largest share. Based on our estimate, sales from our own brands only accounted for about 7 percent of this category. In other words, almost all of the products are produced for our clients' own trademarks or distributed through their own channels. Despite lack of any common pattern or characteristics between these items, they generally command higher margins due to the multiple production processes involved, customized features, and high product standards. There is no fixed format of packaging due to the variety of this category.

## 2015 SALES BREAKDOWN AND DISTRIBUTION

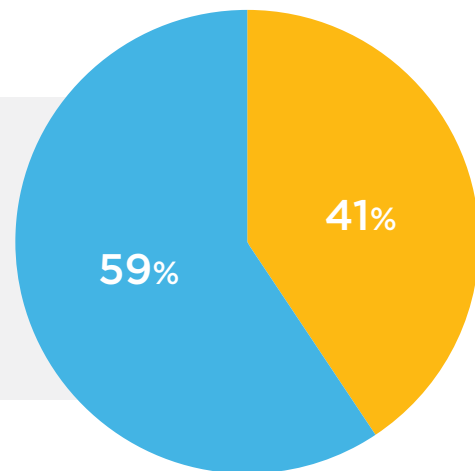
### SALES BREAKDOWN BY CATERGORY

- Ambient Seafood
- Frozen, Chilled Seafood and Related
- Pet Care, Value Added and Others



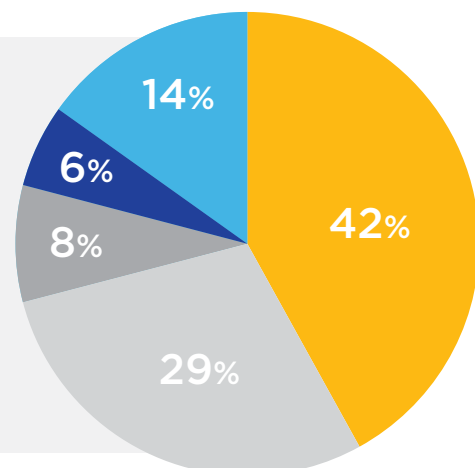
### SALES BY CHANEL

- Branded
- Non - Branded



### SALES DISTRIBUTION BY MARKET

- USA
- Europe
- Thailand
- Japan
- Other



# SALES STRUCTURE OF TU AND SUBSIDIARIES

Unit: Billion Baht

COMPANIES		% HOLDING BY TU	2015		2014		2013	
			SALES	%	SALES	%	SALES	%
1. ASIA								
Thai Union Group PCL	TU	-	12.2	9.7	12.8	10.5	13.8	12.2
Thai Union Manufacturing Co., Ltd.	TUM	99.66	16.2	12.9	17.5	14.4	17.3	15.3
Songkla Canning PCL	SC	99.55	5.4	4.4	6.3	5.2	6.7	5.9
Asian-Pacific Can Co., Ltd.	APC	90.50 *	0.5	0.4	0.7	0.6	0.7	0.6
Yueh Chyang Canned Food Co., Ltd.	YCC	51.00 *	0.3	0.2	0.3	0.2	0.3	0.3
Thai Union Seafood Co., Ltd.	TUS	51.00	1.0	0.8	1.3	1.1	1.4	1.2
Pakfood PCL	PPC	77.44	5.0	4.0	4.1	3.4	3.5	3.1
T-Holding Co., Ltd.	THD	90.00	1.4	1.1	1.1	0.9	1.2	1.1
Thai Union Feedmill Co., Ltd.	TFM	51.00	3.6	2.9	3.0	2.5	3.5	3.1
Thai Union Graphic Co., Ltd.	TUG	98.00	0.2	0.1	0.1	0.1	0.2	0.2
2. EUROPE & AFRICA								
Thai Union Investment Holding Co., Ltd.	TUIH	100.00	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union European Seafood 1 SA	TUES1	100.00 *	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union France Holding 2 SAS	TUFH2	100.00 *	N/A	N/A	N/A	N/A	N/A	N/A
Thai Union Europe SAS	TUE	100.00 *	24.9	19.9	27.7	22.8	25.5	22.6
Meralliance SAS	MA	100.00 *	6.0	4.8	1.5	1.2	N/A	N/A
Thai Union Norway AS	TUN	100.00 *	N/A	N/A	N/A	N/A	N/A	N/A
King Oscar AS	KO	100.00 *	2.4	1.9	0.4	0.3	N/A	N/A
3. USA								
Thai Union North America, Inc.	TUNA	100.00	N/A	N/A	N/A	N/A	N/A	N/A
Tri-Union Seafoods LLC	TRI-U	100.00 *	13.8	11.0	15.1	12.4	14.9	13.2
Tri-Union Frozen Products Inc.	TUFP	82.00 *	30.7	24.5	27.5	22.7	22.3	19.8
USPet Nutrition LLC	USPN	100.00 *	1.6	1.2	2.0	1.6	1.5	1.3
GRAND TOTAL			125.2	100.0	121.4	100.0	112.8	100.0

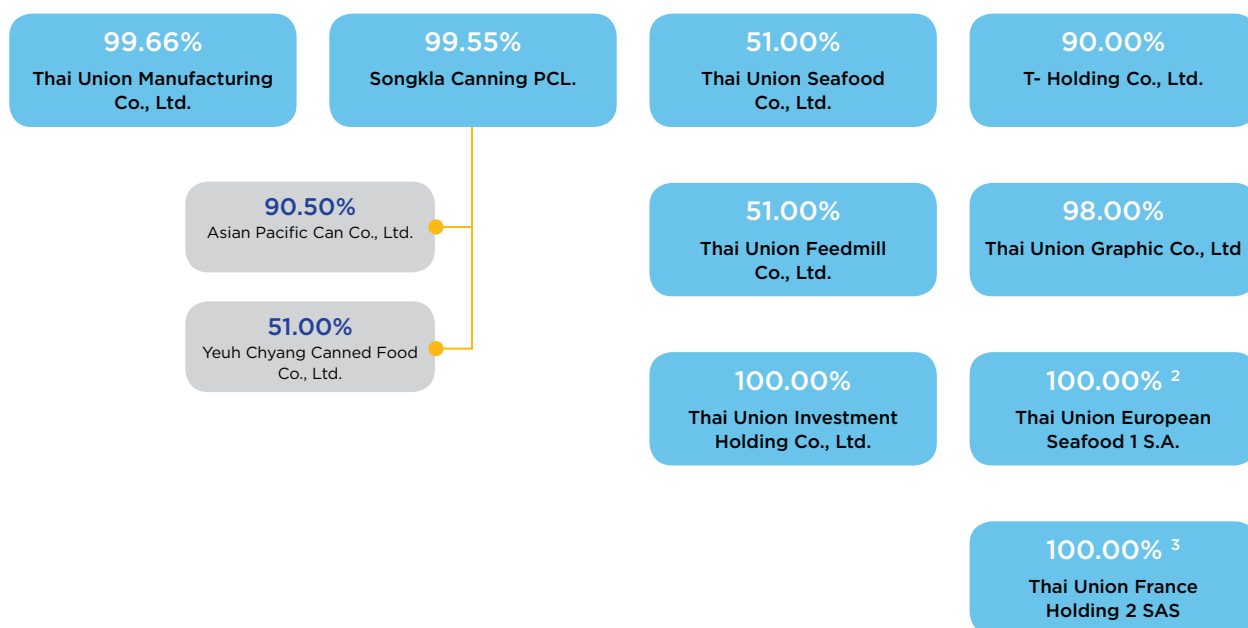
**Remarks:** The above data refers to sales structure after exclusion of connected transactions.

\* APC and YCC holding owned by SC; TRI-U, TUFP and USPN holding owned by TUNA, TUES1 holding owned by TUIH; TUN and TUFH2 holding owned by TUES1; TUE and MA holding owned by TUFH2; KO holding owned by TUN.

# GROUP BUSINESS STRUCTURE



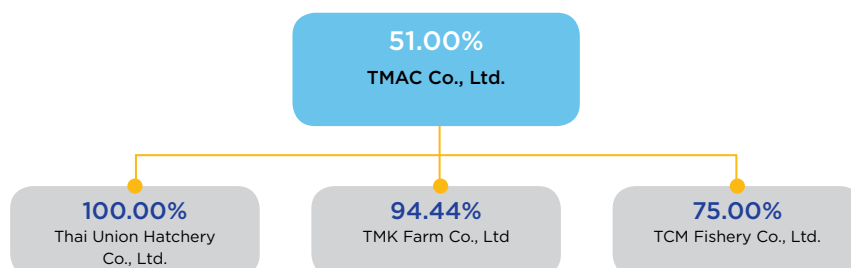
## SUBSIDIARY COMPANIES



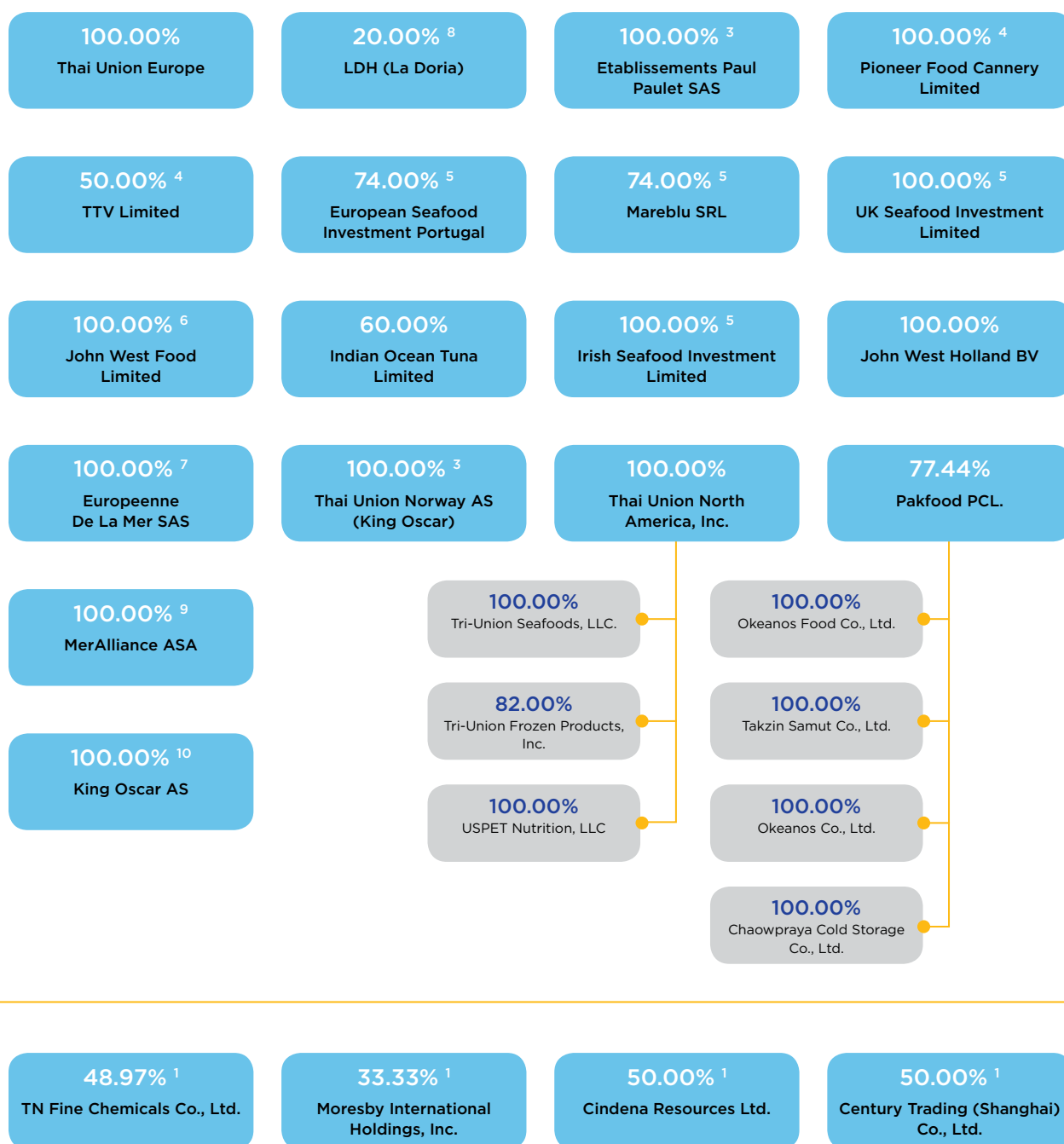
## ASSOCIATED COMPANIES



## JOINT VENTURE COMPANIES





**Remark:**

1. Investment by Thai Union Manufacturing Co., Ltd.
2. Investment by Thai Union Investment Holding Co., Ltd.
3. Investment by Thai Union European Seafoods 1 S.A.
4. Investment by Etablissements Paul Paulet SAS
5. Investment by Thai Union Europe

6. Investment by UK Seafood Investment Limited
7. Investment by Thai Union France Holding 2 SAS
8. Investment by John West Food Limited
9. Investment by Europeenne De La Mer SAS
10. Investment by Thai Union Norway AS

# INVESTMENT IN SUBSIDIARIES, ASSOCIATED AND JOINT VENTURE COMPANIES

## SUBSIDIARY COMPANIES

### Thai Union Manufacturing Co., Ltd.

<b>Office:</b>	979/13-16 M Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
<b>Tel:</b>	66 (0) 2298-0025, 2298-0421 - 32
<b>Fax:</b>	66 (0) 2298-0027 - 28
<b>Factory:</b>	30/2 Moo 8, Sethakit 1 Road, Tarsrai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3441-2210, 3481-6441 - 4
<b>Fax:</b>	66 (0) 3442-5459
<b>Type of Business:</b>	Processor and exporter of canned tuna and pet food
<b>Registered Capital:</b>	THB 300,000,000 at THB 10 par value
<b>Date of Investment:</b>	March 1994 (Additional investment in June 1999 and September 2015)
<b>Type/% Holding/No. of Shares:</b>	Common share 99.66 percent or 29,897,830 shares

### Songkla Canning PCL.

<b>Office:</b>	979/9-10 12 <sup>th</sup> Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
<b>Tel:</b>	66 (0) 2298-0029
<b>Fax:</b>	66 (0) 2298-0442 - 3
<b>Factory:</b>	333 Moo 2, Kanjanavanij Road, Pavong Sub-district, Mueang Songkh- la District, Songkhla Province 90100
<b>Tel:</b>	66 (0) 7433-4005 - 8
<b>Fax:</b>	66 (0) 7433-4009
<b>Type of Business:</b>	Processor and exporter of canned seafood
<b>Registered Capital:</b>	THB 360,000,000 at THB 10 par value
<b>Date of Investment:</b>	October 1995 (Additional investment in March 1999 and July 2015)
<b>Type/% Holding/No. of Shares:</b>	Common share 99.55 percent or 35,837,419 shares

### T-Holding Co., Ltd.

Office:	98 17 <sup>th</sup> Floor Room 1709-1712 Sathorn Square Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel:	66 (0) 2108-1980
Fax:	66 (0) 2108-1844
Office/Warehouse:	88/111 Moo 6, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	66 (0) 3481-6500
Fax:	66 (0) 3481-6603
Type of Business:	Distributor of “FISHO”, “SEAELECT” 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:	<a href="http://www.fisho.com">www.fisho.com</a> and <a href="http://www.seaelectbrand.com">www.seaelectbrand.com</a>

---

### Thai Union Feedmill Co., Ltd.

Office/Factory:	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	66 (0) 3441-7222, 3441-7219
Fax:	66 (0) 3441-7255
Factory:	103/1 Moo 2, Songkhla-Ranot Road, Pak-Trae Sub-district, Ranot District, Songkhla Province 90140
Tel:	66 (0) 7439-6933 - 7
Fax:	66 (0) 7439-6938
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:	<a href="http://www.thaiunionfeedmill.com">www.thaiunionfeedmill.com</a>

---

### Thai Union Seafood Co., Ltd.

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

---

### Pakfood Public Co., Ltd.

<b>Office:</b>	103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
<b>Tel:</b>	66 (0) 2295-1991 - 9
<b>Fax:</b>	66 (0) 2295-2012
<b>Factory:</b>	47/29 Moo 4, Khok Kham Sub-district, Mueang District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3483-3803 - 6
<b>Fax:</b>	66 (0) 3486-1110
<b>Type of Business:</b>	Processor and exporter of seafood and ready- to- eat products
<b>Registered Capital:</b>	THB 329,999,790 at THB 10 par value
<b>Date of Investment:</b>	April 2012 (Additional investment in December 2012, February 2013, March 2013 and November 2013)
<b>Type/% Holding/No. of Shares:</b>	Common shares 77.44 percent or 25,554,169 shares
<b>Websties:</b>	<a href="http://www.pakood.co.th">www.pakood.co.th</a> and <a href="http://www.ttimefood.com">www.ttimefood.com</a>

---



### Chao Phraya Cold Storage Co., Ltd.

**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.)

---

### Okeanos Co., Ltd.

**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.)

---

### Takzin Samut Co., Ltd.

**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.)

---

058

**Okeanos Food Co., Ltd.**

**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, Nadee Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 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.)

---

**Asian-Pacific Can Co., Ltd.**

**Office:** 38/70 Moo 8, Sethakit 1 Road, Tarsrai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 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.)

---

**Thai Union Graphic Co., Ltd.**

**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 98.00 percent or 3,920,000 shares

**Website:** [www.thaiuniongraphic.com](http://www.thaiuniongraphic.com)

---

### Yueh Chyang Canned Food Co., Ltd.

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

---

### Thai Union North America, Inc.

<b>Office:</b>	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
<b>Tel:</b>	(858) 558-9662
<b>Fax:</b>	(858) 597-4282
<b>Type of Business:</b>	A holding company for investment in USA
<b>Registered Capital:</b>	Authorized 10,000,000 shares of common stock, no par value. 8,100,000 shares issued at USD 1 per share, USD 8,100,000
<b>Date of Investment:</b>	February 1996
<b>Type/% Holding/No. of Shares:</b>	Common share 100.00 percent or 8,100,000 shares owned by Thai Union Group
<b>Additional Paid-in-Capital:</b>	USD 76,102,685.19

---

### Tri-Union Seafoods, LLC.

<b>Office:</b>	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
<b>Tel:</b>	(858) 558-9662
<b>Fax:</b>	(858) 597-4282
<b>Type of Business:</b>	Processor and distributor of canned seafood under "Chicken of the Sea" brand
<b>Equity:</b>	USD 54,738,978.81
<b>Date of Investment:</b>	July 1997 (Additional investment in January 2001)
<b>Type/% Holding/No. of Shares:</b>	100.00 percent membership interests (No shares were issued.) (Invested by Thai Union North America, Inc.)
<b>Website:</b>	<a href="http://www.chickenofthesea.com">www.chickenofthesea.com</a>

---

## Tri-Union Frozen Products, Inc.

<b>West Office:</b>	222 North Sepulveda Boulevard, Suite 1550, El Segundo CA 90245 USA
<b>Tel:</b>	(310) 469-7030
<b>Fax:</b>	(310) 469-7037
<b>East Office:</b>	1981 Marcus Avenue, Suite 113E, Lake Success, NY 11042 USA
<b>Tel:</b>	(516) 740-4100
<b>Fax:</b>	(516) 621-0199
<b>North east Office:</b>	20 Ladd Street, Portsmouth, NH 03801 USA
<b>Tel:</b>	(603) 433-2220
<b>Fax:</b>	(603) 433-8535
<b>Type of Business:</b>	Importer and distributor of frozen seafood products
<b>Registered Capital:</b>	Common share 10,000 shares at USD 0.001 par value, USD 10
<b>Date of Investment:</b>	July 2003
<b>Type/% Holding/No. of Shares:</b>	Common share 100 percent or 10,000 shares (8,200 shares owned by Thai Union North America, Inc.)
<b>Additional Paid-in-Capital:</b>	USD 29,097,888.10 (owned by Thai Union North America, Inc.)

---

## USPET Nutrition LLC.

<b>Office:</b>	9330 Scranton Road, Suite 500, San Diego CA 92121 USA
<b>Tel:</b>	(858) 558-9662
<b>Fax:</b>	(858) 597-4282
<b>Factory:</b>	212 North Commerce Drive, Lyons, Georgia 30436
<b>Tel:</b>	(912) 805-6136
<b>Fax:</b>	(912) 526-3344
<b>Type of Business:</b>	Processor and distributor of wet and chop pet food
<b>Equity:</b>	USD 64,000,000
<b>Date of Investment:</b>	October 2010
<b>Type/% Holding/No. of Shares:</b>	100.00 percent membership interests (No shares were issued.) 99.00 percent membership interest Invested by Thai Union North America, Inc. 1.00 per cent membership interest Invested by Tri-Union Seafoods, LLC

---



## Thai Union Investment Holding

<b>Office:</b>	11 <sup>th</sup> Floor, Medine Mews, La Chaussée Street, Port Louis, Republic of Mauritius
<b>Type of Business:</b>	A holding company for investment in Europe
<b>Registered Capital:</b>	222,000,000 shares at EUR1 par value
<b>Date of Investment:</b>	June 2010
<b>Type/% Holding/No. of Shares:</b>	Common share 100.00 percent or 222,000,000 shares

---

## Thai Union Europe

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

---

## Thai Union European Seafood 1 S.A.

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

---

## Thai Union France Holding 2 SAS

**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:** Holding Company  
**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.)

---

## Etablissements Paul Paulet SAS

**Office:** ZI de Pouldavid 29177 Douarnenez, France  
**Tel:** (33) 2-98-74-40-00  
**Fax:** (33) 2-98-74-40-40  
**Type of Business:** Processor and exporter of seafood in Europe  
**Registered Capital:** 636,811 shares at EUR 20 par value  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** Common share 100.00 percent or 636,811 shares  
 (Invested by Thai Union European Seafood 1 S.A.)

---

## Pioneer Food Cannery Limited

**Office:** Plot No. 10/11, Fishing Harbour, P.O. Box 40, Tema, Ghana  
**Tel:** (233) 303-205051  
**Fax:** (233) 303-202982  
**Type of Business:** Processor of seafood  
**Registered Capital:** 5,500,000 ordinary shares (stated capital of USD 28,477,000)  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** Ordinary shares / 100.00 percent owned by  
 Establishments Paul Paulet SAS / 5,297,100 shares of no par value

---

## TTV Limited

<b>Office:</b>	Fishing Harbour TEMA, Ghana
<b>Tel:</b>	(233) 303-204-431
<b>Fax:</b>	(233) 303-206-218
<b>Type of Business:</b>	Tuna fishing, sell and export tuna
<b>Registered Capital:</b>	USD 2,250,000
<b>Date of Investment:</b>	October 2010
<b>Type/% Holding/No. of Shares:</b>	TTV Limited is registered with 100 ordinary shares of no par value (Invested by Ets Paul Paulet for 50 percent)

---

## European Seafood Investment Portugal

<b>Office:</b>	Av Monsenhor Manuel Bastos AP15 - 2520 206 Peniche, Portugal
<b>Tel:</b>	(351) 262-780-600
<b>Fax:</b>	(351) 262-780-699
<b>Type of Business:</b>	Processor of seafood
<b>Registered Capital:</b>	10,000 shares at EUR 5 par value
<b>Date of Investment:</b>	October 2010
<b>Type/% Holding/No. of Shares:</b>	Registered share 100.00 percent (Invested by Thai Union Europe for 74 percent and Thai Union France Holding 2 for 26 percent)

---

## Mareblu SRL

<b>Office:</b>	via dei Missaglia 97 ed. B2, Milano, 20142, Italia
<b>Tel:</b>	(390) 257-420-032
<b>Fax:</b>	(393) 216-103-2
<b>Type of Business:</b>	Purchase and sale of food for human consumption
<b>Registered Capital:</b>	100,000 shares at EUR 1 par value
<b>Date of Investment:</b>	October 2010
<b>Type/% Holding/No. of Shares:</b>	Registered share 100.00 per cent (Invested by Thai Union Europe for 74 percent and Thai Union France Holding 2 for 26 percent)

---

## UK Seafood Investment Limited

**Office:** Registered Office per stat accounts:  
 AG Secretarial Ltd, 60 Chiswell Street, London,  
 EC1Y 4AG. No.1 Mann Island, Liverpool, L3 1BP, UK  
**Tel:** (44) 151-243-6200  
**Fax:** (44) 151-236-7502  
**Type of Business:** Holding Company  
**Registered Capital:** 100 shares of GBP 1 each  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** 100.00 percent by Thai Union Europe SAS

---

## John West Food Limited

**Office:** No.1 Mann Island, UK  
**Tel:** (44) 151-243-6200  
**Fax:** (44) 151-236-7502  
**Type of Business:** Purchase and sale of food for human consumption  
**Registered Capital:** 250,000 ordinary shares of GBP 1 each  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** 100.00 percent owned by UK Seafood Investment Limited

---

## Indian Ocean Tuna Limited

**Office:** Fishing Port, PO Box 676, Victoria, Mahe, Seychelles  
**Tel:** (248) 4282500  
**Fax:** (248) 4324868  
**Type of Business:** Processor of seafood  
**Registered Capital:** EUR 7,192,589  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** Ordinary share 41,500 Shares of which SSI has 40 percent and MWB SAS 60.00 percent

---



### Irish Seafood Investments Limited

**Office:** Unit 14, Classon House, Dundrum Business Park,  
Dublin 14, Ireland  
**Tel:** (353) (1) 214-7341  
**Fax:** (353) (1) 214-7345  
**Type of Business:** Wholesale trade in food products  
**Registered Capital:** 1,000 shares of EUR 1 par value  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** Ordinary share Registered share 100.00 percent  
(Invested by Thai Union Europe)

---

### John West Holland BV

**Office:** Herculesplein 215, Utrecht - 3584 AA, The Netherlands  
**Tel:** (31) 30-256-7470  
**Fax:** (31) 30-254-5629  
**Type of Business:** Wholesale trade in food products  
**Registered Capital:** 90,000 shares at EUR 1 par value  
**Date of Investment:** October 2010  
**Type/% Holding/No. of Shares:** Registered share 100.00 percent or 90,000 shares

---

### Europeenne De La Mer SAS

**Office:** 55 Avenue de Kéradennec 29556 Quimper, France  
**Tel:** (33) 2-98-64-72-72  
**Fax:** (33) 2-98-64-72-70  
**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)

---

066

## LDH (La Doria) Limited

**Office:** LDH House, Parsons Green, St.Ives, Cambridgeshire, PE27 4AA (44)  
**Tel:** 1480-308800  
**Fax:** (44) 1480-308899  
**Type of Business:** Distributor of food products  
**Registered Capital:** 1,000,000 ordinary shares of GBP 1 each  
**Date of Investment:** 2006  
**Type/% Holding/No. of Shares:** John West Foods Limited holds 20.00 percent of ordinary share capital

---

## MerAlliance SAS

**Office:** 55 Avenue de Kéradennec 29556 Quimper, France  
**Tel:** (33) 2-98-64-72-72  
**Fax:** (33) 2-98-64-72-70  
**Type of Business:** Processor of smoked salmon products  
**Registered Capital:** 50,000 shares at EUR 10 par value  
**Date of Investment:** October 2014  
**Type/% Holding/No. of Shares:** Common share 100.00 percent or 50,000 shares (Invested by Européenne de la Mer SAS)

---

## Thai Union 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 shares at NOK 1,000 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.)

---

## King Oscar AS.

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

## ASSOCIATED COMPANIES

### Lucky Union Foods Co., Ltd.

<b>Office:</b>	1/74-75 Samutsakorn Industrial Estate, Rama II Rd., Moo 2 Tambon Thasai, Amphoe Muangsamutsakhon, Samutsakhon
<b>Tel:</b>	74000
<b>Fax:</b>	66 (0) 3449-0330, 3449-0009
<b>Type of Business:</b>	66 (0) 3449-0008
<b>Registered Capital:</b>	Processor and exporter of imitation crab stick
<b>Date of Investment:</b>	THB 150,000,000 at THB 100 par value
<b>Type/% Holding/No. of Shares:</b>	June 1990 (Additional investment in March 2004)
	Common share 25.00 percent or 375,000 shares

### Biz Dimension Co., Ltd

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

068

**Avanti Feeds Ltd.**

**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

---

**TN Fine Chemicals Co., Ltd.**

**Office:** 30/2 Moo 8, Sethakit 1 Road, Tarsrai Sub-district,  
Mueang Samut Sakhon District, Samut Sakhon Province 74000

**Tel:** 66 (0) 3442-3686

**Fax:** 66 (0) 3442-3688

**Type of Business:** Processor and exporter of seafood by-products

**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.)

---

**Moresby International Holdings, Inc.**

**Office:** Morgan & Morgan Building Pasea Estate Road Town,  
Tortotal British Virgin Islands

**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.)

---



### Cindena Resources Ltd.

<b>Office:</b>	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands
<b>Agent:</b>	Offshore Incorporations Limited
<b>Type of Business:</b>	Holding Company
<b>Registered Capital:</b>	USD 500,000
<b>Date of Investment:</b>	August 2014
<b>Type/% Holding/No. of Shares:</b>	Common Shares / 100 percent / 500,000 shares (Invested by Thai Union Manufacturing 50% or 250,000 shares)

---

### Century Shanghai Trading

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

## JOINT VENTURE COMPANIES

### TMAC Co., Ltd.

<b>Office:</b>	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3441-7261 - 3
<b>Fax:</b>	66 (0) 3441-7264
<b>Type of Business:</b>	Shrimp Farm
<b>Registered Capital:</b>	THB 860,000,000 at THB 10 par value
<b>Date of Investment:</b>	December 2012
<b>Type/% Holding/No. of Shares:</b>	Common share 50.99 percent or 43,859,997 shares (Invested by Thai Union Feedmill Co., Ltd.)

---

### Thai Union Hatchery Co., Ltd.

<b>Office:</b>	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3441-7261 - 3
<b>Fax:</b>	66 (0) 3441-7264
<b>Factory:</b>	42 Moo 14, Kokkloy Sub-district, Takuatung District, Phangnga Province 82140
<b>Tel:</b>	66 (0) 7658-4000 - 27
<b>Fax:</b>	66 (0) 7658-4028 - 9
<b>Type of Business:</b>	Quality white-shrimp breed development to produce and distribute high-quality nauplii and postlarvae to farmers
<b>Registered Capital:</b>	THB 240,000,000 at THB 10 par value
<b>Date of Investment:</b>	April 2006 (Additional investment in November 2007, April 2011 and January 2013)
<b>Type/% Holding/No. of Shares:</b>	Common share 100.00 percent or 23,999,950 shares (Invested by TMAC Co., Ltd.)

---

### TCM Fishery Co., Ltd.

<b>Office:</b>	89/1 Moo 2, Rama II Road, Kalong Sub-District, Mueang Samut Sakhon District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3441-7261 - 3
<b>Fax:</b>	66 (0) 3441-7264
<b>Farm:</b>	147 Moo 11, Kamphaeng Sub-district, La-ngu District, Satun Province 91110
<b>Type of Business:</b>	Shrimp Farm
<b>Registered Capital:</b>	THB 70,000,000 at THB 10 par value
<b>Date of Investment:</b>	April 2012
<b>Type/% Holding/No. of Shares:</b>	Common share 75.00 percent or 5,250,000 shares (Invested by TMAC Co., Ltd.)

---

### TMK Farm Co., Ltd.

<b>Office:</b>	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
<b>Tel:</b>	66 (0) 3441-7261 - 3
<b>Fax:</b>	66 (0) 3441-7264
<b>Farm:</b>	173 Moo 4, Bangsak Sub-district, Kantang District, Trang 92110
<b>Type of Business:</b>	Shrimp Farm
<b>Registered Capital:</b>	THB 270,000,000 at THB 10 par value
<b>Date of Investment:</b>	June 2012
<b>Type/% Holding/No. of Shares:</b>	Common share 94.44 percent or 25,499,999 shares (Invested by TMAC Co., Ltd.)

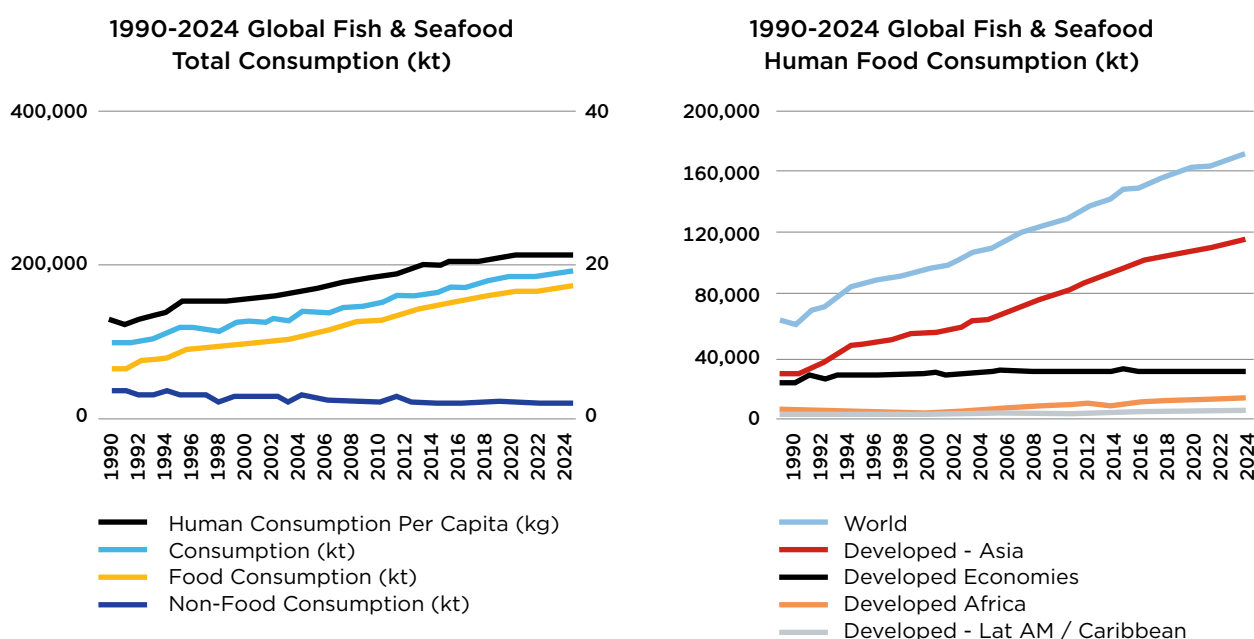
---

# INDUSTRY OVERVIEW

Prospects for the global fish and seafood market are positive, with continuous growth largely driven by a growing global population and increased urbanization; growth in disposable income; a shift in consumption patterns towards a healthier more diversified diet and food and packaging innovations.

