



ANNUAL REPORT 2016

Thai Union Group Public Company Limited



COMPANY PROFILE

Thai Union Group Public Company Limited
Registration No. 0107537000891

Type of Business

Processor and exporter of frozen and canned seafood

Head Office

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Communications
Department**

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Website

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

As of December 31, 2016
Registered capital
THB 1,492,953,874 (5,971,815,496 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

Brands / Corporate office / Sales / Key joint venture and associated companies



LEGEND

Consumer Brands

- 1 Chicken of the Sea, USA
- 2 John West, UK
- 3 Parmentier, France
- 4 Petit Navire, France
- 5 King Oscar, Norway
- 6 Rügen Fisch, Germany
- 7 Mareblu, Italy
- 8 SEALECT, Thailand
- 9 FISHO, Thailand
- 10 Bellotta, Thailand
- 11 Marvo, Thailand

Corporate office / Sales

- 1 El Segundo, CA, USA
- 2 San Diego, CA, USA
- 3 Lake Success, NY, USA
- 4 Portsmouth, NA, USA
- 5 Shediac, Canada
- 6 Milan, Italy
- 7 Paris, France
- 8 Liverpool, UK
- 9 Svolvær, Norway
- 10 Bangkok, Thailand
- 11 Shanghai, China

Key joint venture / associated companies

- 1 Dubai, UAE
- 2 Hyderabad, India
- 3 Orlando, FL, USA
- 4 Andhra Pradesh, India



Brands



Corporate office / sales

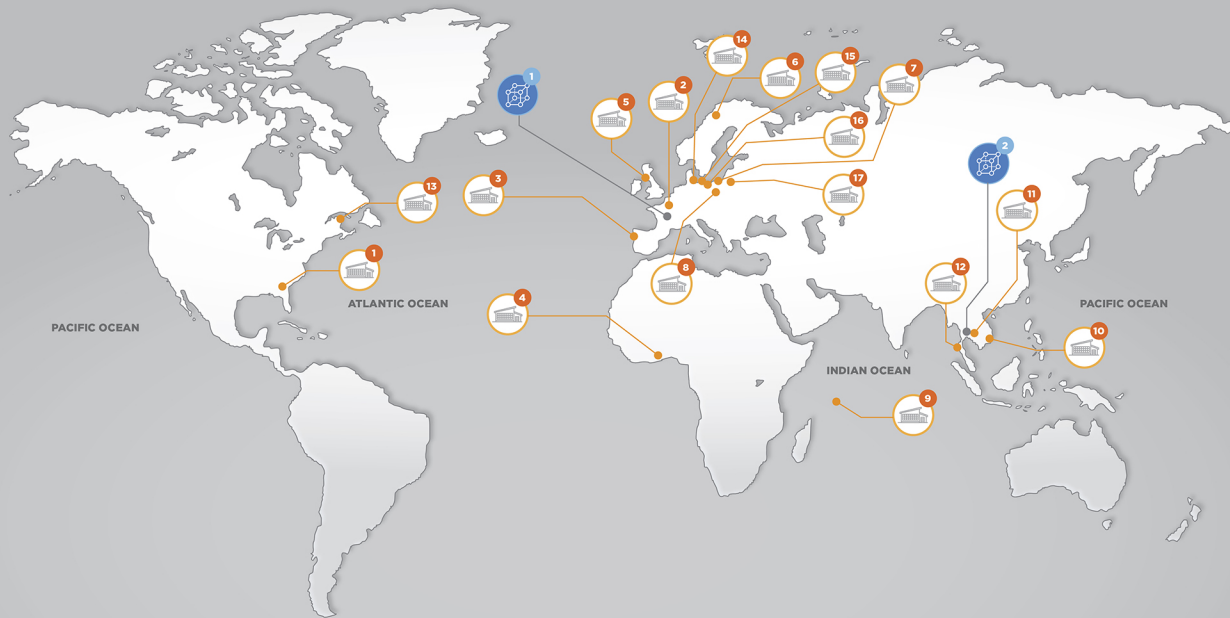


Joint venture



THAI UNION'S FOOTPRINT

Production location / Innovation center / R&D center



LEGEND

Production location

- 1 Lyon, Georgia
- 2 Quimper, France
- 3 Peniche, Portugal
- 4 Tema, Ghana
- 5 Dingwall, UK
- 6 Svolvær, Norway
- 7 Gniewino, Poland
- 8 Bydgoszcz, Poland
- 9 Mahe, Seychelles
- 10 Long An, Vietnam
- 11 Samut Sakorn, Thailand
- 12 Songkhla, Thailand
- 13 New Brunswick, Canada
- 14 Lübeck-Schlutup, Germany
- 15 Sassnitz, Germany
- 16 Rostock, Germany
- 17 Kretinga, Lithuania

Innovation center R&D center

- 1 Douarnenez, France
- 2 Bangkok, Thailand



Production plant



Innovation center / R&D center





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2016 was a year of challenges, none more so than the profound sorrow we felt at the loss of His Majesty King Bhumibol Adulyadej of Thailand, Rama IX. On his peaceful demise, we all equally share inconsolable and overwhelming grief at the loss of our dearly beloved king. No statement can fully express our sorrow on this tragic and tremendous loss.

We, on behalf of everyone at Thai Union Group Public Company Limited, would like to pay respects to our venerated king who has departed us for heaven. We offer our most sincere regrets and sympathy at this time of national grief.



MESSAGE FROM CHAIRMAN

For Thai Union, the 2016 business environment offered a different set of challenges, with market conditions and other factors having an impact. The company achieved record sales for the seventh consecutive year as demand for our products remained strong. While we faced challenges, such as continued high salmon prices and higher than expected tuna prices contributing to a weaker margin, our stringent cost controls helped partly offset this and ensured the company delivered a stable net profit, which was 0.9 percent lower year-over-year at THB 5.25 billion. We were also able to announce a full year dividend of THB 0.63 per share. Our gross profit margin was 14.8 percent, compared to 15.6 percent as reported in 2015.

The Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) was slightly lower at THB 11.1 billion, down from THB 11.5 billion in 2015. Annual sales revenue hit a record high of THB 134.37 billion, a 7.3 percent increase over the previous year. Our net debt-to-equity ratio rose, however, to 1.37x from 0.75x because of several investments made during the year and higher work capital requirements from higher raw material prices.

During 2016, the U.S. remained an important player in our business, accounting for 39 percent of total sales. Europe contributed 33 percent of sales, while domestic markets in Thailand and Japan accounted for 8 percent and 6 percent, respectively. Higher sales were driven by continued organic growth, increased contributions

from Rügen Fisch in Germany, consolidation of the Chez Nous acquisition in Canada, and improved domestic shrimp exports.

Along with our ability to deliver a stable performance amid challenging conditions, the company achieved a number of successes in 2016, such as:

- Being included into the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the third consecutive year, which included our performance in its "Business Codes of Conduct" metric being ranked within the 96th percentile
- Winning Public Affairs Asia's Gold Standard Award for Corporate Citizenship
- Earning the top ranking in Asia for sustainability reporting in the Top 100 Seafood Firms Transparency Benchmark from Seafood Intelligence
- Receiving the Best Investor Relations Award at the Stock Exchange of Thailand Awards
- Receiving multiple awards from FinanceAsia's 2016 Best Managed Companies Poll: #1 Best Managed Company in Thailand, #1 Best CEO in Thailand - Mr. Thiraphong Chansiri, #1 Best at Investor Relations in Thailand, #1 Most committed to corporate governance in Thailand, #1 Best at Corporate Social Responsibility in Thailand

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As Chairman of Thai Union, I am incredibly proud and grateful for all the hard work of our management and our employees in positioning us for future growth and success. I also want to thank our shareholders, investors and financial institutions who continue to show their trust and support of our vision.

”



Mr. Kraisorn Chansiri
Chairman



Our company has a clear vision of our future, and a clearly defined strategy and roadmap to support our ambitious targets for 2020. We are fully committed to pursuing our mission through our strategic plan, which includes six core pillars – Innovation, Sustainability, Operational Excellence, Mergers and Acquisitions, Global Talent Development and Strategic Sourcing.

We have many things to look forward to in 2017, with a number of opportunities to grow our business. This year will, of course, have a special significance as our company celebrates its 40th anniversary. We look forward to celebrating with you.



MESSAGE FROM PRESIDENT AND CEO

The Thai Union team faced a number of headwinds in 2016, with higher raw material costs and economic uncertainty putting pressure on our business. However, thanks to the significant progress we made last year on our processes and governance, combined with strong discipline in executing our plan, we are well positioned for a more robust 2017.

Costs for salmon and tuna were higher, which contributed to a 0.9 percent decline in net profit to THB 5.25 billion. However, while the gross profit margin was lower year-over-year, we were pleased to see demand for our products remained strong, with sales rising 7.3 percent from 2015 to THB 134.37 billion (USD 3.8 billion).

The popularity of our products remains strong in the U.S., where 39 percent of our total sales were recorded, with Europe contributing 33 percent of sales, and Thailand and Japan continuing to show steady demand. Organic growth continued to be an important driver of sales, while sales were further bolstered from our acquisition of Rügen Fisch, well known in Germany with its family of ambient and chilled seafood brands.

Growth also continues to be enhanced by our merger and acquisition strategy. Last year, we made a strategic USD 575 million investment in Red Lobster, the world's largest seafood restaurant company. This move, which has already begun to have a positive impact on our bottom line, will build the company's direct-to-consumer channel and food service expertise.

We also acquired Chez-Nous, a live lobster business in Canada, that will strengthen our traceability and quality control, and provide us with expanded product offerings and increased vertical integration in the thriving lobster sector. Thai Union also entered into a joint venture agreement to acquire a 40 percent equity stake of Avanti Frozen Foods Private Limited India, Avanti Feeds Limited's wholly owned shrimp processing unit, to diversify our shrimp sourcing and operational risks and add production capacity to meet growing demand for our products.

Thai Union expanded its footprint in the important Asian market with the launch of Thai Union China, where we will offer frozen salmon, lobster and shrimp products under our King Oscar brand. China is one of the world's largest emerging markets and it will be critical in our efforts to achieving our sustainable growth goals for 2020.

During 2016, the company also worked hard to consolidate our new business units that we introduced in late 2015: Emerging Markets, Food Service and Marine Ingredients. As we move forward, we expect our investment in innovation to begin to pay off. The Marine Ingredients Business Unit and technological advances to our Food Service Business Unit both emerged from the Global Innovation Incubator (Gii) and are important elements of our innovation story. We also expect to launch products emerging from the Gii in 2017.

We further reinforced our commitment to innovation in the seafood industry by expanding Gii in 2016 with an investment of over THB 100 million in new research equipment, while growing our center to cover 1,200 square-meters.

Sustainability remains integral to our success. It's fundamental to being a responsible corporate citizen. We believe it is essential to the future of both our business and our growth and will also help Thai Union achieve our vision of being the world's most trusted seafood leader. We continued to focus on the critical issue of providing safe, legal and freely-chosen employment while also working to stamp out labor abuses in the supply chain.

Last year, Thai Union announced that it would eliminate recruitment fees for all workers in its factories and processing plants, including workers both from within Thailand and also from overseas. This follows the company's continued development of an ethical migrant worker recruitment policy. We were proud to be recognized for our efforts by being nominated for Thomson Reuters Foundation's inaugural Stop Slavery Award.

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Thanks to the dedication and commitment of our employees all around the world, we are working our plan to achieve our ambitious goals. The incredible support of our shareholders, suppliers, customers and stakeholders also ensures we are on the right path for continued success.

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Mr. Thiraphong Chansiri
President and CEO



Thai Union has also embraced our responsibility as a global seafood leader to set the standard for social, environmental and economic performance across our operations and into our supply chains. We do this through SeaChange®, our sustainability strategy, with commitments that deliver real and lasting changes in the way we operate.

With these key strategic cornerstones in place, it will drive us to achieve our ambitious growth targets. Together, we are building an organization with differentiated capabilities, solid leadership, clear vision and defined strategies. And together we will realize Thai Union's vision to be the most trusted brand in seafood, delivering great tasting, highly nutritious food products to consumers around the globe.

OUR VISION

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

OUR MISSION

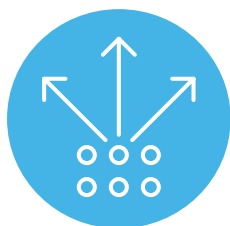
To be the seafood industry's leading agent of change, making a real positive difference to our consumers, our customers and the way the category is managed.

OUR GOAL

To reach USD 8 billion in annual revenues by 2020. To achieve this goal, we have developed a plan that balances the opportunities and challenges ahead, and fulfills the fundamental requirements of prudent stewardship across all aspects of our operations.

thaiunion.com





THAI UNION STRATEGY

In 2016, increased competition within the global seafood industry and decelerating growth within our key markets continued to be a challenge, but it also presented an opportunity for Thai Union to adapt and build new capabilities and create competitive advantages.

Despite the challenging market environment, we remain committed to our vision and mission, our strategic plan comprised of six core pillars (Innovation, Sustainability, Operational Excellence, Mergers and Acquisitions, Global Talent Development and Strategic Sourcing), and our 2020 revenue target. We have solid organic growth plans in place and are also looking for strategic acquisitions and investments to further strengthen and expand our market position, and enhance our sourcing and distribution networks.

In 2016, we also implemented many initiatives across the six core pillars and fostered our new business units introduced in late 2015: Emerging Markets, Food Services and Marine Ingredients.

INNOVATION: DEVELOPING GAME-CHANGING SOLUTIONS FOR ENHANCED CONSUMER SATISFACTION, SHARED VALUE AND SUSTAINABILITY

Cutting-edge technological advancements, and innovative solutions are a strategic cornerstone that will help drive sustainable growth and play an important role in shaping the future of Thai Union. We strive to bring to market the most innovative food products and food solutions to improve the health and well-being of our customers worldwide.

To accelerate the innovation process, Thai Union established the **Global Innovation Incubator (Gii)** in 2015, in addition to New Product Development (NPD) in the regions. The facility has now expanded to cover 1,200 square meters, including laboratories

for chemistry, nutrition, product innovation and development, a pilot factory, offices, and meeting and event spaces. Our Gii team is comprised of leading academic and in-house researchers and scientists focused on achieving advancements in food science and technology for seafood related products. We also have industry experts stationed worldwide who are able to apply local consumer insights and market trends in tailoring Gii outputs into products, processes, and technologies for global market success. In strategic partnership with multiple universities and research centers in Thailand, we are able to leverage and promote knowledge transfer between academia and industry.

As we channel Gii's research into new product development and process improvement, we aim to begin commercializing our innovations on a global scale. Our **Food Services** and **Marine Ingredients** business units are expected to play a key role in this.

SUSTAINABILITY: SETTING THE STANDARD FOR SOCIAL, ENVIRONMENTAL AND ECONOMIC RESPONSIBILITY FOLLOWING THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

To become the world's most trusted seafood leader, sustainability underpins our core business functions and serves as a measurable standard to which we align key decisions and practices. We recognize the wider complexities of the seafood industry, and we are working hard to address both emerging and ongoing challenges to meet our stakeholders' varied expectations.

Aiming to take a leading role in supporting the seafood industry's sustainability objectives, we launched "**SeaChange®**," our global sustainability strategy, which can be classified into four areas with a set of specific milestones.

1. Responsible Sourcing

Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain. We can track every product back to its source, allowing us to monitor the operations, actions and labor conditions of our suppliers. Therefore, we aim to achieve full traceability by 2020, which will dramatically reduce the risk of Illegal, Unreported and Unregulated Fishing (IUU) and will ensure every vessel complies with our stringent labor regulations. **We are moving towards having 100 percent of our branded tuna either MSC certified or engaged in a fishery improvement project, with a minimum target of 75 percent by 2020.**

2. Safe and Legal Labor

We are determined to eliminate illegal and unsafe labor practices in the global seafood industry. In this regard, we launched **Our Business Ethics and Labor Code of Conduct** which strictly forbids any abuses of labor or human rights in the supply chain. Our initiatives will ensure workers in our supply chain have safe and freely-chosen employment and that human trafficking is not tolerated.

3. Responsible Operations

We have initiatives in place that contribute to **net-zero emissions**, and use innovative and robust management practices to reduce our water and electricity consumption. Among those initiatives are: promoting environmental awareness, improving freezing processes and facilities, improving water efficiency in water-stressed areas, reusing wastewater, creating biogas from wastewater, and improving the lost-time injuries frequency rate (LTIFR).

4. People and Communities

Thai Union has worked together with private sector peers, local government, international organizations and civil society bodies to address social and environmental problems. Through **our social enterprise programs**, we are working to deliver sustainable benefits to local communities where we operate. This includes cleaning marine environments and ending hunger through food donations, educating children and providing nutritional information.

As a testament to our focus on sustainability, quality and safety, Thai Union received **several international recognition and awards** e.g. the Dow Jones Sustainability Index, the Stop Slavery Award, the 2016 Gold Standard Awards for Corporate Citizenship in the Global-Asia Program etc.

OPERATIONAL EXCELLENCE: DRIVING TOWARDS A GLOBALLY INTEGRATED BUSINESS THROUGHOUT THE ENTIRE SEAFOOD VALUE CHAIN

From sourcing raw seafood materials to processing and manufacturing finished products, we have built a global network of facilities which all operate to the highest quality standards and norms.

Thai Union has 17 production facilities in North America, Europe, Africa and Asia. Our factories fulfill all **technical and quality standards and norms** which includes ISO Standard, Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Point (HACCP), BRC Global Standards, Marine Stewardship Council (MSC), Best Aquaculture Practices (BAP), International Food Standard (IFS), OHSAS Standard and Woolworths Quality Assurance Standard (WQA). 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 **operational excellence tools** such as Kaizen, Six Sigma, Hoshin Kanri, Quality Control Circle (QCC) and Lean Daily Management System (DMS) in our facilities.

To support planned business growth and improve COGS, agility, supply resilience, sustainability, capital utilization and inventory, Thai Union has launched a project **to operate our manufacturing facilities as an integrated global network**, leveraging the full scale of the organization, starting with our global ambient seafood network. The implementation of this project involves structural changes of our global ambient manufacturing network and sets standard measures for performance improvement and productivity increases, with anticipated annual cost savings of 4 to 5 percent by 2020.

MERGERS AND ACQUISITIONS (M&A): MAXIMIZING INVESTMENTS FOR THE BENEFIT OF ALL SHAREHOLDERS

2016 continued to be an acquisitive year for Thai Union with **several significant acquisitions and investments made**. Thai Union's 'hidden pearls' strategy continued to drive the exploration of M&A opportunities within each of its business categories, to identify targets that would further strengthen our market positions and act as platforms for future growth. The success of this strategy is evidenced by previous transactions that have benefitted Thai Union in terms of cost synergies, security of raw material, new market expansion, new products category expansion, diversification of risk, and enhancement of know-how and management expertise. Successful deals included the acquisition of a majority stake in **Rügen Fisch** and **Les Pêcheries de Chez-Nous**, and the acquisition of a minority stake in **Red Lobster** and **Avanti Feeds**. Thai Union also completed **some minority buyouts** as part of our efforts

to fully integrate its interests in all subsidiaries around the world.

Following recent acquisitions, Thai Union has also **increased its focus on post-merger integration and deal value realization**. By ensuring active engagement by management and close monitoring of synergies and bottom-line results, Thai Union continues to work towards maximizing deal investment for the benefit of all shareholders.

GLOBAL TALENT DEVELOPMENT: IMPLEMENTING OUR VALUES TO GUIDE US TOWARDS A SUSTAINABLE AND PROSPEROUS FUTURE TOGETHER

Development of our people is both the core of our human resources strategy and also a continuous focus for senior management.

Our culture is transmitted through **the Big Six values**, which means we are a team of **passionate, humble and respectful** individuals driven by a **responsible, collaborative and innovative** approach to our work. In 2016, we are consolidating our global HR systems. This success shows that our people are our most important asset and that our ambitious targets require proper investment in human resources. We also provide various development programs including cross functional projects, stretched assignments, job rotations, international exposure programs, coaching/feedback and classroom training programs.

Our next step in effective management of a diverse workforce is the **full implementation of our global Human Resources Information System (HRIS)** that will centralize our employees' information and master data. This will increase our efficiency, allowing us to handle a global workforce and encourage collaboration across international teams as a result of enhanced access to talent information.

STRATEGIC SOURCING: SECURING CONTINUOUS ACCESS TO SUFFICIENT AND SUSTAINABLE RAW MATERIALS BY LEVERAGING THE GLOBAL SCALE OF OUR OPERATIONS

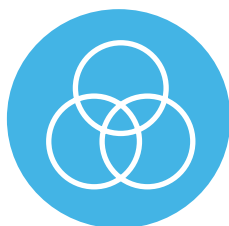
Being one of the world biggest seafood processors, our sourcing strategy is important since raw material is the largest component of our cost base, and its supply is essential to the operations of our business.

As one of the largest tuna processors worldwide, our sourcing strategy balances seafood stock availability with price volatility, securing continuous access to sustainable raw seafood material from reliable suppliers. The regional procurement leadership team has initiated a plan to **establish a global center-led fish procurement organization** over the course of 2017 to

enhance our strategic sourcing capability and supply chain management of fish and seafood raw materials.

In terms of non-fish materials such as packaging and ingredients, we constantly explore both commercial and operational means to **leverage from our global scale and build best-in-class sourcing capabilities**. The global sourcing collaboration will lead to joint relationship development with selected suppliers, benefit global synergies where possible, and encourage more engagement in 'responsible' sourcing.





OUR BRANDS

With brands across North America, Europe and Asia and the Pacific, Thai Union's vast selection of shelf-stable, chilled and frozen foods and related products makes mealtimes delicious, dynamic, easy and healthy for millions of families worldwide.

Our portfolio of consumer-favorite brands has a global reach, and is built on local insights and market preferences that inform product development. Through strategic mergers and acquisitions, our family of brands is expanding our market share across the world; and our commitment to innovation, sustainable growth, quality and consistency facilitates our brands' competitive advantage.

NORTH AMERICA



CHICKEN OF THE SEA AND CHICKEN OF THE SEA FROZEN FOOD

Chicken of the Sea began as a California-based fish canning company in 1914 and, over the decades, the iconic mermaid image and brand have become a household name. A century later, Chicken of the Sea is synonymous with health, nutrition and convenience, offering a variety of products including shrimp, lobster, salmon, crab and, of course, tuna. In 2015, Chicken of the Sea was the largest U.S. seafood company by revenue, and the top importer of frozen shrimp and pasteurized crabmeat in the U.S.

Ensuring a healthy supply of seafood for future generations is imperative to both Chicken of the Sea and its consumers. Over the past century, Chicken of the Sea has pioneered responsible sourcing initiatives including the Dolphin-Safe Policy, Shark Finning Ban, and a partnership with the International Seafood Sustainability Foundation.



GENOVA

The rich, savory taste of Genova premium tuna is central to many inspired dishes because of its distinct, delicious taste and texture. Genova is so simple and incredible on its own, take just one bite and it will ignite a passion for more. Exquisite premium tuna and extraordinary taste make Genova Simply Fulfilling.

EUROPE

**JOHN WEST**

John West is the number 1 Convenient Seafood brand in the UK and Ireland. At John West, we have been selling fish since 1857. It is our passion to develop category-leading innovation that meets consumers' needs for taste, quality and convenience.

**PETIT NAVIRE**

Since its launch in 1932, Petit Navire has established itself as an everyday part of French people's lives, and has over 90 percent brand recognition in France.

Petit Navire is the leading brand of tuna, known for its high quality standards and dedication to innovation. Petit Navire offers consumers a large variety of tasty products prepared with natural ingredients and flavorful simplicity, meeting the demands of today's hectic lifestyles.

**PARMENTIER**

Parmentier is the number 1 premium canned sardine brand in France. Since 1883, Parmentier and its fabulous small yellow cans have established the brand as the king of whole sardines. Keeping true to its history and legacy while continuously modernizing and innovating products, Parmentier remains a French household favorite, recognized as the expert in sardines.



KING OSCAR

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

In 1902, King Oscar II of Norway and Sweden granted special royal permission to use his name and portrait on a brand of Norwegian sardines. Over 110 years, King Oscar has offered its discerning consumers the finest premium sardines and seafood sourced from the Norwegian sea and other corners of the world.



MAREBLU

Mareblu is a historical brand in the Italian tuna market, founded in the early 1970s.

Thanks to the focus on quality and innovation, Mareblu is known as the only tuna brand in Italy produced directly where the tuna is caught. In Italian the slogan reads: 'Il tonno lavorato sul luogo di pesca'. This fully integrated process results in a product of the highest standards in taste, quality and nutrition. Mareblu is the second player by volume and by value in canned seafood market, offering a complete range of products: tuna (in oil, in brine, no drain, "light" and ventresca); mackerels (in oil, in brine, flavored); tuna salads and sardines.



RÜGEN FISCH

Rügen Fisch has grown its business since 1949 to become the leading seafood company in Germany, representing a powerful house of ambient and chilled seafood brands. These include brands for shelf-stable canned seafood products such as Rügen Fisch and Hawesta – a historic brand founded in 1909, along with brands for chilled products such as Ostsee Fisch (smoked salmon products) and Lysell (canned premium seafood).

ASIA-PACIFIC

**SEALECT**

Sealect in Thailand is present in Tuna and as well as Sardines and Mackerel categories.

In Tuna, the brand has grown, since 1992, to become the number 1 tuna brand in Thailand by virtue of share of market. According to Superbrands' recent consumer survey, Sealect was ranked as the most popular tuna brand in Thailand. Sealect offers consumers canned tuna with premium quality, taste, nutritional value and product varieties, making it the most sought after Tuna brand.

In Sardines & Mackerel, Sealect offers good quality fish in original sauces and is part of the main meal occasion for a lot of Thai households.

**FISHO**

Fisho is a fish-based snacking brand. It is available in various convenient formats like strips, sheets and sticks. It is very popular amongst the teenagers and young adults who enjoy the taste and love the idea of snacking without guilt.

**BELLOTTA & MARVO**

Bellotta and Marvo are the brands 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 launched dog foods internationally, offering products with exotic world flavors. In addition, Marvo continued to build brand awareness in 2016 through a partnership campaign with the animated film "The Secret Life of Pets" about the friendship with our four-legged family members.



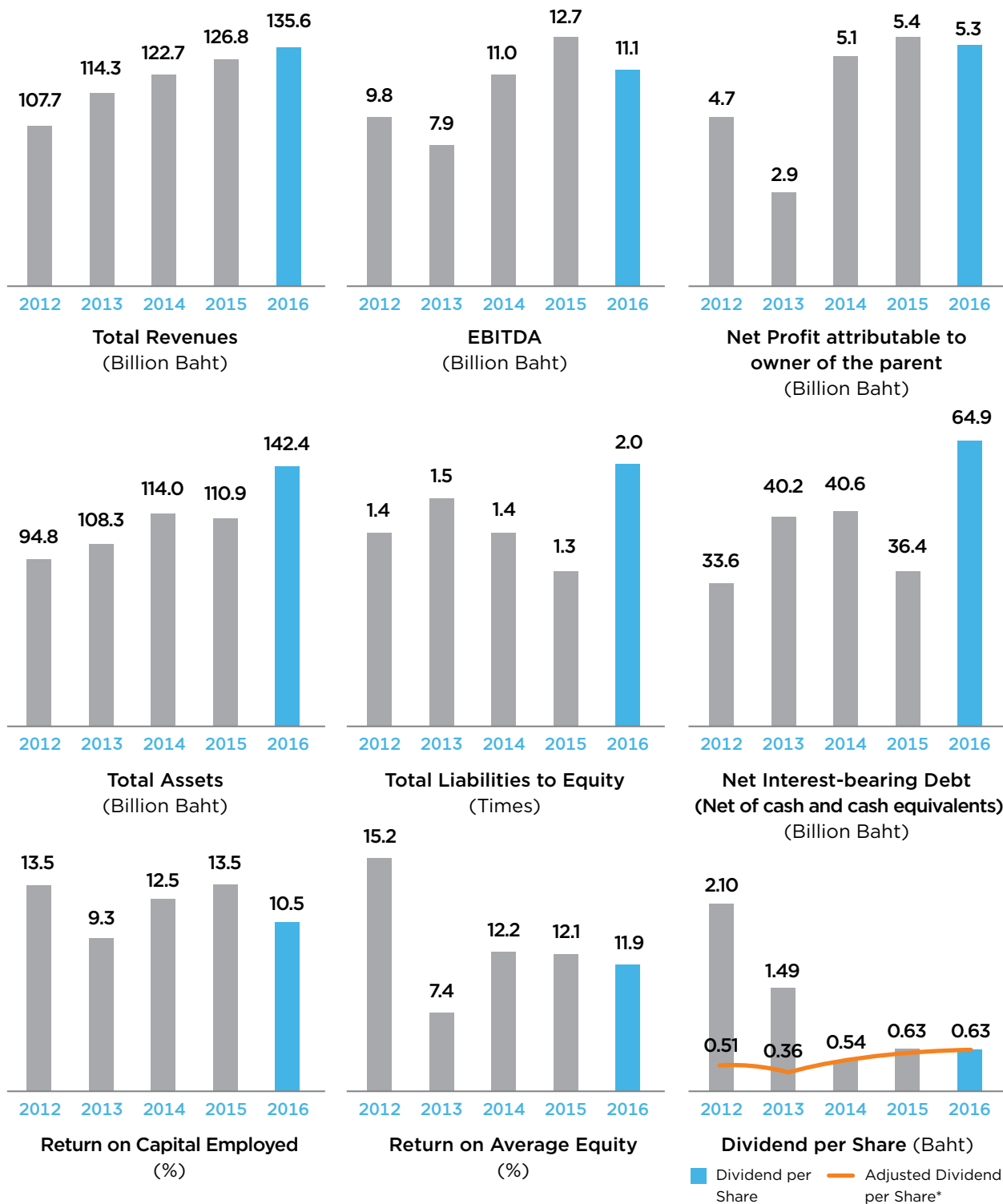
FINANCIAL HIGHLIGHTS

Unit: Billion Baht

Financial Data	Year		
	2016	2015	2014
Net Sales	134.4	124.9	121.4
Total Revenues	135.6	126.8	122.7
Gross Profit	19.9	20.0	19.0
EBITDA	11.1	12.7	11.0
Total Assets	142.4	110.9	114.0
Total Liabilities	94.9	62.9	67.3
Shareholders' Equity	47.4	48.0	46.7
Net Cash from Operating Activities	7.8	15.7	9.4
Net Debt (Interest -bearing debt net of cash and cash equivalents)	64.9	36.4	40.6
Annual Dividend	3.0	3.0	2.6
Per Share Data (Baht)			
Basic Earnings per Share	1.10	1.13	1.10
Diluted Earnings per Share	1.10	1.13	1.08
Dividend per Share	0.63	0.63	0.54
Par Value	0.25	0.25	0.25
Book Value per average share attributable to owner of the parent	9.06	9.48	9.02