In 2015, the global fish and seafood market was valued at approximately USD 207 billion and is expected to reach USD 255 billion in 2020, a CAGR of 4.3 percent. Based on data from TechNavio, the Organization for Economic Cooperation and Development (OECD), and Food Agriculture Organization (FAO) of the United Nations, market growth is primarily attributable to growing global fish and seafood consumption. Developing economies comprised 78 percent of all human consumption of fish and seafood, out of which 84 percent originated in Asian markets such as China, India, and Indonesia. In value terms the Asia Pacific (APAC) region generated the most value at approximately USD 83 billion (40 percent value share); China alone contributed USD 23 billion (11 percent value share). Europe and the Americas continued to follow as the second and third largest markets with 34.7 percent and 24.5 percent respective value share. Looking ahead, developing economies are expected to continue to drive major change and expansion in the global fish and seafood market, fueled by an expanding middle class; increasing demand for fish and seafood products and evolving consumer lifestyles.

**Table 1: Global Fish and Seafood Consumption Trends**

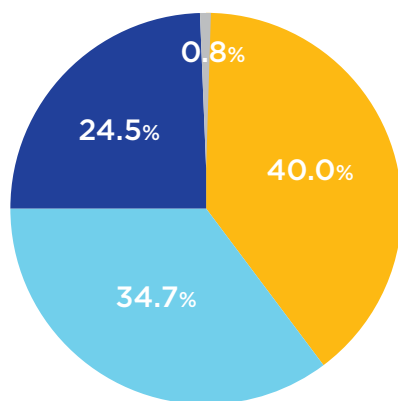


Source: TechNavio: Global Fish & Seafood (Projections)

The global fish and seafood market can be segmented into four product categories: fresh & chilled, canned, frozen, and other. Our initial projections indicate that for 2015, the fresh & chilled category was the largest and represented approximately USD 140 billion (68 percent value share), while canned and frozen (processed seafood) represented USD 57 billion (28 percent value share). Looking ahead, growing consumer preference towards frozen and chilled fish and seafood will continue to reduce share from processed seafood, though this trend may be tempered by risks from environmental and sustainability concerns and supplier production volume.

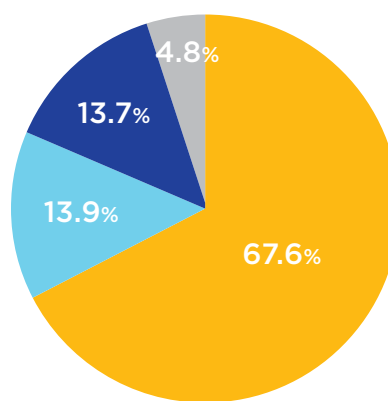
**Table 2: Origination of Value for Global Fish and Seafood**

**2015 Global Seafood Value:  
By Geography**



- APAC, 40.0%
- EU, 34.7%
- Americas, 24.5%
- MEA, 0.8%

**2015 Global Seafood Value:  
By Category**

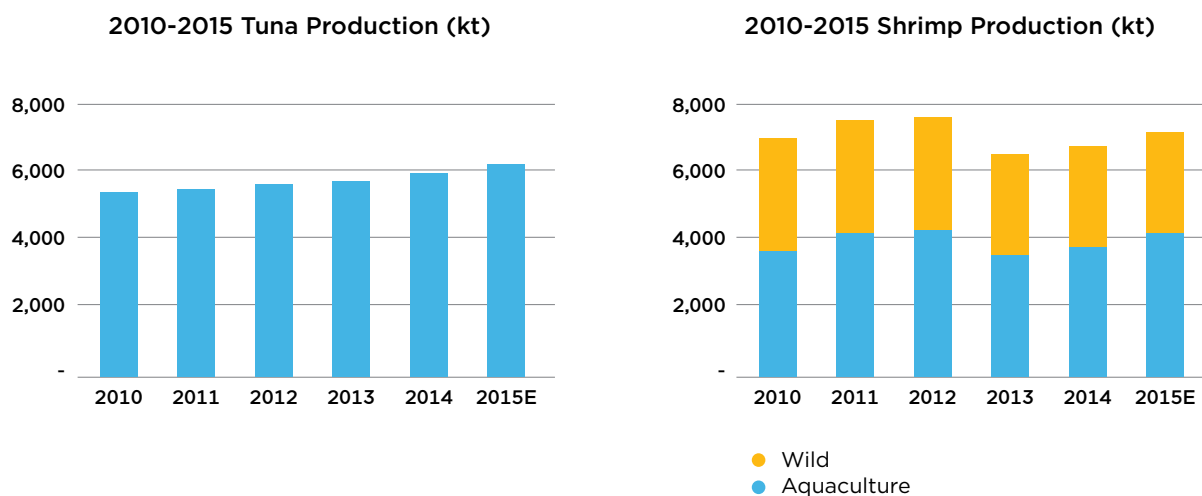


- Fresh & Chilled, 67.6%
- Canned, 13.9%
- Frozen, 13.7%
- Other, 4.8%

**Source:** TechNavio Report Global Fish & Seafood (Projections), Thai Union Projections

The El Nino phenomenon is expected to continue affecting wild caught fish and seafood production, with OECD-FAO research indicating that aquaculture will play a more significant role in years to come. They project that in the year 2023, total seafood production via aquaculture will exceed wild caught.

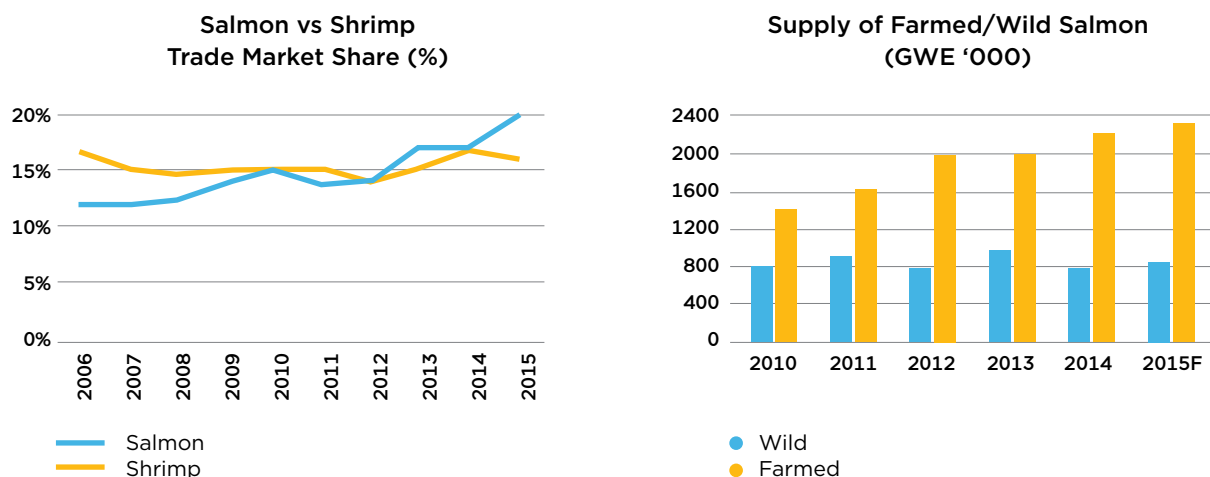
According to the FAO, tuna, shrimp and salmon continue to be the most popularly traded species of seafood with tuna being the most commercialized. For 2015, approximately 6,000 kilotons of tuna were produced with skipjack (52 percent share) and yellowfin (23 percent share) together making up approximately 75 percent of production. Efforts by the World Tuna Purse-seiner Organization (WTPSO) and The Western and Central Pacific Fisheries Commission (WCPFC) to stabilize prices by reducing the amount of tuna landings have not significantly increased demand in major markets.

**Table 3: Tuna and Shrimp Production Trends**

Source: National Fisheries Institute, FAO, Thai Union Projections

Global shrimp production in 2015 reached approximately 7,100 kilotons (CAGR of 1.0 percent) as a result of reduced aquaculture efforts due to disease (e.g. early mortality syndrome or similar) outbreaks in Thailand, China, India, Ecuador, and Vietnam. Farmers in affected areas reduced stocking density to reduce or avoid disease occurrences and therefore total production volume was affected. Shrimp prices also fell significantly due to ongoing market price corrections and high inventory levels.

For 2015, salmon overtook shrimp as the most popularly traded fish and seafood product, accounting for 20 percent of total traded value of seafood. Salmon supply continues to be primarily through aquaculture. Based upon early estimates of FAO, Kontali Analyse, and our own projections, this trend is expected to continue in the near term.

**Table 4: Salmon Production Trends**

Source FAO Globefish: Shrimp December 2015, Financial Times, Kontali Analyse Projections, Thai Union Projections



The global seafood market continues to remain highly fragmented though in 2015 we have begun to see a growing trend towards consolidation. This is mainly due to increased competition from an influx of private labels and impacts from foreign exchange rates contributing to increased target attractiveness.

Examination of our key markets of USA, UK, France, Italy, Japan, and Thailand reveals 2015 revenue contribution of approximately 70 percent. These mature markets have historically played a leading role in ambient sales driven by high consumer awareness of health benefits from seafood and high levels of disposable income and urbanization. This trend is expected to continue in the future. Closer examination of our operations based on recently conducted market analyses reveals:

U.S. based operator Chicken of the Sea remains the number one frozen seafood importer and holds third largest value share for ambient shelf-stable seafood. According to Euromonitor, the U.S. has a growing branded seafood consumption rate of CAGR 1.6 percent along with disposable household income CAGR of 1.6 percent. We expect the U.S. to continue to be a key market.

Branded sales within key European markets of France, UK, and Italy under Thai Union Europe are also growing. Although seafood consumption growth rates within these markets are negative at average CAGR -1.7 percent, and average disposable income growth is flat, we continue to see branded sales growth and expect to continue investing in these markets for the foreseeable future.

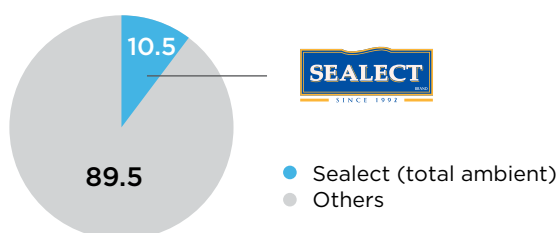
For the Japan domestic market, forecast models predict a decline in Japan population growth, disposable income, and also seafood consumption, though for 2015 we have seen a rise in OEM sales. As such we believe Japan will also continue to remain a key market.

Within Thailand, 2015 domestic sales have grown significantly following a moderate rebound in economic growth, recovery in shrimp production from disease impacts, and increasingly stable world tuna market prices. Our domestic Sealect tuna brand share has seen a dramatic increase of 590 basis points, contributing to the overall Sealect brand share growing by 60 basis points. With the formation of the Asean Economic Community (AEC), we expect Thailand to play an increasingly significant role in driving growth across the region.

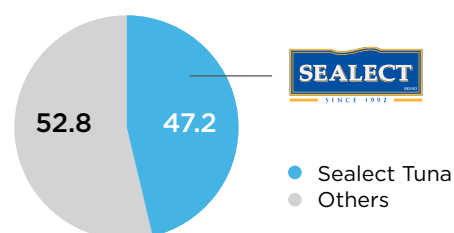
## BRAND SHARE DATA

### THAILAND

SEAELECT market share in Thailand (total ambient)

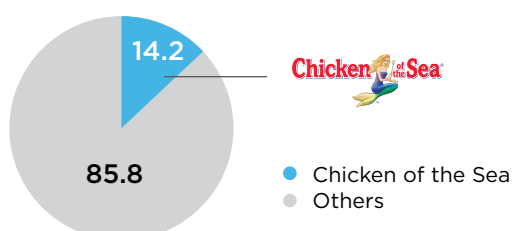


SEAELECT TUNA market share in Thailand

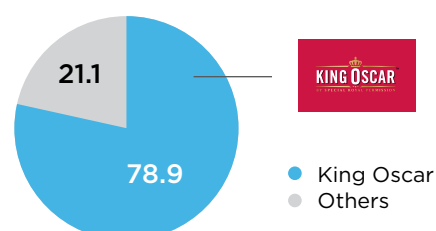


### USA

Chicken of the Sea market share in USA

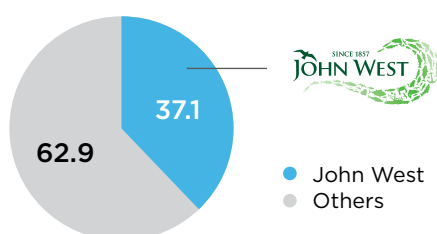


King Oscar market share in USA

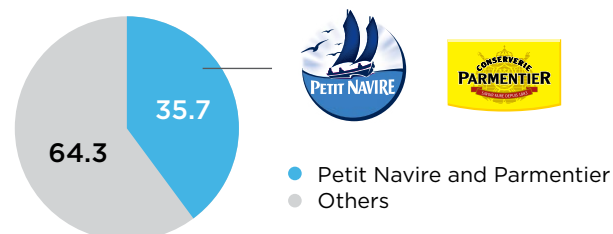


### EUROPE

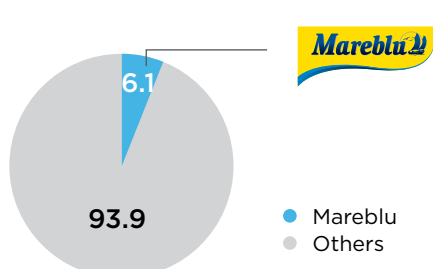
John West market share in UK



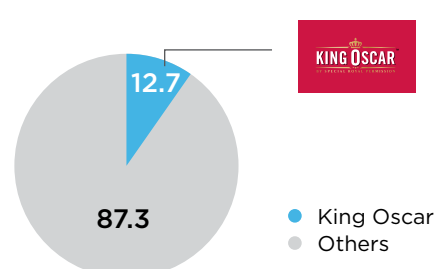
Petit Navire market share in France



Mareblu market share in Italy



King Oscar market share in Norway



# SUSTAINABLE DEVELOPMENT

In 2015, Thai Union Group strengthened the company vision to become the world's most trusted seafood leader and to care for our resources to nurture generations to come. We emphasize the importance of business to behave both sustainably and transparently and alongside this, we recognize the wider complexities of the seafood industry. Thai Union is working to address both emerging and ongoing issues in a changing business environment alongside stakeholder expectations. We understand that the ability to visualize, influence and add value to the supply chain, from the processing operations where we focus our business to upstream sourcing and to working with our customers downstream, is a way to drive seafood sustainability forward. In order to achieve this, we have engaged and worked in partnership with stakeholders in our supply chains and our own operations. Our key focus areas include:

## SUPPLY CHAIN RISK MANAGEMENT

Effective risk identification and mitigation in the supply chain are considered essential to drive sustainable growth. In order to achieve this, Thai Union adopts supply chain mapping and spend analysis to identify and mitigate high environmental and social risk activities to assess procurement volume and value of raw materials and services which impact our production. To address Environmental, Social and Governance (ESG) risks, Thai Union uses a process of supply chain analysis through volume and influence to identify appropriate supplier capacity building. One example is the development of social compliance audit programs following the release of the updated Thai Union Business Ethics and Labor Code of Conduct in September 2015.

### Case Study: Supplier segmentation and strategic approach for the shrimp business in Thailand

The shrimp business in Thailand has performed supply chain mapping, spend analysis and supplier assessment to identify critical shrimp farms and update the qualified supplier database. Critical farms those which are ranked highest in terms of procurement volume or essential supply. We work with them to ensure high environmental performance and compliance with Thai Union's Code of Conduct. Thai Union has developed a supplier capacity building and development program for all critical farms to encourage long-term partnership and compliance with our Code of Conduct



## MARINE AND ENVIRONMENTAL CONSERVATION

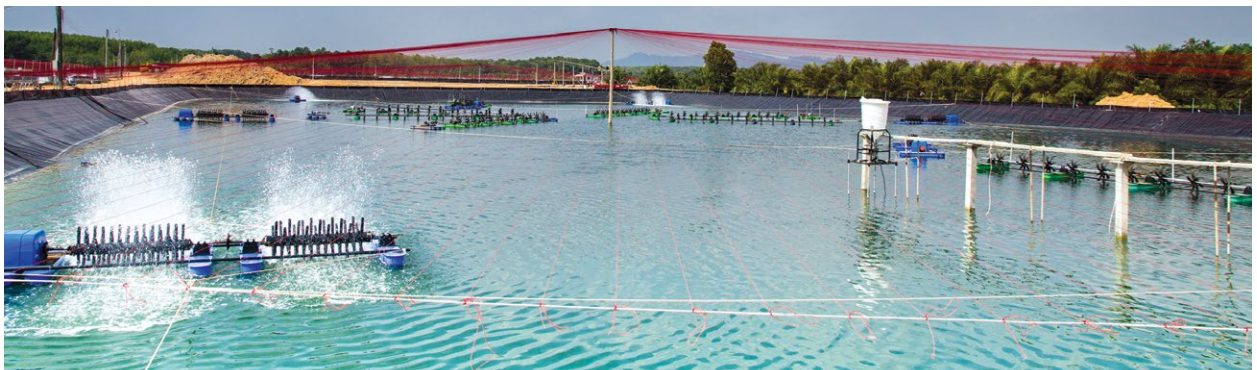
Thai Union recognizes that inherent to sustainable business growth is the responsible use of resources. Therefore, we are committed to the long-term sustainability of the seafood raw materials used in our products and work in partnership with our stakeholders to improve the health of the oceans and to minimize adverse impacts of fishing and farming practices on the wider ecosystem. Thai Union supports a number of organizations that take a science-led approach to fishery and aquaculture management to reduce adverse environmental impacts, as well as engaging with our suppliers and customers to work towards fishery and aquaculture improvement projects.

**Case Study:** Thai Union fully supports the work of International Seafood Sustainability Foundation (ISSF)

Thai Union is one of the founding members of the ISSF. The ISSF is an organization which undertakes science-based initiatives for the long-term conservation and responsible use of tuna stocks through the reduction of bycatch and illegal fishing to promote ocean sustainability. Thai Union is committed to following ISSF conservation measures such as traceability, bycatch mitigation and the elimination of Illegal, Unregulated and Unreported (IUU) fishing. Thai Union has fully supported the Proactive Vessel Register (PVR) initiative which provides independently validated information of the positive steps vessels are taking towards implementing a series of commitments designed to improve sustainable practices in tuna fishing. In addition to listing all of our own vessels in the PVR, we purchase tuna from PVR-listed vessels worldwide. The data regarding procurement volume from PVR-listed vessels is regularly updated and publicly available on our website.

**Case Study:** Thai Union is working toward Aquaculture Stewardship Council (ASC) standard

TMAC, a Thai Union subsidiary in Thailand, is working towards the ASC standard certification for its shrimp farms in the south. TMAC has now completed the Biodiversity-inclusive Environmental Impact Assessment (B-EIA) and participatory-Social Impact Assessment (p-SIA) and will use these results to improve performance relative to the environment and society. In working to meet the ASC standard requirements, three of our TMAC farms and one key supplier farm are in the process of developing and implementing the Aquaculture Improvement Projects (AIPs).





## CREATING SHARED VALUE FOR OUR COMMUNITIES

Thai Union understands that as a global seafood company, we have an opportunity to create long-term positive value for society. We recognize that we are an agent for change in the communities where we operate. To focus our efforts, we have identified three key areas of influence in line with the UN Sustainable Development Goals which include: 1.) Working to end hunger; 2.) The promotion of education opportunities for all and 3.) The sustainable use of the oceans, seas and marine resources.

To help us create shared value in our communities, we have developed 'Our People and Communities' Roadmap. As part of this initiative, Thai Union has partnered with both international and local organizations to work to address some of key social and environmental issues we see emerging in the communities where we operate. Our work in communities was endorsed by Global Capital: Asia Money in their eighth annual Asian Corporate Governance Poll, as Thai Union achieved the top ranking in the Corporate Social Responsibility category. Additionally, we are proud to encourage and support employee volunteerism throughout our global workforce

### Case Study: Sustainable Coastal Community Development Project



Many important spawn and nursery grounds for sea creatures are found along coastlines which are in close connection with the livelihoods of local fishery communities. Through active collaboration with these fishery communities, all parties can work towards conserving marine resources. One example of this is the joint-project with the local community in Bangson, Chumphon province of Thailand, the Right Livelihood Foundation. The partnership is working to define a sustainable fishery community model and support capacity development for marine conservation and sustainable fishery practices. Thai Union has engaged with the International Union for Conservation of Nature (IUCN) to perform biodiversity studies together with authorities and a local academic institution to measure biodiversity status in the Gulf of Thailand.

Our ongoing Bangson project is now taking another step forward towards becoming more self-reliant. Thai Union has helped set up a social enterprise initiative which encourages fishermen to sell their sustainably caught fish and earn their own income as a way to encourage self-sufficiency within the community.

### Case Study: Thai Union Volunteers – English Teaching Program in Thailand

Thai Union, in collaboration with Wat Sri Suttharam School, organized the “Thai Union Volunteers – English Teaching Program” as a way to improve the English language skills of Grade 7 students and children enrolled at the Thai Union Child Care Center located at the school. Thai Union volunteers who are native and fluent English speakers taught Grade 7 students every week in accordance with the school's curriculum. Alongside teaching Grade 7 students, another group of volunteers worked with children enrolled in the Thai Union Child Care Center to teach them both fundamental English and Thai through learning based activities, in order to prepare them for further study in the Thai educational system. The two-month program was completed in February 2016.







## SEA CHANGE

Launched in 2016, SEA CHANGE is our integrated plan of initiatives designed to ensure Thai Union delivers its stretching sustainability objectives and, in the process, drives meaningful improvements across the entire global seafood industry. The Sea Change strategy comprises of four key programs: responsible sourcing; marine conservation; safe and legal labor and caring for communities. These programs have individual long term goals and a supporting 2020 action plan. The program opened for consultation in February 2016.

## THAI UNION BUSINESS ETHICS AND LABOR CODE OF CONDUCT

In September 2015, Thai Union introduced a more stringent Business Ethics and Labor Code of Conduct to promote higher levels of accountability and transparency throughout the supply chain. It was built on 12 fundamental principles which are designed to reinforce a culture of integrity and were created in alignment with the United Nations Global Compact (UNGC) principles of basic responsibilities towards people and upholding their basic rights. Furthermore, it is universally applied to all of our member companies and business partners, and is available in 19 languages including Thai, English, Burmese, Khmer, Lao, Vietnamese, Indonesian, Tagalog, Hindi, Tamil, Chinese, French and Spanish. Similarly to its 2013 predecessor, the new code has a zero tolerance policy for human rights violations in the supply chain. The Code of Conduct codifies and consolidates many of the pre-existing ideas held by Thai Union. These include:

- Ensuring that workers' rights are fully protected.
- Business is conducted with an awareness about social and environmental impacts.
- All business will be conducted with integrity and lawfully.

Any companies or suppliers who wish to engage in business with Thai Union must sign an acknowledgement of our Code of Conduct, whereby they accept to strictly follow our mandatory principles. Additionally, these stipulations and requirements are applicable not only to suppliers contracted by Thai Union directly, but also any sub-suppliers employed by the primary supplier. Thai Union is developing supplier capacity building programs as well as investing in training for different tiers of the supply chain.

To increase awareness, employees are informed about the Business Ethics and Labor Code of Conduct on their first day of employment and management must sign a receipt of acknowledgement and intended compliance. Additionally, various events have been organized to illustrate the Code of Conduct principles and practices as a way to ensure clear understanding and strict adherence when employees are performing their duties. The Code of Conduct is publicly available on both the intranet and the external website for our employees and stakeholders to download and use as a reference.

## ANTI-CORRUPTION EFFORTS

Thai Union understands the importance of good corporate governance to support sustainable growth and the wider acceptance in the domestic and international markets. Corruption has a negative impact on both our stakeholders and in our society and as a global company we have taken steps to minimize the risk of corruption and bribery within the boundaries of our business and our supply chain. Thai Union has a strict Corporate Governance Policy, in adherence to our membership of the Stock Exchange of Thailand, which is regularly reviewed, adjusted and improved for suitability to ensure that the duties of the Board of Directors are performed with effectiveness and consistency. Violation of this policy will result in disciplinary action in accordance with the Company's rules and regulations.

Since joining the UN Global Compact in June 2013, the Company has aligned strategies and practices with universal principles on human rights, labor, environment and anti-corruption and taken positive steps to advance societal goals. Thai Union has pursued opportunities to promote good corporate governance through the launch of Business Ethics and Labor Code of Conduct and our Anti-Corruption Policy and our continued efforts are proving to be successful. In 2015 Thai Union was pleased to be placed first in Thailand in the eighth annual Asian Corporate Governance Poll which was conducted by Global Capital: Asia Money and we achieved a top ranking in the Disclosure and Transparency category. Additionally, we were pleased to be awarded the SET award for Outstanding Investor Relations for the second consecutive year; an endorsement of our commitment to transparency and accountability. However, we understand that this is an ongoing journey for the Company, and we remain committed to ensuring our business is free from corruption.

Our anti-corruption efforts are outlined in our Business Ethics and Labor Code of Conduct, where our prohibition of any and all forms of bribery; corruption; extortion; embezzlement, along with our policies regarding Competition and Competitor Information; Financial Records; Money Laundering and Insider Trading and Reporting Concerns and Non-Retaliation are detailed. Our anti-corruption policy, along with our Code of Conduct and other related procedures are communicated to all our employees and made publicly available in the Company's website. All employees are trained on Thai Union's anti-corruption policy and procedures which aids the development of a culture conducive towards ensuring good corporate governance.

Thai Union provides channel for whistle-blowing or complaint making through submission of the case directly or by post. Those who have filed a complaint or whistle-blowers who are employees, customers, individuals hired for work by Thai Union will have their rights protected and defended according to the law or guidelines set. This is stipulated in section 1.7 of Thai Union's Code of Conduct. There has also been a two-way communications channel set up for stakeholders and involved parties to express their opinions and report complaints in case they are treated unfairly by Thai Union. The Audit Unit is designated as the point of contact to receive complaints relating to Corporate Governance and the Code of Conduct from all groups of stakeholders. These complaints are reviewed quarterly and a summary report is submitted to the Board of Directors.

# REPORT OF THE AUDIT COMMITTEE

## To the Board of Directors and Shareholders,

The Audit Committee of Thai Union Group Public Company Limited (the Committee) comprises three independent directors who are experts in finance, accounting, organization management, law, information technology, internal control and risk management. Each member of the Committee meets the criteria as stipulated by the Stock Exchange Commission and the Stock Exchange of Thailand. None of them holds any managerial positions, is employed and performs consulting roles for the company.

In 2015, the Committee convened 23 meetings as follows:

**1. Mr. Sakdi Kiewkarnkha,**

Independent Director & Chairman of the Audit Committee, attended 23 meetings.

**2. Dr. Thamnoon Ananthothai,**

Independent Director and Audit Committee Member, attended 22 meetings.

**3. Mr. Nart Liuchareon,**

Independent Director and Audit Committee Member, attended 17 meetings.  
Assumed responsibility on 3 April 2015.

The Committee, appointed by the Company Board of Directors, performed audit duties in compliance with the Audit Committee Charter. The Committee hereby summarizes the tasks performed in 2015 as follows:

**1. Financial Statements Review** The Committee has reviewed the quarterly and the annual financial statements of Thai Union Group Public Company Limited, including the notes and the consolidated financial statements of Thai Union Group Public Company Limited and its subsidiaries. The statements have been prepared according to the Thai Financial Reporting Standards (TFRS). The Committee scrutinized the reports on important and special issues and where queries were made, explanations were promptly answered by the external auditor, management and Manager – Audit Unit to the satisfaction of the Committee. The Committee concluded that the disclosure of the financial statements are in full compliance with the law and financial reporting standards and that the statements with unqualified opinion from the external auditor have been approved. Without the presence of the management, the Committee held the meeting with the external auditor. They assured that they retained their independence to work without being impeded, and received full support from the company management and personnel.

**2. Good Corporate Governance Review** The Committee has reviewed the company's ethical practices and found that the company has strictly adhered to stipulated ethical standards. The company has implemented an anti-corruption policy into practice, which extends to all subsidiaries, and has also demonstrated corporate governance with care for the society and the environment. In addition, the Committee has reviewed the company compliance with laws and regulations on securities and exchanges and applicable business legislations, especially on related party transactions and potential conflict of interest transactions. In summary, the Committee reviewed its own performance reviews through self-assessments; preparedness of the directors; financial reports; external audit minutes; related party transactions review; information disclosures; risk management; internal control; minutes of board meeting; internal audit performance and Audit Committee secretary review. The Committee agreed that the corporate governance is satisfactory.

**3. Risk Management Review** The company hired a third-party company with expertise in corporate risk management to review the risk management policies. The risk management manager acted as the coordinator with the third-party reviewer and was responsible for the corporate risk management duties. The company has in place a risk management sub-committee on risk management with an independent director as its chairman. The sub-committee was responsible for reviewing the structure, policy, framework and plans for risk management. The sub-committee was also accountable for revising the risks and risk monitoring, taking into consideration internal and external risk factors that could impact the company and managing them to an acceptable level. Also, the alert mechanism has been reviewed according to standard set.

**4. Internal Control and Internal Audit Review** The Committee has examined and evaluated the internal control system by regularly perusing the work plan and internal audit reports. No significant faults were found. The internal auditor reported that the company's internal control is effective and the external auditor also reported that the internal control for accounting and finance is sufficient and appropriate.

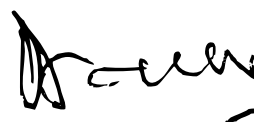
The Committee has reviewed the Audit Committee Charter and the Internal Audit Charter annually to be consistent with the risks. The internal auditor asserted its precedence in developing personnel and auditing tools complying with internal auditing standards.

**5. Review of Related Party Transactions, compliance with stock and exchange laws, Stock Exchange of Thailand (SET)'s regulations and related laws** In 2015, the Committee has been confirmed by the company management that the company and its management have fully complied with all applicable laws and regulations including the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) regulations on related party transactions. From the management report and confirmation and also the review result of the Committee, it is deemed that the company has fully complied and disclosed with aforementioned regulatory requirements.

**6. The Committee visited the company and nine of its domestic subsidiaries and five overseas subsidiaries.** With each company, the Committee convened the meeting with the management and reviewed their operations; internal control system; risk management system; environmental management system; problems of financial statements preparation, external and internal auditors. The Committee also observed production facilities, inventory management system and overall situations.

**7. The Committee was able to conduct their duties according to the Audit Committee Charter and requests for access to data without any limitations.** The Committee has reviewed the operational performances and concluded that the company performance is good. The Committee was also involved in rewarding, appointing, demoting, transferring General Manager – Audit Unit who is responsible for internal control operations of the company and its subsidiaries.

**8. Appointment of External Auditor for the year 2016.** Four leading auditing firms were invited to a tender to audit the company with an increased responsibility of expanding the audit scopes to cover domestic and overseas subsidiaries in order that the financial statements are globally conducted to the same standards. PricewaterhouseCoopers ABAS Ltd. has been selected and appointed as the external auditor due to their good work standards; expertise in auditing; independence of auditors; as well as their competence and experience. The Committee proposed for an approval and was approved from the Annual General Meeting to appoint Mr. Somchai Jinnovart, C.P.A. No. 3271 and / or Mr. Vichien Khingmontri, C.P.A. No. 3977 and / or Prasit Yuengsrikul C.P.A. No. 4174 and / or Mr. Pongthavee Ratanakoses, C.P.A No. 7795 from Pricewaterhouse Coopers ABAS Limited as the external auditor(s) of the company and subsidiaries for 2016.



---

**Mr. Sakdi Kiewkarnkha**  
Audit Committee Chairman

# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

## To Shareholders,

Thai Union Group Public Company Limited has appointed the Nomination and Remuneration Committee, which comprises of two independent directors of the company. The members of the existing Nomination and Remuneration Committee are as follows:

- 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 include recommendation of director nominees:

- 1) for the Board of Directors' approval, in case of director resignation and;
- 2) for the shareholders' appointment, in case of director retirement by rotation.

The selection of director nominees should be carried out with due care for the appropriate qualifications, knowledge, competencies, skills, experiences, various expertise and the time commitment to the company's activities in order to ensure efficient corporate governance and management with respects to the size, structure and composition of the board.

In 2015, the committee held 4 meetings with 100 percent attendance to carry out the assigned duties as follows:

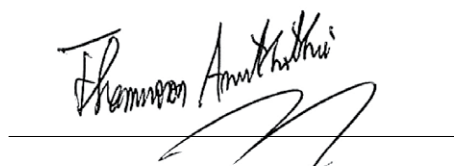
### 1. Granted rights to shareholders to propose:

- a. any person they find fit to become candidates for directors and;
- b. any meeting agenda for the 2015 Annual General Meeting of Shareholders.

After the company's announcement of granting such rights through the Stock Exchange of Thailand and its own corporate website for 99 days between November 13, 2014 and February 19, 2015, there were neither any qualified candidate for director nor new meeting agenda proposed by any shareholder;

- 1. Proposed candidates for approval as members of the Board of Directors;**
- 2. Proposed compensation for the company's directors to the Board of Directors for consideration and subsequent approval**

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 Nomination and Remuneration Committee



# REPORT ON THE PRACTICE OF GOOD CORPORATE GOVERNANCE

The Board of Directors of Thai Union Group 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 2015 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 15 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.

Principles/ Good Corporate Governance of the Stock Exchange of Thailand	The Company's Explanation
<p>Each of directors of the company should regularly attend the meetings (at least 75 percent of all meetings).</p>	<p>Since one member of the Board of Directors has been appointed by our business alliance, Mitsubishi Corporation, and his name is Mr. Takehiko Kakiuchi (resigned 1 September 2015) and Mr. Yutaka Kyoya (appointed 1 September 2015), 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.</p>
<p>The board should have independent directors who is woman, at least one person.</p>	<p>The company has a policy of diversifying the structure of the Board, both professional skills, specialized, education, age, and gender because of the current situation, the company has a sufficient number of directors. Whether the company has the opportunity to nominate directors, the company is ready and willingly to have an independent woman director in the committee.</p>
<p>Companies should provide project grants to executives to purchase shares of the company for the period for the exercise over three years to set the exercise price higher than the market price at the time of allocation of rights, including no significant concentration up to 5 percent.</p>	<p>Companies are being studied and considered accordingly.</p>

## 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

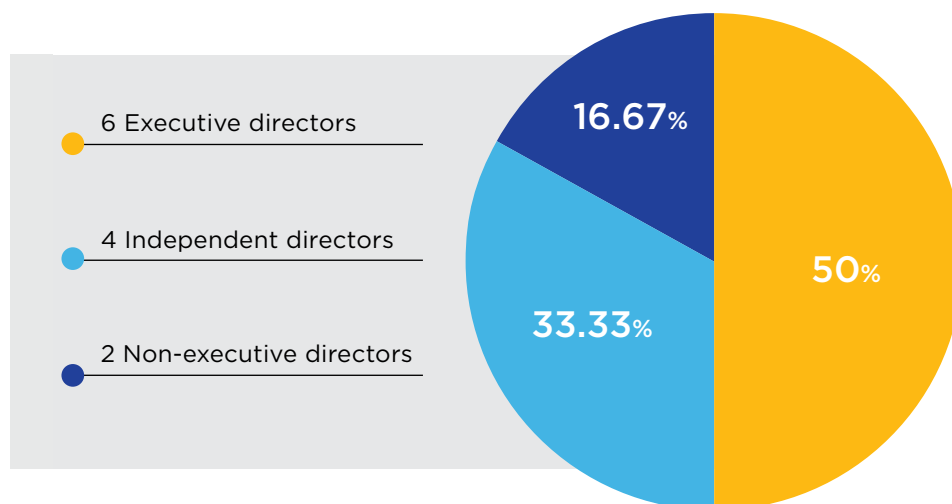
At least 2 directors of the company shall cosign and affix the company's seal or in some cases the directors may appoint names as the authorized directors.

### THE COMPOSITION OF THE BOARD OF DIRECTORS

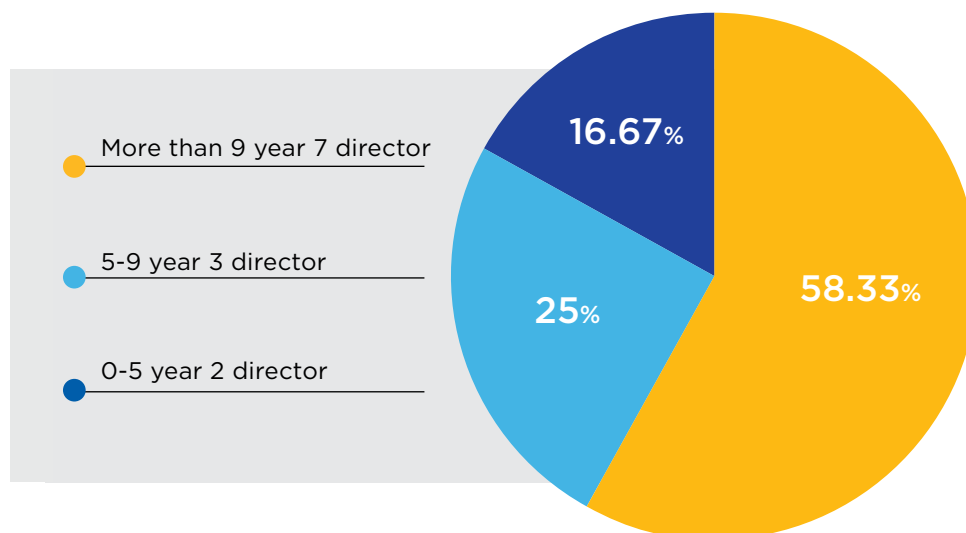
The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various filed of the business. As at December 31, 2015, the Board of Directors was comprised of 12 members and still insert of one more member.

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 January 1990
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. Yutaka Kyoya	Non-Executive Director	1 September 2015
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
12. Mr. Nart Liuchareon	Independent Director	3 April 2015

## 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 have been disclosed in the company's website: [www.thaiunion.com](http://www.thaiunion.com) at Investor Relations -> Corporate Information

## 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 percent 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 percent of total voting stocks of TU 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 TU, 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 and Exchange Commission in term of stock holding ratio.

The Board of Directors set up 5 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) Sustainable Development Committee

#### THE AUDIT COMMITTEE

Membership and meeting attendance 2015

Name	Position	Status	Meeting attended
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	23/23 (100 percent)
2. Dr. Thamnoon Ananthothai	Member	Independent Director	22/23 (96 percent)
3. Mr. Nart Liuchareon (Appointed 3 April 2015)	Member	Independent Director	17/17 (100 percent)

The Audit Committee was established by the approval of the Board of the Directors on 15th November 1999 for the purposes to support and act on behalf of the Board of Directors to review the financial information to be presented to the shareholders and other stakeholders, and to review the risk management systems, the internal control systems, the internal audits and good corporate governance and to control the anti-corruption measures as well as to review the financial reports preparation for the company's transparent and trustworthy operations and disclosures of information.

The Audit Committee must be directors of the company who are qualified as independent directors and consist of not less than 3 members, comprised of 1 Chairman of the Audit Committee and 2 audit committee members and at least 1 of them must possess sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements. 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.

Meetings of the Audit Committee shall be at least 12 meetings per year and report their performance to the Board of Director at least twice a year.

## ROLE OF THE AUDIT COMMITTEE

The duties of the Audit Committee are as follows:

1. Review the appropriateness of financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards, with transparency, correctness, and adequacy.
2. Review the compliance of the company's Internal Control System with Internal Control Framework (COSO 2013) and the appropriateness and the effectiveness of the company's Internal Audit System in accordance with internationally accepted approaches and standards.
3. Review **"The Assessment Form of the Adequacy of the Internal Control System"** as audited and assessed by the Internal Audit Team to ensure that the company has sufficient internal control system.
4. Review the presence of proactive preventive system to enhance operating effectiveness and efficiency and review the preventive measures in organization and review the internal processes of whistleblower system.
5. Review the internal audit process and the corporate risk management system.
6. Review the company's Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the company's business and the resolution of the Board's meeting.
7. Review the correctness and effectiveness of the information technology system relating to internal control, financial reports, and risk management and suggest updates and improvements as needed.
8. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
9. Review the execution of the audit committee members for the performance assessment, both as a whole and self-assessment, of the audit committee annually.
10. Review and give the opinion toward the audit practices of the Internal Audit Team and coordinate with external auditors.
11. Prepare the Audit Committee's report to be disclosed in the company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by SET.
12. Consider, select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the company's external auditor and evaluate the effectiveness of external auditor's performance and organize meetings with the company's external auditor, without the attendance of management, at least once a year.
13. Approve the internal audit plan, budget and manpower of the Internal Audit Team.
14. Review the execution of the Internal Audit Team for the performance assessment according to international standards.
15. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the General Manager - Audit Unit.
16. Consider the independence of the Internal Audit Team based upon the execution of work, reports, and line of command.
17. Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.

18. Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
19. Review the Internal Audit Charter to be the proper charter at least once a year.
20. 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 internal audit team.
21. Review the self-assessment form on anti-corruption measures which have been verified and assessed by the Internal Audit Team to ascertain that there are anti-corruption systems according to the report made in accordance with the Thai Institute of Directors' Private Sector (IOD) self-assessment form.
22. Perform other actions as required by law or as assigned by the Board of Directors under the consent of the Audit Committee.

To fulfill its duties under its scope of responsibilities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deem appropriate, at the company's expense.

The Audit Committee performs duties within its responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the company's operations and is directly accountable to shareholders, stakeholders, and the public.

## RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.
2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:
  - 2.1 Transaction which may cause conflicts of interest.
  - 2.2 Fraud or irregular events or material flaws in the internal control system.
  - 2.3 Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET

Details of the operations of the Audit Committee have been disclosed in the Audit Committee Report on page 81

## THE NOMINATION AND REMUNERATION COMMITTEE

Membership and meeting attendance 2015

Name	Position	Status	Meeting attended
1. Dr. Thamnoon Ananthothai	Chairman	Independent Director	4/4 (100 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	4/4 (100 percent)

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 twice 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 83

## THE RISK MANAGEMENT COMMITTEE

Membership and meeting attendance 2015

Name	Position	Status	Meeting attended
1. Mr. Kirati Assakul	Chairman	Independent Director	3/3 (100 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	3/3 (100 percent)
3. Dr. Thamnoon Ananthothai	Member	Independent Director	3/3 (100 percent)
4. Mr. Thiraphong Chansiri	Member	Executive Director	3/3 (100 percent)
5. Mr. Shue Chung Chan	Member	Executive Director	3/3 (100 percent)

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 114

## 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.

## 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 2015, 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	Head of Group Human Resources
3. Mr. Suthidej Amornkasemwong	Managing Director - Fish Business
4. Mr. Preerasak Boonmechote	Managing Director - Shrimp Business
5. Mr. Joerg Ayrlle	Group CFO
6. Mr. Yongyut Setthawiwat	General Manager - Group Corporate Finance and Tax
7. Ms. Sasathon Totana	Assistant General Manager - Risk Management and Group Performance Controller

## 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.

### EXECUTIVE SUCCESSION PLAN

The company has focus on Succession Plan by stating jobs that are important in driving the present and the future business (Critical Positions) includes a set of steps and criteria for evaluating talent assessment of the executive in line with clearly of the business strategies and perform the ongoing Talent Review Process assessments every year.

The result will enable the company to analyze the overall organization capability and adopted various Executive Succession Plan. The company has implemented concurrently both Individual Development Plan and Succession Plan.

The company will monitor and evaluate progress in the development of successor continues along with the assessment of business needs and predict the dynamics of the labor market, pre periodically that plans for the recruitment, development and succession plan to be effective in line with the transformation of the business and personnel for key positions in succession.

## 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	2015 AGM	Board Meeting			
		2014	%	2015	%
1. Mr. Kraisorn Chansiri	Attend	8/8	100.00	8/8	100.00
2. Mr. Cheng Niruttinanon	Attend	7/8	87.50	7/8	87.50
3. Mr. Chuan Tangchansiri	Attend	8/8	100.00	8/8	100.00
4. Mr. Thiraphong Chansiri	Attend	8/8	100.00	8/8	100.00
5. Mr. Rittirong Boonmechote	Attend	8/8	100.00	8/8	100.00
6. Mr. Takehiko Kakiuchi (Resigned 1 Sep 15)	Absent	1/8	12.50	0/5	0.00
Mr. Yutaka Kyoya (Appointed 1 Sep 15)	-	-	-	0/3	0.00
7. Mr. Ravinder Singh Grewal Sarbjit S	Attend	8/8	100.00	8/8	100.00
8. Mr. Shue Chung Chan	Attend	8/8	100.00	8/8	100.00
9. Mr. Sakdi Kiewkarnkha *	Attend	7/8	87.50	8/8	100.00
10. Dr. Thamnoon Ananthothai *	Attend	7/8	87.50	8/8	100.00
11. Mr. Kirati Assakul *	Attend	6/8	75.00	8/8	100.00
12. Mr. Nart Liuchareon *(Appointed 3 Apr 15)	Attend	-	-	6/6	100.00

### \*Independent Directors

**Remark:** Mr. Takehiko Kakiuchi and Mr. Yutaka Kyoya, who reside outside the Kingdom of Thailand.

## 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 2015, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar "Advance Audit Committee Program (AACP) #20/2015, and Mr. Nart Liuchareon, an independent director, attended a training seminar "Director Accreditation Program (DAP) #120/2015"

**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:**

Directors's name	DCP	DAP	RCP	RCC	ACP	UFS	HRP HCI	TLCA	AACP	หลักสูตร ผู้บริหาร ระดับสูง
1. Mr. Kraisorn Chansiri			15/2007							12/2011
2. Mr. Thiraphong Chansiri	10/2001									
3. Mr. Chuan Tangchansiri		86/2010								
4. Mr. Rittirong Boonmechote		84/2010						2/2009		
5. Mr. Shue Chung Chan	10/2002							1/2009		
6. Mr. Sakdi Kiewkarnkha	13/2001 2/2006 1/2014		4/2001	9/2009			2/2012 4/2008		20/2015	
7. Dr. Thamnoon Ananthothai	70/2006	48/2005	14/2006		10/2005	7/2007				
8. Mr. Kirati Assakul	27/2003			5/2007						
9. Mr. Nart Liuchareon		120/2015								

**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 Conflict of Interest

**TLCA:** TLCA Executive Development Program

**AACP:** Advance Audit Committee Program

**Top Management Courses :** Capital Market Academy

## FULL BOARD PERFORMANCE ASSESSMENT

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 Team
- 6) Self-development of the Directors and the development of the Executives



## DIRECTORS SELF-ASSESSMENT

- 1) Core Competency
- 2) Independence
- 3) Preparedness
- 4) Practice as a Director
- 5) Board Activities
- 6) Development of Organization

## COMMITTEE PERFORMANCE ASSESSMENT

- 1) Committee Composition
- 2) Operating Practice
- 3) Committee Governance

## CEO PERFORMANCE ASSESSMENT

- 1) Leadership and Managerial Qualities
- 2) Strategic Direction Setting
- 3) Monitors Strategic
- 4) Planning and Performance
- 5) Board Relations
- 6) Community Relations
- 7) Management and relationship with employee
- 8) Succession Plan
- 9) Knowledge and Skills
- 10) Personal Qualification

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 as follows:

- Board Evaluation with an average score at 87 percent
- Director Evaluation with an average score at 85 percent
- Committee Evaluation with an average score at 88 percent
- CEO Evaluation with an average score at 89 percent

## 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, 49 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 blowing 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 Board of Directors at the following address:

**Thai Union Group Public Company Limited**  
 Company Secretary – Office of the President & CEO  
 979/12 M Floor, S.M. Tower  
 Phaholyothin Road, Samsennai,  
 Phayathai, Bangkok 10400

**Or to our email:**

The Audit Committee at [complaint@thaiunion.com](mailto:complaint@thaiunion.com)

The Board of Directors through the Company Secretary at [paralee.sukhatungka@thaiunion.com](mailto:paralee.sukhatungka@thaiunion.com)

## 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 2015, the company had arranged the Annual General Meeting of Shareholders (AGM) on April 3, 2015 and the Extraordinary General Meeting 1/2015 on September 16, 2015 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 2015 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 99 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 2015 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.thaiunion.com](http://www.thaiunion.com) since March 18, 2015 - 16 days prior to the Annual General Meeting of Shareholders and since August 26, 2015 - 21 days prior to the 1/2015 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 14 days prior to the date of the 2014 AGM and 14 days prior to the 1/2015 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 1/2015 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 8:00 - 10:00 hrs. of April 3, 2015 and 12.00 - 14.00 hrs. of September 16, 2015 at the well-known and easy-to-commute-to Thai Army Club on Viphavadi-Rangsit Road in Bangkok. In 2015. There were a total of 2,057 shareholders who attended and proxies whose aggregate shares totaled as 3,248,236,314 shares, equivalent to 68.07 percent of the total issued and paid-up shares. In the 1/2015 Extraordinary General Meeting of Shareholders the total number of shareholders was 1,309 whose aggregate shares totaled as 2,891,361,719 equivalent to 60.59 percent of total issued and paid-up shares.
- Chairman of the Board chaired the 2015 Annual General Meeting of Shareholders, in which there were 10 board members in attendance out of the whole board of 11 members. The 1/2015 Extraordinary General meeting of Shareholders was comprised of 10 board members in attendance out of 12 members, and they were the Executive Chairman, the Chief Executive Officer, the President of Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The director 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 director 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 E&Y and 2 volunteers from the shareholders were the inspector 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 12 shareholders who made queries and presented opinions for the 2015 AGM and 8 shareholders for the 1/2015 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 2015 Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting of Shareholders (EGM) No.1/2015 on [www.thaiunion.com](http://www.thaiunion.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, 2015, or 13 days following the date of AGM and September 29, 2015, or 13 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. 4390-2

Hosting of shareholders' meeting with great emphasis on equitable voting right has earned the company excellent performance in the 2015 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 2015 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 99 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 2015 Annual General Meeting of Shareholders, there were 488 shareholders who authorized Mr. Sakdi Kiewkarnkha, Chairman of Audit Committee, there were 40 shareholders who authorized Dr. Thamnoon Ananthothai 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 2015 Annual General Meeting of Shareholders in investor relations section on [www.thaiunion.com](http://www.thaiunion.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 nationality origin, religion, gender, marital status, language, or workforce ranks, not associating with forced labor, child labor, human trafficking, and not supporting bribery and all form of corruption.

The company has employee's compensation management policy to retain capable employees are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in labor market, as well as cultural, rules and regulations related to be consistent with the mission and values of the organization.

The company sets the appropriate compensation comparable to compensation paid in the same industry by considering of knowledge, experience and performance of individual employees combining with parity within the company evaluation based from responsibility, task complexity, work experience and skillfulness. In addition, the company has set the compensation management policy based on the employee's performance and operation's performance to motivate for culture performances.

These payouts policy for both short and long term in consistent with the results of company's operations by targets and measures each year in accordance with the company's long-term strategic plan which is called Enterprise Objective, the measurement has four elements as follows.

1. **Drive Superior Financial Performance** - driving excellence in financial management and capital efficient usage.
2. **Accelerate Growth** - focused on current business's breakthrough growth and investment acquisition and expansion.
3. **Drive Global Integration and Talent Development** - marshal a global organization to increase the competitiveness of business and to develop high-potential employees.
4. **Build Differentiated Capabilities** - to be a leader of the industry of sustainable development, innovation and quality.

The company has determined the executive compensation as follows.

- Overall compensation to be in line with the same industry.
- The rate of bonus payments for the targeted achievement for both employee and company, the Executives will receive the bonus money at the rate of 25-30 of annual compensation.

The company has provided fringe benefits which is exceed than the law requirement i.e. provident fund, annual health check, health insurance plans, life insurance, accident insurance, gym, recreational activities so that employees can relax from work. The company has allocated significant long-term benefits that help employees and their families of livelihood after retirement from the job in the form of a retirement pension and the most important is each year, the company have set aside funds to ensure that the company can pay the compensation to employees in accordance with their rights in the future to encourage employee to prepare financially before entering retirement in advance. Furthermore, the company has joined with the Social Security Office to held a training course on the philosophy of sufficiency economy and saving for retirement to the employees that are also considered to maintaining the income of the employees in the form of wages and benefits if this happens the business is temporarily disrupted by extending coverage in insurance policies to cover the business income of the employees affected by the suspension of business operation.

### Human Capital Development

The policy of development of the employees is potential people are the value resources of the organization, everyone has different meaningfully created performance value for the organization. We believe that all personnel have the ability or the advantage of their own, the company will make every employee and help them to bring out their strength for their own benefits and for the organization as much as possible, so everyone can get a chance to vary for self-development and career advancement.

Therefore, The company has developed a process of using Blended Approach, known as the 70-20-10 Rule, i.e. 70 percent of the learning experience in the workplace or during work, such as on-the-job training, which chronicled in actual practice, 20 percent is to learn from others which has been urged support recommended by a supervisor, supply for external coaches to teach and 10 percent of formal learning such as learning from a book or in the training room. However, these things will happen should have the mechanism consists of three parts of following combinations.

1. People are being developed to take responsibility and ownership of their own development and growth path.
2. A leader and a strong one will help the team to unleash their potential and spirit by coaching the team and staff.
3. HR acts as a representative to the organization in supporting, and building culture or learning environment in which everyone had a chance to share information. The development path in this place is the frame concept of the company to be cultivated the employees.

In addition, the company has policies and guidelines to create a leader in the changing business environment focus on building a network of relationships, working in collaboration with others, especially in other cultures, especially for the active learning, flexible to adapt and handle change well and the most important of leadership adheres is to value of the organization six aspects or “Our 6 Values” to grow into good administrators by Thai Union Way into the future with the development course including of Leadership Development Program, High-Potential Program; Succession Development Program, and Management Associate Program, etc.

Number of training hours for monthly and daily employees in fiscal year 2015 was 88,575.50 hours per head per year, equal to 8.49 hours or 1.06 days, as detailed below.

- General Manager up level average per person per year at 38.23 hours.
- Deputy General Manager/Assistant General Manager level average per person per year at 57.27 hours.
- Assistant Manager/Manager level average per person per year at 53.23 hours.
- Assistant Section Manager/Section Manager level average per person per year at 40.49 hours.
- Officer/Senior Officer level average per person per year at 17.32 hours.
- Daily worker level average per person per year at 4.76 hours.

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.

## CUSTOMERS

The company’s policy is to treat customers with the following responsibilities.

- The company has produced quality food under Food Safety and traceability under standardized manufacturing process technology and appropriate technology, including the development of new products and processes to ensure customer benefit and satisfaction.
- The company determines the price of goods and services at appropriate level of detail and quality of customers’ products and services demand.
- The company runs a reasonable cost as possible while maintaining quality of service standards, according to the company’s customer requirements.
- The company delivers high quality products and services to meet or exceed customer expectations and on-time delivery adhering to commitments given to customers.
- The company treats customers with politeness, hospitable and honesty, pay attention to every customer with fairness, equality without bias.
- The company complies with the contract terms or conditions, if not viable, will inform the customers in advance and find the prevention or solution to prevent irreversible damage to the stakeholders.

- The company provided information regarding the instructions on the product features and specifications of goods and services, as well as how to use, how to keep customers well informed about the product and other services that are sufficiently, accurate and timely to provide customers' decision with enough information without exaggerate as a result for customer misunderstandings about quality or any condition products or services in order to maintain sustainable good relationships.
- The company focus on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit and related in any reason.
- The company also sets aside special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The company will not receive, bribe or make any benefits to the customers.

## **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.

Company policy has selected partners in consideration of the use of labor law at all times, including communications, acknowledged to be aware of Labor Code of Conduct, including of safety, health, environment and energy conservation policies in the selection of partners and the price comparison or tender which must be approved by an authorized personnel to ensure transparency in the procurement function.

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 nine consecutive years with accumulated blood donated to Thai Red Cross Society Other company-sponsored CSR initiatives in actions through the entire 2015 are further described under Sustainable Development heading on page 76 - 80 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 company has signed a Letter of Intent to participate in the Collective Action Coalition of the Thai private sector to conduct anti-corruption activities on August 20, 2015. 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

- 1) 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.
- 2) 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 Internal Audit Manager, Audit Unit**  
**Thai Union Group Public Company Limited**  
23<sup>rd</sup> floor, S.M. Tower, Samsennai, Phyathai, Bangkok 10400  
Telephone 02 298-0024 ext 4340 Facsimile 02 298-0024 ext 4369

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, 2015, 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. Overall compensation to be in line with the same industry. The rate of bonus payments for the targeted achievement for both employee and company, the Executives will receive the bonus money at the rate of 25-30 of annual compensation.
- 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 2015 in comparison with its counterparts in the year 2014 is set forth below:

Unit: Billion Baht

	2015		2014	
	Board of Directors	Management Team	Board of Directors	Management Team
Number (Person)	12	10	13	10
Retainer/Meeting Allowance	7.35	-	7.87	-
Salary/Annual Bonus	-	102.85	-	89.11
Provident Fund Matching Contribution	-	4.95	-	4.83
<b>Total</b>	<b>7.35</b>	<b>107.80</b>	<b>7.87</b>	<b>93.94</b>

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    | Dputy General Manager, Investor Relations & Corporate Investment |
| 3. Mr. Bunlung Waiyanont   | Investor Relations Manager                                       |

The past continued communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2015 were as follows:

- Approximately 70 companies visit by investors and stock analysts
- 75 times of conference call
- 4 analysts meetings following the announcement of operating results
- 4 times of Opportunity Day by SET
- 6 plants visit by stock analysts
- 2 plants visit by minor shareholders
- 12 overseas investor conferences
- 8 local roadshows

In addition, the company provides the public with written information dissemination through corporate website [www.thaiunion.com](http://www.thaiunion.com) and printed media as follows:

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

## 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 Mr. Pongpol Plipuch. He holds a Bachelor's Degree in Audit from University of the Thai Chamber of Commerce, and is a Certificated Public Accountant (CPA) No. 8549

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 TU 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 RISK MANAGEMENT COMMITTEE

## Dear Board of Directors and Shareholders,

To achieve the corporate vision to be the world's most trusted seafood leader and to satisfy the requirements of all stakeholders, the company has accelerated the development of all managerial aspects. Risk management is one of the most important managerial aspects, which supports the drive towards objectives and goals by protecting possible losses, exploring business opportunities to increase value as well as supporting good corporate governance in the organization.

The Risk Management Committee has performed their duties according to the role and responsibilities assigned by the Board of Directors in governing corporate risk management with efficiency. The committee comprises directors, independent directors and executive management, all of whom are highly qualified with extensive experience from various backgrounds.

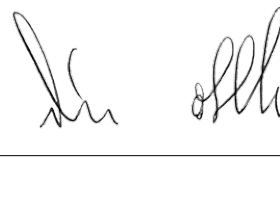
In 2015, there was changes in the committee members: Mr. Kirati Assakul, the company independent director was appointed as Chairman of the committee and Dr. Darian McBain, the company management executive in sustainable development was appointed as a new director.

For 2015, the Risk Management Committee has performed their duties under the Risk Management Committee Charter as follows:

1. Closely monitor and provide consultation for further development of the risk management framework and processes of the company and subsidiaries according to international standards.
2. Govern the corporate risk assessments and analysis of the company and subsidiaries both in normal and crisis situations through risk workshops with the management and the Risk Management Committee meeting.
3. Support management on corporate risk management and additional Risk Coordinators appointment for the subsidiaries in order to monitor, assess and report on risks to assure that company risks will be proper managed.
4. Hold a quarterly meeting for management to report on risk factors, update risk dashboard, key risk indicators and provide comment on setting risk tolerances level.
5. Regularly report to the Board of Directors with risk reports, significant risk management details and recommendation for adjustments.
6. Communicate and share with the Audit Committee information and management decisions on risks.

In 2015, the Risk Management Committee convened for a total of 3 times. The directors meeting attendance report can be summarized as follows:

- |   |   |
|---|---|
| <b>1. Mr. Kirati Assakul</b><br>Independent Director                              | Chairman of the Risk Management Committee<br>Attended: 3/3. |
| <b>2. Mr. Sakdi Kiewkarnkha</b><br>Independent Director                           | Risk Management Committee Director<br>Attended: 3/3.        |
| <b>3. Dr. Thammanoon Ananthothai</b><br>Independent Director                      | Risk Management Committee Director<br>Attended: 3/3.        |
| <b>4. Mr. Thiraphong Chansiri</b><br>President and CEO                            | Risk Management Committee Director<br>Attended: 3/3.        |
| <b>5. Mr. Joerg Ayrl</b><br>Group CFO   | Risk Management Committee Director<br>Attended: 3/3.        |
| <b>6. Mr. Shue Chung Chan</b><br>Head of Group Human Resources                    | Risk Management Committee Director<br>Attended: 3/3.        |
| <b>7. Mr. Wai Yat Paco Lee</b><br>Deputy General Manager<br>Investor Relations    | Risk Management Committee Director<br>Attended: 2/3.        |
| <b>8. Mr. Faisal Sheikh</b><br>Global Director,<br>Strategic Business Development | Risk Management Committee Director<br>Attended: 2/3.        |
| <b>9. Dr. Darian McBain</b><br>Group Director, Sustainable Development            | Risk Management Committee Director<br>Attended: 2/3.        |



**Mr. Kirati Assakul**

Chairman of the Risk Management Committee

# RISK MANAGEMENT AND RISK FACTORS

The company has constantly improved its risk management since it established the Risk Management Committee in 2013 to oversee risk management. The Committee is responsible for risk management policy; the framework; management of the Company's risks to ensure adequate, proper organizational risk management and report of significant risks to the Board of Directors.

The company's risk management has been based on the 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). The Company's risk management in 2015 included the following:

- Reviewing the policy towards and the framework for, risk management and communicating with the management and employees so that they acknowledge and recognize the importance of risk management and seriously implement risk management to build confidence in achieving the Company's objectives.
- Identifying organizational risks, risk levels, and potential impacts, by means of interviews and workshops for top management for key risk management.
- Formulating the guidelines for preventing and mitigating companies' high risks that exceed the Company's acceptable risk levels and establishing a team dedicated to managing each risk to avoid potential damage or loss.
- Monitoring and reviewing organizational key risks, especially risk management measures and progress on management to ensure proper management of key risks.
- Implementing risk management for Tier 1 subsidiaries in the Company's business operations - The Risk Management Department has formulated the guidelines for implementation and communication with Tier 1 subsidiaries (Thai Union Group PCL., Thai Union Manufacturing Co. Ltd., Songkla Canning PCL, Tri-Union Seafoods LLC., Thai Union Frozen Products PCL, and Thai Union Europe Co., Ltd.).
- Assigning management to oversee the organization's overall risk management process and perform daily tasks instead of the Risk Management Committee and appointing the Risk Coordinators in Tier 1 subsidiaries, who are representatives responsible for monitoring, evaluation, and preparing the Tier 1 Risk Report to ensure that the Company will always be able to manage relevant risks.
- Introducing modern information technology systems in the Group's risk management process and preparing the system for the efficient reporting of risk management to the management, the Risk Management Committee and the Board of Directors.

## RISK FACTORS

Thai Union Group (Public) Company Limited recognize the importance of strong, systematic risk management, be consistent with international standards and promote continuous development. Corporate risks will be assessed and managed properly, especially significant risks above the tolerance level which must have defined mitigation plans, consistently monitored risk status, and reported the progress of mitigation plan to top management and the Risk Management Committee every quarter.

In spite of the company's comprehensive risk management to ensure risk levels will be under tolerance level, in 2015, the company encountered several uncontrollable external risks which had to be responded to carefully. The most significant external risk factors were the reputation of Thailand with regards to IUU fishing and unfair labor practices; the volatility of global tuna and shrimp prices;

fluctuation in currency exchange of US dollar and euro against Thai baht. All these factors impacted the performances of the company and its subsidiaries in the United States of America and Europe. Additionally, the company's strategy of expansion through overseas investments, meant post-merger & acquisition risks in maximizing the value of newly acquired businesses were encountered, along with challenges regarding the laws and regulations of the various countries where the company invested.

However, the company's risk management strategy enabled it to significantly mitigate the impacts to the business

In 2015, the corporate risks was identified and assessed within the framework of risk management and can be summarized in the following risk profile.

## 1. STRATEGIC RISKS

### 1.1 Reputation of Thailand on fisheries

The negative reputation of the Thai fishing industry in 2015 had a significant impact on Thailand's seafood industry. Thailand was assessed by the European Union (EU) under the Illegal, Unreported, Unregulated Fishing (IUU) Regulation and was placed at the yellow level warning to accelerate improve the situation. The assessment results from the EU had a direct impact on consumers' confidence in the Thai seafood industry and additionally, EU's import quantity as European consumers take into account legal fishing and environmental sustainability in their purchasing decisions

#### Company's operational guidelines

With adherence "Doing the right thing in the right way", the company is committed to source only from legal and sustainability fishing suppliers. Moreover, the company has appointed the Sustainable Development Committee chaired by the Chairman of the Executive Committee to steer the direction for sustainable development and responsible sourcing is one of five sustainability pillars

In 2015, the company launched a revised and stringent version of the Business Ethics and Labor Code of Conduct. Compliance with the Code of Conduct is a mandatory requirement for the company and subsidiaries' suppliers and partners. The Company did monitor and audit suppliers and partners on a regular basis, and any who fail to comply will be contract terminated and process legal action. This to ensure that the company is sourcing raw materials legally and boost confidence to stakeholders which include customers, consumers, investors and employees.

Nevertheless, IUU fishing is a national issue which demands cooperation from government and multi-sector to resolve. Therefore, the company has collaborated with the government, industrial partners and private organizations to develop and implement solutions to reduce the possibility of IUU fishing.

### 1.2 Reputation of Thailand in Labor Practice

Despite the Thai government has made a concerted effort to fully address the issue of unfair labor practices in the seafood industry. These measures ultimately gained importance due to downgrading of Thailand to Tier 3 in the American Trafficking-in-Persons (TIP) report. Consequentially, the United States of America (U.S.A) could apply measures designed to sanction Thai products such as fish and shrimp which had a direct impact on Thailand's seafood processing industry.

However, in 2015, risk in unfair labor practice still significant, particularly in the fishing industry, which was experiencing labor shortages. The Thai government was aware of situation and has taken serious action in many areas to resolve unfair labor practices by arresting offenders; issuing measures to reduce the possibility of human trafficking and encouraging Thai fishing operators to operate under a fair legal framework.

**Company's operational guidelines**

The company's policy on fair labor practices for both Thai and migrant laborers has been clearly communicated and demonstrated throughout its operations and subsidiaries. In the last year, the company has extended the responsible labor practices to cover the whole supply chain which include the partners and suppliers of the company and subsidiaries to comply with the new Business Ethics and Labor Code of Conduct.

In December 2015, the company terminated all business relationships with all pre-processing establishments (PPE) for aquatic animals (shrimp). The process was brought under the direct control of the Company to better protect workers' rights in the supply chain. For in-house migrant workers and foreign employees, the Company communicate their rights, which include the right to association; the right to collective bargaining; as well as the operational framework for safety and health at work, and provided with a fair wage.

To promote fair labor practices in Thailand, the company has implemented other measures in cooperation with many other organizations from both the government and private sectors. One example is the Company's work with the Shrimp Sustainable Supply Chain Task Force. As a member of this organization, which works to ensure Thailand's supply chain is free of forced labor, the company has engaged an independent international auditor to audit its supply chain.

**1.3 Risks in investment management**

Due to its strategy for continual expansion of domestic and overseas investment to support its status as the world's most reliable seafood leader, the company has investing in 46 companies' subsidiaries and joint-venture companies both in Thailand and abroad as of 31 December 2015. The business of its subsidiaries and joint-venture companies is partly the same and partly different, and the management guidelines are often different to various regional factors and practices which can include political, economic, social, and cultural issues. These have exposed the Company to Post-Merger & Acquisition risk

In December 2014, the company signed an agreement for the acquisition of Bumble Bee Foods LLC, a manufacturer and distributor of canned tuna in the U.S.A., to enhance the marketing competitiveness of ready-to-eat seafood products. The acquisition required the approval from the U.S. Department of Justice.

However, in December 2015, both the company and Lion Capital have vigorously advocated the merits of the deal to the U.S. Department due to there was a possibility that the U.S. Department of Justice's consideration would take a longer time than that specified in the Share Purchase Agreement.

The company's termination of the acquisition agreement had no impact on its business operations, and it is still be committed to marketing seafood in North America.

**Company's operational guidelines**

The company's continuous expansion of its investments within Thailand as well as overseas in order to increase competitiveness and risk distribution. To manage investments for maximum efficiency, prior to any investments or acquisitions, the company has an expert management team with experienced in mergers and acquisitions, as well as investment advisors of each project, to consider and analyze each individual investment and risk management in a circumspect manner.