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 par 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, Mitsubishi Corporation and Haboromo Foods Corporation became a business partner in Japan. Mitsubishi Corporation was a leading food distributor in the country while Haboromo Foods Corporation was a major seafood producer. 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 on 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 third ranked canned tuna brand in term of market share
- 2003 Acquired Empress International Ltd., a frozen seafood importer and distributor in the USA
- 2006 Established Tri-Union Frozen Products, Inc. (Chicken of the Sea Frozen Foods) to market frozen seafood in the USA. Chicken of the Sea Frozen Foods was later merged with Empress International
- 2006 Acquired a majority stake in PT Jui Fa International Food, a canned tuna producer and exporter based in Indonesia
- 2008 Acquired a 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 as John West, Petit Navire, Parmentier and Mareblu
- 2010 Founded US Pet Nutrition, LLC to produce and market petcare 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
- 2015 Completed acquisition of Orion Seafood International, USA-based leading global supplier of lobsters, by Chicken of the Sea Frozen Foods
- 2015 Entered into joint venture with Savola Foods Company, one of the largest consumer goods producers in the Middle East



PROGRESS IN 2016

MERGERS AND ACQUISITIONS

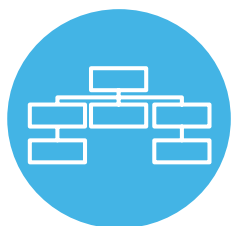
- Thai Union Group completed the acquisition of a majority stake in Rügen Fisch. This synergy will help the Group enter the German market, one of Europe's largest, contributing to our growth in Europe
- Thai Union entered into a joint venture agreement to acquire a 40 percent equity stake of Avanti Feeds Limited's wholly owned shrimp processing unit Avanti Frozen Foods Private Limited India. The investment was aimed at helping diversify the Group's shrimp sourcing and operational risks and add production capacity to meet growing demand for the firm's products
- The company acquired a majority stake in Canadian lobster processor Les Pecheries

de Chez Nous (Chez Nous), which recorded sales of approximately CAD50 million in 2015. Chez Nous, based in New Brunswick, Canada has direct relationships with fishermen in both Canada and Maine in the northeastern U.S., a processing facility strategically located on the Gulf of St. Lawrence, and is investing in a live lobster holding facility

- Announced that it has made a USD 575 million strategic investment in Red Lobster Seafood Co., the world's largest seafood restaurant company. Golden Gate Capital remains majority owner and has retained operational control of Red Lobster, which Thai Union has worked closely with for over two decades. The investment will help build Thai Union's direct-to-consumer channel

SUSTAINABILITY EFFORTS

- Was named to the Dow Jones Sustainability Indices (DJSI) Emerging Markets for the third consecutive year. Thai Union's SeaChange® sustainability strategy successfully drove the score for Materiality to an industry best-in-class 100th percentile. With strong performances from Business Codes of Conduct, and Labor and Human Rights contributed to the improvements that ranked in the 96th and 91st percentile, respectively. The increase in Thai Union's score indicates the company's efforts and discipline in applying sustainable practices and accountability across its business and supply chain are achieving results.
- The company announced that it will eliminate recruitment fees for all workers in its factories and processing plants, including workers both from within Thailand and also from overseas. Thai Union's workforce in Thailand is composed of workers primarily from Thailand, Myanmar and Cambodia, recruited locally or directly through formal channels engaging licensed recruitment agents in Cambodia and Myanmar. The move follows Thai Union's continued development of an ethical migrant worker recruitment policy.
- Thai Union was nominated for Thomson Reuters Foundation's inaugural Stop Slavery Award. Providing safe, legal and freely-chosen employment and stamping out labor abuses in the supply chain is of critical importance to the company. In addition to the significant programs in place for its employees, Thai Union is working with a wide range of organizations to ensure that those working in the industry at large are also protected.
- Announced an ambitious strategy to ensure 100 percent of its branded tuna is sustainably sourced with a commitment of achieving a minimum of 75 percent by 2020. As part of the new tuna strategy, Thai Union is investing USD 90 million in initiatives that will increase the supply of sustainable tuna. This includes establishing 11 new Fishery Improvement Projects (FIPs) around the world.



ORGANIZATION CHART





BOARD OF DIRECTORS



MR. KRAISORN CHANSIRI

POSITION: Chairman

NATIONALITY: Thai

AGE: 82

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

TERM OF OFFICE

Since 17 March 1988

NO. OF YEARS IN POSITION

29 years

SHAREHOLDINGS

231,134,720 shares*, equivalent to 4.84% of paid-up capital

- Personal: 174,804,288 shares
- Spouse: 56,330,432 shares
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 2011 – Present: Chairman, Merchant Partners Asset Management Limited
- 2000 – Present: Chairman, Merchant Partners Securities Public Company Limited
- 1973 – Present: Chairman, Thai Union Manufacturing Co., Ltd.
- 1977 – Present: Chairman, Thai Sea Food Co., Ltd.
- 1981 – Present: Executive Director, Songkla Canning PCL.
- 1995 – Present: Executive Director, Thai Union Graphic Co., Ltd.
- 1996 – Present: Director, Thai Union North America (USA)
- 1997 – Present: Director, Tri-Union Seafoods, LLC. (USA)
- 2000 – Present: Director, Thai Union Feedmill Co., Ltd.
- 1996 – Present: Director, Thai Union Seafood Co., Ltd.
- 1993 – Present: Director, Waithai Co., Ltd.
- 1988 – Present: Director, Thai Union Properties Co., Ltd.
- 1988 – Present: Director, Chansiri Real Estate Co., Ltd.
- 2014 – Present: Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- 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)

**MR. CHENG NIRUTTINANON****POSITION:** Executive Chairman**NATIONALITY:** Thai**AGE:** 75**EDUCATION**

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

TERM OF OFFICE

Since 8 April 1999

NO. OF YEARS IN POSITION

18 years

SHAREHOLDINGS

265,762,276 shares*, equivalent to 5.57% of paid-up capital

- Personal: 201,552,644 shares
- Spouse: 64,209,632 shares
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1987 - Present: Chairman, Asian-Pacific Can Co., Ltd.
- 1987 - Present: Chairman, TC Union Agrotech Co., Ltd.
- 1990 - Present: Chairman, Lucky Union Foods Co., Ltd.
- 1992 - Present: Chairman, Jana Industry Co., Ltd.
- 1973 - Present: Executive Director and Managing Director, Thai Union Manufacturing Co., Ltd.
- 1993 - Present: Director, Waithai Co., Ltd.
- 1997 - Present: Director, New Century Printing and Package Co., Ltd.
- 1997 - Present: Director, Tri-Union Seafoods, LLC. (USA)
- 1999 - Present: Director, Lucky Surimi Products Co., Ltd.
- 2000 - Present: Director, Thai Union Feedmill Co., Ltd.
- 2007 - Present: Director, Yueh Chyang Canned Food Co., Ltd.
- 2008 - Present: Director, Thaipatana Stainless Steel Co., Ltd.
- 2010 - Present: Director, U.S. Pet Nutrition LLC.
- 2010 - Present: Director, Thai Union Europe (France)
- 2010 - Present: Director, Tri-Union Frozen Products, Inc. (USA)
- 2013 - Present: Director, Phil-Union Frozen Foods, Inc. (Philippines)
- 2014 - Present: Director, King Oscar AS. (Norway)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

None

**MR. CHUAN TANGCHANSIRI****POSITION:** Executive Director**NATIONALITY:** Thai**AGE:** 72**EDUCATION**

- Bachelor's Degree, South China Normal University, People's Republic of China

TERM OF OFFICE

Since 17 March 1988

NO. OF YEARS IN POSITION

29 years

SHAREHOLDINGS

38,668,000 shares*, equivalent to 0.81% of paid-up capital

- Personal: 38,668,000 shares
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1973 – Present: Executive Director, Thai Union Manufacturing Co., Ltd.
- 1981 – Present: Executive Director, Songkla Canning PCL.
- 1987 – Present: Executive Director, Asian-Pacific Can Co., Ltd.
- 1996 – Present: Director, Thai Union Seafood Co., Ltd.
- 2000 – Present: Director, Thai Union Feedmill Co., Ltd.
- 1995 – Present: Director, Thai Union Graphic Co., Ltd.
- 2010 – Present: Director, Thai Union Investment Holding (France)
- 1988 – Present: Director, Chansiri Real Estate Co., Ltd.
- 1988 – Present: Director, Thai Union Properties Co., Ltd.
- 1993 – Present: Director, Waithai Co., Ltd.
- 2008 – Present: Director, Thaipatana Stainless Steel Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Directors Accreditation Program organized by the Thai Institute of Directors Association (DAP 86/2010)

**MR. THIRAPHONG CHANSIRI****POSITION:** President and CEO**NATIONALITY:** Thai**AGE:** 52**EDUCATION**

- Master of Business Administration (Management), University of San Francisco, USA
- Bachelor's Degree (Marketing), Assumption University

TERM OF OFFICE

Since 1 January 1990

NO. OF YEARS IN POSITION

27 years

SHAREHOLDINGS

493,855,472 shares*, equivalent to 10.35 % of paid-up capital

- Personal: 384,526,424 shares
- Spouse: 109,329,048 shares
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

- 2014 - Present: Director, Minor International Public Company Limited

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1996 - Present: Chairman, Thai Union Seafood Co., Ltd.
- 1993 - Present: President, T-Holding Co., Ltd.
- 1995 - Present: President, Thai Union Graphic Co., Ltd.
- 1996 - Present: President, Thai Union North America (USA)
- 2010 - Present: President, Thai Union Europe (France)
- 2010 - Present: President, Thai Union France Holding 2 SAS (France)
- 1989 - Present: Executive Director, Thai Union Manufacturing Co., Ltd.
- 1999 - Present: Executive Director, Songkla Canning PCL.
- 2012 - Present: Executive Director, Pakfood PCL.
- 2012 - Present: Executive Director, Okeanos Co., Ltd.
- 2012 - Present: Executive Director, Okeanos Food Co., Ltd.
- 1988 - Present: Director, Chansiri Real Estate Co., Ltd.
- 1988 - Present: Director, Thai Union Properties Co., Ltd.
- 1993 - Present: Director, Asian-Pacific Can Co., Ltd.
- 1993 - Present: Director, Lucky Union Foods Co., Ltd.
- 1993 - Present: Director, Waithai Co., Ltd.
- 1997 - Present: Director, Tri-Union Seafoods, LLC.(USA)
- 2000 - Present: Director, Thai Union Feedmill Co., Ltd.
- 2000 - Present: Director, Biz Dimension Co., Ltd.
- 2009 - Present: Director, TN Fine Chemicals Co., Ltd.
- 2010 - Present: Director, Tri-Union Frozen Products, Inc. (USA)
- 2010 - Present: Director, Thai Union Investment Holding
- 2010 - Present: Director, U.S. Pet Nutrition LLC.
- 2012 - Present: Director, Chaowpraya Cold Storage Co., Ltd.
- 2012 - Present: Director, Thaksin Samut Co., Ltd.
- 2014 - Present: Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.
- 2016 - Present: Director, Red Lobster Master Holdings LP (USA)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 10/2001)

**MR. RITTIRONG BOONMECHOTE**

POSITION: President, Global Frozen and Related Unit (since March 2017)

NATIONALITY: Thai

AGE: 55

EDUCATION

- Bachelor's Degree, Bangkok University

TERM OF OFFICE

Since 5 January 1998

NO. OF YEARS IN POSITION

19 years

SHAREHOLDINGS

63,442,980 shares*, equivalent to 1.33% of paid-up capital

- Personal: 63,442,980 shares
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1996 – Present: President, Thai Union Seafood Co., Ltd.
- 2000 – Present: President, Thai Union Feedmill Co., Ltd.
- 2012 – Present: President, TMAC Co., Ltd.
- 2012 – Present: Executive Director, Pakfood PCL.
- 2012 – Present: Executive Director, Okeanos Co., Ltd.
- 2012 – Present: Executive Director, Okeanos Food Co., Ltd.
- 1997 – Present: Director, Tri-Union Frozen Products, Inc.
- 2012 – Present: Director, Chaowpraya Cold Storage Co., Ltd.
- 2012 – Present: Director, Thaksin Samut Co., Ltd.
- 2016 – Present: Director, Red Lobster Master Holdings LP (USA)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- TLCA Executive Development Program (EDP 2/2009) by The Thai Institution of Director Association
- Director Accreditation Program (DAP) organized by the Thai Institute of Director Association (DCP 84/2010)

**MR. KIYOTAKA KIKUCHI**

POSITION: Director
NATIONALITY: Japanese
AGE: 50

EDUCATION

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

TERM OF OFFICE

Since 7 November 2016

NO. OF YEARS IN POSITION

2 months (as of 31 December 2016)

SHAREHOLDINGS

No shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

WORK EXPERIENCE

- 2007 - Present: Chief Operating Officer - Fresh Food Product division, Mitsubishi Corporation

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

None

**MR. SHUE CHUNG CHAN**

POSITION: Executive Director
NATIONALITY: Chinese
AGE: 42

EDUCATION

- Master of Business Administration, Bangkok University
- Bachelor's Degree, Oregon State University, USA

TERM OF OFFICE

Since 30 April 2001

NO. OF YEARS IN POSITION

16 years

SHAREHOLDINGS

12,295,272 shares*, equivalent to 0.26% of paid-up capital

- Personal: 12,295,272 shares
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 2002 - Present: Executive Director, Thai Union Feedmill Co., Ltd.
- 2014 - Present: Executive Director, Thai Union Graphic Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 10/2002)
- TLCA Executive Development Program (EDP 1/2009) by the Thai Institute of Directors Association



**MR. RAVINDER SINGH
GREWAL SARBJIT S**

POSITION: Director
NATIONALITY: Malaysian
AGE: 48

EDUCATION

- Bachelor's Degree (Commerce), University of New South Wales, Australia

TERM OF OFFICE

Since 15 November 2010

NO. OF YEARS IN POSITION

6 years

SHAREHOLDINGS

No shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 2014 - Present: Director, Alpha Energy Holdings Limited (SINGAPORE)
- 2014 - Present: Director, Scomi Energy Services Bhd (MALAYSIA)
- 2014 - Present: Director, JK E&P Group Pte. Ltd. (SINGAPORE)
- 2014 - Present: Director, Conquest Energy Pte. Ltd. (SINGAPORE)
- 2010 - Present: Director, Thai Union Europe (FRANCE)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

WORK EXPERIENCE

- 2011 - 2014: Director, Wellard Group Holdings Pty Ltd. (AUSTRALIA)
- 2010 - 2011: Alt Director, Straits Metal Limited (AUSTRALIA)
- 2010 - 2013: Alt Director, Otto Marine Limited (SINGAPORE)
- 2009 - 2014: Alt Director, Straits Resources Limited (AUSTRALIA)
- 2007 - 2013: Director, Scomi Oilfield Limited (BERMUDA)
- 2007 - 2013: Director, Shangri-La Hotels (Malaysia) Berhad (MALAYSIA)
- 2007 - 2007: Alt Director, Scomi Oilfields Ltd. (BVI)
- 2005 - 2011: Director, Sei Woo Technologies Ltd. (SINGAPORE)

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Certified Public Accounts, Australian Society

**MR. SAKDI KIEWKARNKHA****POSITION:** Independent Director**NATIONALITY:** Thai**AGE:** 82**EDUCATION**

- Bachelor's Degree (Accounting, Commerce and Law), Thammasat University

TERM OF OFFICE

Since 22 August 2000

NO. OF YEARS IN POSITION

16 years

SHAREHOLDINGS

No shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

- 2015 - Present: Advisor to the Board of Director & Audit Committee, Dusit Thani PCL.

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1985 - Present: Vice President, The Princess Mother's Medical Volunteer Foundation

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

WORK EXPERIENCE

- 1958 - 1973: Banking Ombudsman, Bank of Thailand
- 1973 - 1996: Executive Vice President, The Siam Commercial Bank PCL.
- 1998 - 2001: Executive Director, Bangkok Metropolitan Bank PCL.
- 1998 - 2001: Executive Director, Bangkok Metropolitan Life Insurance Co.,Ltd.
- 1998 - 2001: Advisor to Executive Board, Bangkok Metropolitan Bank PCL.
- 2000 - 2003: Chairman of Audit Committee, The Book Club Finance PCL.
- 2000 - 2015: Independent Director & Audit Committee Member, Dusit Thani PCL.

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Certified Public Accountant No. 0156 from 1962
- Attorney of Law No.2913401 from 1986
- The Role of Chairman Program organized by the Thai Institute of Directors Association (RCP 4/2001)
- Directors Certification Program organized by the Thai Institute of Directors Association (DCP 13/2001)
- Director Certification Program (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)
- Executive Program, Stanford University & University of Singapore
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- How to Develop a Risk Management Plan organized by the Thai Institute of Directors Association (HRP 2/2012)
- Audit World - Conference 25-26 June 2012 Resort World Convention Centre, Singapore

- Audit World – Post Conference 27 June 2012 Resort World Convention Centre, Singapore
- COSO – ERM Evaluation 12 – 13 October 2013, Federation of Accounting Professions
- The Updated COSO’s 2013 Integrated Internal Control 4 December 2013, The Stock Exchange of Thailand
- 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 1/2014)
- Advanced Audit Committee Program organized by the Thai Institute of Directors Association (AACP 20/2015)
- Thailand IFRS Conference 2016, Federation of Accounting Professions
- Driving Company Success with IT Governance (ITG) IT for Non-IT Director, the Thai Institute of Directors Association
- National Director Conference 2016: Enhancing Growth Through Governance in Family Controlled Business, the Thai Institute of Directors Association
- Audit Committee Forum “New Auditor’s Report: What’s in it for you?”, the Thai Institute of Directors Association
- Cash flow statement preparation, Department of Business Development, Thailand’s Ministry of Commerce
- A discussion on corporation’s preparedness for the cybersecurity threats in the digital transformation Era, the Thai Institute of Directors Association

**MR. THAMNOON ANANTHOTHAI**

POSITION: Independent Director

NATIONALITY: Thai

AGE: 60

EDUCATION

- Ph.D., International Management, Walden University, USA
- M.B.A. Management, The University of Sarasota, USA
- B.A. Accountancy&Management, Eckerd College-St. Petersburg, USA

TERM OF OFFICE

Since 22 March 2010

NO. OF YEARS IN POSITION

7 years

SHAREHOLDINGS

No shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

- 2007 - Present: Vice Chairman and Chairman of Audit Committee, IFS Capital (Thailand) PCL.
- 2007 - Present: Vice Chairman and Chairman of Audit Committee, Better World Green PCL.

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 2004 - Present: Executive Director, Merchant Partners Securities PCL.
- 2014 - Present: Executive Director, Merchant Partners Asset Management Limited
- 2015 - Present: Director, The Princess Mother's Medical Volunteer Foundation

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

WORK EXPERIENCE

- 1990 - 1995: Thailand Representative of Nomura Office (Securities Company from Japan)
- 1994 - 1997: Deputy CEO (Securities), Srimitr Securities PCL.
- 1997 - 2002: Law judge, the Central Intellectual Property and International Trade Court
- 1998 - 2002: President and CEO, DBS Vickers Securities (Thailand) Co., Ltd.
- 2005 - 2015: Audit Committee/Chairman of Nomination and Remuneration Committee, Property Perfect PCL.
- 2006 - 2014: Chairman of Audit Committee, Eastern Printing PCL.
- 2007 - 2014: Chairman of the Board, Vintage Engineering PCL.
- 2008 - 2014: Director and Audit Committee, Bangkok University
- 2012 - 2013: Independent Director, Pakfood PCL.

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Audit Committee Program organized by the Thai Institute of Directors Association (ACP 10/2004)
- 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)
- A.C.A Certificate, American Accreditation Council for Accountancy USA

**MR. KIRATI ASSAKUL****POSITION:** Independent Director**NATIONALITY:** Thai**AGE:** 59**EDUCATION**

- Master's Degree (Chemical Engineering), University of Southern California, USA
- Bachelor's Degree (Chemical Engineering Ontario), Queen's University, Canada

TERM OF OFFICE

Since 22 March 2010

NO. OF YEARS IN POSITION

7 years

SHAREHOLDINGS

53,248 shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: 53,248 shares
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES

- 1993 – 2016: Chairman of the Boards, Ocean Glass PCL.
- 2016 – Present: Director, Ocean Glass PCL.

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1984 – Present: Chairman, Ocean Life Insurance PCL.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- 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)

**MR. NART LIUCHAREON****POSITION:** Independent Director**NATIONALITY:** Thai**AGE:** 58**EDUCATION**

- Master of Science in Business Administration, University of Southern California, USA
- Master of Business Administration, University of Southern California, USA
- Bachelor Degree of Engineering (Computer), Chulalongkorn University

TERM OF OFFICE

Since 3 April 2015

NO. OF YEARS IN POSITION

2 years

SHAREHOLDINGS

No shares*, equivalent to - of paid-up capital

- Personal: None
- Spouse: None
- Children not yet of legal age: None

OTHER POSITIONS IN OTHER LISTED COMPANIES:

None

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES:

- 1992 - Present: Executive Director and CEO, CDG Group
- 2000 - Present: Executive Director and CEO, G-ABLE Group

WORK EXPERIENCE

- 1985 - 1998: Marketing Director, Control Data (Thailand) Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST:

None

RELEVANT TRAININGS OR SEMINARS ATTENDED

- Diploma, National Defence College, The Joint State - Class 2004
- Leader Program no. 12/2010, Capital Market Academy
- Director Accreditation Program organized by Thai Institute of Directors Association (DAP 120/2015)
- Audit Committee Forum "New Auditor's Report : What's in it for you?", the Thai Institute of Directors Association

*Remarks : *Number of shares held and shareholding proportion as of 31 December 2016 of the total of 4,771,815,496 shares, including shares held by spouse and children not yet of legal age.*



AUDIT COMMITTEE AND SUB-COMMITTEES

AUDIT COMMITTEE



Mr. Sakdi Kiewkarnkha
Chairman of Audit Committee



Dr. Thamnoon Ananthothai
Audit Committee



Mr. Nart Liuchareon
Audit Committee

SUB-COMMITTEES

NOMINATION AND REMUNERATION COMMITTEE

Dr. Thamnoon Ananthothai
Mr. Sakdi Kiewkarnkha

Chairman of the Nomination and Remuneration Committee
Member of the Nomination and Remuneration Committee

RISK MANAGEMENT COMMITTEE

Mr. Kirati Assakul
Mr. Sakdi Kiewkarnkha
Dr. Thamnoon Ananthothai
Mr. Thiraphong Chansiri
Mr. Joerg Ayrlr
Mr. Shue Chung Chan
Mr. Wai Yat Paco Lee
Dr. Darian McBain
Dr. Sven Massen

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GLOBAL LEADERSHIP TEAM

Mr. Cheng
Niruttinanon



Mr. Thiraphong
Chansiri



Mr. Cheng Niruttinanon

Executive Chairman

Mr. Thiraphong Chansiri

President and CEO

Mr. Rittirong Boonmechote

President, Global Frozen and Related Unit

Mr. Joerg Ayrlle

Group CFO

Ms. Elisabeth Fleuriot

President and CEO, Thai Union Europe

Mr. Shue Chung Chan

Group Human Resources Director

Dr. Sven Massen

Group Strategy Director

Mr. Faisal Sheikh

Managing Director, Emerging Market

Mr. Valentin Ramirez

President and CEO,
Thai Union U.S. Ambient Operation

Mr. Bryan Rosenberg

President and CEO,
Thai Union U.S. Frozen Operation

Mr. Rittirong
Boonmechote





Mr. Joerg
Ayrle



Ms. Elisabeth
Fleuriot



Mr. Shue
Chung Chan



Dr. Sven
Massen



Mr. Faisal
Sheikh



Mr. Valentin
Ramirez



Mr. Bryan
Rosenberg



MANAGEMENT TEAM



Dr. Tunyawat Kasemsuwan

Director, Global Innovation



Mr. Comgrit Sorchom

Group Director, Environmental Health and Safety



Dr. Darian McBain

Group Director, Sustainable Development



Mr. Scott Solar

Group Director, Food Services



Ms. Supathra Kuratana

Group Marketing Innovation Director

**Mr. Colin Loo**

Head of Group Information Technology

**Mr. Yongyut Setthawiwat**

General Manager, Group Corporate Finance and Tax

**Ms. Whitney Foard Small**

Head of Group Corporate Communications

**Mr. Wai Yat Paco Lee**

General Manager, Investor Relations

**Mr. Ludovic Garnier**

Head of Group Accounting and Control

**Mr. David Sankowicz**

Head of Group Legal



AWARDS AND RECOGNITION

EXECUTIVES

1. **Multiple awards in FinanceAsia's 2016 Best Managed Companies Poll:**
#1 Best Managed Company in Thailand
#1 Best CEO in Thailand, Mr. Thiraphong Chansiri
2. **No.1 ranking among Thai corporations in Consumer/Staples sector by Institutional Investor's All-Asia Executive Team Survey:**
Best CEO, Mr. Thiraphong Chansiri*
3. **Investment Analysts Association awards for Listed Companies 2015/2016 in the Agro & Food Business Industry:**
Best CEO: Mr. Thiraphong Chansiri
Best CFO: Mr. Joerg Ayrlle
Mr. Thiraphong Chansiri has been named Best CEO by the IAA more than seven times in a row. And Thai Union has been featured in the IAA Awards every year since their inception in 2009.
4. **2016 Asia Best CFO award from Corporate Treasurer** to Mr. Joerg Ayrlle, after leading Thai Union's corporate finance team to win the Best Treasury & Finance Strategies in Asia-Pacific Award during 2015. The award was judged based on the capacity to drastically improve a company's finance and treasury operations in testing and challenging environments.

5. **Finance Monthly CFO Awards 2016** in Thailand to Mr. Joerg Ayrlle, who was instrumental in building a strong insight-driven performance culture. He has built a treasury center based in Bangkok and was able to close seven acquisitions and joint ventures.

CORPORATE

1. **Multiple awards from FinanceAsia's 2016 Best Managed Companies Poll:**
1) #1 Best at Investor Relations in Thailand
2) #1 Most committed to corporate governance in Thailand
2. **Multiple No.1 rankings among Thai corporates in Consumer/Staples sector by II's All-Asia Executive Team Survey:***
1) Best Website, Thai Union Group
2) Best at Investor Relations Program, from sell-side professionals
3. **Stock Exchange of Thailand Award 2016 for Best Investor Relations.** Thai Union's Investor Relations team thus winning the Best Investor Relations Awards for the company with market capitalization from THB 30 billion – 100 billion. In addition to the Best Investor Relations, we were also awarded "Outstanding Investor Relations" for the third consecutive years.



*Institutional Investor's ranking only included nominated companies from Thailand within the Consumer/Staples sector

SUSTAINABILITY

1. **Award from FinanceAsia's 2016 Best Managed Companies Poll:**
#1 Best at Corporate Social Responsibility in Thailand
2. **Inclusion in the Dow Jones Sustainability Index (DJSI) for Emerging Markets** for the third consecutive year, with Thai Union's SeaChange® sustainability strategy successfully driving the score for Materiality to an industry Best-In-Class in the 100th percentile. The increase in Thai Union's score indicated that the company's efforts and discipline in applying sustainable practices and accountability across its business and supply chain.
3. **Inclusion in the FTSE4Good Emerging Index** in the initial launch of the index in December 2016. The Emerging Index is an extension to the FTSE4Good Index series, which is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and now extend to cover over 20 emerging countries.
4. **Public Affairs Asia's Gold Standard Award for Global Corporate Citizenship.** The Gold Standard Awards identify excellence in the development of a CSR, sustainability or good governance project which enhances corporate reputation and demonstrates commitment to sustainable business practices, governance values or corporate responsibility.



ENVIRONMENT, HEALTH AND SAFETY

1. **Outstanding National Occupational Health and Safety Award (Diamond Level)** for the sixth consecutive years for Thai Union's Songkla Canning facility, from the Department of Labour Protection and Welfare, Ministry of Labour.



QUALITY AND SAFETY

Our commitment to consumers: Product Quality and Safety for our consumers is Thai Union's top priority, forming the foundation of all we do.



THAI UNION QUALITY POLICY

Our actions to ensure food quality and safety are guided by the company's quality policy:

Thai Union is dedicated to manufacturing high-quality processed seafood that is safe, hygienic and achieves excellent customer satisfaction. We continuously work to advance our products in these areas.

Our assurance is that our products comply with that policy and also meet all external regulatory requirements on safety and quality.







QUALITY MANAGEMENT SYSTEM: FOOD SAFETY AND HYGIENE

Our Quality Management System is the platform that we use globally to consistent **food safety**, compliance with **quality standards** and to create value for consumers. Our internal Quality Management System is audited and verified by independent certification bodies to prove conformity to internal standards, ISO norms, laws and regulatory requirements. The Quality Management System begins with the control of processes for externally provided products. We work with our suppliers to help them improve the quality of their products. The system reflects key global food safety demands and addresses quality, environmental and social issues.