Company guidelines regarding post-merger and acquisition integration have been formulated to optimize both the strategy and policy in terms of marketing; production; management; finance and operations to best maximize benefits for the Company.

The Global Leadership Team (GLT), which consists of top management of the companies on each continent, has regular meetings to jointly make decisions about important matters and to enhance the understanding about the cultures of each country.

Additionally, in terms of governance and administration, the parent company has formulated policies and key management systems, especially in finance and accounting, so that the guidelines for business management among its subsidiaries are in line with each other, e.g. accounting standards, the financial policy, the good corporate governance policy, and the risk operation policy.

## 2. OPERATION RISKS

### 2.1 Fluctuations in tuna prices

Tuna is main raw material of the company's product. Prices of tuna, as a raw material, mostly vary based upon the supply and demand of the global market, seasons, as well as environmental and natural factors. Last year saw the volatility of skip jack tuna, as a raw material; their prices declined from 1,200-1,800 USD per ton in 2014 to 1,000-1,500 USD per ton. Thus, fluctuations in tuna prices should have a direct impact on the Company's production costs and profit, as product pricing should be based upon the market prices at the time.

#### Company's operational guidelines

The company has a central unit equipped with expertise and extensive experience in the tuna business which is responsible for purchasing tuna raw materials from various sources around the world. Specifically, the team is responsible for analyzing; gathering factors that influence tuna prices and utilizing the obtained data to forecast price trends and develop a purchasing strategy. The company has focused on appropriate inventory management under different price situations. The position of the company as one of the world's largest tuna purchasers has provided it with bargaining power over tuna prices; however, it has no policy to speculate on fluctuating tuna prices.

### 2.2 Fluctuations in shrimp prices

Shrimp is the second main raw material next to tuna. Last year's domestic shrimp prices saw fluctuations and a decrease from year 2014. The price of *litopenaeus vanamei*, or white leg shrimps (60 shrimps/kg size), dropped from 180-270 baht per kg in 2014 to 150-200 baht per kg in 2015. This resulted from an increased demand for shrimp due to the recovery from the early mortality syndrome (EMS) outbreak for shrimps and increased shrimp production by Thailand's rivals in many countries.

#### Company's operational guidelines

Despite an increase in the shrimp supply in Thailand as a result of recovery from the EMS situation, the amount of shrimp products has been significantly lower than before the EMS outbreak. Thus, the company has prepared a shrimp price guarantee scheme for farmers in order to boost their confidence in shrimp raising and help stabilize local shrimp prices. With this scheme, the company has been able to increase the volume of shrimps for export, which has increased its revenue from sales and compensated for lower unit prices.



### 3. COMPLIANCE RISKS

#### Laws and Regulations

As one of the world's largest seafood producers with operations domestically and overseas, legal compliance is one of the challenges that the company have to encounter. Due to differences in regulations from country to country, the company works consistently to ensure strict compliance with regional regulations.

##### Company's operational guidelines

Compliance with laws and regulations is an important matter that the company cannot compromise in order to achieve correct practices. The company has legal units both in the Thailand and overseas to ensure all of its operations are in compliance with regulations in respective countries where it operates and the countries of trade partners where the company exports to. The legal units take charge of monitoring changes in regulations and laws, analyzing impacts and factors related to the company, and training management and employees in important matters.

In 2015, the company set up the Global Legal and Compliance Function which is responsible for the Company's global legal administration. In addition, the company established a corporate culture which recognizes the importance of legal operations and the seriousness of illegal actions, in order to strengthen good governance principles that the company adheres to. Management and employees are trained on these issues.

### 4. FINANCIAL RISKS

#### Exchange rate risks

The fluctuating global economy in 2015 resulted in large fluctuations in the foreign currency exchange rates. This directly affected the Company Group's performance in terms of revenues and profits, because more than 90 percent of the revenue of local companies was derived from exports, such as to the U.S.A., the EU, and Japan. The companies in Europe and the U.S.A. reported their performance in the euro and US dollar, respectively, so the Company's consolidated financial statement denominated in the baht was affected by fluctuations in foreign currency exchange rates.

##### Company's operational guidelines

The company has closely monitored the fluctuations in foreign exchange rates and has the policy for foreign currency exchange rate management characterized by natural hedge. The company used the revenue from product sales, which were mostly denominated in the US dollar, to pay for the main raw material, which is tuna, and other expenses, under the same currency. In addition, it has managed risks by utilizing the forward contract in order to minimize impact from foreign currency exchange rates fluctuations, especially the US dollar, and to optimize its financial management.

In 2015, the company established the Global Treasury Center in Thailand - the center for managing liquidity and risks from exchange rates, as well as financing to reduce financial risks scattered all around the world and to reduce operating costs for the company Group as a whole.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

2015 was an eventful year for Thai Union, as despite the cancellation of the Bumble Bee acquisition plan and increased pressure around sustainability, we managed to deliver record results for yet another year, both on the revenue and net profit figures.

Profitability continued to improve for two consecutive years, with net profit of THB 5.3 billion, a 4.1 percent increase from the previous year. The group made a record high sales of THB 125.2 billion (USD 3.7 billion). The sales growth was 3.1 percent from the previous year in Thai baht terms, although the growth in US dollar term was negative at 0.9 percent, where the difference in growth rate is attributable to USD appreciation against THB during the year. The underlying sales growth was driven by a number of acquisitions during late 2014 and 2015. Overall volume declined very slightly, due to the fact that the canned tuna buyers are still cautious on buying amidst price declines in the tuna raw material. We have seen a significant increase in volume sales from shrimp, salmon, sardine and mackerel businesses from recent acquisitions to offset the volume decline in tuna business.



Net profit (THB 5.3 billion) was the record high profit for the second consecutive year. Brand business has demonstrated its resilience to market and raw material price uncertainties and continues to deliver significant contributions to the company's profits. Our free cash flow for 2015 was positive thanks to falling tuna raw material price and tight control on working capital and capital expenditure.

The tuna business saw gross profits decline during 2015, mostly due to euro depreciation against Thai baht, resulting in weaker profit translation. On the other hand, the shrimp business managed to significantly improve in profitability due to the consolidation of the lobster trading company Orion International during the year and the improvement in domestic shrimp production to 263,122 tons (up 21 percent from 2014 production). Our continued focus on value-added items so far has proven resilient amidst the current situation, where domestic shrimp production was experiencing pressure due to the shrimp EMS disease.

Tuna remained the largest category of our sales, followed by shrimp and related businesses. Though tuna and pet care sale growth are negative due to low tuna raw material price and business restructuring, respectively, shrimp, salmon and sardine and mackerel showed significant sales growth as a result of the acquisitions made during late 2014 and during 2015. Average selling prices (ASP) across all categories were generally lower, but the drop in tuna and shrimp product prices were a result of the product re-pricing in line with lower raw material prices, which resulted from the cost-plus pricing strategy. Consequentially, the proportion of tuna sales of the total annual sales also fell to 37 percent from 44 percent in 2014. Another key factor leading to this changing proportion was consolidation of a number of non-tuna business acquisitions happened during the year, including Orion, MerAlliance and King Oscar.

The US remained our largest market and contributed 42 percent to our revenue, from 44 percent a year ago, due to falling tuna raw material price. Europe was our second largest market at 29 percent, stable from the previous year. Despite EUR depreciation during 2015, sales contribution from Europe remained stable from the consolidation of MerAlliance and King Oscar which have strong presence in Europe. The third largest market was Thailand at 8 percent, up from 7.4 percent last year due to the recovery of shrimp business from improved EMS situation in the country. Sales contribution from Japan was at 6.3 percent, while other smaller markets, such as Africa and Asia, have grown significantly.

The following are the key factors that contributed to our 2015 performance:

#### 1) Tuna price fell to 6-year low

2015 average tuna raw material price was at USD 1,170 per ton, down 14.0 percent from the 2014 average price. The lower YoY tuna raw material prices since the beginning of 2015 prompted more production and price competition at the private label level that resulted in a decline in both tuna average selling price and sales volume. However, the low tuna price has supported YoY margin improvement, especially in Thai Union Europe whose European brands performed well in almost all major markets, namely France, UK and Italy. Competitive inventory costs and positive market conditions supported better margins.

#### 2) Profitable shrimp processing operations buoyed by improved domestic production and lower raw material prices

Thailand has seen shrimp production recover during 2015, with the total country's output at 263,122 tons, an increase of 21 percent from the 2014 production, as Thai shrimp farmers could cope with the EMS epidemic better. 2015 average shrimp price (60 piece per kilogram) also declined 24 percent from the 2014 level to THB 168 per kilogram. Both an increase in country production and lower shrimp raw material price has contributed to a significant margin improvement during the year. On another front, due to the acquisition of Orion International, our US based frozen seafood trading operations also continued to perform well during 2015.



### 3) Consolidation of new businesses supported non-tuna sales growth

The company acquired leading chilled smoked salmon producer MerAlliance and premium sardine and mackerel brand King Oscar during November 2014, and the lobster trading company Orion International in February 2015. As a result, the company saw strong sales growth in the salmon, sardine and mackerel and shrimp businesses, which supported the company's overall sales growth during 2015, despite declined tuna raw material price.

### 4) Euro depreciation against Thai baht

The European market contributed to 29.4 percent of the company's group sales, and therefore the Euro depreciation against Thai baht had negative impact on the accounting translation of top and bottom lines to our group consolidation. Despite the fact that 2015 average Euro depreciated 11.4 percent against Thai baht, our European business still reported a sale growth rate of 12.6 percent during the year, thanks to our strong brand positioning in Europe.

### 5) Impairment charges on fishing fleet

Due to the average tuna price fell to 6-year low, we deemed it was prudent to impair our fishing boats to reflect the current operating environment. As a result, we impaired our fishing fleets by THB 508 million during 4Q15 to reflect such change in the tuna raw material price.

### 6) Rise in SG&A expenses (M&A, legal fees)

During 2015, the company attempted to acquire Bumble Bee Foods, LLC (Bumble Bee), the leading seafood operator and owner of key seafood brands in North America. During the Department of Justice investigation on antitrust in the US seafood industry, we reached an agreement with the seller to mutually terminate the acquisition of Bumble Bee on 4 December 2015. Both parties concluded that the clearance is unlikely under stipulated in the share purchase agreement, thus the agreement was terminated with no breakup fee charge on the company.

However, along the process, the company incurred expenses related to the acquisition, which we do not expect to re-occur in 2016.

### 7) Strengthening European brand presence and performance

Despite the weak European economic outlook, our leading seafood brands, namely, Petit Navire, John West and Mareblu, could still manage to gain shares in their respective markets. With the acquisition of the MerAlliance and King Oscar, we have strengthened our brand presence in Europe, as well as the operating economies of scale. As a result we expect our European business to continue to improve, both with regards to sales and profitability.

### 8) Successful restructuring of the pet care unit leading to margin improvement

Post the major business restructuring in the second half of 2013, we reconfigured USPN by significantly scaling down its US production facility and instead imported the majority of its products from our Thai plants to meet its US customers' needs. As a result, the company has turned more profitable during 2014, and the effort has paid off even further with an improved margin in 2015. There was no further asset impairment or inventory write-down, as happened during 2014.



## TUNA BUSINESS

Total tuna sales were THB 46.4 billion, down 13.8 percent from THB 53.8 billion a year ago. While volume sales (tonnage) also decreased by 4.5 percent from 2014, the average selling price was down 13.3% from last year. Tuna sales decline was mainly attributable to lower skipjack raw material prices and the competition in the US market that intensified during the course of the year. The tuna raw material price decline prompted further margin expansion in the branded tuna business in Europe. On the other hand, the same raw material price development prompted buyers to delay their purchases in hope for lower prices. As a result, overall private label sales volume (tons) was down, compared with a year ago.

On average, the skipjack price (WPO/Bangkok landing) during the year dropped by 14 percent to USD 1,170 per metric ton from USD 1,361 a year ago. The tuna price has stabilized in early 2016 with an average tuna price at USD 1,090 in Jan-Feb 2016. Given that the price should have bottomed, the current low price level should start to attract more private label buyers' interest, which, if price start to rise, could be supportive for volume growth in 2016.

## SHRIMP AND RELATED BUSINESS (FROZEN SHRIMP, FEED AND LOBSTER)

Total sales of shrimp and related business were THB 36.2 billion, up 12.5 percent from THB 32.2 billion a year ago. Thailand shrimp production in 2015 was at 263,122 tons, improved 21 percent from the previous year as Thai shrimp farmers have started to cope with EMS epidemic in shrimp better. As a result, both frozen shrimp volume exported out of Thailand and domestic shrimp feed sales were up. Shrimp feed business saw a significant sales growth of 19.6 percent from the previous year.

In 2015, the average price of white shrimp was THB 168 per kg (60 pieces per kg), down 24 percent from a year ago. The shrimp raw material price was down partly due to the increased domestic production and partly due to lower-priced shrimp raw material from other shrimp raising countries that were not affected by EMS disease. Thailand Department of Fisheries expects to see shrimp output to increase to 300,000 tons level in 2016.

Our overseas shrimp business also reported solid growth, both from the organic growth of the Chicken of the Sea Frozen Foods and the acquisition of lobster trading company Orion International during the year.

As a result of growing sales and recent acquisitions, the 2015 gross profit margin of our shrimp business improved significantly from the previous year.

## FINANCING AND INVESTMENT

During 2015, we have carried out a few important financing and investment activities as follows:

### 1. Change of par value of TU shares

With an objective to improve TU's daily share trading liquidity and invite broader participation by general individual investors, the board of directors approved a change of par value of TU shares from THB 1 per share to THB 0.25 per share on November 13, 2014. That boosted the number of TU shares from 1,192,953,874 to 4,771,815,496. However, the value of our registered, issued and paid-up share capital remains unchanged. The change of par value was effective since January 5, 2015.

### 2. Thai Union Group has been granted "Global Treasury Center" in Thailand

Thai Union Group has obtained the Treasury Center License from the Ministry of Finance and the Bank of Thailand to set up "Global Treasury Center" in Thailand. The center will mainly keep centralize liquidity, foreign exchange risk management, and funding activities of the group in Thailand and this will be an important step to set up "International Headquarter" in Thailand. The solution will allow Thai Union Group to unlock trapped cash sitting in their accounts globally whilst maximizing internal funding.

### 3. Thai Union announces postponement of its Preferential Public Offering

As the U.S. Department of Justice ("DOJ") conducted an antitrust investigation into the packaged seafood industry in the United States, Tri-Union Seafoods LLC, a subsidiary of Thai Union, operating in the United States under the brand Chicken of the Sea ("Chicken of the Sea"), received a subpoena requiring the production of relevant information to the DOJ.

The Board of Directors of Thai Union believes it is prudent to await additional clarity on this investigation before proceeding with Thai Union's Preferential Public Offering announced on July 17, 2015.

### 4. Thai Union and Savola Foods Company Ink Seafood Joint Venture

Thai Union Group and Savola Foods Company, the largest manufacturer of consumer goods in the Middle Eastern markets, announced a joint venture (JV) to bring sustainable, innovative, and quality seafood products to the Middle Eastern consumers. The joint venture will benefit from the sourcing, processing, and R&D capabilities of Thai Union, and sales, marketing, and distribution expertise of Savola Foods Company. The joint venture will also leverage deep consumer and marketing expertise of both partners, including marketing the John West brand in the Middle Eastern markets.

### 5. Thai Union Announces the Termination of Bumble Bee Acquisition

Thai Union Group reached an agreement with Lion Capital to mutually terminate the acquisition of Bumble Bee Foods, LLC (Bumble Bee Seafoods) on 4 December 2015.

Over the course of last twelve months, both Thai Union and Lion Capital vigorously advocated the merits of the deal to the U.S. Department of Justice. However, Thai Union and Lion Capital concluded that the clearance was unlikely under the time stipulated in the Share Purchase Agreement.

### 6. Thai Union Acquires a Majority Stake in Rügen Fisch - Germany's Shelf-Stable Seafood Leader

Thai Union Group has entered into an agreement to acquire a majority stake in Rügen Fisch AG ('Rügen Fisch'). Rügen Fisch, which owns leading brand Hawesta, is a market leader for shelf-stable canned seafood in Germany. The deal was completed in February 2016.



Rügen Fisch, based in North-East Germany, currently generates revenues in excess of €140 million. The company supplies ambient and chilled fish including herring, mackerel and salmon across Germany to all of the leading retailers under key brands such as Rügen Fisch, Hawesta, Ostsee Fisch and Lysell, along with a significant private label business. The company employs over 850 people across the four primary state-of-the-art facilities in Germany and Lithuania.

### Future Prospect and Action Plan

In 2016, we expect a year of continual growth to be driven by three main sources: 1) organic expansion of our existing business 2) new business divisions through product and process innovation and venturing into the new markets, and 3) consolidation of our newly acquired subsidiaries. They would together drive our sales, helping us achieve our target of USD 8.0 billion by 2020. For 2016, we should see significant sales growth in sardine & mackerel thanks to Rugen Fisch acquisition.

On the back of continued earnings growth in 2015, margins should continue to show gradual improvement this year. The current tuna raw material price should be positive to our branded business, in 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. Private label tuna business sales should improve given that the raw material price has stabilized at a reasonable 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 a volatile tuna prices
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 private label customers and our ability to exercise cost-plus pricing for those accounts
4. Successful integration of our newly acquired overseas subsidiaries (Rügen Fisch) and the new business arrangement (Savola) with the group
5. Stable demand for packaged seafood from consumers in European markets despite the recent economic setbacks in the region
6. 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.

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

### RISKS

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

### **We are affected by fluctuations in prices or disruptions in the supply of key raw materials**

Our operations depend upon the pricing and adequate supplies of raw materials and in particular tuna and shrimp, which we procure globally. Raw material and frozen shrimp prices are volatile and are affected by, among other factors, changes in the global or regional levels of supply and demand, weather conditions, customs and import duties, government controls, marine diseases and energy prices.

Although we actively monitor the availability and prices of raw materials and shrimp supplies, we cannot assure stakeholders that we can always procure raw materials or shrimp in adequate quantities or at the required quality to meet our production requirements, or that these supplies will not be subject to significant price volatility in the future. Volatility in raw materials prices or shrimp supplies can adversely affect our business. Falling prices may also result in a decrease in the value of our inventory. Rising raw material prices generally have a greater adverse impact on our branded products business as compared to our private label business, as our private label pricing is generally on a “cost-plus” pricing basis, which may allow us to set higher product prices. However, we may not succeed in all cases in passing on these higher costs to our customers.

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 private label business, are normally set on the (raw material) cost -plus (processing fees) basis.

### **Outbreak of marine diseases may affect our ability to conduct our business and harm demand for our products**

An outbreak of disease affecting our raw materials can result in supply shortages that could disrupt our business or reduce our production, as well as increase raw materials’ costs, reduce sales and attract negative publicity concerning the quality and safety of seafood products generally, including ours. For example, the 2012 outbreak of EMS in Thailand caused the 2013 and 2014 aggregate shrimp production in Thailand declined materially when compared to 2012. Raw shrimp prices increased significantly in 2013 as a result of the shortage in supply, reaching a peak in February 2014, but subsequently declining. As a result of the EMS outbreak, both our Thailand-based shrimp private label business suffered severe losses in the first half of 2013.

There can be no assurance that EMS will not continue to be present in Thailand or that future outbreaks of marine diseases will not adversely affect our business, financial conditions, results of operations and prospects.

As the country’s major player in shrimp upstream and processing business, we have educated local shrimp farmer of the proper farming practice that could reduce mortality rate of shrimp raising. Moreover, the company, through our trading companies, has global sourcing network to procure shrimps from other non-EMS affected countries to ensure ongoing shrimp supply for our operations.

### **We may be affected by the international regulation on human rights and the threat to ban seafood imports from Thailand**

In 2014, the U.S. Department of State downgraded Thailand to a ‘Tier 3’ ranking in its Trafficking in Persons report. A ‘Tier 3’ ranking indicates that the relevant government does not fully comply with the minimum standards of the U.S. Trafficking Victims Protection Act of 2000 (the “TVPA”) and is not making significant efforts to do so.

On April 21, 2015, the European Union placed Thailand on formal notice for the potential ban of seafood imports from Thailand if the European Union determines that Thailand continues to take insufficient action against illegal, unreported and unregulated (“IUU”) fishing.

While there can be no assurance that the measures with respect to combating IUU fishing undertaken by the Thai government will be deemed sufficient by the European Union. We have implemented a 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 our voluntary launch of our 2nd Sustainability Development (SD) report and the admission to the highly selective and prestigious Dow Jones Sustainability Index (DJSI) Emerging Markets for 2 years in a row, together with the Outstanding CSR award granted by the Stock Exchange of Thailand. These events demonstrated our proactive stance on sustainable business practices.

**Fluctuations in currency exchange rates and related risks may adversely affect our results of operations**

Exchange rate fluctuations may cause translation effects. Although we are a company incorporated in Thailand, we export our products abroad and generate most of our sales from foreign currencies such as the USD and the EUR. For the year ending December 31, 2015, we generated more than 90% of our total sales in currencies other than the THB. As such, we have historically been subject to fluctuations of other currencies, primarily the USD and EUR.

In particular, we may observe a negative impact caused by translation effects when the THB is strong in comparison to the USD and EUR, as for instance, the U.S. dollar-denominated revenues translate into a comparatively smaller amount of THB. In addition, appreciation of the THB could result in a competitive disadvantage for us with respect to our competitors from other currency regions and could lead to declines in others. All of these factors could have a material adverse effect on our business, financial condition, and results of operations.

Thanks to our non-speculative and timely currency hedging policy, we have been successful in hedging out most of the foreign exchange rate fluctuations to minimize the impact of currency volatility on our operational performance.

**Our growth strategies, including making acquisitions and entering new product categories, may not be successful or may entail significant costs**

Business acquisitions involve unforeseen contingent risks relating to these businesses that may only become apparent after the acquisition is finalized. Additionally there are integration risks such as difficulties associated with integration and the management of operations and systems, integration and retention of key personnel, co-ordination of sales and marketing efforts and diversion of management's attention from other ongoing business concerns.

Our growth strategy also includes creating innovative new products, which may include product categories expansion, and entering new markets. However, we may not have sufficient experience or expertise to expand successfully into completely new product categories or new markets, and we may not be successful in developing the knowledge and expertise for the development of such new product categories or to compete in such new markets. In addition, expansion into new product categories or new markets may require significant managerial and operational resources.

Thai Union has set a growth target to combine both aspects of organic growth and acquisitions. While we have good track record of past acquisitions, we continue to remain prudent regarding acquisition selection and execution for the best interests of shareholders. We are committed to acquiring businesses that are related to the interests of Thai Union Group, where integration would end up in synergy between the current operation and the acquired entity. In the event of any disruption or cancellation, we also execute any transaction in such a way to make sure that the company does not need to incur unnecessary additional expenses.

## COMPARATIVE FINANCIAL RATIOS

Ratios	2014	2015	2016
<b>1. Liquidity Ratios</b>			
• Current Ratio (Times)	1.18	1.51	1.47
• Quick Ratio (Times)	0.32	0.43	0.48
<b>2. Leverage Ratios</b>			
• Total Liabilities to Equity (Times)	1.50	1.43	1.29
• Debt to Equity (Times)*	0.99	0.98	0.81
• Net Debt to Equity (Times)*	0.92	0.85	0.75
• Time Interest Earned (Times)	3.40	5.07	5.55
<b>3. Efficiency Activity Ratios</b>			
• Assets Turnover (Times)	1.11	1.09	1.11
• Inventory Turnover (Times)	2.81	2.75	2.91
• Accounts Receivable Turnover (Times)	8.93	8.42	8.06
• Accounts Payable Turnover (Times)	11.70	12.65	9.20
• Inventory Days (Days)	127	131	124
• Account Receivable Days (Days)	40	43	45
• Account Payable Days (Days)	30	28	39
<b>4. Profitability Ratios</b>			
• Gross Profit Margin (%)	12.61	15.67	15.58
• EBITDA Margin (%)	6.91	9.06	9.21
• Net Profit Margin (%)	2.50	4.15	4.24
• Return on Average Equity (%)	7.43	12.24	11.86
• Return on Assets (%)**	5.54	7.58	7.81
• Return on Capital Employed (%)	9.34	12.48	11.99
<b>5. Per Share Data</b>			
• Earnings per Share (Thai Baht)	2.49	1.099***	1.11
• Dividend per Share (Thai Baht)	1.49	0.54	0.63
• Book Value per Share (Thai Baht)	34.45	9.42	9.60

\* Debt = Interest-bearing 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

### An Overview

2015 was another consecutive year of record sales and net profits for TU despite the effect of low tuna raw material prices, the continual shrimp shortage in Thailand, restructuring of US pet care operations, and the negative impact of weak EUR against THB.

- The lower YoY tuna raw material prices since the beginning of 2015 prompted more production and price competition at the private label level that resulted in a decline in both tuna average selling price and sales volume. However, the low tuna price has supported the tuna gross margin improvement during the year.
- 2015 domestic shrimp production has improved to 263,123 tons, up 21 percent from 2014 production. Our shrimp & related business continued to grow, both in term of revenue and gross margin, thanks to increased domestic shrimp supply, more focus on higher margin value-added products, as well as the recent acquisition of the US lobster and seafood trading unit.
- During the year, there were an impairment charge of the fishing fleet as tuna price declined to 6-year low and expenses about the Bumble Bee and other acquisition deals. These expenses are not expected to happen on the recurring basis in the following years.

### Sales

2015 sales set a new record at THB 125.2 billion (+3.1 percent YoY), equivalent to USD 3.72 billion (-0.9 percent YoY), where the growth difference was driven mostly by THB depreciation (vs. USD) and full year consolidation of recently acquired non-tuna businesses, such as lobster products from Orion International, salmon from the acquisition of MerAlliance in 4Q14 and sardine and mackerel from the acquisition of King Oscar in 4Q14. The average exchange rate in 2015 was at THB33.69/USD compared to THB32.36/USD a year ago.

Although tuna still accounted for the largest sale contribution at 37.1 percent, the proportion was lower from the previous year of 44.3 percent, mainly due to lower tuna price raw material price when compare to the previous year and full year consolidation of non-tuna subsidiaries. The shrimp sales contribution improved to 28.9 percent (26.5 percent in 2014) from the increase in domestic shrimp production and acquisition of Orion International in February 2015. The value added and other products sales contribution improved to 12.5 percent in 2015 (from 11.3 percent in 2014) thanks to the good growth in canned seafood sales. The sales contribution from salmon and sardine & mackerel businesses also improved to 9.1 percent and 5.9 percent (from 5.1 percent and 5.4 percent, respectively, in 2014) due to the full year consolidation of MerAlliance and King Oscar, respectively, during 4Q14. Pet care sales ranked the fifth in term of sales mix with 6.5 percent of total sales (7.3 percent in 2014) due to US Pet care business restructuring.

Sales from the US market declined by 1.2 percent YoY during 2015, but still accounted for 42.2 percent of the total sales, mainly due to falling tuna raw material prices and increased competition in the US market. Europe remained the second largest market for the company with 29.4 percent contribution with 5.0 percent YoY sales growth. Sales from the Japanese market shrank by 6.6 percent while Thai domestic sales contribution increased 11.7 percent YoY from the previous year.

Of the total sales, 2015 branded and private label business sale contributions were stable from 2014 at 41.3 percent and 58.7 percent, respectively, as the company has consolidated both branded and private label operators during 2015.

In 2015, the largest portion of sales (in THB term) was from the US operating units, which accounted for 36.8 percent of total sales. Sales from European & African operating units accounted for 26.6 percent while sales from Thai and other operating units accounted for 36.6 percent.

## Gross Margin

2015 gross margin slightly decline to 15.6 percent from 15.7 percent in 2014, the decline was driven mainly by an impairment charge on the fishing fleet worth THB 508 million during 4Q15. Operational wise, the low tuna price, recent consolidations of lobster, salmon and sardine and mackerel, and a business restructuring in pet care business all reported margin expansions.

Branded tuna business continuously showed gross margin expansion, supported by declining tuna raw material price throughout the year. The overall gross margin of tuna in 2015 improved to 17.7 percent (from 17.0 percent in 2014) mainly due to gross margin expansion of branded business from lower fish costs and responsive price adjustments in the private label tuna business.

With the improvement of the EMS disease situation and a consolidation of lobster trading business in 2015, the gross margin of frozen shrimp in 2015 increased YoY to 10.7 percent (from 9.6 percent).

The gross margin of pet care business was higher YoY, thanks to continued improvement at US pet care operation after the business restructuring completed. Excluding this US pet care unit, the gross margin of the pet care business for export out of Thailand remained in a good shape.

## EBITDA margin

2015 EBITDA margin slightly improved to 9.2 percent from 9.1 percent in 2014, the improvement was driven mainly by an FX gains during the year and an improved equity income from Indian-based shrimp feed producer associate Avanti Feeds. As a result, 2015 EBITDA was THB 11.5 billion, an increase of 4.8 percent from THB 11.0 billion in 2014.

## Selling and Administrative Expense (SG&A)

2015 SG&A expenses increased by 5.7 percent YoY to THB 12.7 billion, driven by the SG&A expenses that increase along with sales growth, corporate rebranding event, an investment in setting up the Global Innovation Incubator (Gii), increased personnel expenses to support business expansion, the acquisition-related expenses as well as expenses incurred for a planned capital raising exercise for the Bumble Bee transaction. Part of these expenses were vital investments to drive the business to reach our 2020 revenue target of USD 8.0 billion. Due to a number of one-time events happened during 2015, the SG&A as percent of sales was at 10.2 percent, slightly above the company's budget.

## Other Income (including share of income from investment in associates)

2015 other incomes dropped by 13.4 percent YoY to THB 1.0 billion from THB 1.2 billion a year ago mainly due to lower interest income. However, 2015 equity income increased thanks to Indian-based shrimp feed producer associate Avanti Feeds improved its operation during the year.

## FX Gain/Loss

2015 FX gain increased by 256 percent YoY to THB 1.0 billion from THB 0.3 billion, thanks to timely foreign exchange hedging during the year partly contributed by the unwinding of hedged EUR in 1Q15 and unwinding of FX derivatives related to Bumble Bee acquisition deal.

## Finance Cost

Despite the commitment fees to secure loan in the process of Bumble Bee acquisition preparation, 2015 finance cost still declined YoY to THB 1.6 billion from THB 1.7 billion in 2014. The decline was mainly attributable to debt repayment during the year.



### Corporate Income Tax

2015 corporate income tax increased by 28.1 percent YoY to THB 1.3 billion from THB 1.0 billion with a higher effective tax rate of 18.4 percent versus 15.3 percent in 2014 mainly due to a sharp drop in tax-exempt income and non-deductible expenses as well as a larger profit contribution from overseas subsidiaries (mainly) Europe where they were subject to higher corporate income tax rate.

### Net profit

2015 net profit increased by 4.1 percent YoY to THB 5.3 billion from THB 5.1 billion during 2014, thanks mainly to a higher gross margin, lower finance costs and a larger FX gain despite a larger corporate income tax paid during the year. Net profit margin also stable at 4.2 percent, when compared to the previous year.

### Assets

Total assets in 2015 amounted to THB 111.5 billion, representing a decrease of THB 3.4 billion from THB 114.9 billion in 2014.

- Net trade receivables were THB 15.6 billion, up 2.4 percent from THB 15.3 billion in 2014, growing in line with the consolidated sales growth. Accounts receivable turnover marginally decreased to 8.1 times from 8.4 times in 2014, due to a higher increase in average accounts receivables in relative to sales growth (+6 percent YoY compared to 3 percent YoY). 2015 accounts receivable days rose to 45 days from 43 days in 2014.
- Net inventories decreased by 6 percent to THB 35.2 billion from THB 37.5 billion a year ago due mainly to a lower tuna raw material price. 2015 inventory days slightly decrease to 124 days from 131 days a year ago, mainly due to a increase in inventory turnover to 2.9 times from 2.86 times in 2014. The higher turnover rate was a result of lower inventory value from falling tuna raw material price as well as in house proactive measures taken to keep inventory at the optimal level.
- Asset turnover rate increased to 1.10 times in 2015 from 1.09 times in 2014 due to a higher growth rate of sales in relative to average total assets growth (+3.1 percent YoY and +1.4 percent YoY, respectively).
- Current ratio was marginally lower YoY at 1.5 times in 2015 from 1.47 times in 2014. But the quick ratio rose to 0.5 time from 0.4 times. The difference in trajectory was due to a lower level of average inventories (-2.3 percent YoY). Total average current liabilities were lower YoY mainly due to lower level of bank overdrafts and short-term loans from financial institutions and a continued repayment of current portion of long-term debt.
- Property plant and equipment totaled THB 23.1 billion, almost unchanged from 2014 mainly due to the capital expenditure is closely matched with depreciation expenses and disposal.

### Liabilities

Total liabilities in 2015 amounted to THB 62.9 billion, representing a decrease of THB 5.1 billion from THB 67.4 billion in 2014.

- Trade payables were THB 12.3 billion, up 14 percent from THB 10.7 billion. 2015 trade payables days increased to 39 days from 28 days in 2014, thanks to a lower accounts payable turnover rate (9.2 times compared with 12.7 times a year ago).
- Bank overdrafts and short-term loans decreased by 26 percent to THB 19.4 billion from THB 26.1 million.

- Long term loans decreased by 17 percent to THB 15.9 billion from THB 19.2 billion as more long-term debt are becoming mature and debt repayment during the year.
- Interest-bearing debts were THB 39.2 billion, down 16 percent from THB 46.7 billion a year ago. The proportion of long term debts (including the current portion) increased from 44 percent of the total interest bearing debts to 50percent. However, the increase in portion was only due to that the long-term debt had been repaid down less aggressively than the short-term debt.

### Shareholders' Equity

Equity attributable to shareholders of the Company in 2015 amounted to THB 45.8 billion, representing an increase of THB 2.1 billion from THB 43.7 billion in 2014 due mainly to an increase in net profits (net of dividend payment) during the year.

- Total liabilities to equity ratio in 2015 declined to 1.3 times from 1.4 times in 2014 mainly due to an interest bearing debts repayment and an increase in shareholders' equity.
- Despite the acquisition of Orion International, 2015 net debt-to-equity ratio dropped YoY to 0.75 time from 0.85 time a year ago, thanks to both debt reduction and an increase in total shareholders' equity. Net debt, nonetheless, was lower at THB 36.4 billion, from THB 40.6 billion in 2014.
- Return on average capital employed in 2015 was at 12.0 percent, slightly down from 12.5 percent in 2014, mainly as a result of a shareholders' equity increase from an ECB conversion since late 2014. The return on average equity in 2015 remained high at 11.9 percent, slightly down from 12.2 percent in 2014, which is in line with the ROCE trend.