Thai Union's appreciation of the demands of consumers regarding quality and safety means we work with suppliers to help them create a product that can be delivered to market with little or no alteration.

To ensure the safety and quality of products through every stage of the supply chain, Thai Union regularly sends its representatives to conduct on-site audits, scrutinizing production line practices and standards. Our oversight of supplier standards involves the delivery of regular reports, as well as audits upon request or

at specified times throughout the term of the contract. These risk management and auditing tools greatly increase the likelihood of suppliers meeting Thai Union's standards and initiatives on food safety.

The company operates its own food testing laboratory with ISO/IEC 17025 accreditation from the Thai Ministry of Public Health's Department of Medical Sciences. The laboratory was recognized in 2010 as the most outstanding laboratory by the Ministry of Agriculture and Cooperatives' National Bureau of Agricultural Commodity and Food Standards.

We continuously strive 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 14000 Environmental Management System, ISO 50001 Energy Management System, OHSAS 18001: Occupational Health and Safety Management System, and certified Best Aquaculture Practices for the whole shrimp supply chain, HACCP, GMP, BRC, IFS, Kosher and Halal. Our products include information for consumers to ensure that they are consumed safely and meet the highest level of quality.



THAI UNION'S FOOD QUALITY & SAFETY ACCREDITATIONS:

- Accredited with ISO 9000 on Quality Management System by United Kingdom Accreditation Service (UKAS).
- Accredited with ISO 14000 on Environmental Management System by United Kingdom Accreditation Service (UKAS).
- Accredited with OHSAS 18001, TIS 18001: Occupational Health and Safety Management System.
- Accredited with ISO/IEC 17025 by the Bureau of Laboratory Quality Standard, Department of Medical Sciences, Ministry of Public Health and by the National Bureau of Agricultural Commodity and Food Standards (ACFS), Ministry of Agriculture and Cooperatives of Thailand.
- Accredited with BRC Global Standard for Food Safety by United Kingdom Accreditation Service (UKAS).
- Accredited with Kosher Certificate by Union of Orthodox Jewish Congregations of America.
- Accredited by the US Food and Drug Administration (FDA), a US agency in charge of inspecting the quality of imported food and medicines.
- Accredited by Canadian Food Inspection Agency (CFIA), a Canadian agency in charge of monitoring quality of imported food and medicines.
- Accredited with Hazard Analysis Critical Control Points (HACCP) by Department of Fishery and Department of Agriculture, Ministry of Agriculture and Cooperatives of Thailand and with HACCP USFDA. The Hazard Analysis Critical Control Points system is a quality assurance system on food safety. It can effectively prevent hazards including biological, chemical and physical contamination by placing emphasis on the monitoring of manufacturing procedures, especially the points or stages that are critical control points (CCP), with consumer safety as the key objective.
- Accredited with Good Manufacturing Practices (GMP) for food manufacturing operation by Department of Fishery, Department of Livestock and Department of Agriculture, Ministry of Agriculture and Cooperatives of Thailand, and by the Office of Public Health of Samut Sakhon Province.
- Accredited with Halal standard by the Central Islamic Committee of Thailand.
- Accredited with Best Aquaculture Practices (BAP) by Aquaculture Certification Council, Inc. (ACC) for our standard practices pertaining to shrimp culture and processing, covering shrimp hatcheries, and shrimp farm and shrimp processing factories. Our emphasis on social and environmental responsibility as well as attention to the safety of food products and product traceability is particularly notable.
- Accredited with Q Mark Certificate by Department of Fishery, Ministry of Agriculture and Cooperatives of Thailand.







OUR CORE PRODUCT CATEGORIES

We offer consumers and customers the best quality products packed with flavor and nutrients. Our core product categories consist of ambient seafood; frozen and chilled seafood and related business; and PetCare, value-added and other business. 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, mackerel and herring. 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 2016, sales of this category amounted to THB 61.0 billion, representing 45 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 59 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 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. In 2016, sales of this category amounted to THB 55.8

billion, representing 42 percent of the Group's total. Shrimp is the most important species in this category, followed by lobster and crab. Based on our estimate, sales from our own brands (including industrial or non-consumer brands) accounted for about 33 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.



PETCARE, VALUED-ADDED AND OTHER BUSINESS

The PetCare, value-added and other business category is a mix of many different items that include PetCare, 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.

To meet a growing demand for natural, seafood-derived byproducts that are beneficial to human nutrition (e.g. marine omega-3 fatty acids), we have established a new global business unit focusing on Marine Ingredients.

This business unit will commercialize an exciting new B2B line of high-value ingredients identified by Thai Union's cutting edge Global Innovation Incubator. We

will control the entire production chain, working with high-quality byproducts, such as fish skin and fish bone, from our own seafood production facilities. The valuable nutrients derived from these byproducts will be used by manufacturers of nutrient-dense consumer goods such as infant formula, cosmetics, dietary supplements and clinical nutrition.

Our Marine Ingredients venture maximizes byproducts utilization in our processing facilities and is a key contributor to Thai Union's growth strategy.

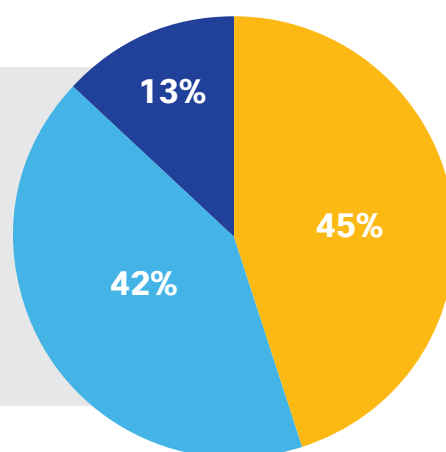
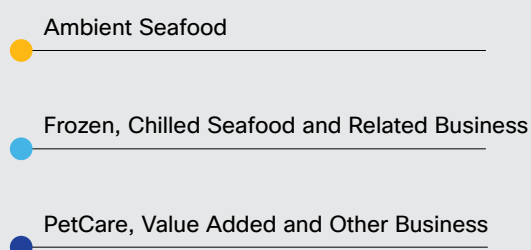
In 2016, sales of this category amounted to THB 17.5 billion, representing 13 percent of the Group's total. PetCare contributed to the largest share. Based on our estimate, sales from our own brands only accounted for about 10 percent of this category. In other words, almost all of the products are produced 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.



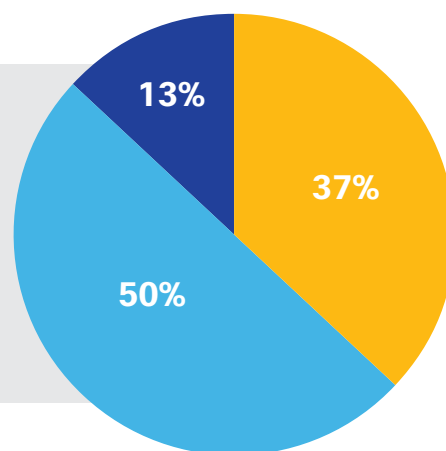


2016 SALE BREAKDOWN AND DISTRIBUTION

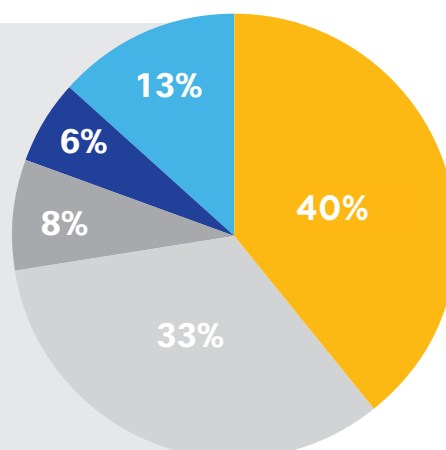
SALES BREAKDOWN BY CATERGORY



SALES BY CHANNEL



SALES DISTRIBUTIONS BY MARKET





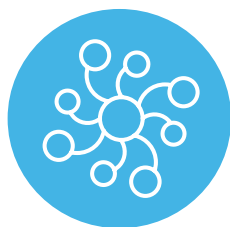
SALES STRUCTURE OF TU AND SUBSIDIARIES

Unit: Billion Baht

COMPANIES		% HOLDING BY TU	2016		2015		2014	
			SALES	%	SALES	%	SALES	%
1. ASIA								
Thai Union Group PCL	TU	-	12.4	9.2	12.2	9.8	12.8	10.5
Thai Union Manufacturing Co., Ltd.	TUM	99.66	17.0	12.6	16.1	12.9	17.5	14.4
Songkla Canning PCL	SC	99.55	5.9	4.4	5.4	4.4	6.3	5.2
Asian-Pacific Can Co., Ltd.	APC	99.54*	0.6	0.5	0.5	0.4	0.7	0.6
Yueh Chyang Canned Food Co., Ltd.	YCC	82.93*	0.4	0.3	0.3	0.3	0.3	0.3
Thai Union Seafood Co., Ltd.	TUS	51.00	1.4	1.1	1.0	0.8	1.3	1.1
Pakfood PCL	PPC	77.44	6.5	4.8	5.0	4.0	4.1	3.4
T-Holding Co., Ltd.	THD	90.00	1.1	0.8	1.4	1.1	1.1	0.9
Thai Union Feedmill Co., Ltd.	TFM	51.00	4.1	3.0	3.6	2.9	3.0	2.5
Thai Union Graphic Co., Ltd.	TUG	98.00	0.1	0.1	0.2	0.1	0.1	0.1
Seafood International One FZCO	SIC1	60.00	0.1	0.1	N/A	N/A	N/A	N/A
Thai Union Online Shop Co., Ltd.	TUO	100.00	0.0	0.0	N/A	N/A	N/A	N/A
Thai Union (China) Co., Ltd.	TUC	100.00	0.0	0.0	N/A	N/A	N/A	N/A
2. EUROPE & AFRICA								
Thai Union Europe SAS	TUE	100.00*	25.4	18.9	24.7	19.8	27.7	22.8
MerAlliance SAS	MA	100.00*	6.7	5.0	6.0	4.8	1.5	1.2
King Oscar AS	KO	100.00*	2.3	1.7	2.4	1.9	0.4	0.3
Thai Union Germany GmbH	TUGe	100.00*	5.3	4.0	N/A	N/A	N/A	N/A
Thai Union Canada Inc.	TUCa	80.00*	0.0	0.0	N/A	N/A	N/A	N/A
3. USA								
Tri-Union Seafoods LLC	TRI-U	100.00*	13.3	9.9	13.8	11.0	15.1	12.4
Tri-Union Frozen Products Inc.	TUFP	100.00*	30.1	22.4	30.7	24.6	27.5	22.7
U.S. Pet Nutrition LLC	USPN	100.00*	1.7	1.2	1.6	1.2	2.0	1.6
GRAND TOTAL			134.4	100.0	124.9	100.0	121.4	100.0

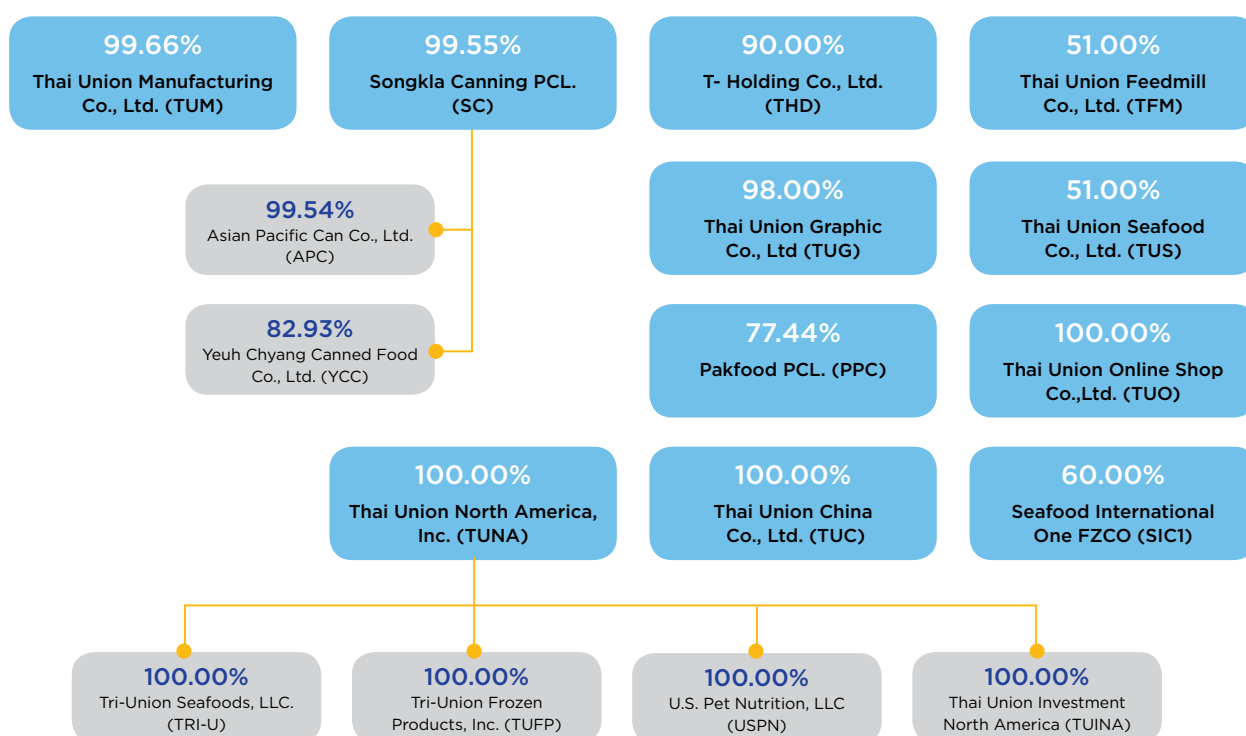
Remarks: The above data refers to sales structure after exclusion of intercompany transactions.

*Owned by Subsidiaries of TU

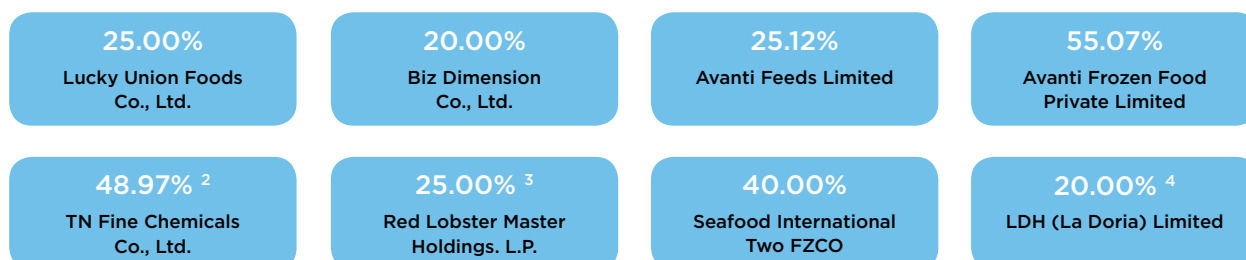


GROUP BUSINESS STRUCTURE

SUBSIDIARY COMPANIES¹

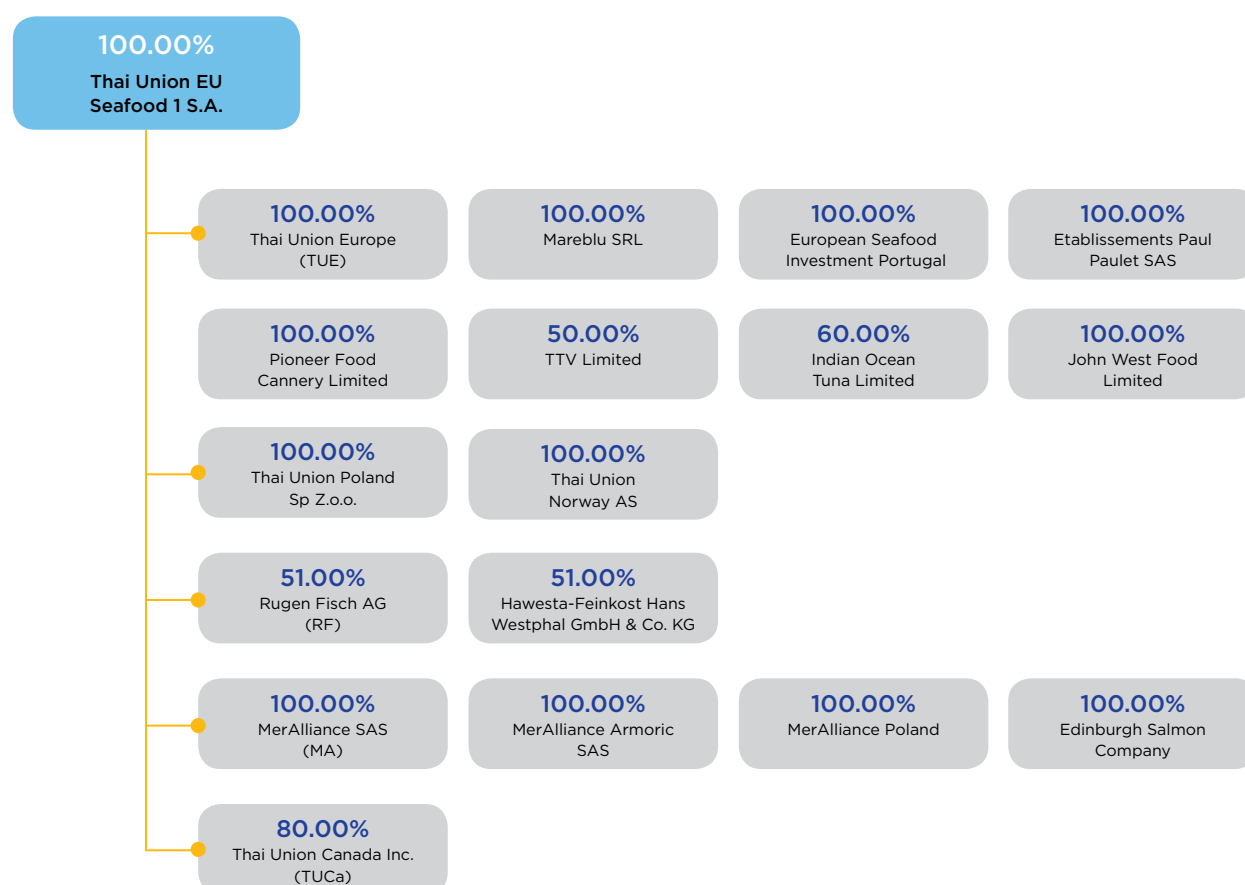


ASSOCIATED COMPANIES

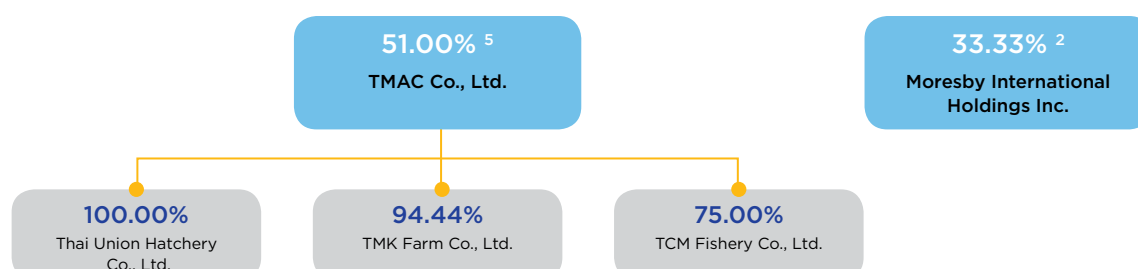


Remark:

1. The list of all subsidiaries is disclosed in the consolidation financial statements.
2. Investment by Thai Union Manufacturing Co., Ltd.
3. Investment by Thai Union Investment North America
4. Investment by John West Food Limited
5. Investment by Thai Union Feedmill Co., Ltd.

SUBSIDIARY COMPANIES¹

JOINT VENTURE COMPANIES





INVESTMENT IN SUBSIDIARIES, ASSOCIATED AND JOINT VENTURE COMPANIES



SUBSIDIARIES COMPANY

THAI UNION MANUFACTURING CO., LTD.

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

SONGKLA CANNING PCL.

Office:	979/9-10 12 th Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel:	(66) 2298-0029
Fax:	(66) 2298-0442 - 3
Factory:	333 Moo 2, Kanjanavanij Road, Pavong Sub-district, Mueang Songkhla District, Songkhla Province 90100
Tel:	(66) 7433-4005 - 8
Fax:	(66) 7433-4009
Type of Business:	Processor and exporter of canned seafood
Registered Capital:	THB 360,000,000 at THB 10 par value
Date of Investment:	October 1995 (Additional investment in March 1999, July 2015 and August 2016)
Type/% Holding/No. of Shares:	Common share 99.55 per cent or 35,839,169 shares

T-HOLDING CO., LTD.

Office	98 17 th Floor Room 1709-1712 Sathorn Square Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel:	(66) 2108-1980
Fax:	(66) 2108-1844
Office/Warehouse	88/111 Moo 6, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	(66) 3481-6500
Fax:	(66) 3481-6603
Type of Business:	Distributor of <i>"Fishe"</i> , <i>"Sealect"</i> , <i>"Bellotta"</i> and <i>"Marvo"</i> 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% or 6,300,000 shares
Website:	http://www.fishe.com

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) 3441-7222
Fax:	(66) 3441-7255
Factory:	103/1 Moo 2, Songkhla-Ranot Road, Pak-Trae Sub-district, Ranot District, Songkhla Province 90140
Tel:	(66) 74536-260 - 2
Fax:	(66) 74536-268
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 September 2010)
Type/% Holding/No. of Shares:	Common share 51.00 per cent or 25,500,000 shares
Website:	http://www.thaiunionfeedmill.com

THAI UNION SEAFOOD CO., LTD.

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

PAKFOOD PUBLIC CO., LTD.

Office: 103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
 Tel: (66) 2295-1991-9
 Fax: (66) 2295-2012
 Factory: 47/29 Moo 4, Khok Kham Sub-district, Mueang District, Samut Sakhon Province 74000
 Tel: (66) 3483-4483
 Fax: (66) 3441-3174
 Type of Business: Processor and exporter of seafood and ready- to- eat products
 Registered Capital: THB 329,999,790 at THB 10 par value
 Date of Investment: April 2012 (Additional investment in December 2012, February 2013, March 2013 and November 2013)
 Type/%Holding/No. of Shares: Common shares 77.44 per cent or 25,554,169 shares
 Website: <http://www.pakood.co.th> and <http://www.timefood.com>

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) 3442-3401 - 6
 Fax: (66) 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 99.54 per cent or 198 shares
 (Invested by Songkla Canning PCL.)
 Common share 0.05 per cent or 1 shares
 (Invested by Thai Union Manufacturing Co., Ltd.)
 Common share 0.05 per cent or 1 shares
 (Invested by Thai Union Graphic Co., Ltd.)

THAI UNION GRAPHIC CO., LTD.

Office: 255 Smaedam Road, Smaedam, Bangkhunthian, Bangkok 10150
 Tel: (66) 2415-5808 - 9, 2895-5865 - 6
 Fax: (66) 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 per cent or 3,920,000 shares
 Website: <http://www.thaiuniongraphic.com>

THAI UNION ONLINE SHOP CO., LTD.

Office: 979/8 26th Floor, S.M. Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
 Tel: (66) 2298-0024
 Type of Business: E-Commerce
 Registered Capital: THB 1,000,000 at THB 10 par value
 Date of Investment: March 2016
 Type/% Holding/No. of Shares: Common shares 100.00 per cent or 99,997 shares

YUEH CHYANG CANNED FOOD CO., LTD.

Office: Nhut Chanh Village, ben Luc District, Long An Province, People's Republic of Vietnam
 Tel: (84) 072-387-2377
 Fax: (84) 072-387-2388
 Type of Business: Processor and exporter of canned seafood
 Registered Capital: USD 1,919,936
 Date of Investment: December 2007
 Type/% Holding/No. of Shares: 82.93 per cent (Invested by Songkla Canning PCL.)

SEAFOOD INTERNATIONAL ONE FZCO

Office : 1317-1318 JAFZA One Building, Tower A, 13th Floor, Office # 1318, Jebel Ali, United Arab Emirates
 Tel : (971) 4 8808318
 Type of Business: Trading of fish and seafood products
 Registered Capital: AED 100,000 at AED 1 each
 Date of Investment: March 2016
 Type/% Holding/No. of Shares: 60 per cent or 60,000 shares

THAI UNION CHINA COMPANY LIMITED

Office: Level 27 Kwah Centre. 1010 Huaihai Middle Road, Shanghai 200031, P. R. China
 Tel: (86) 21-80177564
 Fax: (86) 21-80177899
 Type of Business: Wholesale and retail
 Registered Capital: USD 8 million
 Date of Investment: June 2016
 Type/% Holding/No. of Shares: 100 per cent

THAI UNION NORTH AMERICA, INC.

Office:	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
Tel:	(1) 858 558-9662
Fax:	(1) 858 597-4282
Type of Business:	A holding company for investment in USA
Registered Capital:	Authorized 12,000,000 common shares 10,050,000 shares issued at USD 1 per share
Date of Investment:	February 1996
Type/% Holding/No. of Shares:	Common share 100.00 per cent or 10,050,000 shares
Additional Paid-in-Capital:	USD 319,018,225.18

TRI-UNION SEAFOODS, LLC.

Office:	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
Tel:	(1) 858 558-9662
Fax:	(1) 858 597-4282
Type of Business:	Processor and distributor of canned seafood under "Chicken of the Sea" brand
Equity:	USD 54,738,978.81
Date of Investment:	July 1997 (Additional investment in January 2001)
Type/% Holding/No. of Shares:	100.00 per cent (Invested by Thai Union North America, Inc.)
Website:	http://www.chickenofthesea.com

TRI-UNION FROZEN PRODUCTS, INC.

West Office:	222 North Sepulveda Boulevard, Suite 1550, El Segundo CA 90245 USA
Tel:	(1) 310 469-7030
Fax:	(1) 310 469-7037
East Office:	1981 Marcus Avenue, Suite 113E, Lake Success, NY 11042 USA
Tel:	(1) 516 740-4100
Fax:	(1) 516 621-0199
North East Office:	20 Ladd Street, Portsmouth, NH 03801 USA
Tel:	(1) 603 433-2220
Fax:	(1) 603 433-8535
Type of Business:	Importer and distributor of frozen seafood products
Registered Capital:	Common share 10,000 shares at USD 0.001 par value, USD10
Date of Investment:	July 2003
Type/% Holding/No. of Shares:	Common share 100.00 per cent or 10,000 shares (Invested by Thai Union North America, Inc.)
Additional Paid-in-Capital:	USD 29,097,888.10

U.S. PET NUTRITION LLC.

Office:	9330 Scranton Road, Suite 500, San Diego CA 92121 USA
Tel:	(1) 858 558-9662
Fax:	(1) 858 597-4282
Factory:	212 North Commerce Drive, Lyons, Georgia 30436
Tel:	(1) 912 805-6136
Fax:	(1) 912 526-3344
Type of Business:	Processor and distributor of wet and chop pet food
Equity:	USD 64,000,000
Date of Investment:	October 2010
Type/% Holding/No. of Shares:	100.00 per cent (Invested by Thai Union North America, Inc. 99.00 per cent and Tri-Union Seafoods, LLC 1.00 per cent)

THAI UNION INVESTMENTS NORTH AMERICA LLC

Office:	Sorrento South Corporate Center 9330 Scranton Road, Suite 500, San Diego, California 92121, USA
Tel:	(1) 858 558-9662
Fax:	(1) 858 597-4282
Type of Business:	A holding company for investment in USA
Equity:	USD 200,000,000
Date of Investment:	September 2016
Type/% Holding/No. of Shares:	100.00 per cent (Invested by Thai Union North America, Inc.)

THAI UNION EU SEAFOOD 1 S.A.