### Cash Flows

Net cash in flows from operating activities in 2015 surged by THB 14.9 billion, from THB 9.4 billion a year ago due to an increase in profit before tax and a reduction in inventory level mainly attributable to lower tuna raw material prices. 2015 annual depreciation and amortization expenses amounted to THB 2.7 billion.

Meanwhile, cash used for investing activities amounted to THB 1.3 billion during 2015, from THB 8.7 billion a year ago. The capital expenditure during the year was THB 2.9 billion, well-below the budget of THB 3.5 billion. In addition, the company divested short-term investment worth THB 4.0 billion during the year.

Cash outflow from financing activities in 2015 were THB 13.2 billion, from an inflow of THB 0.9 billion in 2014. The large net outflows came mainly from reduction of bank overdrafts and long term loans during the year. Also, there were dividend payments totaling THB 2.7 billion.

Net increase in cash and cash equivalents at the end of 2015 amounted to THB 0.7 billion.

# SHAREHOLDING STRUCTURE AND MANAGEMENT

Shareholders	Number of Shares	% Shareholding
1. Chansiri Group	975,467,152	20.4
2. Thai NVDR Co., Ltd.	530,984,022	11.1
3. Mitsubishi Corporation	347,745,120	7.3
4. Niruttinanon Group	333,903,512	7.0
5. Social Security Office	218,591,208	4.6
6. State Street Bank Europe Limited	177,021,052	3.7
7. Nortrust Nominees Limited-NT0 SEC Lending Thailand CL AC	129,993,960	2.7
8. Nortrust Nominees Ltd-CL AC	128,174,474	2.7
9. The Bank of New York Mellon	119,690,000	2.5
10. State Street Bank and Trust Company	90,351,431	1.9

**Remarks:** As of closing of 29 January 2016, from total of 4,771,815,496 shares traded and paid at BHT 0.25 a share and included shares of concerned parties and under the same corporate group. Shares held by Thai NVDR, accounting for 11.1 percent of total, are ineligible for voting.

## SHAREHOLDING STRUCTURE

Types	% Holding	
	30 December 2015	30 December 2014
<b>Juristic Persons</b>		
Thai	24.89	35.67
Foreign	37.61	39.21
Total	62.50	74.88
<b>Private Individuals</b>		
Thai	34.58	25.12
Foreign	2.92	0.00
Total	37.50	25.12
<b>Grand Total</b>	<b>100.00</b>	<b>100.00</b>

## Comparison of shares held by the board including those of their spouses and children under legal age between as of 30 December 2014 and 30 December 2015

Board of Directors		
	As of 30 December 2014	As of 30 December 2015
1. Mr. Kraisorn Chansiri	471,134,720	231,134,720
2. Mr. Cheng Niruttinanon	269,552,676	271,252,676
3. Mr. Chuan Tangchansiri	38,668,000	38,668,000
4. Mr. Thiraphong Chansiri	458,847,772	460,547,772
5. Mr. Rittirong Boonmechote	63,442,980	63,442,980
6. Mr. Yutaka Kyoya *	N/A	-
7. Mr. Shue Chung Chan	12,295,272	12,295,272
8. Mr. Ravinder Singh Grewal Sarbjit S	-	-
9. Mr. Sakdi Kiewkarnkha	-	-
10. Dr. Thamnoon Ananthothai	-	-
11. Mr. Kirati Assakul	53,248	103,248
12. Mr. Nart Liuchareon*	-	-

**Remarks:** \*New Directors during the year 2015

## CONNECTED TRANSACTIONS

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 Notification of the Stock Exchange of Thailand, the company shall request for procedures to be carried out according to regulations such as reviewed by the 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 Notification 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:

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
1. Thai Union Feedmill Co., Ltd. (holding 51.0%)	<b>Mr. Rittirong Boonmechote</b>	<b>Director</b>	<b>5,974,975</b>	<b>11.9%</b>	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials (Scrap) from TU</li> <li>• Purchase of raw materials (Scrap) from TUS</li> <li>• Purchase of raw materials (Scrap) from PPC</li> <li>• Purchase of finished goods from THD</li> <li>• Sale of raw materials (Shrimp) from experimental farm to TU</li> <li>• Sale of Fish meat from experimental farm to LUF</li> <li>• Sale of Fish from experimental farm to SC</li> </ul> <b>Supporting Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Payment for financial management charge and New year hampers to TU</li> <li>• Payment for printing to TUG</li> <li>• Payment for training (HR) charge to TU</li> </ul>
	<b>Mr. Prasert Boonmechote</b> (Mr. Rittirong's father)	<b>Relative of Director</b>	<b>2,500,000</b>	<b>5.0%</b>		
	<b>Mr. Wattana Boonmechote</b> (Mr. Rittirong's brother)	<b>Relative of Director</b>	<b>1,750,000</b>	<b>3.5%</b>		
	<b>Ms. Rungtiwa Boonmechote</b> (Mr. Rittirong's sister)	<b>Relative of Director</b>	<b>1,750,000</b>	<b>3.5%</b>		

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
2. Thai Union Seafood Co., Ltd. (holding 51.0%)	<b>Mr. Rittirong Boonmechote</b>	<b>Director</b>	<b>3,974,850</b>	<b>13.2%</b>	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials and finished goods from TU</li> <li>• Purchase of raw materials (Special Order) from COSF</li> <li>• Purchase of raw materials and finished goods from PPC</li> <li>• Sale of finished goods to COSF</li> <li>• Sale of finished goods to TU</li> <li>• Sale of finished goods to PPC</li> <li>• Sale of raw materials (Scrap) to TFM</li> </ul> <b>Supporting Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Payment for marketing service charge to TU</li> <li>• Payment for marketing service charge to TUM</li> <li>• Payment for transportation charge to COSF</li> <li>• Payment for container rent and transportation charge to TU</li> <li>• Payment for Printing to TUG</li> <li>• Payment for Staff charge to PPC</li> </ul> <b>Asset / Service Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of Ice maker machine and water cooler from TU</li> </ul>
	<b>Mr. Prasert Boonmechote</b> (Mr. Rittirong's father)	<b>Relative of Director</b>	<b>3,000,000</b>	<b>10.0%</b>		
	<b>Mr. Wattana Boonmechote</b> (Mr. Rittirong's brother)	<b>Relative of Director</b>	<b>900,000</b>	<b>3.0%</b>		
	<b>Ms. Rungtiwa Boonmechote</b> (Mr. Rittirong's sister)	<b>Relative of Director</b>	<b>900,000</b>	<b>3.0%</b>		
3. Lucky Union Foods Co., Ltd. (holding 25.0%)	<b>Mr. Cheng Niruttinanon</b>	<b>Director</b>	<b>102,000</b>	<b>11.3%</b>	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials (Fish head) from TU</li> <li>• Purchase of finished goods from PPC</li> <li>• Purchase of raw materials (fish) from TFM</li> <li>• Payment of production outsourcing supplementary food to PPC</li> <li>• Purchase of finished goods from TUM</li> <li>• Purchase of finished goods from THD</li> <li>• Sale of raw materials (Imported Surimi) to TU</li> <li>• Sale of raw materials (PF Topping) to TUM</li> <li>• Sale of finished goods to SC</li> <li>• Sale of finished goods to PPC</li> </ul> <b>Supporting Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Payment for Expo charge and others to TU</li> <li>• Payment for Expo charge and others to TUM</li> <li>• Payment for Storage charge and Example Products to TU</li> <li>• Payment for Training (HR) and LAB charge to TU</li> <li>• Receive for transportation charge from TU</li> </ul>



Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
4. Chansiri Real Estate Co., Ltd.	Mr. Thiraphong Chansiri	Director	19,680,000	32.8%	Compare to neighbor areas	<b>Short-term Rent of Immovable Property Transactions:</b>  TU, TUM and SC paid the rent and service charge for its Bangkok office. With their needs to run Bangkok office to facilitate business transactions, the three companies entered into rental contract with the Chansiri Real Estate Co., Ltd., The rental and service charge is consistent with general market price in the industry and apply only for rented area, excluding other utility charge. The rental agreement is effective for 3 years. The contract will expire in December 2016.
	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%		
	Ms. Bussakorn Chansiri (Mr. Kraisorn's spouse)	Relative of Director	2,000,000	3.4%		
	Mr. Chuan Tangchansiri	Director	-0-	-		
5. Jana Industry Co., Ltd.	Mr. Cheng Niruttinanon	Director	50,000	25.0%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials (scrap) from SC</li> <li>• Sale of raw materials (scrap) to TFM</li> </ul>
6. TC Union Agrotech Co., Ltd.	Mr. Cheng Niruttinanon	Director	496,000	49.6%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials (scrap) from TUM</li> <li>• Purchase of raw materials (scrap) from TU</li> <li>• Sale of raw materials to TFM</li> <li>• Sale of finished goods (fish oil) to TUM</li> </ul> <b>Asset or Service Transactions:</b> <ul style="list-style-type: none"> <li>• Payment for Sola oil and moving fish cooking tank charge to TU</li> </ul>
7. Lucky Surimi Products Co., Ltd.	Mr. Cheng Niruttinanon	Director	1	0.0%	Compare to neighbor areas	<b>Short-term of Immovable Property Transaction:</b>  TU paid the rent, service charge, for office and plant area including machinery, equipment and contracted service of Lucky Surimi Products Co., Ltd., as a solution for the Company's inadequate processing area for extension of its value added production line. The rental agreement is effective for 3 years. The contract will expire in December 2016.
8. Geminai & Associate Co., Ltd.	Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	459,870	92.0%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of finished goods from THD</li> </ul>

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
9. Wai Thai Co., Ltd.	Mr. Cheng Niruttinanon	Director	100,000	31.3%	Market Price	<b>Supporting Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Receive for haulage charge from TUM</li> <li>• Receive for haulage charge from TU</li> <li>• Receive for haulage charge from APC</li> <li>• Receive for haulage charge from SC</li> </ul> <p>Under the 2011 AGM resolution passed on April 25, 2011 of the expenses for transaction per year not exceeding Bt100 million.</p>
	Mr. Kraisorn Chansiri	Director	59,200	18.5%		
	Ms. Jintana Niruttinanon (Mr. Cheng's spouse)	Relative of Director	36,800	11.5%		
	Mr. Chuan Tangchansiri	Director	20,000	6.3%		
	Mr. Thiraphong Chansiri	Director	20,000	6.3%		
	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	20,000	6.3%		
10. Thaipatana Stainless Steel Co., Ltd.	Mr. Cheng Niruttinanon	Director	20,000	40.0%	Market Price	<b>Asset or Service Transactions:</b> <ul style="list-style-type: none"> <li>• Receive deposit for Belt conveyor, Steam box and production tools from TUM</li> <li>• Receive for construction of package storage, Over Pressure and production tools from TUM</li> <li>• Receive for repair equipments from TUM</li> <li>• Receive for production tools from TU</li> <li>• Receive for repair equipments from TU</li> <li>• Receive for production tools from APC</li> <li>• Receive for repair equipments from SC</li> </ul> <p>Under the 2011 AGM resolution passed on April 25, 2011 of the expenses for transaction per year not exceeding Bt150 million.</p>
	Mr. Chuan Tangchansiri	Director	5,000	10.0%		
11. Yueh Chyang Canned Food Co., Ltd. (holding 51.0%)	Mr. Cheng Niruttinanon	Director	120,181USD	6.2%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of packaging from APC</li> <li>• Purchase of tuna loin from TUM</li> <li>• Purchase of tuna loin from TU</li> <li>• Purchase of tuna loin from SC</li> <li>• Sale of finished goods to COSI</li> <li>• Sale of finished goods to SC</li> <li>• Sale of finished goods to COSF.</li> <li>• Sale of finished goods to TUM</li> <li>• Sale of finished goods to TU</li> </ul> <b>Supporting commercial transactions:</b> <ul style="list-style-type: none"> <li>• Payment for commission to SC</li> <li>• Payment for testing equipment to TUM</li> </ul>

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
12. TN Fine Chemicals Co., Ltd. (holding 48.97%)	Mr. Thiraphong Chansiri	Director	1	0.0%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Purchase of raw materials (scrap) from TUM</li> <li>• Purchase of raw materials (scrap) from TU</li> </ul> <b>Supporting commercial transactions:</b> <ul style="list-style-type: none"> <li>• Payment for marketing service charge and utilities service charge to TUM</li> <li>• Payment for LAB service charge to TU</li> </ul> <b>Finance Support transactions:</b> <ul style="list-style-type: none"> <li>• Short-term loans to TUM as of December 30, 2015 amount 60.9 million baht and Receive interest from TUM</li> </ul>
13. Biz Dimension Co., Ltd. (holding 20.0%)	Mr. Kraisorn Chansiri Mr. Cheng Niruttinanon Mr. Thiraphong Chansiri	Director Director Director	475,000 250,000 8,333	9.5% 5.0% 0.2%	Market Price	<b>Supporting commercial transactions:</b> <ul style="list-style-type: none"> <li>• Receive e-Procurement and e-Auction consulting service charge from TU</li> <li>• Receive e-Procurement and e-Auction consulting service charge from TUM</li> <li>• Receive e-Procurement and e-Auction consulting service charge from PPC</li> </ul> <b>Asset / Service Transactions:</b> <ul style="list-style-type: none"> <li>• Sale of furniture to TU</li> </ul>
14. Thai Union Properties Co., Ltd.	Mr. Kraisorn Chansiri Ms. Bussakorn Chansiri (Mr. Kraisorn's spouse) Mr. Thiraphong Chansiri Mr. Dejphon Chansiri (Mr. Kraisorn's son) Mr. Disaphol Chansiri (Mr. Kraisorn's son) Mr. Chuan Tangchansiri	Director Relative of Director Director Relative of Director Relative of Director Director	16,300 7,700 2,400 1,800 1,800 -0-	54.3% 25.7% 8.0% 6.0% 6.0% -	Compare to neighbor areas	<b>Commercial Transactions:</b> -None-
15. Geminai Water Craft Co., Ltd.	Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	400,000	80.0%	Market Price	<b>Commercial Transactions:</b> <ul style="list-style-type: none"> <li>• Payment for printing to TUG</li> </ul>
16. Factory Storage Service Co., Ltd.	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	300,000	60.0%	Compare to neighbor areas	<b>Short-term of Immovable Property Transaction:</b> <p>TUM paid the rent, service charge, for office and plant area of Factory Storage Service Co., Ltd., as a solution for the Company's inadequate processing area for line packaging and label. The rental agreement is effective for 3 years. The contract will expire in July 2016.</p>

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2015
<b>17. Minor Food Group PCL.</b> (Subsidiary 99.73% of Minor International PCL.)	<b>Mr. Thiraphong Chansiri</b> <b>Ms. Pornnapa Chansiri</b> (Mr. Thiraphong Chansiri's spouse)	<b>Director</b> <b>Relative of Director</b>	- <b>14,300</b>	- <b>0.0%</b>	Market Price	<b>Commercial Transactions:</b> • Purchase of finished goods from TU
<b>18. Phil-Union Frozen Foods, INC.</b>	<b>Mr. Cheng Niruttinanon</b>	<b>Director</b>	<b>149,996</b>	<b>100.0%</b>	Market Price	<b>Commercial Transactions:</b> • Purchase of packaging from APC • Sale of finished goods to COSF
<b>19. New Century Printing and Packaging Co., Ltd.</b>	<b>Mr. Cheng Niruttinanon</b>	<b>Director</b>	<b>25,000</b>	<b>55.6%</b>	Market Price	<b>Commercial Transactions:</b> • Sale of packages to SC
<b>20. Pae Rungtiwa (Natural Person)</b>	<b>Ms. Rungtiwa Boonmechote</b> (Mr. Rittirong's sister)	<b>Relative of Director</b>	<b>Owner</b>	<b>100.0%</b>	Market Price	<b>Commercial Transactions:</b> • Sale of raw materials (shrimp) to PPC
<b>21. Thai Union Hi-tech Pearl Cultivation Co., Ltd.</b>	<b>Mr. Kraisorn Chansiri</b> <b>Mr. Thiraphong Chansiri</b> <b>Mr. Dejphon Chansiri</b> (Mr. Kraisorn's son) <b>Mr. Disaphol Chansiri</b> (Mr. Kraisorn's son)	<b>Director</b> <b>Director</b> <b>Relative of Director</b> <b>Relative of Director</b>	<b>2,500,000</b> <b>5,000,000</b> <b>7,500,000</b> <b>7,500,000</b>	<b>5.0%</b> <b>10.0%</b> <b>15.0%</b> <b>15.0%</b>	Market Price	<b>Commercial Transactions:</b> • Purchase of Shrimp feed and fish from TFM
<b>22. D Chansiri A Co., Ltd.</b>	<b>Mr. Disaphol Chansiri</b> (Mr. Kraisorn's son) <b>Mr. Dejphon Chansiri</b> (Mr. Kraisorn's son) <b>Ms. Bussakorn Chansiri</b> (Mr. Kraisorn's spouse)	<b>Relative of Director</b> <b>Relative of Director</b> <b>Relative of Director</b>	<b>9,800</b> <b>100</b> <b>100</b>	<b>98.0%</b> <b>1.0%</b> <b>1.0%</b>	Market Price	<b>Commercial Transactions:</b> • Receive of meeting room service charge from TU

**Remarks:**

- Commercial transaction refers to purchase or sale of raw materials in the normal course of business and under general trading conditions under the Board of Directors' Meeting No. 5/2008 resolution passed on August 20, 2008.
- For item 7, 9, 12-14 and 17 Mr. Kraisorn Chansiri, Mr. Cheng Niruttinanon, Mr. Chuan Tangchansiri and Mr. Thiraphong Chansiri are TU directors with share ownership in the connected company less than 10 percent of its registered capital but also hold director titles in the said connected company.
- For items 11, Yueh Chyang Canned Food Co., Ltd. located in Vietnam with investment value that no number of shares.

In addition, the Company and subsidiaries have entered into property insurance policy, with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. and Asia-Pacific Insurance Brokers Co., Ltd. as insurer. The transaction is connected, as Mr. Chuan Tangchansiri, TU Director, also has director title in the insurer, TU and subsidiaries paid approximately at THB 103.41 million in 2015 to Asia-Pacific Risk Consultants (Thailand) Co., Ltd. and to Asia-Pacific Insurance Brokers Co., Ltd.. The insurer is entitled to commission only partially from total amount of the paid premium.

## REFERENCES

### Common Share Register

#### Thailand Securities Depository Co., Ltd

14<sup>th</sup> Floor, The Stock Exchange of Thailand,  
93 Rachadapisek Road, Dindaeng  
Bangkok 10140  
Tel: 66 (0) 2009-9000

### Independent Auditors

<b>Mr. Sophon Permsirivallop</b>	CPA # 3182 or
<b>Ms. Rungnapa Lertsuwankul</b>	CPA # 3156 or
<b>Ms. Pimjai Manitkajohnkit</b>	CPA # 4521 or
<b>Ms. Rosaporn Decharkom</b>	CPA # 5659 or
<b>Ms. Sumana Punpongsanon</b>	CPA # 5872 or

#### 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

At the Annual General Meeting on April 5, 2016, a motion will be proposed for the approval to appoint PricewaterhouseCoopers ABAS as the auditor with a proposed list of CPAs.

<b>Mr. Somchai Jinnovart</b>	CPA # 3271 or
<b>Mr. Vichien Khingmontri</b>	CPA # 3977 or
<b>Mr. Pongthavee Ratanakoses</b>	CPA # 7795 or
<b>Mr. Prasit Yuengsrikul</b>	CPA # 4174

#### Price Water House Coopers ABAS Limited

15<sup>th</sup> Floor Bangkok City Tower,  
179/74-80 South Sathorn Rd.,  
Thungmahamek, Sathorn, Bangkok 10120  
Tel: 66 (0) 2344-1000  
Fax: 66 (0) 2286-5050

### 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 11,895,000

#### 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 Bt.-
- 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 560,000
- Fees for specific audit and tax consulting services are THB 10,090,000.

## 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:

<b>Name:</b>	<p><b>“Series 2 Debentures”</b>  “The Debentures of Thai Union Group Public Company Limited No. 1/2554 Series 2 Due B.E. 2016”</p> <p><b>“Series 3 Debentures”</b>  “The Debentures of Thai Union Group Public Company Limited No. 1/2554 Series 3 Due B.E. 2021”</p>
<b>Maturity:</b>	<p>1) Series 2 Debentures: maturing 5 years after issuance.</p> <p>2) Series 3 Debentures: maturing 10 years after issuance</p>
<b>Value of debentures offered:</b>	<p>THB 3,450,000,000 divided into</p> <p>1) Series 2 Debentures: THB1,950,000,000</p> <p>2) Series 3 Debentures: THB1,500,000,000</p>
<b>Number of Debentures offered:</b>	<p>3,450,000 units divided into</p> <p>1) Series 2 Debentures: 1,950,000 units</p> <p>2) Series 3 Debentures: 1,500,000 units</p>
<b>Price stated per debenture:</b>	THB1,000
<b>Price offered per debenture:</b>	THB1,000
<b>Issuance date:</b>	July 27, 2011
<b>Maturity date:</b>	<p>Series 2 Debentures: July 27, 2016</p> <p>Series 3 Debentures: July 27, 2021</p>
<b>Interest rates and Interest payment:</b>	<p>Series 2 Debentures: Fixed rate 4.70 percent per year</p> <p>Series 3 Debentures: Fixed rate 5.02 percent per year</p>
<p>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.</p>	
<b>Redeeming debentures:</b>	Can be made on the maturity date of each series of debentures by payment of all principle and final interest.
<b>Registrar and Paying Agency:</b>	Kasikorn Bank PCL or legally-appointed Registrar and Paying Agent



<b>Name:</b>	<b>“Series 1 Debentures”</b> “The Debentures of Thai Union Group Public Company Limited No. 1/2557 Series 1 Due B.E. 2017”
	<b>“Series 2 Debentures”</b> “The Debentures of Thai Union Group Public Company Limited No. 1/2557 Series 2 Due B.E. 2019”
	<b>“Series 3 Debentures”</b> “The Debentures of Thai Union Group Public Company Limited No. 1/2557 Series 3 Due B.E. 2021”
	<b>“Series 4 Debentures”</b> “The Debentures of Thai Union Group Public Company Limited No. 1/2557 Series 4 Due B.E. 2024”
<b>Maturity:</b>	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
<b>Value of debentures offered:</b>	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
<b>Number of Debentures offered:</b>	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
<b>Price stated per debenture:</b>	THB 1,000
<b>Price offered per debenture:</b>	THB 1,000
<b>Issuance date:</b>	February 6, 2014
<b>Maturity date:</b>	Series 1 Debentures: February 6, 2017 Series 2 Debentures: February 6, 2019 Series 3 Debentures: February 6, 2021 Series 4 Debentures: February 6, 2024
<b>Interest rates and Interest payment:</b>	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

<b>Name:</b>	<p><b>“Series 1 Debentures”</b>  “The Debentures of Thai Union Group Public Company Limited No. 2/2557 Series 1 Due B.E. 2021”</p> <p><b>“Series 2 Debentures”</b>  “The Debentures of Thai Union Group Public Company Limited No. 2/2557 Series 2 Due B.E. 2024”</p>
<b>Maturity:</b>	<p>1) Series 1 Debentures: maturing 7 years after issuance.</p> <p>2) Series 2 Debentures: maturing 10 years after issuance</p>
<b>Value of debentures offered:</b>	<p>THB 4,500,000,000 divided into</p> <p>1) Series 1 Debentures: THB 1,000,000,000</p> <p>2) Series 2 Debentures: THB 3,500,000,000</p>
<b>Number of Debentures offered:</b>	<p>4,500,000 units divided into</p> <p>1) Series 1 Debentures: 1,000,000 units</p> <p>2) Series 2 Debentures: 3,500,000 units</p>
<b>Price stated per debenture:</b>	THB 1,000
<b>Price offered per debenture:</b>	THB 1,000
<b>Issuance date:</b>	October 9, 2014
<b>Maturity date:</b>	<p>Series 1 Debentures: October 9, 2021</p> <p>Series 2 Debentures: October 9, 2024</p>
<b>Interest rates and Interest payment:</b>	<p>Series 1 Debentures: Fixed rate 4.21 percent per year</p> <p>Series 2 Debentures: Fixed rate 4.58 percent per year</p>
<p>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.</p>	
<b>Redeeming debentures:</b>	Can be made on the maturity date of each series of debentures by payment of all principle and final interest.
<b>Registrar and Paying Agency:</b>	TMB Bank PCL or legally-appointed Registrar and Paying Agent

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

The Board of Directors hereby expressed its responsibility for ensuring that Thai Union Group Public Company Limited's financial statements and Thai Union Group Public Company Limited and its subsidiaries' consolidated financial statements that are contained herein genuinely reflect its actual financial status and operating results. These are based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect. The aforementioned financial statements are prepared in accordance with generally accepted accounting standards, using careful judgement and the best estimation. The adequate disclosure of all important information in notes to financial statements is in accordance with the updated accounting standards for the Company shareholders and investors. Independent auditors have unconditionally expressed their opinions on our financial statements in the independent auditor's report.

The Board of Directors has appointed the Audit Committee comprising independent directors who are responsible for reviewing the accounting policy, financial reports, internal controls and internal audit, risk management system and disclosure of related party transactions, compliance with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) regulations. All the Audit Committee's opinions on these issues have been presented in the Report of Audit Committee included in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an independent auditor, Ms. Rosaporn Decharkom (CPA No. 5659) of EY Office Limited. They assure that they retained their independence to work without being impeded, and received full support from the company management and personnel to conduct the audits and express an opinion in accordance with generally accepted auditing standards. The independent auditor's opinion is presented in the independent auditor's report included in this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned at a satisfactory level and ensured credibility and reliability to the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ending 31 December 2015. The financial statements presents the Company's financial position, operating results, changes in shareholders' equity and cash flows fairly, in all material respects and reliable manner and that such statements are in compliance with the generally accepted accounting principles and all governing laws and regulations.



---

**Mr. Kraisorn Chansiri**  
Chairman



---

**Mr. Thiraphong Chansiri**  
President and CEO

# REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Thai Union Group Public Company Limited  
and its subsidiaries (formerly known as  
“Thai Union Frozen Products Public  
Company Limited”)



31 December 2015

---

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Union Group Public Company Limited  
(Formerly known as "Thai Union Frozen Products Public Company Limited")

I have audited the accompanying consolidated financial statements of Thai Union Group Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, 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 Group 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 Group Public Company Limited and its subsidiaries and of Thai Union Group Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



**Rosaporn Decharkom**

Certified Public Accountant (Thailand) No. 5659

**EY Office Limited**

Bangkok: 23 February 2016

## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as "Thai Union Frozen Products Public Company Limited")

## Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	6	2,815,969,869	2,123,441,142	1,620,733,842	2,092,173,619	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	15,775,582,146	15,403,766,438	13,948,340,827	3,385,608,582	3,527,687,332	3,367,595,407
Short-term loans to subsidiaries	9	-	-	-	2,944,880,625	1,631,880,900	80,000,000
Short-term loan to joint venture	9	30,600,000	-	-	-	-	-
Short-term loans to other companies		2,385,745	4,190,549	2,958,144	-	-	-
Current portion of long-term loans to subsidiaries	9	-	-	-	501,613,000	1,982,410,000	724,893,875
Current portion of long-term loans to other companies		3,409,620	4,527,284	4,116,389	-	-	-
Inventories	10	35,180,216,247	37,517,574,734	36,917,346,432	3,445,749,847	4,103,171,547	5,019,971,420
Other current assets							
Prepaid income tax		200,487,966	264,910,200	210,550,144	95,485,848	74,055,789	76,604,805
Current portion of forward exchange contracts receivables		1,421,699,053	127,232,183	4,416,493	1,408,466,187	108,897,183	3,766,952
Value added tax refundable		387,619,137	463,727,277	360,128,163	45,449,704	38,459,252	33,167,458
Others		1,036,815,088	921,645,384	881,998,439	159,064,748	82,231,858	144,607,784
Total other current assets		3,046,621,244	1,777,515,044	1,457,093,239	1,708,466,487	303,644,082	258,146,999
<b>Total current assets</b>		<b>56,854,784,871</b>	<b>60,863,899,549</b>	<b>55,544,308,873</b>	<b>14,078,492,160</b>	<b>15,593,769,243</b>	<b>11,113,517,703</b>
<b>Non-current assets</b>							
Restricted bank deposits	11	9,983,887	43,431,894	11,093,803	-	-	-
Investments in associates	12	1,620,403,079	1,368,820,607	1,289,600,593	155,573,639	155,573,639	155,573,639
Investments in subsidiaries	13	-	-	-	18,562,950,364	16,500,073,014	16,442,429,520
Investments in joint ventures	14	469,889,247	552,484,252	578,939,615	-	-	-
Other long-term investments	15	33,686,516	30,592,384	33,919,431	-	-	-
Long-term loans to subsidiaries - net of current portion	9	-	-	-	20,495,059,740	22,936,080,058	23,863,646,852
Long-term loans to other companies - net of current portion		15,950,852	23,979,691	10,871,831	-	-	-
Property, plant and equipment	16	23,072,327,144	23,051,729,809	21,472,833,289	4,256,304,626	4,261,711,074	4,188,048,894
Goodwill	17	13,001,066,071	13,078,776,785	12,791,945,754	-	-	-
Other intangible assets	17	14,394,958,593	14,197,193,924	14,696,284,206	206,178,308	21,081,546	4,445,278
Other non-current assets							
Forward exchange contracts receivables - net of current portion		1,298,966,250	1,208,571,100	48,275,500	1,298,966,250	1,208,571,100	48,275,500
Leasehold rights		29,304,047	30,186,252	204,929,425	-	-	-
Advance payment for purchase of property, plant and equipment		134,946,550	14,952,190	97,089,256	-	-	-
Deferred tax assets	28	286,421,927	269,607,869	520,125,245	-	-	-
Unamortised discount from forward exchange contracts		100,936,484	64,252,266	29,581,420	100,936,484	64,252,266	29,581,420
Others		153,385,587	117,420,159	151,753,855	12,616,820	11,908,922	20,343,697
<b>Total non-current assets</b>		<b>54,622,226,234</b>	<b>54,051,999,182</b>	<b>51,937,243,223</b>	<b>45,088,586,231</b>	<b>45,159,251,619</b>	<b>44,752,344,800</b>
<b>Total assets</b>		<b>111,477,011,105</b>	<b>114,915,898,731</b>	<b>107,481,552,096</b>	<b>59,167,078,391</b>	<b>60,753,020,862</b>	<b>55,865,862,503</b>

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



## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as "Thai Union Frozen Products Public Company Limited")

## Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term loans from							
financial institutions	18	19,376,545,896	26,086,541,039	29,374,817,980	3,688,338,748	8,889,560,679	11,473,312,757
Trade and other payables	9, 19	12,262,008,149	10,724,557,023	9,802,404,454	2,248,256,607	1,963,106,426	1,593,911,988
Short-term loan from subsidiary	9	-	-	-	32,600,000	-	-
Short-term loan from associate	9	60,900,000	52,700,000	-	-	-	-
Current portion of long-term loans	20	1,561,176,082	936,034,537	779,500,000	1,464,674,662	450,000,000	450,000,000
Current portion of debentures	21	1,949,121,751	-	3,297,649,536	1,949,121,751	-	3,297,649,536
Current portion of liabilities under finance lease agreements	23	90,908,373	113,920,216	116,308,548	11,128,241	43,303,305	42,870,988
Income tax payable		417,127,431	272,609,805	235,338,189	-	13,454,824	110,449,932
Current portion of forward exchange contracts payables		694,014,764	119,883,180	1,975,892,304	588,641,339	47,034,843	1,814,051,544
Other current liabilities		2,154,923,211	2,047,600,821	1,348,527,010	104,427,405	108,830,534	69,239,846
<b>Total current liabilities</b>		<b>38,566,725,657</b>	<b>40,353,846,621</b>	<b>46,930,438,021</b>	<b>10,087,188,753</b>	<b>11,515,290,611</b>	<b>18,851,486,591</b>
<b>Non-current liabilities</b>							
Long-term loans - net of current portion	20	1,696,537,285	3,050,224,081	3,442,645,296	1,547,562,409	2,857,040,458	3,297,722,485
Debentures - net of current portion	21	14,231,229,517	16,174,785,391	3,441,968,780	14,231,229,517	16,174,785,391	3,441,968,780
Convertible bond	22	-	-	2,713,756,045	-	-	2,713,756,045
Liabilities under finance lease agreements - net of current portion	23	212,357,871	309,587,049	224,766,233	6,628,990	-	43,621,586
Provision for long-term employee benefits	24	1,801,199,407	1,831,625,035	1,718,005,641	397,041,039	414,845,608	377,386,130
Deferred tax liabilities	28	4,674,988,557	4,640,833,983	4,725,834,916	24,140,725	31,592,297	16,389,744
Forward exchange contracts payables - net of							
current portion		1,059,289,403	207,031,217	709,677,314	1,059,289,403	117,293,000	625,211,000
Other non-current liabilities		609,156,810	881,058,135	227,351,255	426,144,825	634,379,726	39,397,503
<b>Total non-current liabilities</b>		<b>24,284,758,850</b>	<b>27,095,144,891</b>	<b>17,204,005,480</b>	<b>17,692,036,908</b>	<b>20,229,936,480</b>	<b>10,555,453,273</b>
<b>Total liabilities</b>		<b>62,851,484,507</b>	<b>67,448,991,512</b>	<b>64,134,443,501</b>	<b>27,779,225,661</b>	<b>31,745,227,091</b>	<b>29,406,939,864</b>
<b>Shareholders' equity</b>							
Share capital	25						
Registered							
5,971,815,496 ordinary shares of Baht 0.25 each							
(2014: 4,808,000,000 ordinary shares of Baht 0.25 each)		1,492,953,874	1,202,000,000	1,202,000,000	1,492,953,874	1,202,000,000	1,202,000,000
Issued and paid-up							
4,771,815,496 ordinary shares of Baht 0.25 each							
(1 January 2014: 1,147,593,829 ordinary shares of Baht 1 each)		1,192,953,874	1,192,953,874	1,147,593,829	1,192,953,874	1,192,953,874	1,147,593,829
Share premium		19,948,328,826	19,948,328,826	17,500,508,871	19,948,328,826	19,948,328,826	17,500,508,871
Retained earnings							
Appropriated - statutory reserve	26	149,295,387	120,200,000	120,200,000	149,295,387	120,200,000	120,200,000
Unappropriated		24,239,292,722	21,526,719,737	18,716,270,733	9,917,685,114	7,566,721,542	7,511,030,410
Other components of shareholders' equity		257,622,536	877,180,375	2,051,805,259	179,589,529	179,589,529	179,589,529
Equity attributable to owners of the Company		45,787,493,345	43,665,382,812	39,536,378,692	31,387,852,730	29,007,793,771	26,458,922,639
Non-controlling interests of the subsidiaries		2,838,033,253	3,801,524,407	3,810,729,903	-	-	-
<b>Total shareholders' equity</b>		<b>48,625,526,598</b>	<b>47,466,907,219</b>	<b>43,347,108,595</b>	<b>31,387,852,730</b>	<b>29,007,793,771</b>	<b>26,458,922,639</b>
<b>Total liabilities and shareholders' equity</b>		<b>111,477,011,105</b>	<b>114,915,898,731</b>	<b>107,481,552,096</b>	<b>59,167,078,391</b>	<b>60,753,020,862</b>	<b>55,865,862,503</b>