Office :	46A Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg
Type of Business:	Holding Company
Registered Capital:	210,250,690 shares at EUR 1 par value
Date of Investment:	October 2010
Type/% Holding/No. of Shares:	Common share 100.00 per cent or 210,250,690 shares

THAI UNION EUROPE

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:	31,367,000 shares at EUR 1 par value
Date of Investment:	October 2010
Type/% Holding/No. of Shares:	Common share 100.00 per cent or 31,367,000 shares (Invested by Thai Union France Holding 2 SAS)

EUROPEAN SEAFOOD INVESTMENT PORTUGAL

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

MAREBLU SRL

Office: via dei Missaglia 97 ed. B2, Milano, 20142, Italia
 Tel: (39) 0 257 420 032
 Fax: (39) 3 216 103 2
 Type of Business: Purchase and sale of food for human consumption
 Registered Capital: 100,000 shares at EUR 1 par value
 Date of Investment: October 2010
 Type/% Holding/No. of Shares: 100.00 per cent (Invested by Thai Union Europe for 74 per cent and Thai Union France Holding 2 for 26 per cent)

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: 60.00 per cent
 (Invested by Thai Union Europe)

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 per cent or 636,811 shares
 (Invested by Thai Union Europe)

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: USD 28,477,000
 Date of Investment: October 2010
 Type/% Holding/No. of Shares: 100.00 per cent (Invested by Etablissements Paul Paulet SAS)

TTV LIMITED

Office: Fishing Harbour TEMA, Ghana
 Tel: (233) 303 204 431
 Fax: (233) 303 206 218
 Type of Business: Tuna fishing, sell and export tuna
 Registered Capital: USD 2,250,000
 Date of Investment: October 2010
 Type/% Holding/No. of Shares: 50.00 per cent (Invested by Etablissements Paul Paulet 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 per cent
 (Invested by UK Seafood Investment Limited)

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 per cent or 50,000 shares
 (Invested by Européenne de la Mer SAS)

MERALLIANCE ARMORIC SAS

Office: 55 Avenue de Kéradenec 29556 Quimper, France
 Tel: (33) 2-98-64-72-72
 Fax: (33) 2-98-64-72-70
 Type of Business: Manufacturer of smoked salmon
 Registered Capital: 214,274 shares at EUR 15.25 par value
 Date of Investment: October 2014
 Type/% Holding/No. of Shares: Common share 100.00 per cent or 214,274 shares
 (Invested by Européenne de la Mer SAS)

MERALLIANCE POLAND

Office: TARGOWA 34, 86-070 DABROWA CHELMINSKA, Poland
 Tel: (48) 52 381 69 58
 Fax: (48) 52 381 60 64
 Type of Business: Manufacturer of smoked salmon
 Registered Capital: 45,000 shares at PLN 10 par value
 Date of Investment: October 2014
 Type/% Holding/No. of Shares: Common share 100.00 per cent or 45,000 shares
 (Invested by Européenne de la Mer SAS)

EDINBURGH SALMON COMPANY

Office: 1 Strathview, Dingwall Business Park, Dingwall IV15 9XD United Kingdom
 Tel: (44) 1349 860 600
 Fax: (44) 1349 860 606
 Type of Business: Manufacturer and distributor of smoked salmon
 Registered Capital: 200,000 shares at GBP 1 par value
 Date of Investment: October 2014
 Type/% Holding/No. of Shares: Common share 100.00 per cent or 200,000 shares
 (Invested by Européenne de la Mer SAS)

THAI UNION NORWAY AS

Office: Nostegaten 58, N5805 Bergen, Norway
 Tel: (47) 482-93-000
 Type of Business: Holding company
 Registered Capital: 30 shares at NOK 1,000 par value
 Date of Investment: October 2014
 Type/% Holding/No. of Shares: Common share 100.00 per cent or 30 shares
 (Invested by Thai Union EU Seafood 1 S.A.)

THAI UNION POLAND SP Z.O.O.

Office: Strzebielinko 22, 84-250 Gniewino, Poland
Tel: (48) 670-65-00
Type of Business: Manufacturer and distributor of canned seafood
Registered Capital: 1,000,100 shares at PLN 50 par value (50,005,000 PLN).
Date of Investment: October 2014
Type/% Holding/No. of Shares: Common share 100.00 per cent or 1,000,100 shares
(Invested by Thai Union EU Seafood 1 S.A.)

RUGEN FISCH AG

Office: Straße der Jugend 10, 18546 Sassnitz, Germany
Tel: (49) 0 38392 60-0
Fax: (49) 0 38392 32041
Type of Business: Processor and distributor of seafood
Registered Capital: EUR 2,827,840
Date of Investment: January 2016
Type/% Holding/No. of Shares: 51.00 percent
(Invested by Thai Union Germany GmbH)

HAWESTA-FEINKOST HANS WESTPHAL GMBH & CO. KG

Office: Mecklenburger Str. 140-142, 23568 Lübeck, Germany
Tel: (49) 0 451 69 35 - 0
Fax: (49) 0 451 69 35 - 155
Type of Business: Processor and distributor of seafood
Registered Capital: EUR 4,000,000
Date of Investment: January 2016
Type/% Holding/No. of Shares: 100.00 percent
(Invested by Rugen Fisch AG)

THAI UNION CANADA

Office: 78 Rue du Quai, Val Comeau, NB Canada, E1X 4L1
Tel: (1) 506 395-3292
Fax: (1) 506 395-3849
Type of Business: Lobster processor
Registered Capital: CAD 16,394,536
Date of Investment: June 2016
Type/% Holding/No. of Shares: 80.00 per cent or 91,726 shares
(Invested by Thai Union EU Seafood 1 S.A.)



ASSOCIATED COMPANY

LUCKY UNION FOODS CO., LTD.

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

BIZ DIMENSION CO., LTD.

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

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 per cent or 2,282,042 shares

AVANTI FROZEN FOOD PRIVATE LIMITED

Office:	G2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad 500 082, Telangana, India
Tel:	(91) 40-23310260/261
Fax:	(91) 40-23311604
Type of Business:	Manufacturer & exporter of animal feeds and shrimp products
Registered Capital:	INR 101,000,000 at INR10 par value
Date of Investment:	July 2016
Type/% Holding/No. of Shares:	Common shares 55.07 per cent or 4,006,667 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) 3442-3686
Fax:	(66) 3442-3688
Type of Business:	Processor and exporter of seafood by-products, i.e. high grade oil extracts from tuna fish, glucosamine derived from shrimp shell
Registered Capital:	THB 90,000,000 at THB 10,000 par value
Date of Investment:	March 2009
Type/% Holding/No. of Shares:	Common share 48.97 per cent or 4,407 shares (Invested by Thai Union Manufacturing Co., Ltd.)

SEAFOOD INTERNATIONAL TWO FZCO

Office:	1317-1318 JAFZA One Building, Tower A, 13th Floor, Office # 1318, Jebel Ali, United Arab Emirates
Tel :	(971) 4 8808318
Type of Business:	Trading of fish and seafood products
Registered Capital:	AED 100,000 at AED 1 each
Date of Investment:	March 2016
Type/% Holding/No. of Shares:	40 per cent or 40,000 shares

LDH (LA DORIA) LIMITED

Office:	LDH House, Parsons Green, St.Ives, Cambridgeshire, PE27 4AA
Tel :	(44) 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:	20.00 per cent or 200,000 shares (Invested by John West Food Limited)

REB LOBSTER MASTER HOLDINGS. L.P.

Office:	450 S. Orange Ave., Suite 800 Orlando FL 32801-3383, USA
Tel:	(407) 734-9000
Type of Business:	Holding Company
Registered Capital:	7,600,000 common units of USD 92 each 2,400,000 preferred units of USD 143.75 each
Date of Investment:	October 2016
Type/% Holding/No. of Shares:	Common unit 25.00 per cent or 2,500,000 units Preferred unit 24.00 per cent or 2,400,000 units (Invested by Thai Union Investment North America LLC)



MORESBY INTERNATIONAL HOLDINGS, INC. (MIH)

Office:	Morgan & Morgan Building Pasea Estate Road Town, Torttotal 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 per cent (Invested by Thai Union Manufacturing Co., Ltd.)

TMAC CO., LTD.

Office:	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	(66) 3441-7261-3
Fax:	(66) 3441-7264
Type of Business:	Shrimp Farm
Registered Capital:	THB 1,130,000,000 at THB 10 par value
Date of Investment:	December 2012
Type/% Holding/No. of Shares:	Common share 50.99 per cent or 57,629,997 shares (Invested by Thai Union Feedmill Co., Ltd.)

THAI UNION HATCHERY CO., LTD.

Office:	89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	(66) 3441-7261-3
Fax:	(66) 3441-7264
Factory:	42 Moo 14, Kokkloy Sub-district, Takuatung District, Phangnga Province 82140
Tel:	(66) 7658-4000 - 27
Fax:	(66) 7658-4028 - 9
Type of Business:	Quality white-shrimp breed development to produce and distribute high-quality nauplii and postlarvae to farmers
Registered Capital:	THB 315,000,000 at THB 10 par value
Date of Investment:	April 2006 (Additional investment in November 2007, April 2011 and January 2013)
Type/% Holding/No. of Shares:	Common share 100.00 per cent or 23,999,950 shares (Invested by TMAC Co., Ltd.)

TCM FISHERY CO., LTD.

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

TMK FARM CO., LTD.

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



INDUSTRY OVERVIEW

Prospects for the global fish and seafood market are positive in all regions

Over the past three years, the global fish and seafood market has continued to grow steadily at CAGR 4.1 percent (2014-16) and reached a combined value of USD 216 billion in 2016.

Market growth is expected to accelerate to CAGR 4.5 percent (2016-18), reaching USD 236 billion, due to a combination of both price increases and consumption growth.

Global fish and seafood consumption is forecast to increase approximately 7 percent from 20.3 kg per capita in 2015 to 21.8 kg per capita in 2025. This projected growth is largely driven by APAC countries e.g. Indonesia, Malaysia and China, where the consumption of seafood is considerably higher than the global average.

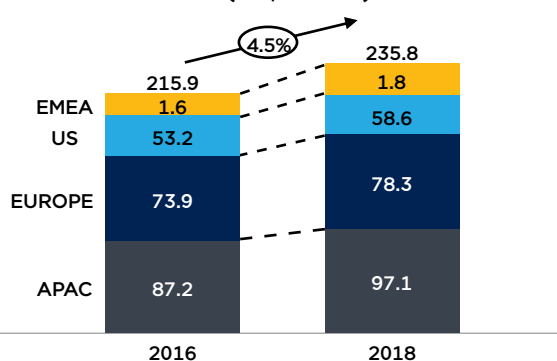
Market by geography

The Asia Pacific region (APAC) accounts for approximately 40 percent of the global fish and seafood market value share. Because of growing demand for fish and seafood, increased disposable income, urbanization, and evolving consumption habits, this value share is expected to remain stable.

Europe is the second largest fish and seafood market, accounting for approximately 32 percent of the global market in 2016. The market has shown signs of maturity and is growing much more slowly than other regions; with market share expected to exhibit a slight decline by 2018.

The US is the third largest fish and seafood market and the biggest fish and seafood importer, with the majority of suppliers coming from the APAC region as well as Canada and Ecuador. The US market outlook for 2018 is expected to grow to USD 58.6 billion (CAGR 5.0 percent), representing a market share of approximately 25 percent. This growth arises from consumers purchasing more premium seafood as a result of improving disposable income and health concerns.

Fish and Seafood Market Value by Geography
(in \$ billion)



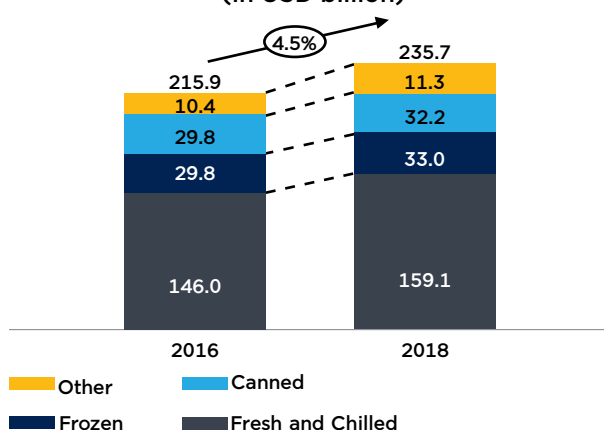
Source : Technavio Global Fish & Seafood (Projections)

Market by Segment

Fresh and chilled fish and seafood accounted for the majority of the global fish and seafood market in 2016, representing 67 percent. As the global population becomes increasingly health conscious with an increased demand for quality food, the category is expected to continue to lead the market, with an increase of 40 basis points by 2018.

The Frozen category is expected to overtake the canned market in 2018 to reach USD 33 billion due to an increase in frozen fish and seafood exports to the US and Europe, driven by longer shelf lives for frozen products.

Fish and Seafood Market Value by Segment
(in USD billion)



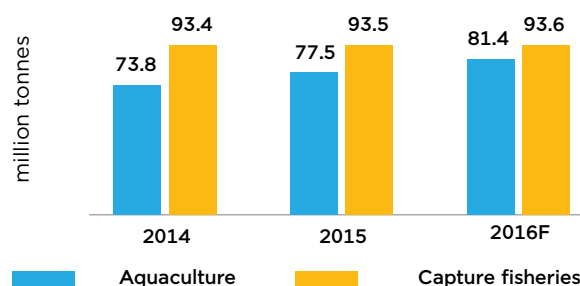
Aquaculture surpassing capture fisheries for consumption

World fish and seafood production exceeded 170 million tonnes in 2015; of which 55 percent came from capture fisheries. However, 53 percent of per capita fish consumption was from aquaculture, and this trend is expected to continue shifting in the coming years due to the following:

Firstly, the El Nino phenomenon will continue to reduce the number of wild caught fish;

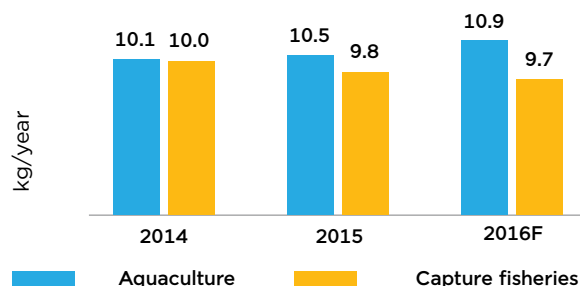
Secondly, increased world population growth, centered in developing countries, associated income growth, and growing health awareness, will result in an increased demand for fish and seafood. Capture fisheries are expected to be unable to support this demand and therefore aquaculture production will play an increasingly significant role.

World Fishery production



Source : FAO Globefish Highlights 2016

Per Capita Fish Consumption



Source : FAO Globefish Highlights 2016

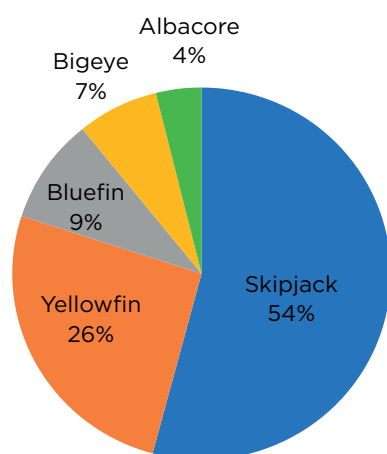
Our main resources and pricing trends: tuna, shrimp and salmon

According to the FAO, tuna, shrimp and salmon remain the most popular traded species of seafood, accounting for 42 percent of the total value share. They also represented 72 percent of Thai Union's revenue in 2016 and therefore we continue to closely monitor global pricing trends for each species.

Skipjack is commonly used for canned tuna with a fluctuating price throughout 2016

Skipjack tuna is the most common species used for global processed and canned tuna. According to the FAO, about 54 percent of tuna produced was skipjack, followed by yellowfin, bluefin, bigeye and albacore.

Global tuna production by species, both wild and farmed in 2014



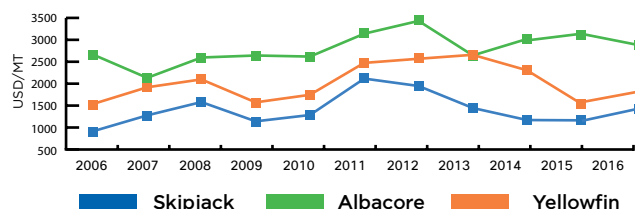
Source: FAO Globefish Highlights 2016

The price trends of skipjack and yellowfin have been relatively correlated during the past 10 years. Both demand and supply patterns for these two species are similar: they are caught by the same type of vessels and sold to the same processing plants, which means the demand and supply vary correspondingly. Since yellowfin live longer and reach larger sizes than skipjack, it always has a higher price due to its size. Unlike skipjack and yellowfin, albacore have a wide distribution and highly-migratory characteristics, the levels of catch varied enormously ranging from 170 to 255,000 MT over the past 25 years. Consumer demand for albacore is relatively high, especially within the US market, due to its visual appeal, and therefore is able to command a premium price point.