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

## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as “Thai Union Frozen Products Public Company Limited”)

## Income statement

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
<b>Revenues</b>					
Sales	9, 29	125,182,812,344	121,402,355,983	19,343,117,154	21,120,430,731
Cost of sales		105,681,840,827	102,381,913,425	16,961,791,064	18,906,905,243
<b>Gross profit</b>		19,500,971,517	19,020,442,558	2,381,326,090	2,213,525,488
<b>Other income</b>					
Dividend income		7,800	66,000	4,146,527,050	1,425,091,068
Compensation received from accounts payables		56,737,401	93,966,801	40,624,754	60,885,919
Interest income		70,470,868	158,984,967	797,765,758	1,154,634,703
Tax coupon		161,043,524	147,726,605	19,532,192	15,649,358
Exchange gains		1,011,971,581	283,681,557	928,820,801	-
Others		420,873,274	644,010,272	166,184,949	391,360,603
<b>Total other income</b>		1,721,104,448	1,328,436,202	6,099,455,504	3,047,621,651
<b>Profit before expenses</b>		21,222,075,965	20,348,878,760	8,480,781,594	5,261,147,139
Selling expenses		6,328,383,526	5,995,761,423	693,713,889	654,278,224
Administrative expenses		6,387,402,264	6,035,104,026	1,708,314,115	1,143,381,720
<b>Total expenses</b>		12,715,785,790	12,030,865,449	2,402,028,004	1,797,659,944
<b>Operating profit</b>		8,506,290,175	8,318,013,311	6,078,753,590	3,463,487,195
Finance cost		(1,592,034,321)	(1,673,261,199)	(954,637,023)	(929,438,168)
<b>Operating profit - net of finance cost</b>		6,914,255,854	6,644,752,112	5,124,116,567	2,534,049,027
Share of profit from investments in associates and joint ventures	12, 14	335,951,025	162,408,003	-	-
<b>Profit before income tax expenses</b>		7,250,206,879	6,807,160,115	5,124,116,567	2,534,049,027
Income tax expenses	28	(1,332,020,701)	(1,039,750,579)	(73,799,926)	(80,008,549)
<b>Profit for the year</b>		5,918,186,178	5,767,409,536	5,050,316,641	2,454,040,478
<b>Profit attributable to:</b>					
Equity holders of the Company		5,302,467,697	5,091,579,693	5,050,316,641	2,454,040,478
Non-controlling interests of the subsidiaries		615,718,481	675,829,843		
		5,918,186,178	5,767,409,536		
<b>Earnings per share</b>	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.111	1.099	1.058	0.530
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.111	1.084	1.058	0.530

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

## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as “Thai Union Frozen Products Public Company Limited”)

## Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Profit for the year</b>	5,918,186,178	5,767,409,536	5,050,316,641	2,454,040,478
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	472,902,562	(1,170,118,887)	-	-
Gain on change in value of available-for-sale investments, net of income tax	4,143,860	684,679	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	477,046,422	(1,169,434,208)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain on change in the value of pension fund	22,231,713	7,452,938	-	-
Actuarial gain - net of income tax	163,656,531	115,453,727	49,677,151	-
Increase (decrease) in other reserves	15,697,255	(41,073,950)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	201,585,499	81,832,715	49,677,151	-
<b>Other comprehensive income for the year</b>	678,631,921	(1,087,601,493)	49,677,151	-
<b>Total comprehensive income for the year</b>	6,596,818,099	4,679,808,043	5,099,993,792	2,454,040,478
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	5,924,854,366	4,037,031,438	5,099,993,792	2,454,040,478
Non-controlling interests of the subsidiaries	671,963,733	642,776,605		
	6,596,818,099	4,679,808,043		

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



Thai Union Group Public Company Limited and its subsidiaries  
(Formerly known as “Thai Union Frozen Products Public Company Limited”)

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

	Separate financial statements							(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Other components of shareholders' equity					
			Retained earnings		Total other components of shareholders' equity	Total shareholders' equity		
			Appropriated	Unappropriated				
<b>Balance as at 1 January 2014</b>	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, 25)	45,360,045	2,447,819,955	-	-	-	-	2,493,180,000	
Dividend paid (Note 33)	-	-	-	(2,398,349,346)	-	-	(2,398,349,346)	
<b>Balance as at 31 December 2014</b>	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	
<b>Balance as at 1 January 2015</b>	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	
Profit for the year	-	-	-	5,050,316,641	-	-	5,050,316,641	
Other comprehensive income for the year	-	-	-	49,677,151	-	-	49,677,151	
Total comprehensive income for the year	-	-	-	5,099,993,792	-	-	5,099,993,792	
Statutory reserve (Note 26)	-	-	29,095,387	(29,095,387)	-	-	-	
Dividend paid (Note 33)	-	-	-	(2,719,934,833)	-	-	(2,719,934,833)	
<b>Balance as at 31 December 2015</b>	1,192,953,874	19,948,328,826	149,295,387	9,917,685,114	179,589,529	179,589,529	31,387,852,730	

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

## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as “Thai Union Frozen Products Public Company Limited”)

## Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit before tax	7,250,206,879	6,807,160,115	5,124,116,567	2,534,049,027
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	2,684,153,811	2,518,083,960	370,960,385	371,265,403
Amortisation of discount/premium from forward foreign exchange contracts	10,026,026	(207,443,862)	(878,919)	(202,793,062)
Amortisation of issue cost of convertible bond, debentures and long-term loans from financial institutions	6,873,089	13,826,629	6,873,089	13,826,629
Allowance for doubtful accounts (reversal)	82,193,047	25,490,178	2,317,707	(517,020)
Allowance for diminution in value of inventories (reversal)	(145,105,776)	225,084,923	783,115	(50,778,002)
Allowance for loss on impairment of assets	533,100,174	15,564,374	-	-
Reversal of allowance for loans to other companies	-	(10,000,000)	-	-
Share of profit from investments in associates and joint ventures	(335,951,025)	(162,408,003)	-	-
Loss on sale of other investments	-	937,976	-	-
Provision for long-term employee benefits	232,473,871	173,577,426	48,073,735	44,814,600
Loss on sale / write-off of property, plant and equipment and other intangible assets	127,383,397	419,351,491	10,743,809	17,458,883
Loss on write-off of leasehold right	-	8,168,906	-	-
Unrealised (gain) loss on exchange	(305,153,156)	(589,234,904)	11,301,563	(450,678,712)
Dividend income	(7,800)	(66,000)	(4,146,527,050)	(1,425,091,068)
Interest income	(70,470,868)	(158,984,967)	(797,765,758)	(1,154,634,703)
Interest expenses	1,152,798,415	1,334,705,136	765,611,683	904,411,354
<b>Income from operating activities before change in operating assets and liabilities</b>	11,222,520,084	10,413,813,378	1,395,609,926	601,333,329
<b>Decrease (increase) in operating assets</b>				
Trade and other receivables	(65,205,398)	(834,784,634)	120,821,045	(137,277,552)
Inventories	3,397,535,298	(910,885,108)	657,689,749	965,876,178
Other current assets	291,636,905	(407,051,278)	(58,999,520)	(3,782,554)
Other non-current assets	(143,219,136)	103,488,404	(707,897)	8,361,787
<b>Increase (decrease) in operating liabilities</b>				
Trade and other payables	1,474,165,655	1,122,975,060	286,924,315	298,096,425
Other current liabilities	(133,758,624)	415,431,303	3,158,285	50,623,957
Other non-current liabilities	(18,606,253)	133,726,776	31,417,525	(32,053,417)
<b>Cash flows from operating activities</b>	16,025,068,531	10,036,713,901	2,435,913,428	1,751,178,153
Cash paid for employee benefits	(79,955,998)	(62,955,392)	(15,346,152)	(7,355,122)
Cash paid for corporate income tax	(1,070,649,572)	(575,345,269)	(116,991,381)	(159,252,088)
<b>Net cash from operating activities</b>	14,874,462,961	9,398,413,240	2,303,575,895	1,584,570,943

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



## Thai Union Group Public Company Limited and its subsidiaries

(Formerly known as “Thai Union Frozen Products Public Company Limited”)

## Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted deposits with financial institutions	31,709,003	(35,861,266)	-	-
Decrease (increase) in short-term investments	4,043,821,714	(2,450,091,607)	4,043,811,607	(2,450,091,606)
Acquisitions of property, plant and equipment	(2,935,888,792)	(3,253,787,291)	(360,109,250)	(465,881,332)
Acquisitions of intangible assets	(255,872,231)	(29,837,546)	(189,515,328)	-
Acquisitions of leasehold rights	(4,058,960)	(19,812,887)	-	-
Increase in short-term loans to subsidiaries	-	-	(1,299,398,542)	(1,554,090,000)
Increase in short-term loan to joint venture	(30,600,000)	-	-	-
Decrease (increase) in short-term loans to other companies	1,799,245	(1,232,405)	-	-
Decrease (increase) in long-term loans to subsidiaries	-	-	3,834,940,653	(2,787,517,254)
Decrease (increase) in long-term loans to other companies	9,095,056	(3,458,029)	-	-
Increase in investments in subsidiaries	(2,062,877,350)	(3,202,751,645)	(2,062,877,350)	(57,643,494)
Increase in investments in joint ventures	-	(8,075,000)	-	-
Increase in other long-term investments	(2,041,742)	(170,588)	-	-
Interest received	94,953,440	162,053,466	826,684,278	1,144,873,911
Dividend received	91,999,257	94,852,028	4,146,527,050	1,425,091,068
Cash paid for asset acquisition	(322,435,421)	-	-	-
Proceeds from sale of other long-term investments	4,188,450	3,317,694	-	-
Proceeds from disposal of property, plant and equipment and other intangible assets	10,988,176	67,547,591	3,320,388	4,074,843
<b>Net cash from (used in) investing activities</b>	<b>(1,325,220,155)</b>	<b>(8,677,307,485)</b>	<b>8,943,383,506</b>	<b>(4,741,183,864)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	(7,550,203,719)	(3,566,618,913)	(5,218,389,079)	(2,583,752,078)
Dividend paid	(2,719,988,484)	(2,398,142,023)	(2,719,988,484)	(2,398,142,023)
Increase in short-term loans from subsidiaries	-	-	32,600,000	-
Increase in short-term loans from associate	8,200,000	52,700,000	-	-
Decrease in long-term loans from financial institutions	(877,825,666)	(610,076,456)	(450,000,000)	(450,000,000)
Cash paid for deferred financial fee	-	(21,785,825)	-	(21,785,825)
Cash paid for redemption of debentures	-	(3,300,000,000)	-	(3,300,000,000)
Cash received from issuance of debentures	-	12,750,000,000	-	12,750,000,000
Cash paid for interest expenses	(1,234,160,133)	(1,231,841,983)	(780,774,422)	(853,616,861)
Cash paid for finance lease	(176,124,835)	(136,241,222)	(30,324,821)	(43,189,270)
Decrease in non-controlling interests of the subsidiaries	(655,386,537)	(651,982,101)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(13,205,489,374)</b>	<b>886,011,477</b>	<b>(9,166,876,806)</b>	<b>3,099,513,943</b>
<b>Increase (decrease) in translation adjustment</b>	<b>348,775,295</b>	<b>(1,104,409,932)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>692,528,727</b>	<b>502,707,300</b>	<b>2,080,082,595</b>	<b>(57,098,978)</b>
Cash and cash equivalents at beginning of year	2,123,441,142	1,620,733,842	12,091,024	69,190,002
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>2,815,969,869</b>	<b>2,123,441,142</b>	<b>2,092,173,619</b>	<b>12,091,024</b>

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

**Thai Union Group Public Company Limited and its subsidiaries****(Formerly known as “Thai Union Frozen Products Public Company Limited”)****Cash flow statement (continued)****For the year ended 31 December 2015**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
<b>Supplemental cash flows information</b>				
Non-cash items:				
Undue installments for acquisition of property, plant and equipment	164,823,605	169,401,318	38,105,172	27,793,599
Unrealised gain on changes in the value of investments in available-for-sale securities - net of income tax	(4,143,860)	(684,679)	-	-
Transfer of property, plant and equipment to other assets	-	9,897,312	-	-
Transfer of property, plant and equipment to other intangible assets	(104,871,207)	182,747,374	-	17,920,203
Transfer of leasehold right to property, plant and equipment	-	214,530,498	-	-
Dividend payable	5,136,022	5,071,030	1,460,691	1,460,342
Acquisition of equipment under finance lease agreements	49,679,412	13,663,768	5,637,101	-
Conversion of convertible bond to ordinary share	-	2,493,180,000	-	2,493,180,000
Change from investment in associate to investment in joint venture	-	30,304,742	-	-

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

**Thai Union Group Public Company Limited and its subsidiaries**  
**(Formerly known as “Thai Union Frozen Products Public Company Limited”)**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2015**

**1. General information**

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

On 16 September 2015, the Extraordinary General Meeting of the Company’s shareholders, approved the change of the Company’s name from “Thai Union Frozen Products Public Company Limited” to “Thai Union Group Public Company Limited”. The Company registered the change of its name with the Ministry of Commerce on 17 September 2015.

The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas countries. 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 consist of the following. The subsidiaries in the United States are the manufacturer and distributor of 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, the United States and Australia under their trademarks. A subsidiary in Asia is the manufacturer and distributor of seafood in Vietnam.

In addition, during the current year, the overseas subsidiary acquired certain assets of Orion Seafood International as described in Note 2.2. Their principal activities are the distribution of lobster products and other marine animals across the United States. Its head office is located in the United States.

The Company’s registered address is 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn. The Company has 11 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. In 2015, the Company has changed the presentation format of income statement from the single-step income statement to the multi-step income statement.

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 Group Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
<u>Held by the Company</u>				
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	99.66	90.08
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	99.55	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	98.00
Thai Union North America, Inc. (TUNA) (formerly known as “Thai Union International, Inc. (TUI)”)	Holding company	USA	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
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	77.44
<u>Held by subsidiaries</u>				
Tri-Union Seafoods, LLC (100% held by TUNA)	Manufacturer & distributor of canned tuna and seafood	USA	100.00	100.00
Tri-Union Frozen Products, Inc. (TUFPP) (82% held by TUNA)	Importer and distributor of frozen seafood	USA	82.00	82.00
US Pet Nutrition, LLC (USPN) (99% held by TUNA 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	90.09	81.85
Yueh Chyang Canned Food Co., Ltd. (51% held by Songkla Canning Pcl.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	50.77	46.12
Thai Union EU Seafood 1 S.A. (100% held by TUIH)	Holding company	Luxembourg	100.00	100.00
Thai Union France Holding 2 SAS (TUFH) (100% held by Thai Union EU Seafood 1 S.A.)	Holding company	France	100.00	100.00
Thai Union Europe (formerly known as "MW Brands SAS") (100% held by Thai Union France Holding 2 SAS)	Headquarters activity	France	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
MW Brands Seychelles Limited (100% held by Thai Union Europe)	Exporter of canned tuna	Seychelles	100.00	100.00
Etablissements Paul Paulet SAS (100% held by Thai Union Europe)	Manufacturer, importer, distributor and exporter of canned seafood	France	100.00	100.00
European Seafood Investment Portugal (74% held by Thai Union Europe and 26% held by Thai Union France Holding 2 SAS)	Manufacturer and exporter of canned sardines and mackerel	Portugal	100.00	100.00
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 Thai Union Europe 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 Thai Union Europe)	Holding company	United Kingdom	100.00	100.00
Indian Ocean Tuna Limited (60% held by Thai Union Europe)	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 Thai Union Europe)	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	77.44



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
Okeanos Food Co., Ltd. (100% held by Pakfood Pcl.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.44	77.44
Okeanos Co., Ltd. (100% held by Pakfood Pcl.)	Dormant	Thailand	77.44	77.44
Takzin Samut Co., Ltd. (100% held by Pakfood Pcl.)	Dormant	Thailand	77.44	77.44
EUROPEENNE DE LA MER SAS** (100% held by Thai Union France Holding 2 SAS)	Holding company	France	100.00	100.00
MERINVEST SAS** (100% held by EUROPEENNE DE LA MER SAS)	Holding company	France	-	100.00
MERALLIANCE ARMORIC SAS (100% held by EUROPEENNE DE LA MER SAS)	Manufacturer of smoked salmon	France	100.00	100.00
IMSAUM SCI (100% held by EUROPEENNE DE LA MER SAS)	Property rental	France	100.00	100.00
MERALLIANCE SAS (100% held by EUROPEENNE DE LA MER SAS)	Distributor of smoked salmon	France	100.00	100.00
MERALLIANCE LOGISTIC (100% held by EUROPEENNE DE LA MER SAS)	Logistic company	France	100.00	100.00
MERALLIANCE POLAND (100% held by EUROPEENNE DE LA MER SAS)	Manufacturer of smoked salmon	Poland	100.00	100.00
ARMORIC NORWAY (100% held by EUROPEENNE DE LA MER SAS)	Holding company	Norway	100.00	100.00
NACO TRADING (100% held by ARMORIC NORWAY)	Distributor of salmon	Norway	100.00	100.00
ESCO (100% held by EUROPEENNE DE LA MER SAS)	Manufacturer and distributor of smoked salmon	Scotland	100.00	100.00
ARMORIC USA (100% held by EUROPEENNE DE LA MER SAS)	Dormant	USA	100.00	100.00
Thai Union Norway AS (100% held by Thai Union EU Seafood 1 S.A.)	Holding company	Norway	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
King Oscar Holding AS (100% held by Thai Union Norway AS)	Holding company	Norway	100.00	100.00
King Oscar AS (100% held by King Oscar Holding AS)	Manufacturer and distributor of canned seafood	Norway	100.00	100.00
King Oscar Inc. (100% held by King Oscar AS)	Importer and distributor of canned seafood	USA	100.00	100.00
Norway Foods Europe b.v. (100% held by King Oscar AS)	Importer and distributor of canned seafood	Belgium	100.00	100.00
Norway Foods AS (100% held by King Oscar AS)	Importer and distributor of canned seafood	Norway	100.00	100.00
Thai Union Poland Sp. Z.o.o.* (100% held by Thai Union EU Seafood 1 S.A.)	Holding company	Poland	100.00	100.00
King Oscar Poland Sp. Z.o.o.* (100% held by Thai Union Poland Sp. Z.o.o.)	Manufacturer and distributor of canned seafood	Poland	-	100.00
Tri-Union Frozen Products North America, LLC (100% held by TUFH)	Holding company	USA	82.00	-
Tri-Union Frozen Products Canada, ULC (100% held by TUFH)	Technical service provider	Canada	82.00	-

\* King Oscar Poland Sp. Z.o.o. was merged with Thai Union Poland Sp. Z.o.o.

\*\* MERINVEST SAS was merged with EUROPEENNE DE LA MER SAS

In 2014, 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. During the fourth quarter of the year 2015, TUFH obtained these appraisals of the tangible assets from third party. The appraisal value immaterially differs from their fair value as of the acquisition date. The Company therefore has not adjusted the value of goodwill.

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
<b>Assets</b>		
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
<b>Liabilities</b>		
Short-term loans from financial institutions	586	586
Trade accounts payables	653	653
Long-term loans	202	202
Deferred tax liabilities (Note 28)	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)
<b>Purchase price</b>	
Cash paid	1,618
Fair value of net assets received	(752)
Goodwill	866

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

In 2014, Thai Union EU Seafood 1 S.A., a company registered in Luxembourg, 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. During the fourth quarter of the year 2015, TU Norway obtained these appraisals of the tangible assets from third party. The appraisal value immaterially differs from their fair value as of the acquisition date. The Company therefore has not adjusted the value of goodwill.

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
<b>Assets</b>		
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
<b>Liabilities</b>		
Short-term loans from financial institutions	374	374
Trade accounts payables	196	196
Long-term loans	191	191
Deferred tax liabilities (Note 28)	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 current year, Tri-Union Frozen Products, Inc. (TUFPP), a company registered in the United States, entered into an Asset Purchase Agreement to acquire certain assets of Orion Seafood International (Orion), a company registered in the United States of America. Tri-Union Frozen Products North America, LLC and Tri-Union Frozen Products Canada, ULC were formed to consummate the transaction. Such company has recorded the assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the assets acquired has been recorded as goodwill. During the fourth quarter of the current year, TUFPP completed the assessment of fair value of tangible assets and allocation of goodwill in December 2015.

Details of the fair values of assets of Orion Seafood International and their net book values, are as follows:

(Unit: Million Baht)

	<u>Fair value</u>	<u>Net book value</u>
<b>Assets</b>		
Inventories	18	18
Property, plant and equipment, net (Note 16)	32	32
Intangible assets (Note 17)	156	-
Other assets	2	2
Total assets	<u>208</u>	<u>52</u>
Net asset value	208	<u>52</u>
Positive goodwill	<u>114</u>	
Net cash paid for purchase of assets	<u>322</u>	

Details of assets acquisition of Orion Seafood International are as follows.

(Unit: Million Baht)

**Purchase price**

Cash paid	322
Fair value of net assets received	(208)
Goodwill	<u>114</u>

During the third quarter of the year 2015, King Oscar Poland Sp. Z.o.o. was liquidated and merged with Thai Union Poland Sp. Z.o.o. The merger was effectuated by means of the transfer of all assets and liabilities of King Oscar Poland Sp. Z.o.o., to Thai Union Poland Sp. Z.o.o. There is no effect to profits or loss on the Company's consolidated financial statements from the merger.

During the fourth quarter of the year 2015, MERINVEST SAS was merged with EUROPEENNE DE LA MER SAS. The merger was effectuated by means of the transfer of all assets and liabilities of MERINVEST SAS to EUROPEENNE DE LA MER SAS. There is no effect to profits or loss on the Company's consolidated financial statements from the merger.

During the fourth quarter of the year 2015, the Company jointly established a company with Savola Foods Company, which is a large manufacturer of consumer goods in the Middle East, in order to market and distribute all seafood products of the Company. The newly established company is named Seafood International One FZCO, and the Company holds a 60 percent interest. As at 31 December 2015, share capital has not yet been called-up and Seafood International One FZCO has not yet commenced its operation.

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) 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 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.



- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) 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 statements of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

### **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 year**

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognise actuarial gains and losses immediately in other comprehensive income. In addition, the subsidiaries have changed the recognition of the return on plan assets in profit or loss calculated by using the return rate on plan assets to calculate using the same rate as the discount rate for applying the post-employment benefit obligation. This change does not have any significant impact on the Company's and its subsidiaries' financial statements.

**TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any 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 investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

**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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied except for TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant. The management of the Company is evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

**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 on an accrual basis 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, packaging and spareparts are value at the lower of average cost and net realisable value and are changed to production costs whenever consumed.

## **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 investments, 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, joint ventures and associates are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

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 to their fair values. 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 building improvement	-	5 - 40	years
Machinery and equipment	-	3 - 20	years
Furniture and fixtures	-	3 - 20	years
Motor vehicles	-	3 - 20	years

No depreciation is provided for land and assets under installation and under construction.

Equipment under a capital lease is stated at the lower of the fair value and 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
License	-	3, 5, 10 years
Computer software	-	3, 5, 10 years
Customer relationship	-	10 years
Distributor relationship	-	7, 14, 20 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 associated companies 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 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 shorter of the useful life of the assets and the lease period.

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 and other long-term employee 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 and other long-term employee benefits*

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

The liabilities under the defined benefit plan consist of the present value of the defined benefit obligation less fair value of plan assets.

Net interest recognised in profit or loss consists of the interest cost on the defined benefit obligation net with the interest income on plan assets which calculated using the same rate as the discount rate applying for the post-employment benefit obligation.

Actuarial gains and losses from determining the measurement of the defined benefit obligation and return of plan assets net from interest income on plan assets are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

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 shareholders' 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.

**Cross currency swap agreements**

Payables and receivables arising from cross currency swap agreements are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

**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. Unrecognised gains and losses from the translation are included in determining income.

#### **4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements 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 judgement 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 judgements and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**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 judgement 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 and its subsidiaries measure 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 judgement 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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	15,540	2,781	768	504
Bank deposits	2,800,430	2,120,660	2,091,406	11,587
Total	2,815,970	2,123,441	2,092,174	12,091

As at 31 December 2015, bank deposits in savings accounts and fixed accounts carried interests between 0.05% and 1.75% per annum (2014: between 0.10% and 2.12% per annum).

## 7. Short-term investments

As at 31 December 2014, the Company had fixed deposits at financial institutions totaling Baht 2,000 million and USD 62 million (2015: None). The fixed deposits carried interest at the rates from 1.30% and 2.85% per annum and were due for withdrawal in April 2015.

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2015	2014
	2015	2014
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	70,037	69,936
Past due		
1 - 30 days	27,379	24,037
31 - 60 days	377	1,381
61 - 90 days	2,002	-
91 - 120 days	1,722	-
121 - 180 days	16	-
181 - 365 days	92	-
Over 365 days	82	229
Total trade receivables - related parties	101,707	95,583
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	12,927,287	12,557,427
Past due		
1 - 30 days	1,987,159	1,734,705
31 - 60 days	282,142	302,439
61 - 90 days	88,138	221,919
91 - 120 days	42,000	361,064
121 - 180 days	90,257	89,252
181 - 365 days	130,289	64,107
Over 365 days	448,035	218,613
Total trade receivables - unrelated parties	15,995,307	15,549,526
Total trade receivables	16,097,014	15,645,109
Less: Allowance for doubtful accounts	(448,392)	(362,647)
Total trade receivables - net	15,648,622	15,282,462
<u>Other receivables</u>		
Interest receivables - related parties	62	-
Interest receivables - unrelated parties	795	2,324
Accrued income	29,556	48,215
Advance payment	96,547	70,765
Total other receivables	126,960	121,304
Total trade and other receivables		
- net	15,775,582	15,403,766

As at 31 December 2015, certain trade receivables of three overseas subsidiaries (2014: three overseas subsidiaries) have secured their credit facilities as mentioned in Note 18.

As at 31 December 2015, foreign currency trade receivables of two overseas subsidiaries (2014: two overseas subsidiaries) amounting to Baht 74 million (2014: Baht 767 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 financial institution 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, Thai Union Seafood Co., Ltd. and Okeanos Food Co., Ltd.

In August 2014, TUFPP entered into the receivables purchase agreement to sell certain receivables of a new account with the same terms and conditions. The agreement was terminated on 20 October 2015.

## 9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<b>Transactions with subsidiaries:</b>					
(Eliminated from consolidated financial statements)					
Sales	-	-	7,161	8,346	Cost plus margin
Dividend income	-	-	4,060	1,376	As declared
Interest income	-	-	737	1,001	0.96% - 5.40% per annum (2014: 1.08% - 5.50% per annum)
Other income	-	-	45	25	Near market price
Purchases of goods	-	-	1,254	1,111	Cost plus margin
Management fee	-	-	167	161	Contract price
Other expenses	-	-	109	108	Near market price
Acquisition of assets and expenses relating to assets	-	-	22	19	Near market price

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2015	2014	2015	2014	
<b>Transactions with associates and joint ventures:</b>					
Sales	209	282	27	57	Cost plus margin
Dividend income	-	-	86	49	As declared
Other income	26	24	1	-	Near market price
Purchases of goods	1,541	459	222	7	Cost plus margin
<b>Transactions with related companies:</b>					
Sales	884	925	447	490	Cost plus margin
Purchases of goods	1,142	1,764	-	-	Cost plus margin
Transportation expenses	43	42	8	6	Near market price
Rental fee	86	82	36	41	Contract price
Acquisition of assets and expenses relating to assets	75	126	9	9	Near market price

The Company and its subsidiaries have asset coverage insured by Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is insurance broker related by way of having common shareholders and directors. During the year 2015, insurance premiums paid through that company amounted to Baht 103 million (2014: Baht 109 million).

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

List of related companies	Relationship
Thai Union Manufacturing Co., Ltd.	Subsidiary
Songkla Canning Pcl.	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 North America, Inc. (TUNA) (Formerly known as "Thai Union International, Inc. (TUI)")	Subsidiary
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Pakfood Pcl.	Subsidiary

List of related companies	Relationship
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)
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 EU Seafood 1 S.A.	Subsidiary (Held by subsidiary)
Thai Union France Holding 2 SAS (TUFH)	Subsidiary (Held by subsidiary)
Thai Union Europe (Formerly known as "MW Brands SAS")	Subsidiary (Held by subsidiary)
European Seafood Investment Portugal	Subsidiary (Held by subsidiary)
UK Seafood Investments 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)
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)

List of related companies	Relationship
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)
King Oscar AS	Subsidiary (Held by subsidiary)
King Oscar Inc.	Subsidiary (Held by subsidiary)
Norway Foods Europe b.v.	Subsidiary (Held by subsidiary)
Norway Foods SAS	Subsidiary (Held by subsidiary)
Thai Union Poland Sp. Z.o.o.****	Subsidiary (Held by subsidiary)
Tri-Union Frozen Products North America, LLC	Subsidiary (Held by subsidiary)
Tri-Union Frozen Products Canada, ULC	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.	Joint Venture (Held by subsidiary)
TMK Farm Co., Ltd.	Joint Venture (Held by subsidiary)
Thai Union Hatchery Co., Ltd.	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

List of related companies	Relationship
Chansiri Real Estate Co., Ltd.	Common major shareholders/Common directors
Asian Pacific Thai Tuna Co., Ltd.	Common major shareholders/Common directors
T.C. Union Global Pcl.	Common major shareholders/Common directors
Jana Fish Industries 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
D Chansiri A Co., Ltd.	Common major shareholders/Common directors
Thai Union Hitech Pearl Cultivation	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 Insurance Broker Co., Ltd.	Common shareholders/Common directors
Minor International Pcl.	Common director
Darford International Inc.	Common director
New Century Printing & Packaging Co., Ltd.	Common director
Oriental Unique Co., Ltd.	Common director
Miss Rungtiwa Boonmechote	Relative of director
Pae Parichart Boonmechote	Relative of director
* Transferred to investment in joint venture during the year 2014	
** Ceased operation	
*** Liquidation	
**** King Oscar Poland Sp. Z.o.o. was merged with Thai Union Poland Sp. Z.o.o.	
***** MERINVEST SAS was merged with EUROPEENNE DE LA MER SAS	



The balances of the accounts as at 31 December 2015 and 2014 between the Company and those related parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2015	2014	2015	2014
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	1,879,211	2,036,490
Associated companies	50,087	30,345	6,336	6,653
Related companies	51,682	65,238	34,104	47,886
Total	101,769	95,583	1,919,651	2,091,029
<u>Trade and other payables - related parties (Note 19)</u>				
Subsidiaries	-	-	378,121	429,423
Associated companies	116,508	34,976	1,939	19
Related companies	132,281	122,515	31,371	32,896
Total	248,789	157,491	411,431	462,338
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Thai Union North America, Inc.	-	-	877,823	1,472,585
Thai Union Investment Holding Co., Ltd.	-	-	1,987,058	79,296
Total	-	-	2,944,881	1,631,881
<u>Short-term loan to joint venture</u>				
TMAC Co., Ltd.	30,600	-	-	-
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	18,267,002	23,609,526
Tri-Union Frozen Products, Inc.	-	-	358,295	-
Thai Union North America, Inc.	-	-	1,218,203	1,308,964
Thai Union EU Seafood 1 S.A.	-	-	1,153,173	-
Total	-	-	20,996,673	24,918,490
Less: Current portion				
Thai Union Investment Holding Co., Ltd.	-	-	-	(1,982,410)
Thai Union North America, Inc.	-	-	(501,613)	-
Net	-	-	20,495,060	22,936,080
<u>Short-term loan from subsidiary</u>				
(Eliminated from consolidated financial statements)				
T-Holding Co., Ltd.	-	-	32,600	-
<u>Short-term loan from associate</u>				
TN Fine Chemicals Co., Ltd.	60,900	52,700	-	-

During 2015, movements of loans to and loans from related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	1 January 2015	Increase	Decrease	31 December 2015
<b><u>Short-term loan to joint venture</u></b>				
TMAC Co., Ltd.	-	30,600	-	30,600
<b><u>Short-term loan from associate</u></b>				
TN Fine Chemicals Co., Ltd.	52,700	63,100	(54,900)	60,900

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year			Balance as at
	1 January 2015	Increase	Decrease	Translation	31 December 2015
<b><u>Short-term loans to subsidiaries</u></b>					
Songkla Canning Pcl.	-	7,030	(7,030)	-	-
Thai Union Graphic Co., Ltd.	80,000	-	-	-	80,000
Thai Union North America, Inc.	1,472,585	479,550	(1,143,750)	69,438	877,823
Thai Union Investment Holding Co., Ltd.	79,296	3,706,227	(1,742,628)	(55,837)	1,987,058
	1,631,881	4,192,807	(2,893,408)	13,601	2,944,881
<b><u>Long-term loans to subsidiaries</u></b>					
Thai Union Investment Holding Co., Ltd.	23,609,526	80,360	(5,202,165)	(220,719)	18,267,002
Tri-Union Frozen Products, Inc.	-	325,600	-	32,695	358,295
Thai Union North America, Inc.	1,308,964	-	(184,200)	93,439	1,218,203
Thai Union EU Seafood 1 S.A.	-	1,145,464	-	7,709	1,153,173
	24,918,490	1,551,424	(5,386,365)	(86,876)	20,996,673
<b><u>Short-term loans from subsidiaries</u></b>					
Thai Union Investment Holding Co., Ltd.	-	1,246,588	(1,246,588)	-	-
Songkla Canning Plc.	-	912,090	(912,090)	-	-
Thai Union Manufacturing Co., Ltd.	-	46,960	(46,960)	-	-
T-Holding Co., Ltd.	-	342,600	(310,000)	-	32,600
	-	2,548,238	(2,515,638)	-	32,600

### Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefits expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	881	866	100	94
Post-employment benefits	35	40	8	8
Other long-term benefits	7	2	7	-
Termination benefits	42	17	-	-
Total	965	925	115	102

## 10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	19,959,552	19,610,614	(852,414)	(1,152,105)	19,107,138	18,458,509
Work in process	433,398	177,308	-	(6,013)	433,398	171,295
Raw materials	9,515,543	11,487,217	(312,640)	(281,400)	9,202,903	11,205,817
Ingredients and packaging	1,475,785	1,564,840	(87,629)	(107,953)	1,388,156	1,456,887
Goods in transit	4,137,324	5,327,985	-	-	4,137,324	5,327,985
Spare parts	931,890	922,844	(20,593)	(25,762)	911,297	897,082
Total	36,453,492	39,090,808	(1,273,276)	(1,573,233)	35,180,216	37,517,575

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	1,371,937	1,747,752	(94,842)	(94,290)	1,277,095	1,653,462
Work in process	9,402	5,540	-	-	9,402	5,540
Raw materials	1,511,982	1,998,195	(18,238)	(16,612)	1,493,744	1,981,583
Ingredients and packaging	154,262	188,232	(8,535)	(9,930)	145,727	178,302
Goods in transit	501,806	266,135	-	-	501,806	266,135
Spare parts	17,976	18,150	-	-	17,976	18,150
Total	3,567,365	4,224,004	(121,615)	(120,832)	3,445,750	4,103,172

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 852 million (2014: Baht 1,344 million) (The Company only: Baht 143 million and 2014: Baht 121 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 1,152 million (2014: Baht 1,133 million) (The Company only: Baht 142 million and 2014: Baht 172 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2015, two overseas subsidiaries (2014: two 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	
			2015	2014	2015	2014	2015	2014
			(%)	(%)				
<b>Investments in associates, directly held by the Company</b>								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	342,440	430,829
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	20,133	29,034
Avanti Feeds Limited	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	526,845	343,780
<b>Investments in associates, directly held by subsidiaries</b>								
TN Fine Chemicals Co., Ltd. (49% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of by-products from seafoods	Thailand	48.83	44.14	44,070	44,070	61,856	59,276
Moresby International Holdings Inc. (33% held by Thai Union Manufacturing Co., Ltd.)	Holding in fishing company	British Virgin Island	32.89	30.03	136,535	136,535	152,034	75,513
LDH (La Doria) Limited (20% held by MW Brands)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	517,095	430,389
					432,119	432,119	1,620,403	1,368,821

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2015	2014	2015	2014
			(%)	(%)		
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:

Company's name	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2015	2014	2015	2014
Lucky Union Foods Co., Ltd.	58,361	75,668	37,000	26,000
Biz Dimension Co., Ltd.	8,699	10,786	17,600	5,000
Avanti Feeds Limited	199,155	164,351	31,522	18,225
TN Fine Chemicals Co., Ltd.	8,449	7,036	-	-
Moresby International Holdings Inc.	76,521	(66,342)	-	-
LDH (La Doria) Limited	67,361	45,561	-	-
<b>Total</b>	<b>418,546</b>	<b>237,060</b>	<b>86,122</b>	<b>49,225</b>

## 12.3 Fair value investments in listed associates

In respect of investments in associated company that is listed companies on the Stock Exchange of India, their fair values is as follow:

Associated	(Unit: Million Baht) Fair values as at 31 December	
	2015	2014
Avanti Feeds Limited	2,551	1,743
<b>Total</b>	<b>2,551</b>	<b>1,743</b>

## 12.4 Summarised financial information about material associates

## Summarised information about financial position

	(Unit: Million Baht)					
	Lucky Union Foods Co., Ltd.		Avanti Feeds Limited		LDH (La Doria) Limited	
	2015	2014	2015	2014	2015	2014
Current assets	578	454	2,314	1,819	5,590	5,201
Non-current assets	1,683	1,973	1,135	627	156	168
Current liabilities	(774)	(584)	(1,269)	(1,003)	(3,058)	(2,954)
Non-current liabilities	(117)	(120)	(83)	(74)	(102)	(99)
<b>Net assets</b>	<b>1,370</b>	<b>1,723</b>	<b>2,097</b>	<b>1,369</b>	<b>2,586</b>	<b>2,316</b>
Shareholding percentage (%)	25.00	25.00	25.12	25.12	20.00	20.00
<b>Share of net assets</b>	<b>342</b>	<b>431</b>	<b>527</b>	<b>344</b>	<b>517</b>	<b>463</b>
Elimination entries	-	-	-	-	-	(33)
<b>Carrying amounts of associates based on equity method</b>	<b>342</b>	<b>431</b>	<b>527</b>	<b>344</b>	<b>517</b>	<b>430</b>

## Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December					
	Lucky Union Foods Co., Ltd.		Avanti Feeds Limited		LDH (La Doria) Limited	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue	2,528	2,381	10,299	8,885	15,469	16,497
Profit	233	303	793	654	506	619
Total comprehensive income	233	303	793	654	506	619

## 12.5 Aggregate amount of share of comprehensive income from other associates (exclude associates named in Note 12.4).

(Unit: Million Baht)

	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Share of comprehensive income:		
Profit	290	73
Total comprehensive income	290	73

The Company

During the fourth quarter of the year 2015, the Company jointly established a company with Savola Foods Company, which is a large manufacturer of consumer goods in the Middle East, in order to market and distribute all seafood products of the Company. The newly established company is named Seafood International Two FZCO, and the Company holds 40,000 ordinary shares (40% of the total issued shares), a par value of AED 1 per share, or a total of AED 40,000 or Baht 0.4 million. As at 31 December 2015, share capital has not yet been called-up and Seafood International Two FZCO has not yet commenced its operation.

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

13.1 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	
	2015	2014	2015	2014	2015	2014	2015	2014
			%	%				
Thai Union Manufacturing Co., Ltd.	Baht 300 million	Baht 300 million	99.66	90.08	2,648,407	1,212,172	3,405,196	756,710
Songkla Canning Pcl.	Baht 360 million	Baht 360 million	99.55	90.44	2,006,433	1,379,791	386,749	293,011
Thai Union Seafood Co., Ltd.	Baht 300 million	Baht 300 million	51.00	51.00	189,316	189,316	-	-
T-Holding Co., Ltd.	Baht 70 million	Baht 70 million	90.00	90.00	20,699	20,699	-	-
Thai Union Feedmill Co., Ltd.	Baht 500 million	Baht 500 million	51.00	51.00	255,000	255,000	53,805	326,145
Thai Union Graphic Co., Ltd.	Baht 40 million	Baht 40 million	98.00	98.00	96,019	96,019	-	-
Thai Union North America, Inc. (TUNA)	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	77.44	1,331,470	1,331,470	214,655	-
Total					18,562,950	16,500,073	4,060,405	1,375,866

### 13.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Thai Union Manufacturing Co., Ltd.	0.34	9.92	30	785	131	171	375	83
Thai Union Feedmill Co., Ltd.	49.00	49.00	792	724	117	99	52	313
Pakfood Pcl.	22.56	22.56	428	373	122	63	63	-

### 13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Thai Union Manufacturing Co., Ltd.		Thai Union Feedmill Co., Ltd.		Pakfood Pcl.	
	2015	2014	2015	2014	2015	2014
Current assets	7,370	8,396	789	601	1,353	1,718
Non-current assets	4,998	5,093	1,828	1,705	1,330	1,568
Current liabilities	5,887	5,172	887	986	982	1,480
Non-current liabilities	604	658	103	72	69	212



## Summarised information about comprehensive income

(Unit: Million Baht)

	Thai Union Manufacturing Co., Ltd.		Thai Union Feedmill Co., Ltd.		Pakfood Pcl.	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue	18,849	20,768	3,664	3,085	6,268	5,851
Profit	1,634	1,786	325	269	508	346
Other comprehensive income	49	-	6	-	(19)	(8)
Total comprehensive income	1,683	1,786	331	269	489	338

## Summarised information about cash flow

(Unit: Million Baht)

	Thai Union Manufacturing Co., Ltd.		Thai Union Feedmill Co., Ltd.		Pakfood Pcl.	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flow from operating activities	3,637	2,782	336	373	953	128
Cash flow from (used in) investing activities	208	(559)	(69)	(32)	(96)	(68)
Cash flow used in financing activities	(3,857)	(2,225)	(268)	(347)	(866)	(59)
Net increase (decrease) in cash and cash equivalents	<u>(12)</u>	<u>(2)</u>	<u>(1)</u>	<u>(6)</u>	<u>(9)</u>	<u>1</u>

The Company

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 52.8 per share, or a total of Baht 50.7 million. As at 31 December 2015 and 2014, the Company held 3.9 million ordinary shares of TUG or 98% of the total issued and paid up shares of TUG.

During the third quarter of the year 2014, the Company purchased 25,890 ordinary shares of Pakfood Pcl. (PPC) at a purchase price of Baht 53.14 per share, or a total of Baht 1.4 million.

During the fourth quarter of the year 2014, the Company purchased 100,000 ordinary shares of PPC of a purchase price of Baht 55.8 per share, or a total of Baht 5.6 million. As at 31 December 2015 and 2014, the Company held 25.5 million ordinary shares of PPC or 77.44% of the total issued and paid up shares of PPC.

During the third and the fourth quarters of the year 2015, the Company increased investment in Songkla Canning Pcl. (SC) which is the subsidiary of the Company for 3.3 million ordinary shares at a purchase price of Baht 191 per share, or a total of Baht 626.6 million. As at 31 December 2015, the Company held 35.8 million ordinary shares of SC or 99.55% of the total issued and paid up shares of SC.

During the fourth quarter of the year 2015, the Company increased investment in Thai Union Manufacturing Co., Ltd. (TUM) which is the subsidiary of the Company for 2.9 million ordinary shares at a purchase price of Baht 500 per share, or a total of Baht 1,436 million. As at 31 December 2015, the Company held 29.9 million ordinary shares of TUM or 99.66% of the total issued and paid up shares of TUM.

During the fourth quarter of the year 2015, the Company jointly established a company with Savola Foods Company, which is a large manufacturer of consumer goods in the Middle East, in order to market and distribute all seafood products of the Company. The newly established company is named Seafood International One FZCO, and the Company holds 60 ordinary shares (60% of the total issued shares), a par value of AED 1,000 per share, or a total of AED 60,000 or Baht 0.6 million. As at 31 December 2015, share capital has not yet been called-up and Seafood International One FZCO has not yet commenced its operation.

#### 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. The acquisition was completed in the fourth quarter of the year 2014.

During the fourth quarter of the year 2015, MERINVEST SAS was merged with EUROPEENNE DE LA MER SAS. The merger was effectuated by means of the transfer of all assets and liabilities of MERINVEST SAS, to EUROPEENNE DE LA MER SAS. There is no effect to profits or loss on the Company's consolidated financial statements from the merger.

### 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. The acquisition was completed in the fourth quarter of the year 2014.

Subsequently, the Company restructured the investments in King Oscar group by designating Thai Union EU Seafood 1 S.A. 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.. The restructure of investments has no effect to profits or loss on the Company's consolidated financial statements.

During the third quarter of the year 2015, King Oscar Poland Sp. Z.o.o. was liquidated and merged with Thai Union Poland Sp. Z.o.o. The merger was effectuated by means of the transfer of all assets and liabilities of King Oscar Poland Sp. Z.o.o., to Thai Union Poland Sp. Z.o.o. There is no effect to profits or loss on the Company's consolidated financial statements from the merger.

### Acquisition of Bumble Bee

On 17 December 2014, the meeting of the Company's Board of Directors approved the acquisition of Bumble Bee Holdco S.C.A. ("Bumble Bee"), which can be summarised as follows:

- Approval of the entry into Share Purchase Agreement and associated ancillary agreements with regard to the acquisition of shares and business of 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 million 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 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 AG as M&A advisor of the Company.

#### Termination of Bumble Bee acquisition

On 3 December 2015, the Company and Lion/Big Catch Cayman L.P. entered into a termination agreement to terminate the Share Purchase Agreement with regard to the acquisition of Bumble Bee Holdco S.C.A., dated 18 December 2014. The Company and the seller concluded that obtaining clearance from the U.S Department of Justice was unlikely under the timeframe stipulated in the Share Purchase Agreement. However, such termination has no effect to the Company's operations and there is no liability as a result.

#### Thai Union Manufacturing Co., Ltd. (TUM) and its subsidiary

On 17 June 2014, the Extraordinary General Meeting of New Frontier Foods Co., Ltd. (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

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. TQS completed the liquidation process on 24 June 2014.

## 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 (TFM), Thai Union Manufacturing Co., Ltd. (TUM) and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2015	2014	2015	2014	2015	2014
		(%)	(%)				
TMAC Co., Ltd. (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	428,771	514,764
Cindena Resources Limited (Joint venture of TUM and other company)	Owner of trademark "Century", which is the trademark of canned tuna distributed overseas	50	50	8,075	8,075	8,075	8,075
Century (Shanghai) Trading Co., Ltd. (Joint venture of TUM and other company)	Importer & exporter of food products	50	50	75,900	75,900	33,043	29,645
Total				522,575	522,575	469,889	552,484

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 additionally purchased 12 million ordinary shares of TMK Farm 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). During the second quarter of the year 2014, TMAC additionally purchased 1.5 million ordinary shares of TMK, a total of Baht 12 million. As at 31 December 2015 and 2014, TMAC held 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 250,000 ordinary shares of Cindena at the purchase price of USD 1 per share, totaling USD 250,000 or Baht 8.1 million. 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 investor of investment in associated company - Century (Shanghai) Trading Co., Ltd. (Century) entered into new agreement with the former 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. The change of investment type has no effect to profit or loss of the Company's consolidated financial statements.

On 7 September 2015, the Company entered into the Shareholders' Agreements with Savola Foods Company, which is a large manufacturer of consumer goods in the Middle East, in order to market and distribute all seafood products of the Company. The Company will set up a company, United Seafood Company (No. 3) where the Company will hold interests of 50 percent. This company is during the establishment process. The name of company can be changed upon agreement of counter parties.

On 28 December 2015, the meeting of Board of Directors of Thai Union Feedmill Company Limited (TFM), a subsidiary of the Company, approved the addition purchase of 13.77 million ordinary shares of TMAC Co., Ltd. (TMAC) (its joint venture) (or 51% of the total 27 million ordinary shares increase of its registered, issued and paid up shares capital), or a total of Baht 137.7 million.

On 20 January 2016, TMAC registered the increase of its registered share capital with the Ministry of Commerce from Baht 860 million (86 million ordinary shares of Baht 10 each) to Baht 1,130 million (113 million ordinary shares of Baht 10 each), which was fully paid-up.



## 14.2 Share of profit (loss)

During the years, the Company and its subsidiaries recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

Joint ventures	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	Share of gain (loss) from investments in joint ventures during the year	
	2015	2014
TMAC Co., Ltd.	(85,993)	(62,795)
Cindena Resources Limited	-	-
Century (Shanghai) Trading Co., Ltd.	3,398	(11,857)
<b>Total</b>	<b>(82,595)</b>	<b>(74,652)</b>

## 14.3 Summarised financial information about material joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	TMAC Co., Ltd.	
	2015	2014
Cash and cash equivalent	47	46
Other current assets	27	39
Non-current assets	667	704
Bank overdrafts and short-term loans	(157)	(33)
Other current liabilities	(36)	(32)
Other non-current liabilities	(1)	(1)
<b>Net assets</b>	<b>547</b>	<b>723</b>
Less: Non-controlling interests of its subsidiaries	(19)	(26)
<b>Net assets</b>	<b>528</b>	<b>697</b>
Shareholding percentage (%)	51	51
<b>Share of net assets</b>	<b>269</b>	<b>355</b>
Fair value adjustment as a result of change from investments in its subsidiaries to investments in joint venture	160	160
<b>Carrying amounts of joint venture based on equity method</b>	<b>429</b>	<b>515</b>

## Summarised information about comprehensive income

	(Unit: Million Baht)	
	TMAC Co., Ltd.	
	2015	2014
Revenue	164	130
Depreciation and amortisation	38	34
Interest income	-	1
Interest expense	(3)	-
Tax income (income tax expense)	(23)	6
Loss	(169)	(123)
Total comprehensive income	(169)	(123)

## 14.4 Aggregate amount of share of comprehensive income from other joint ventures (exclude joint ventures named in Note 14.3).

	(Unit: Million Baht)	
	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Share of comprehensive income:		
Profit (loss)	7	(24)
Total comprehensive income	7	(24)

## 15. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
<b>Other long-term investments</b>				
Available-for-sale securities - Unit trusts	33,118	<u>30,766</u>	37,307	<u>29,771</u>
Unrealised loss on changes in the value of investments	(2,352)		(7,536)	
Total available-for-sale securities	30,766		29,771	
Other investments				
- Ordinary shares	2,920		821	
Total other long-term investments	<u>33,686</u>		<u>30,592</u>	

## 16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation						
	basis	Cost basis					
		Buildings	Machinery	Furniture		Assets under	
	Land and	and	and	and	Motor	installation and	
improvements	improvement	equipment	fixtures	vehicles	under	Total	
<b>Cost/Revalued amount</b>							
As at 1 January 2014	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)	(742,606)
As at 31 December 2014	3,412,960	11,430,873	22,343,641	977,441	795,239	3,213,023	42,173,177
Increase from Asset Purchase							
Agreement (Note 2.2)	-	19,259	5,515	6,685	-	-	31,459
Additions	24,886	11,784	237,551	81,954	16,212	2,607,278	2,979,665
Disposals/write off	-	(24,583)	(353,201)	(38,349)	(66,872)	(61,432)	(544,437)
Transfer from (to) non-current							
assets	(206,084)	(123,807)	630,401	(50,277)	13,966	27,260	291,459
Transfer in (out)	9,293	366,612	1,803,122	70,210	103,786	(2,353,023)	-
Translation adjustment	(3,423)	72,696	439,621	11,847	6,392	29,118	556,251
As at 31 December 2015	3,237,632	11,752,834	25,106,650	1,059,511	868,723	3,462,224	45,487,574
<b>Accumulated depreciation</b>							
As at 1 January 2014	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
Depreciation for the year	5,252	518,780	1,746,350	130,514	80,273	-	2,481,169
Depreciation for disposals/							
write off	-	(17,453)	(308,712)	(33,065)	(47,893)	-	(407,123)
Transfer from (to) non-current							
assets	(62,905)	(182,019)	626,019	2,999	12,921	(685)	396,330
Translation adjustment	(1,855)	17,226	241,239	8,624	4,939	(35)	270,138
As at 31 December 2015	31,779	4,682,172	15,826,369	745,307	519,510	-	21,805,137

(Unit: Thousand Baht)

Consolidated financial statements						
Revaluation basis	Cost basis					
Land and land improvements	Buildings and building improvement	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
<b>Allowance for loss on impairment of assets</b>						
As at 1 January 2014	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
Increase during the year	-	17,782	515,318	-	-	533,100
Translation adjustment	-	644	19,542	-	-	20,186
As at 31 December 2015	4,535	54,687	550,888	-	-	610,110
<b>Net book value</b>						
As at 31 December 2014	3,317,138	7,048,974	8,806,140	341,206	325,969	23,051,730
As at 31 December 2015	3,201,318	7,015,975	8,729,393	314,204	349,213	23,072,327
<b>Depreciation for the years</b>						
2014 (Baht 2,065 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						2,310,607
2015 (Baht 2,291 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						2,481,169

(Unit: Thousand Baht)

Separate financial statements						
Revaluation basis	Cost basis					
Land and land improvements	Buildings and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
<b>Cost/Revalued amount</b>						
As at 1 January 2014	1,015,732	2,327,754	2,867,183	99,830	152,776	6,944,125
Additions	-	-	13,821	3,201	1,935	483,098
Disposals/write off	-	(43,213)	(65,584)	(1,724)	(4,846)	(115,687)
Transfer to other intangible assets	-	-	-	-	-	(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	7,293,616
Additions	-	3,284	51,543	10,195	3,736	375,200
Disposals/write off	-	-	(40,334)	(561)	(17,491)	(58,386)
Transfer in (out)	-	36,771	149,656	10,979	20,983	(218,389)
As at 31 December 2015	1,015,732	2,677,676	3,251,304	137,558	160,128	7,610,430
<b>Accumulated depreciation</b>						
As at 1 January 2014	-	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
Depreciation for the year	-	106,038	232,352	19,123	9,029	366,542
Depreciation for disposals/write off	-	-	(38,067)	(538)	(5,717)	(44,322)
As at 31 December 2015	-	913,124	2,211,768	103,167	89,805	3,317,864

(Unit: Thousand Baht)

Separate financial statements						
Revaluation basis	Cost basis					
Land and land improvements	Buildings and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
<b>Allowance for loss on impairment of assets</b>						
As at 1 January 2014	-	36,261	-	-	-	36,261
Increase during the year	-	-	-	-	-	-
As at 31 December 2014	-	36,261	-	-	-	36,261
Increase during the year	-	-	-	-	-	-
As at 31 December 2015	-	36,261	-	-	-	36,261
<b>Net book value</b>						
As at 31 December 2014	1,015,732	1,794,274	1,072,956	32,363	66,407	4,261,711
As at 31 December 2015	1,015,732	1,728,291	1,039,536	34,391	70,323	4,256,305
<b>Depreciation for the years</b>						
2014 (Baht 340 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						369,982
2015 (Baht 338 million is included in manufacturing cost; the remaining balance is included in selling and administrative expenses)						366,542

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 2015 and 2014 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
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 2015, the Company and its subsidiaries had equipment under finance lease agreements with net book values amounting to Baht 118 million (2014: Baht 200 million) (The Company only: Baht 48 million and 2014: Baht 45 million).

As at 31 December 2015, 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 9,688 million (2014: Baht 7,680 million) (The Company only: Baht 2,032 million and 2014: Baht 1,934 million).

### Asset 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 of America, to undertake and execute a asset purchase agreement. Subsequently, on 4 February 2015, TUFPI entered into an agreement to purchase certain assets from Orion, a distributor of lobster products and other marine animals with its headquarters located in the United States. The products of Orion are distributed across the United States. The acquisition was completed in the fourth quarter of the year 2015. During the current year, TUFPI recorded the asset acquisition amounting to USD 0.9 million or Baht 32 million in property, plant and equipment account.

As at 31 December 2015, 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 (2014: a local subsidiary and an overseas subsidiary).

## 17. Goodwill/Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements							
	Other intangible assets							Total
	Goodwill	Licences	Trademarks	Customer relationships	Computer software	Distributor relationships	Others	
<b>Cost</b>								
As at 1 January 2014	12,792	286	14,452	139	757	254	17	15,905
Additions	-	-	-	-	144	-	-	144
Increase from investments in subsidiaries	1,699	-	617	-	56	-	407	1,080
Disposal	-	-	-	-	(25)	-	-	(25)
Transfer from non-current assets	-	13	-	-	-	-	-	13
Translation adjustment	(1,412)	(24)	(1,483)	1	(36)	(28)	(18)	(1,588)
As at 31 December 2014	13,079	275	13,586	140	896	226	406	15,529
Additions	-	-	-	-	253	-	3	256
Increase from Asset Purchase Agreement (Note 2.2)	114	-	83	73	-	-	-	156
Disposal	-	-	-	-	(1)	-	-	(1)
Transfer from (to) non-current assets	-	12	-	358	138	-	(350)	158
Translation adjustment	(192)	12	(109)	30	29	(3)	(17)	(58)
As at 31 December 2015	13,001	299	13,560	601	1,315	223	42	16,040

(Unit: Million Baht)

	Consolidated financial statements							
	Other intangible assets							
	Goodwill	Licences	Trademarks	Customer relationships	Computer software	Distributor relationships	Others	Total
<b>Amortisation</b>								
As at 1 January 2014	-	50	294	139	471	41	14	1,009
Increase from investments in subsidiaries	-	-	-	-	52	-	16	68
Disposal	-	-	-	-	(21)	-	-	(21)
Amortisation	-	8	1	-	102	12	-	123
Transfer from non-current assets	-	3	-	-	-	-	-	3
Translation adjustment	-	(1)	1	1	(23)	(5)	-	(27)
As at 31 December 2014	-	60	296	140	581	48	30	1,155
Amortisation	-	9	9	47	120	11	2	198
Transfer from (to) non-current assets	-	-	-	7	50	-	(4)	53
Translation adjustment	-	2	27	16	20	-	-	65
As at 31 December 2015	-	71	332	210	771	59	28	1,471
<b>Impairment</b>								
As at 1 January 2014	-	-	200	-	-	-	-	200
Translation adjustment	-	-	(23)	-	-	-	-	(23)
As at 31 December 2014	-	-	177	-	-	-	-	177
Translation adjustment	-	-	(3)	-	-	-	-	(3)
As at 31 December 2015	-	-	174	-	-	-	-	174
<b>Net book value</b>								
As at 31 December 2014	13,079	215	13,113	-	315	178	376	14,197
As at 31 December 2015	13,001	228	13,054	391	544	164	14	14,395

(Unit: Million Baht)

## Separate financial statements

## Computer software

**Cost**

As at 1 January 2014	13.2
Transfer in	17.9
As at 31 December 2014	31.1
Addition	189.5
As at 31 December 2015	220.6

**Amortisation**

As at 1 January 2014	8.8
Amortisation	1.2
As at 31 December 2014	10.0
Amortisation	4.4
As at 31 December 2015	14.4

**Net book value**

As at 31 December 2014	21.1
As at 31 December 2015	206.2



As at 31 December 2015 and 2014, 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.

#### 18. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdrafts and short-term loans from financial institutions	19,376,546	26,086,541	3,688,339	8,889,561

As at 31 December 2015, the Company and its subsidiaries had unsecured bills of exchange, trust receipt and packing credit totaling Baht 19,377 million (2014: Baht 26,087 million) (The Company only: Baht 3,688 million and 2014: Baht 8,890 million). The loans carried the interest rates of 0.45% - 3.45% per annum (2014: 0.69% - 3.70% per annum) (The Company only: 1.63% - 1.70% per annum and 2014: 2.14% - 2.20% per annum).

As at 31 December 2015 and 2014, the Company and its subsidiaries had the following unused overdraft lines from banks and other credit facilities:

	2015	2014
<u>Currency</u>	(Million)	(Million)
Baht	36,121	31,975
USD	8,532	5,867
EURO	398	311

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 36.1.

Tri-Union Frozen Products, Inc. (TUFPP)

As at 31 December 2015, TUFPP had credit facilities from Bank of America N.A. (BOA) amounting to USD 170 million (2014: USD 170 million). The credit facilities bear interest rates at LIBOR plus margin of 1.25% to 2.00% per annum, or the bank's prime rate plus 0.25% to 1.00% per annum or between 1.68% and 3.75% per annum (2014: LIBOR plus margin of 1.25% to 2.25% per annum, or the bank's prime rate plus 0.25% to 1.25% per annum or between 1.42% and 3.25% per annum). The facilities duration period is from 5 August 2013 to 5 August 2016 (2014: from 5 August 2013 to 5 August 2016). As at 31 December 2015, the loan balance under the credit facility was USD 159 million (2014: USD 156 million). The actual unused availability, was approximately USD 8 million (2014: USD 10 million). The credit facilities are secured by accounts receivable and inventories of TUFPP. 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 payments. As at 31 December 2015, TUFPP determined it was in compliance with these covenants.

Tri-Union Seafoods, LLC (Tri-U)

As at 31 December 2015, Tri-U had credit facilities from Bank of America N.A. (BOA) amounting to USD 110 million (2014: USD 110 million). The credit facilities bear interest rates at LIBOR plus margin of 1.75% or 3.00% per annum, or the bank's prime rate plus 0.75% or 2.00% per annum or between 2.13% and 5.50% per annum (2014: LIBOR plus 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 or between 2.75% and 6.25% per annum). The facilities duration period from 11 March 2014 to 10 March 2017 (2014: from 11 March 2014 to 10 March 2017). As at 31 December 2015, the loan balance under the credit facility was USD 74 million (2014: USD 99 million). The actual unused availability was USD 22 million (2014: USD 8 million). The credit facilities are secured by accounts receivable, the "Chicken of the Sea" trademark and inventories of Tri-U. 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 payments. As at 31 December 2015, Tri-U determined it was in compliance with these covenants.

Yueh Chyang Canned Food Co., Ltd. (YCC)

As at 31 December 2015, YCC had credit facilities from financial institutions amounting to USD 26 million (2014: USD 24 million). The credit facilities bear interest rate at 1.90% to 2.00% per annum (2014: 1.95% to 2.20% per annum). The facilities duration period from 1 October 2015 to 31 December 2015 (2014: 10 October 2014 to 25 November 2015). As at 31 December 2015, the balance under the credit facilities was USD 6 million (2014: USD 7 million). The unused availability was USD 20 million (2014: USD 17 million). The credit facilities were secured by account receivable of YCC.

**19. Trade and other payables**

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties	180,967	69,412	378,988	427,979
Trade payables - unrelated parties	9,578,173	8,292,596	1,483,403	1,075,440
Accrued expenses - related parties	58,335	81,600	26,735	29,532
Accrued expenses - unrelated parties	2,279,709	2,111,548	321,026	402,362
Other payables - construction and equipment purchase - related party	9,487	6,479	5,708	4,827
Other payables - construction and equipment purchase - unrelated parties	155,337	162,922	32,397	22,966
Total trade and other payables	12,262,008	10,724,557	2,248,257	1,963,106

**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 36.1.

Long-term loans as at 31 December 2015 and 2014 consist of:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2015	2014	2015	2014
USD loans	1,882	1,784	1,776	1,622
Baht loans	1,307	1,823	1,238	1,688
EUR loans	63	382	-	-
NOK loans	8	-	-	-
Total	3,260	3,989	3,014	3,310
Less: Deferred financial fees	(2)	(3)	(2)	(3)
	3,258	3,986	3,012	3,307
Less: Current portion	(1,561)	(936)	(1,465)	(450)
Net	1,697	3,050	1,547	2,857

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	3,986,259	3,307,040
Add: Additional borrowings	8,948	-
Amortisation of financial fees	1,307	1,307
Less: Payment for borrowing	(886,774)	(450,000)
Unrealised gain on exchange rate	161,977	153,890
Translation adjustment	(14,004)	-
Balance as at 31 December 2015	3,257,713	3,012,237

#### The Company

During the third quarter of the year 2011, the Company 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 2015, the balance of this loan was Baht 1,238 million (2014: Baht 1,688 million). The loan agreement contains covenants as specified in the agreement that, among other things, requires the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2015, the Company 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 carries 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 2015, the balance of this loan was USD 49 million or Baht 1,776 million (2014: USD 49 million or Baht 1,622 million). The loan agreement contains covenants as specified in the agreement that, among other things, requires the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2015, the Company was able to maintain the required covenants.

Okeanos Food Co., Ltd. (OKF)

During the fourth quarter of the year 2011, OKF 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 was repaid in monthly installments, the first of which was due in April 2012. OKF is subject to restriction on the creation of lien or encumbrance over its property. As at 31 December 2015, the balance of this loan was Baht 69 million (2014: Baht 135 million). The loan agreement contains covenants as specified in the agreement that, among other things, requires OKF to maintain certain debt to equity and debt service coverage ratio according to the agreement. As at 31 December 2015, OKF was able to maintain the required covenants.

Yueh Chyang Canned Food Co., Ltd. (YCC)

During the fourth quarter of the year 2014, YCC 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 was repaid in semi-annually installments, the first of which was due in November 2014. As at 31 December 2015, the balance of this loan was USD 3 million or Baht 93 million (2014: USD 4.4 million or Baht 152 million). The loan contains covenants relating to various matters stipulated in the agreement. As at 31 December 2015, YCC was able to maintain the required covenants. The credit facilities were secured by plant and equipment of YCC.

Acquisition of Bumble Bee

During the fourth quarter of the year 2014, 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 carries interest at LIBOR plus 2.5% per annum and is due within 13 months from the agreement date. The loan agreement contains covenants as specified in the agreement that, among other things, requires the Company to maintain certain debt to equity and debt service coverage ratio according to the agreement. Due the termination of the acquisition of Bumble Bee, the bridge loan facility agreement was also terminated during 2015.

#### Acquisition of MerAlliance

During the fourth quarter of the year 2014, Thai Union France Holding 2 SAS (TUFH), a company registered in France, invested in EUROPEENNE DE LA MER SAS as mentioned in Note 2.2. As at 31 December 2015, the loan acquired through business combination amounted to EUR 1 million or Baht 41 million (2014: EUR 5 million or Baht 200 million). The loan carries interest rates at 3.3% per annum (2014: 0.7% to 1.7% per annum) and is to be repaid in 2019.

#### Acquisition of King Oscar AS

During the fourth quarter of the year 2014, 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. As at 31 December 2014, the loan acquired through business combination amounted to EUR 4.5 million or Baht 182 million (31 December 2015: None). The loan carries interest at WIBOR 3-month plus 1.35% per annum and is fully paid in 2015.

During the second quarter of the year 2015, King Oscar AS, entered into a loan agreement amounted to NOK 2 million or Baht 8 million. The loan carries no interest and is to be repaid in 2020.

### **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 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.

On 3 April 2015, 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 25,000 million 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.

The Company's debentures which are unsecured debentures with no trustee, issued with a registered certificate and unsubordinated, are summarised below:

Debentures	Interest rate (% p.a.)	Terms	Due date	Number of debentures (Thousand units)	(Unit: Million Baht)	
					Consolidated/ Separate financial statements	
					2015	2014
Debentures # 1/2011 (2)	4.70	5 years	27 July 2016	1,950	1,950	1,950
Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500	1,500
Debentures # 1/2014 (1)	3.58	3 years	6 February 2017	2,500	2,500	2,500
Debentures # 1/2014 (2)	4.21	5 years	6 February 2019	3,150	3,150	3,150
Debentures # 1/2014 (3)	4.69	7 years	6 February 2021	1,550	1,550	1,550
Debentures # 1/2014 (4)	5.18	10 years	6 February 2024	1,050	1,050	1,050
Debentures # 2/2014 (1)	4.21	7 years	9 October 2021	1,000	1,000	1,000
Debentures # 2/2014 (2)	4.58	10 years	9 October 2024	3,500	3,500	3,500
Total debentures - face value					16,200	16,200
Less: Unamortised portion of deferred transaction costs					(20)	(25)
Net debentures					16,180	16,175
Less: Current portion					(1,949)	-
Debentures, net of current portion					14,231	16,175

The above debentures contain covenants relating to various matters such as the maintenance of net 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% of net income of the year is prohibited.

## 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 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
	As at 31 December 2014
Balance as at the beginning of year	2,713,756
Amortisation of issue cost of convertible bond	5,582
Unrealised (gain) loss on exchange rate	(226,158)
Conversion to ordinary shares	(2,493,180)
Balance as at the end of year	-

**23. Liabilities under finance lease agreements**

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease agreements	336	462	18	44
Less: Deferred interest expenses	(33)	(38)	-	(1)
Total	303	424	18	43
Less: Portion due within one year	(91)	(114)	(11)	(43)
Liabilities under finance lease agreements - net of current portion	212	310	7	-

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of machinery, motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2015			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	100	165	71	336
Deferred interest expenses	(9)	(19)	(5)	(33)
Present value of future minimum lease payments	91	146	66	303

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2014			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	117	248	97	462
Deferred interest expenses	(3)	(27)	(8)	(38)
Present value of future minimum lease payments	114	221	89	424

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2015			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	11	7	-	18
Deferred interest expenses	-	-	-	-
Present value of future minimum lease payments	11	7	-	18

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2014			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	44	-	-	44
Deferred interest expenses	(1)	-	-	(1)
Present value of future minimum lease payments	43	-	-	43

## 24. 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:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service cost	144,759	146,705	34,401	32,555
Interest cost	82,925	93,396	13,673	12,260
Long-term employee benefit expenses for the year	227,684	240,101	48,074	44,815

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales	148,237	142,529	29,407	29,706
Selling and administrative expenses	79,447	97,572	18,667	15,109
Total expenses recognised in profit or loss	227,684	240,101	48,074	44,815

Provision for long-term employee benefits, which represents compensation payable to employee after they retired, was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Defined benefit obligation</b>				
<b>at beginning of year</b>	1,833,286	1,723,838	414,846	377,386
Increase from investment in subsidiaries	-	61,841	-	-
Included in profit or loss:				
Current service cost	144,759	146,705	34,401	32,555
Interest cost	82,925	93,396	13,673	12,260
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	9,158	-	-	-
Financial assumptions changes	6,406	(120,708)	12,429	-
Experience adjustments	(207,399)	-	(62,962)	-
Benefits paid during the year	(79,956)	(61,557)	(15,346)	(7,355)
Translation adjustment	11,908	(10,229)	-	-
<b>Defined benefit obligation at end of year</b>	<b>1,801,087</b>	<b>1,833,286</b>	<b>397,041</b>	<b>414,846</b>

The Company and its subsidiaries expect to pay Baht 211 million of long-term employee benefits during the next year (Separate financial statements: Baht 26 million) (2014: Baht 50 million, separate financial statements: Baht 9 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 11 - 17 years (Separate financial statements: 17 years) (2014: 12 - 18 years, separate financial statements: 18 years).

Significant actuarial assumptions are summarised below.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.0 - 23.0	3.1 - 17.0	3.1	3.7
Salary increase rate	2.0 - 15.0	3.0 - 15.0	3.5 - 7.0	3.5 - 10.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(129)	151	(42)	50

Salary increase rate	146	(127)	48	(42)
----------------------	-----	-------	----	------

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	
	2015	2014
Interest cost	355	975
Expected return on plan asset	1,996	488
Amortisation of net loss	139	228
Expenses recognition due to settlements	2,294	7,673
<b>Long-term employee benefit expenses for the year</b>	<b>4,784</b>	<b>9,364</b>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2015	2014
Defined benefit obligation	4,829	8,860
Fair value of plan assets	(4,717)	(10,521)
<b>Provisions for long-term employee benefits</b>	<b>112</b>	<b>(1,661)</b>

The change in the present value of defined benefit obligation is as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2015	2014
<b>Defined benefit obligation at beginning of year</b>	<b>8,860</b>	<b>21,100</b>
Interest cost	355	975
Benefits paid during the year	-	(1,398)
Actuarial loss (gain)	(581)	2,982
Translation adjustment	597	(44)
Curtailments	(4,402)	(14,755)
<b>Defined benefit obligation at end of year</b>	<b>4,829</b>	<b>8,860</b>

The change in the fair value of plan assets is as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2015	2014
<b>Fair value of plan assets at beginning of year</b>	10,521	26,932
Expected return on plan assets	(2,228)	(1,886)
Benefits paid during the year	-	(1,398)
Settlements	(4,234)	(13,038)
Translation adjustments	658	(89)
<b>Fair value of plan assets at end of year</b>	<b>4,717</b>	<b>10,521</b>

The major categories of plan assets as a percentage of total plan assets are as follows:

	Consolidated financial statements	
	2015	2014
	(%)	(%)
Debt securities	100	100

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements	
	2015	2014
	(% per annum)	(% per annum)
Discount rate	4.3	4.9
Expected long-term rate of return on plan assets	2.0	8.0

## 25. Share capital

On 3 April 2015, the Annual General Meeting of the Company's shareholders approved the followings:

- 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 of Clause 4 of the Company's memorandum of association to be consistent with the reduction of the Company's registered share capital and registered the decrease in share capital with the Ministry of Commerce on 7 April 2015.

- 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 1,200,000,000 ordinary 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 and registered the increase in share capital with the Ministry of Commerce on 8 April 2015.
- 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 registration 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.

Following the announcement of the acquisition of Bumble Bee Holdco S.C.A. ("Bumble Bee") in 2014, the Company carried out the Preferential Public Offering (PPO) during 2015. However, on 3 December 2015 the Company and Lion/Big Catch Cayman L.P. entered into a termination agreement to terminate the Share Purchase Agreement dated 18 December 2014. The Company and the seller concluded that receipt of clearance from the U.S. Department of Justice was unlikely within the timeframe stipulated in the Share Purchase Agreement, as described in Note 13. In December 2015, the Company therefore announced the termination of the Bumble Bee acquisition and consequently decided not to proceed with the PPO.

Reconciliation of number of ordinary shares

	(Unit: Shares)
	Consolidated and Separate financial statements
<u>Registered share capital</u>	
Number of ordinary shares as of 1 January 2015	4,808,000,000
Decrease from approval of the Annual General Meeting of the Company's shareholders	(36,184,504)
Increase from approval of the Annual General Meeting of the Company's shareholders	1,200,000,000
Number of ordinary shares as of 31 December 2015	<u>5,971,815,496</u>

**26. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

**27. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	12,802,266	10,882,279	2,613,001	2,333,423
Depreciation	2,481,169	2,310,607	366,542	369,982
Amortisation	202,985	207,477	4,419	1,284
Rental expenses under operating lease agreements	1,023,046	1,121,384	318,777	324,466
Raw materials, consumables used and finished goods purchased	95,101,994	89,983,532	12,203,037	14,546,514
Changes in finished goods and work in progress	(605,028)	229,823	371,953	367,302



**28. Income tax**

Income tax expenses of the Company and its subsidiaries for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Current income tax charge	1,261	773	56	47
Adjustment in respect of income tax of previous year	26	18	26	18
Translation adjustment	-	1	-	-
Expense (income) in deferred income tax	45	248	(8)	15
Income tax expenses reported in the statements of comprehensive income	1,332	1,040	74	80

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax on gain on the change in value of available-for-sale investments	1	-	-	-
Deferred tax on actuarial gain	28	5	1	-
	29	5	1	-

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit before income tax	7,250	6,807	5,124	2,534
Applicable tax rate	10-35%	10-35%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,784	1,818	1,025	507
Adjustment in respect of income tax of previous year	26	18	26	18
Tax effect of intercompany transactions	-	(5)	-	-
Tax effect of:				
Promotional privileges (Note 29)	(570)	(629)	(140)	(160)
Tax-exempt income and non-deductible expenses	59	(618)	(828)	(300)
Decrease in deferred tax assets	47	324	1	6
Increase (decrease) in deferred tax liabilities	(14)	132	(10)	9
Income tax expenses in the statements of comprehensive income	1,332	1,040	74	80

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Deferred tax assets</b>				
Unused tax loss	137	137	-	-
Tax effect of non-deductible expenses				
Allowance for diminution in value of				
Accounts receivables	47	26	6	5
Inventories	166	26	4	3
Asset value	7	20	7	7
Others	33	35	-	-
Provision for long-term employee benefits	58	54	7	7
Accrued liabilities	132	125	-	-
Inventory cost capitalisation	193	243	-	-
Others	52	130	-	3
Total	825	796	24	25

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Deferred tax liabilities</b>				
Depreciation and amortisation	247	593	3	3
Intangible assets	4,308	3,959	-	-
Prepaid expense	7	1	-	-
Other reserves	182	201	-	-
Surplus on revaluation of land	290	301	45	45
Others	180	113	-	9
Total	5,214	5,168	48	57
Deferred tax assets (liabilities) - net	(4,389)	(4,372)	(24)	(32)
Reflected in the statement of financial position as follows:				
Deferred tax assets	286	269	-	-
Deferred tax liabilities	(4,675)	(4,641)	(24)	(32)
Deferred tax assets (liabilities) - net	(4,389)	(4,372)	(24)	(32)

As at 31 December 2015 the subsidiaries had unused tax losses totaling Baht 83 million (2014: Baht 136 million), no which deferred tax assets have not been recognised the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 83 million will expire by year 2020.

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.

## 29. 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 2015 and 2014, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2015	2014	2015	2014	2015	2014
Sales						
Domestic sales	2,799,488	3,052,997	1,272,547	819,948	4,072,035	3,872,945
Export sales	14,907,207	16,941,111	363,875	306,375	15,271,082	17,247,486
Total sales	<u>17,706,695</u>	<u>19,994,108</u>	<u>1,636,422</u>	<u>1,126,323</u>	<u>19,343,117</u>	<u>21,120,431</u>

### 30. 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.

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	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Million Shares)	(Million Shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	5,302,468	5,091,580	4,772	4,633	<u>1.111</u>	<u>1.099</u>
Add: Interest expense from convertible bond recognised during the year, net of income tax	-	81,518	-	-		
<b>Effect of dilutive potential ordinary shares</b>						
Conversion of convertible bonds	-	-	-	139		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of convertible bond to ordinary shares	<u>5,302,468</u>	<u>5,173,098</u>	<u>4,772</u>	<u>4,772</u>	<u>1.111</u>	<u>1.084</u>

Separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2015	2014	2015	2014	2015	2014
(Thousand Baht)	(Thousand Baht)	(Million Shares)	(Million Shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
5,050,317	2,454,040	4,772	4,633	1.058	0.530

There was no disclosure of diluted earnings per share in the separate financial statements for the years ended 31 December 2014 since the effect of diluted earnings per share was antidilutive.

During the fourth quarter of the year 2014, there was the conversion of all convertible bonds.

### 31. 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 three reportable segments as follows:

- Ambient Seafood
- Frozen and chilled seafood and related business
- Pet food, value-added and other business

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.

In 2015, the internal management reporting, which is used as basis for segment reporting, has been revised, however, there is no change in the overall group reported figures. Accordingly, the reported segment information and its comparative figures have been adjusted to reflect these changes.

The following tables presented revenue and profit information regarding of the Company's and its subsidiaries' operation segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

**For the year ended 31 December 2015**

	Ambient Seafood	Frozen and chilled seafood and related business	Pet food, value- added and other business	Total reportable segments	Eliminations	Consolidated financial statements
<b>Revenue</b>						
External customers	59,142	50,307	15,734	125,183	-	125,183
Inter-segment	7,652	6,494	4,688	18,834	(18,834)	-
<b>Total revenue</b>	<b>66,794</b>	<b>56,801</b>	<b>20,422</b>	<b>144,017</b>	<b>(18,834)</b>	<b>125,183</b>
<b>Results</b>						
<b>Segment gross profit</b>	11,102	5,396	3,089	19,587	(86)	19,501
Selling and administrative expenses						(12,716)
<b>Operation profit</b>						6,785
Finance cost						(1,592)
Share of profit from investments in associates and joint ventures						336
Other income						1,721
<b>Profit before income tax expenses</b>						7,250
Income tax expenses						(1,332)
<b>Profit for the year</b>						<b>5,918</b>

(Unit: Million Baht)

**For the year ended 31 December 2014**

	Ambient Seafood	Frozen and chilled seafood and related business	Pet food, value- added and other business	Total reportable segments	Eliminations	Consolidated financial statements
<b>Revenue</b>						
External customers	64,982	40,572	15,848	121,402	-	121,402
Inter-segment	9,642	6,325	4,993	20,960	(20,960)	-
<b>Total revenue</b>	<b>74,624</b>	<b>46,897</b>	<b>20,841</b>	<b>142,362</b>	<b>(20,960)</b>	<b>121,402</b>

(Unit: Million Baht)

	For the year ended 31 December 2014					
	Ambient Seafood	Frozen and chilled seafood and related business	Pet food, value- added and other business	Total reportable segments	Eliminations	Consolidated financial statements
<b>Results</b>						
<b>Segment gross profit</b>	11,227	4,168	3,577	18,972	48	19,020
Selling and administrative expenses						(12,031)
<b>Operation profit</b>						6,989
Finance cost						(1,673)
Share of profit from investments in associates and joint ventures						162
Other income						1,329
<b>Profit before income tax expenses</b>						6,807
Income tax expenses						(1,040)
<b>Profit for the year</b>						5,767

### Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2015	2014
Revenue from external customers		
Thailand	10,039	8,989
The United States of America	52,829	53,472
Japan	7,839	8,388
European countries	36,810	35,071
Others	17,666	15,482
<b>Total</b>	<b>125,183</b>	<b>121,402</b>

### Major customer information

For the years 2015 and 2014, the Company and its subsidiaries had no major customer with revenues of 10 percent or more of an entity's revenues.

## 32. Provident fund

The Company and 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 20 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 2015, the Company and its local subsidiaries recognised the contributed approximately Baht 86 million (2014: Baht 50 million) as expenses.

### 33. Dividends

Dividends declared in 2015 and 2014 consist of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends from the operating results for the period 1 July 2014 to 31 December 2014	Annual General Meeting of the shareholders on 3 April 2015	1,193	0.25
Dividends from the operating results for the interim period 2015	Board of Director's Meeting on 13 August 2015	1,527	0.32
Total dividend for 2015		<u>2,720</u>	
Dividends from the operating results for the period 1 July 2013 to 31 December 2013	Annual General Meeting of the shareholders on 3 April 2014	1,021	0.89
Dividends from the operating results for the interim period 2014	Board of Director's Meeting on 13 August 2014	1,377	1.20
Total dividend for 2014		<u>2,398</u>	

### 34. Commitments and contingent liabilities

#### 34.1 Capital commitments

As at 31 December 2015 and 2014, 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:

	2015		2014	
Factory and warehouse construction agreements	Baht	257 million	Baht	78 million
	USD	1 million		-
Purchase of machinery and equipment agreements	Baht	77 million	Baht	44 million
	USD	4 million		-
	EUR	2 million		-
	JPY	34 million		-

### 34.2 Operating and other service agreement commitments

As at 31 December 2015 and 2014, 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 2015												
	Payable within									Total		
	Less than 1 year			1 to 5 years			More than 5 years					
Office rental and service agreements	Baht	115	million	Baht	283	million	Baht	113	million	Baht	511	million
	USD	2	million	USD	2	million	-			USD	4	million
	EUR	2	million	EUR	8	million	EUR	1	million	EUR	11	million
Land lease agreements	Baht	11	million	Baht	10	million	Baht	1	million	Baht	22	million
	-			EUR	1	million	-			EUR	1	million
Vehicle lease agreements	Baht	23	million	Baht	7	million	-			Baht	30	million
	-			EUR	1	million	-			EUR	1	million
Machinery lease agreements	Baht	3	million	Baht	3	million	-			Baht	6	million
	USD	1	million	USD	2	million	-			USD	3	million
	EUR	1	million	-			-			EUR	1	million
Computer and copy machine	Baht	26	million	Baht	28	million	-			Baht	54	million
lease agreements	-			EUR	1	million	-			EUR	1	million
Computer program maintenance agreements	Baht	1	million	-			-			Baht	1	million
Marketing and management service agreements	Baht	22	million	-			-			Baht	22	million
Internet network service agreements	Baht	2	million	Baht	1	million	-			Baht	3	million
Security service agreements	Baht	1	million	-			-			Baht	1	million
Advisory agreement	Baht	13	million	-			-			Baht	13	million
Storage agreement	Baht	1	million	-			-			Baht	1	million
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

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

	As at 31 December	
	2015	2014
The overseas subsidiaries	1.9 million shares (No par value) 60 shares (AED 1,000 per share)	1.9 million shares (No par value) - -
The overseas associate	0.04 million shares (AED 1 per share)	-

### 34.3 Guarantees

- a) As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 31 million (2014: Baht 30 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 2015, there were outstanding bank guarantees of approximately Baht 81 million, USD 2 million, EUR 4 million and NOK 7 million (2014: Baht 82 million and USD 2 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.
- c) As at 31 December 2015, 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 3 million (2014: USD 10 million) if its two joint ventures are called for repayment by a financial institution in accordance with the credit facility guarantee agreement.
- d) As at 31 December 2015, the Company issued corporate guarantees of EUR 10 million (2014: None) to a financial institution to secure credit facilities of its subsidiary.
- e) As at 31 December 2015, a subsidiary issued corporate guarantees of Baht 61 million (2014: Baht 61 million) to a financial institution to secure credit facilities of its joint venture.

#### 34.4 Shrimp price guarantee

The Company has the Minimum Shrimp Price Guarantee Scheme with the period of six months beginning from 1 October 2015 through 31 March 2016 for approximately 18,500 tons of shrimp. The Scheme is cooperation between shrimp farmers and the Company. The Scheme is not contract farming and the minimum prices shall be set higher than actual costs born upon the shrimp farmers. The minimum prices depend on the shrimp size and quality. The objective of this scheme is to promote sustainable farming and compliance with the Company's corporate governance standards. It is also intended to encourage shrimp farmers to work closer with the Company's group and Industry Associations to maintain end to end supply chain traceability and increase the Company's shrimp resource pool. Currently, the contracts have been rarely executed because current market price is higher than the shrimp guarantee price.

#### 34.5 Litigation

##### Tri-Union Seafoods LLC (Tri-U)

A class action lawsuit has been filed against Tri-Union Seafoods LLC (Tri-U) in the U.S. District Court of New Jersey as class action for failure to warn consumers of the potential health hazards of mercury in tuna. Such case was dismissed on 8 January 2007. However, the plaintiff amended complaint as an individual and filed a notice of appeal on 26 January 2007. On 11 September 2015, the parties reached a resolution agreement of USD 0.3 million which was paid to the plaintiff on 28 October 2015. On 29 October 2015, the Court issued a dismissal of the case with prejudice and resolved.

On 15 July 2015, the Antitrust Division of the United States Department of Justice (the "DOJ") served Tri-U with a grand jury subpoena as part of an ongoing investigation into possible criminal violations of the antitrust laws by Tri-U. Tri-U intends to cooperate fully with this investigation.

Also, on 3 August 2015, Tri-U was named in a purported class action complaint filed against Tri-U and two other producers of packaged seafood products in the United States District Court for the Southern District of California. Additional plaintiffs have filed comparable lawsuits with have been combined with the original complaint into a single class action lawsuit. The plaintiff alleges that Tri-U violated U.S. antitrust laws, specifically Sections 1 and 3 of the Sherman Antitrust Act, Tri-U is presently unable to predict the probable outcome of these matters.

Thai Union Europe (TUE) and Thai Union France Holding 2 SAS (TUFH)

On 21 July 2015, TUE and TUFH received a tax adjustment notice from the French Tax Authorities (FTA) which related to a new anti-abuse measure under article 212 I.b. of French Tax Code. The FTA assessed additional income tax for the year 2013 of EUR 2.5 million. The subsidiary has been communicating with the FTA. In January 2016, TUFH received a notice of payment from the FTA for EUR 1.1 million (as part of EUR 2.5 million). However, the Group's tax advisor believes that the arguments of the subsidiary are supportable and will prevail in this case. The management do not expect there to be any material impact to the Company.

**35. Fair value hierarchy**

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	31	-	-	31
Land	-	2,417	-	2,417
<b>Assets for which fair value are disclosed</b>				
Investment in associate	2,551	-	-	2,551
Derivatives				
Foreign currency forward contracts	-	706	-	706
Cross-currency and interest rate swap agreements	-	281	-	281
Option agreements	-	55	-	55
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	17,138	-	17,138
Derivatives				
Interest rate swap agreements	-	368	-	368

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land	-	967	-	967

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment in associate	2,551	-	-	2,551
Derivatives				
Foreign currency forward contracts	-	698	-	698
Cross-currency and interest rate swap agreements	-	281	-	281
Option agreements	-	55	-	55
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	17,138	-	17,138
Derivatives				
Interest rate swap agreements	-	6	-	6

## 36. Financial instruments

### 36.1 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, trade receivables, short-term and long-term loans, restricted bank deposits, trade payables and debentures. 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 and debentures. 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 statements as at 31 December 2015

	Fixed interest rates			Floating interest rates			Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)								
<b>Financial assets</b>									
Cash and cash equivalents	7	-	-	2,181	-	-	628	2,816	0.10 - 1.75
Trade and other receivables	-	-	-	-	-	-	15,776	15,776	-
Short-term loan to joint venture	31	-	-	-	-	-	-	31	2.40
Short-term loans to other companies	-	-	-	1	-	-	1	2	0.30 - 3.70
Restricted bank deposits	1	-	-	-	-	-	9	10	0.80
Long-term loans to other companies	3	9	-	-	-	-	7	19	0.96 - 6.16
	42	9	-	2,182	-	-	16,421	18,654	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans									
from financial institutions	9,790	-	-	9,512	-	-	75	19,377	1.25 - 5.50
Trade and other payables	-	-	-	-	-	-	12,262	12,262	-
Short-term loan from associate	61	-	-	-	-	-	-	61	1.45
Long-term loans	23	30	-	1,534	1,641	-	30	3,258	0.96 - 6.16
Debentures	1,949	5,646	8,585	-	-	-	-	16,180	3.58 - 5.18
Finance lease liabilities	91	146	66	-	-	-	-	303	1.23 - 4.26
	11,914	5,822	8,651	11,046	1,641	-	12,367	51,441	

## Consolidated financial statements as at 31 December 2014

	Fixed interest rates			Floating interest rates			Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)								
<b>Financial assets</b>									
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	
<b>Financial liabilities</b>									
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 loan from associate	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
Finance lease liabilities	114	221	89	-	-	-	-	424	0.13 - 5.05
	17,685	12,311	7,176	9,401	152	-	10,725	57,450	

## Separate financial statements as at 31 December 2015

	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)								
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	2,089	-	-	3	2,092	0.50 - 1.75
Trade and other receivables	-	-	-	-	-	-	3,386	3,386	-
Short-term loan to subsidiaries	2,887	-	-	58	-	-	-	2,945	0.80 - 3.70
Long-term loans to subsidiaries	-	12,623	-	502	3,897	3,975	-	20,997	0.96 - 5.40
	<u>2,887</u>	<u>12,623</u>	<u>-</u>	<u>2,649</u>	<u>3,897</u>	<u>3,975</u>	<u>3,389</u>	<u>29,420</u>	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans									
from financial institutions	3,688	-	-	-	-	-	-	3,688	1.63 - 1.70
Trade and other payables	-	-	-	-	-	-	2,248	2,248	-
Short-term loan from subsidiary	33	-	-	-	-	-	-	33	1.45
Long-term loans	-	-	-	1,464	1,548	-	-	3,012	1.34 - 2.60
Debentures	1,949	5,646	8,585	-	-	-	-	16,180	3.58 - 5.18
Finance lease liabilities	11	7	-	-	-	-	-	18	2.19 - 3.62
	<u>5,681</u>	<u>5,653</u>	<u>8,585</u>	<u>1,464</u>	<u>1,548</u>	<u>-</u>	<u>2,248</u>	<u>25,179</u>	

## Separate financial statements as at 31 December 2014

	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)								
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	11	-	-	1	12	0.10 - 0.50
Short-term investments	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
	<u>5,665</u>	<u>1,309</u>	<u>23,609</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>3,529</u>	<u>34,123</u>	
<b>Financial liabilities</b>									
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
Finance lease liabilities	43	-	-	-	-	-	-	43	0.13 - 3.62
	<u>9,383</u>	<u>11,945</u>	<u>7,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,963</u>	<u>30,378</u>	



### Interest rate swap transaction agreements

The details of the interest rate swap agreements outstanding as at 31 December 2015 and 2014 are as follows:

#### The Company

As at 31 December 2015				
	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

As at 31 December 2014				
	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 2015				
	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	EUR 22 million	Floating rate 3-month EURIBOR	Fixed rate 0.37%	October 2021
4	USD 80 million	Floating rate LIBOR	Fixed rate 1.85 - 2.55%	February 2016

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

### Cross Currency and Interest Rate Swap agreements

#### The Company

As at 31 December 2015					
	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 1,997 million	Floating rate 6-month THBFX minus 1.75%	EUR 50 million	-	June 2017
2	Baht 430 million	Floating rate 3-month THBFX	USD 14 million	Floating rate 3-month LIBOR plus 0.20%	June 2016
3	Baht 614 million	Floating rate 3-month THBFX	USD 20 million	Fixed rate 1.54%	June 2018
4	USD 14 million	Floating rate LIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
5	USD 35 million	Floating rate LIBOR plus 0.92%	Baht 1,106 million	Fixed rate 3.62%	July 2017
6	Baht 4,106 million	Fixed rate 2.32%	EUR 96.5 million	-	December 2019
7	Baht 2,050 million	Floating rate 6-month THBFX plus 1.26%	EUR 50 million	Floating rate 3-month LIBOR plus 1.375%	October 2021
8	Baht 1,647 million	Floating rate 6-month THBFX plus 1.26%	EUR 40 million	Floating rate 3-month LIBOR plus 1.375%	October 2021
9	Baht 326 million	Floating rate 3-month THBFX plus 0.75%	USD 10 million	Fixed rate 1.915%	January 2018
10	Baht 1,951 million	Floating rate 6-month THBFX plus 0.98%	USD 60 million	Fixed rate 3.70%	January 2023

As at 31 December 2015					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
11	Baht 1,951million	Fixed rate 3.95%	USD 60 million	Fixed rate 3.96%	January 2026
12	Baht 1,899 million	Fixed rate 1.65%	EUR 50 million	-	December 2017
13	Baht 655 million	Fixed rate 2.91%	USD 20 million	Fixed rate 3.30%	January 2023
14	Baht 1,310 million	Fixed rate 3.59%	USD 40 million	Fixed rate 3.98%	January 2026
15	Baht 1,310 million	Fixed rate 2.95%	USD 40 million	Fixed rate 3.30%	January 2023
16	Baht 80 million	Floating rate 6-month THBFIX plus 1.33%	EUR 2 million	Floating rate 3-month LIBOR plus 1.375%	October 2021
17	Baht 1,145 million	Floating rate 3-month THBFIX plus 4.75%	USD 32 million	Fixed rate 5.65%	March 2017

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%	EUR 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%	EUR 40 million	Floating rate 3-month LIBOR plus 1.375%	October 2021

### Subsidiary

As at 31 December 2014					
	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 THBFIX 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	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	370	416	133	82	36.04	32.92
JPY	44	215	115	380	0.30	0.27
EUR	517	599	39	1	39.39	40.00
NOK	53	-	56	1	4.13	4.41
GBP	37	-	21	-	53.43	51.07
PLN	1	-	1	-	9.31	9.32
SEK	4	-	3	-	4.30	4.19
CZK	8	-	-	-	1.46	1.45

The Company and its subsidiaries have forward exchange contracts outstanding as summarised below.

As at 31 December 2015						
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date	
			Bought amount	Sold amount		
	(Million)	(Million)				
<b>The Company</b>						
USD	270	242	32.75 - 33.80 Baht against USD	32.76 - 36.86 Baht against USD	January 2016 - August 2016	
JPY	-	638	-	0.28 - 0.31 Baht against JPY	February 2016 - June 2016	
EUR	-	211	-	38.72 - 48.45 Baht against EUR	January 2016 - October 2020	
<b>Subsidiaries</b>						
USD	1	240	35.98 - 36.15 Baht against USD	33.86 - 36.82 Baht against USD	January 2016 - September 2016	
JPY	-	442	-	0.30 Baht against JPY	August 2016 - December 2016	
AUD	-	1	-	25.20 - 25.37 Baht against AUD	April 2016	
EUR	1	-	38.37 - 41.06 Baht against EUR	-	February 2016 - July 2016	
EUR	-	32	-	8.48 - 9.83 NOK against EUR	January 2016 - December 2017	
USD	-	24	-	3.11 - 3.99 PLN against USD	January 2016 - December 2017	
EUR	-	1	-	4.28 - 4.34 PLN against EUR	October 2016 - December 2016	
EUR	98	2	0.70 - 0.76 GBP against EUR	0.71 - 0.74 GBP against EUR	January 2016 - December 2017	
GBP	-	36	-	1.49 - 1.56 USD against GBP	January 2016 - December 2016	
GBP	-	3	-	13.15 NOK against GBP	January 2016 - December 2016	
EUR	23	37	1.10 - 1.13 USD against EUR	1.08 - 1.17 USD against EUR	January 2016 - December 2016	

As at 31 December 2014							
Foreign currency	Bought amount  (Million)	Sold amount  (Million)	Contractual exchange rate				Contractual maturity date
			Bought amount		Sold amount		
<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 2015, 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 USD 25 million (2014: between USD 10.6 million up to USD 23 million), depending on conditions stipulated in the agreements, at rate of Baht 33.80 per USD 1 (2014: at rates of Baht 32.75 to Baht 33.50 per USD 1). These agreements was terminate within January 2016 (2014: June to November 2015).

The Company had 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. However, the Company unwound these agreements in during the first quarter of the current year.

Moreover, the overseas subsidiaries have outstanding option agreements as follows.

As at 31 December 2015						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date	
			Bought amount	Sold amount		
EUR	-	4	-	9.00 - 9.10	NOK against EUR	January 2016 - March 2016

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

### 36.2 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 and derivatives are 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 2015		As at 31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	16,200	17,138	16,200	16,845

The estimated fair value of the derivatives as at 31 December 2015 is as follows:

	(Unit: Million Baht)
<b>Derivatives (gain (loss))</b>	
Foreign currency forward contracts	706
Interest rate swap agreements	(368)
Cross currency and interest rate swap agreements	281
Option agreements	55

The main purpose of issuing debentures is to finance the acquisition of MW Brands in 2010 by lending such money from the Company 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 the Company 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, short-term loans to joint venture, short-term loans to other companies, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, short-term loans from associate and long-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies determined by using the yield curve of government bonds, adjusted with an appropriate risk premium, or, calculated using the yield curve announced by the Thai Bond Market Association, adjusted with an appropriate risk premium.
- c) For 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.
- d) For 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.
- e) 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.
- f) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- g) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

### 37. 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 2015, the Group's debt to equity ratio was 1.29:1 (2014: 1.42:1) and the Company's was 0.89:1 (2014: 1.09:1).

### 38. Events after the reporting period

On 23 February 2016, the meeting of the Company's Board of Directors No.1/2016 passed the resolution to be proposed to Annual General Meeting of the shareholders to be held in April 2016, to pay a dividend of Baht 3,006 million from its net operating profit of the year 2015, to the Company's shareholders. However, by the resolution of the meeting of the Company's Board of Directors No. 5/2015 held on 13 August 2015, the Company paid out the interim dividend payment of Baht 0.32 per share from the six-month operating profit ended 30 June 2015, to the Company's shareholders totaling Baht 1,527 million on 9 September 2015. The remaining dividend is Baht 0.31 per share or totaling Baht 1,479 million will be paid on 21 April 2016.

#### Acquisition of Rugen Fisch

On 21 December 2015, a meeting of the Company's Board of Directors approved the acquisition of 51% of the shares of Rugen Fisch AG (Rugen Fisch) in Germany. On the same date, the Company and Thai Union EU Seafood 1 S.A., a subsidiary of the Company incorporated in Luxembourg, and the seller entered into a share purchase and transfer agreement in relation to the Company's proposed acquisition of 51% of the shares of Rugen Fisch, a producer of shelf-stable canned seafood with headquarters located in Germany. The products of Rugen Fisch are distributed across Germany. In addition, Thai Union Germany GMBH, which was acquired as a subsidiary of Thai Union EU Seafood 1 S.A. in January 2016, is a counterpart to this share acquisition. The acquisition of a 51% equity stake in Rugen Fisch was completed in February 2016, and the preliminary purchase price was EUR 42.2 million.



### 39. Reclassification

Certain accounts in the financial statements as at 31 December 2014 and 1 January 2014 have been reclassified to conform to the current year's classification with no effect to previously reported profit or loss or shareholders' equity.

The reclassifications are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
		As at 31 December 2014		As at 1 January 2014	
		As reclassified	As previously reported	As reclassified	As brought forward
Deferred tax assets		269,608	796,370	520,125	1,328,856
Deferred tax liabilities		4,640,834	5,167,596	4,725,835	5,534,566
		(Unit: Thousand Baht)			
		Separate financial statements			
		As at 31 December 2014		As at 1 January 2014	
		As reclassified	As previously reported	As reclassified	As brought forward
Deferred tax assets		-	25,256	-	31,498
Deferred tax liabilities		31,592	56,848	16,390	47,888

### 40. Approval of financial statements

These financial statements were authorised for issue by the Audit Committee and the Company's Board of Directors on 23 February 2016.

[illegible]

[illegible]





## **Thai Union Group Public Company Limited**

### **HEAD OFFICE**

72/1 Moo 7, Sethakit 1 Road, Tarsai Sub-district,  
Mueang Samut Sakhon District, Samut Sakhon Province 74000  
Tel: 66 (0) 3481-6500 (Automatic 7 Lines)  
Fax: 66 (0) 3481-6886

### **BANGKOK OFFICE**

979/12 M Floor, S.M. Tower, Phaholyothin Road,  
Samsennai, Phayathai, Bangkok 10400  
Tel: 66 (0) 2298-0024, 2298-0537 - 41  
Fax: 66 (0) 2298-0548, 2298-0550

**[thaiunion.com](http://thaiunion.com)**