At the beginning of 2016, the catches of skipjack improved, with the average tuna price stabilized at 1,085 USD/MT in Jan-Feb, lower than the average of 2015. However, most buyers in the industry believed the price should have bottomed, which therefore attracted more buyers. As a result, the price increased to an average of 1,570 USD/MT in Mar-May. For the last half of 2016, the prices for skipjack did not follow the historical norm. Unlike the usual high season of Q3, the price stabilized around 1,400-1,450 USD/MT. By the end of the year, where we usually see the lower price trend, skipjack

prices reached 1,625 USD/MT in December, up from 1,500 USD/MT (+8 percent) in November and 1,000 USD/MT in 2015 (+63 percent). Skipjack tuna prices in December surpassed November price levels for the first time since 2010, mainly due to low fishing volume in the Western Pacific and Indian Oceans.

Average tuna price by species during 2006 - 2016 (Bangkok landings, WPO)

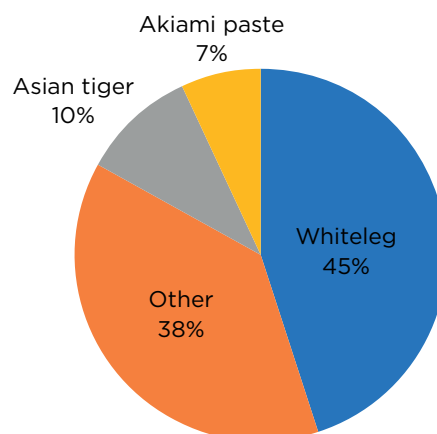


Source: Thai Union Group

Recovery of shrimp production in Thailand

In terms of global shrimp production, the most common species used are whiteleg shrimp (45 percent) which are mostly farmed in Ecuador, India, Thailand, China and Argentina.

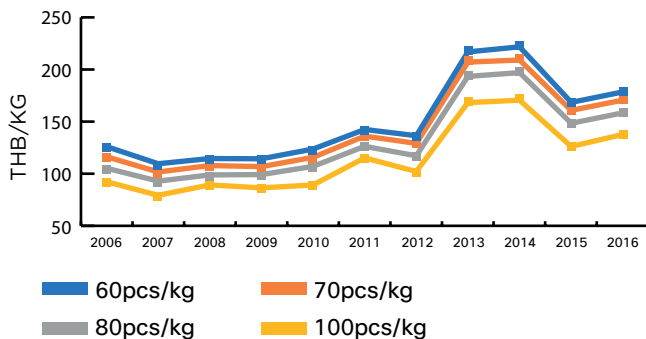
Global shrimp production by species, both wild and farmed in 2014



Source: FAO Globefish Highlights 2016

In 2016, the average price of whiteleg shrimp was THB 179 per kg (60 pieces per kg), up 6 percent from the previous year. Shrimp farmers in countries such as China, India, and Vietnam faced challenges including poor weather conditions and disease outbreaks. Thailand remained the only country where supply from the shrimp farming sector remained relatively intact. As the overall demand for shrimp continued to grow, prices therefore slightly increased due to the high demand and low overall supply. Thailand also had a slow but steady rise in whiteleg shrimp production, where it reached almost 300,000 MT in 2016. The shrimp production will continue to recover from the EMS (Early Mortality Syndrome) epidemic that occurred in 2013-2014. Therefore, the price should remain steady in the following year.

Average whiteleg shrimp price by size during 2006 - 2016 in Thailand



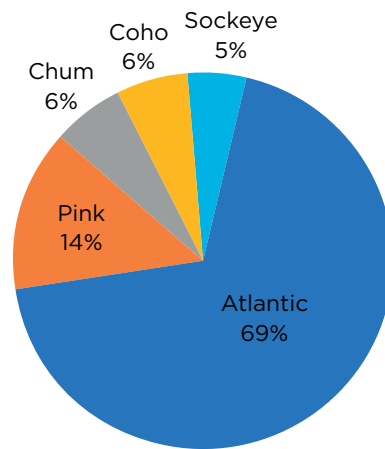
Source: Thai Union Group

Unprecedented high global salmon price

The supply of salmon continues to be primarily through aquaculture with the main species being Atlantic salmon. Norway and Chile are the top two producers of salmon worldwide, whereas EU, Japan, USA and other developing economies are the main importers of salmon.

In 2016, farmed salmon prices continued to rise to unprecedented levels, reaching an average price of 63 Norwegian Krone (NOK) per kilogram, up 50 percent compared to its average of the previous year. The price increase was mainly due to tightening global supply and increased demand throughout the year. The worldwide stocks and production faced multiple challenges from both environmental issues and disease epidemics:

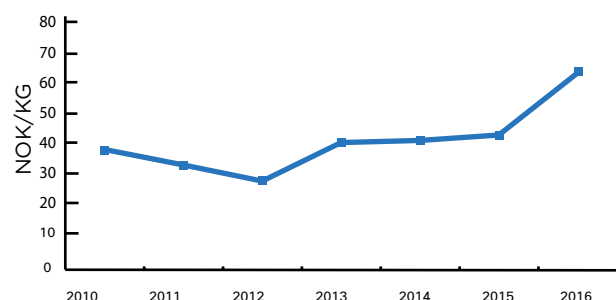
Global salmon production by species, both wild and farmed in 2014



Source: FAO Globefish Highlights 2016

- Algal bloom mortalities in Chile: The El Niño phenomenon caused abnormally high ocean temperatures, which allowed algae blooms to flourish. The toxic algae reduced salmon stocks by approximately 123,000 tons (16 percent of global production), making Chilean wholesale prices for the year increase by 60 percent.
- Outbreak of sea lice in Norway: Extreme weather and the ongoing presence of sea lice in some areas resulted in lower than average salmon size, in turn lowering the efficiency of salmon aquaculture.
- Decreased number of global wild harvests: With steady global demand for salmon, lower wild harvests also contributed to higher average salmon prices.

Average salmon price during 2010 - 2016 in Norway



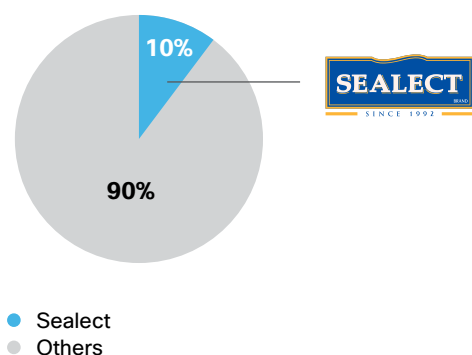
Source: Fish Pool ASA



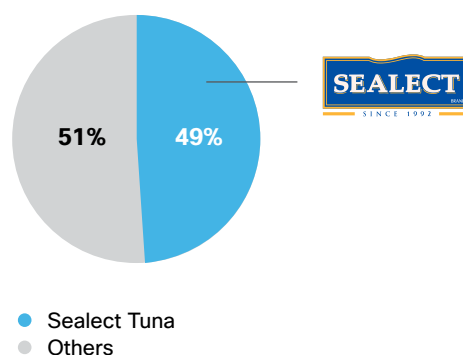
SELECTED BRAND SHARE IN 2016

THAILAND

Market share of SEAELECT in Thailand (canned fish market)

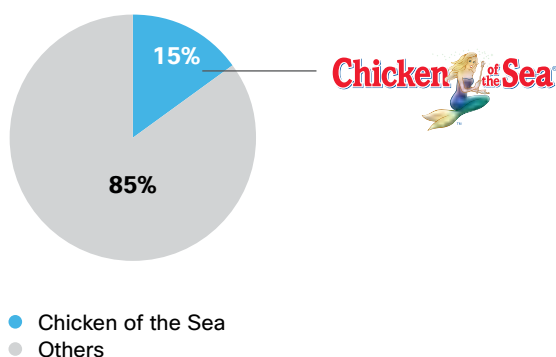


Market share of SEAELECT TUNA in Thailand (canned tuna market)

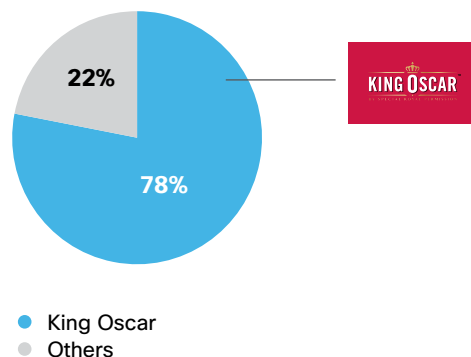


USA

Market share of Chicken of the Sea in USA

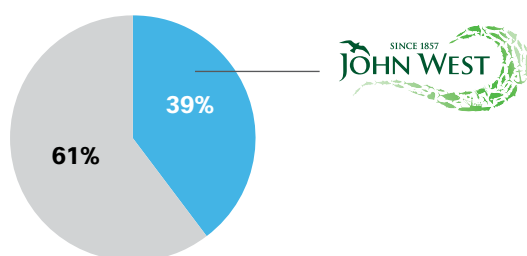


Market share of King Oscar in USA (premium sardines)



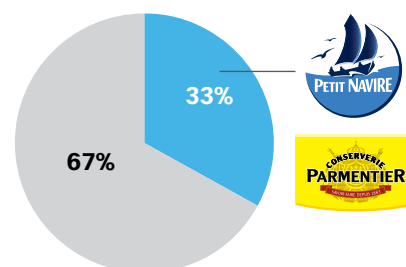
EUROPE

Market share of John West in UK



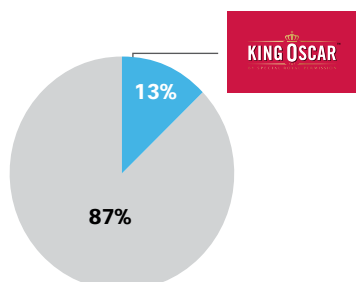
● John West
● Others

Market share of Petit Navire and Parmentier in France



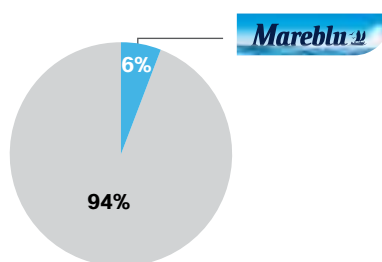
● Petit Navire and Parmentier
● Others

Market share of King Oscar in Norway



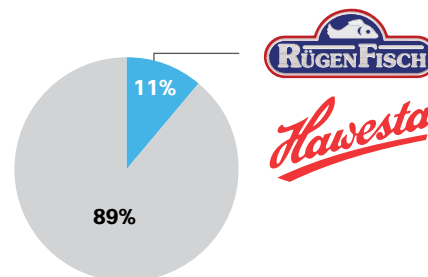
● King Oscar
● Others

Market share of Mareblu in Italy



● Mareblu
● Others

Market share of Rügen Fisch and Hawesta in Germany



● Rügen Fisch and Hawesta
● Others

Source: AC Nielsen and IRI



SUSTAINABILITY AT THAI UNION



Sustainable development is essential to the future of Thai Union's business and growth; it is fundamental to being a responsible corporate citizen and how we will achieve our vision of being the world's most trusted seafood leader.

We have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. Recognizing this responsibility to show leadership, we heeded our stakeholders' calls with SeaChange®, Thai Union's sustainability strategy with measurable commitments to delivering real, lasting changes in the way we operate. SeaChange® aims to drive a positive transformation throughout the global seafood industry.

We think of SeaChange® as a journey that covers every aspect of the seafood business: from how we look after the oceans to how we manage our waste; from

the responsibility we take for our workers to building brighter futures for the communities around our key sites. In 2016, Thai Union was listed on the Dow Jones Sustainability Indices (DJSI) Emerging Markets, with our SeaChange® sustainability strategy successfully driving the score for Materiality to an industry best-in-class 100th percentile.

The backbone of our sustainability strategy is the ability to fully trace our seafood – from catch to consumption. With full traceability in place, we will be able to identify, investigate and improve performance on key issues such as labor and responsible sourcing.

While this work is designed to have a positive impact on the seafood industry, the milestones we achieve under our programs will also deliver against the United Nations Sustainable Development Goals (SDGs) and are guided by our commitment to the UN Global Compact.



UN GLOBAL COMPACT AND UN SUSTAINABLE DEVELOPMENT GOALS

As a member of the United Nations (UN) Global Compact, Thai Union has been working to implement the commitments in the Global Compact's Ten Principles since 2013. All of the principles have been incorporated into our Business Ethics and Labor Code of Conduct, which governs not only how our own staff operate but also how we would like our supply chain to operate. In this way, we are extending our influence and using business as a powerful force for change.

In 2016, under our SeaChange® strategy, we focused on three of the UN's SDG's, contributing to broader societal change in areas where we can have direct

influence. Although our work contributes to all 17 SDGs in a number of ways, we have chosen to specifically focus on contributing to the biosphere, society and economy. This also helps us form partnerships globally to contribute to increased sustainable development.

Our milestones against each of our four programs under SeaChange® will demonstrate our progress by 2020 and will contribute to the SDGs' 2030 targets.

CASE STUDY – THAI UNION CONTINUES ITS TRANSITION TO DIGITAL PAYMENTS WORLDWIDE

Recent research has indicated that access to financial services can help the world more effectively and efficiently achieve the SDGs. Yet, more than 2 billion people around the globe continue to lack access to financial services, finding themselves excluded from the formal financial system and left at the margins of society.

Increasing evidence shows that in addition to improving efficiency for companies and contributing to job creation and economic growth in line with SDG 8, the digitization of payments has important benefits for individuals, too. In light of this, in 2016 Thai Union continued to transition workers across our operations around the

globe to electronic payments. Now, 100 percent of our workers in Thailand receive payments electronically. This includes our plant-level workers, some of whom are migrants, prompting many to get bank accounts for the first time.

Moving forward, Thai Union is committed to looking at how to further scale up digital payments across our operations, as well as examine financial education and gender finance initiatives to help improve the lives of our workers. For example, offering financial literacy programs could raise our employees' awareness of the benefits of accumulating savings and ability to do so.



SAFE & LEGAL LABOR

Providing safe, legal and freely-chosen employment in our own facilities and in supply chains is critically important to Thai Union.

While we have significant programs in place for our own employees, we are also partnering with specialist organizations and NGOs to ensure that those working in the wider industry are protected.

Globally, almost none of the fish we use is caught by Thai Union-owned vessels but we are using our market position to improve labor conditions throughout the seafood supply chain. We know that full traceability of all our seafood products, from catch to consumption, will help accurately identify gaps in safe and legal labor



and, critically, give workers a voice.

We are committed to this work and to helping the industry deliver against the United Nations' goal to provide decent work and economic growth for communities and individuals throughout the world.



CASE STUDY - EXPANDING THAI UNION'S CHILDREN'S EDUCATION RIGHTS PROGRAM

The fishing industry continues to face challenges in achieving equality and fair treatment of migrant workers in Thailand, stemming from informal and illegal labor practices such as human trafficking, forced labor, child labor and debt bondage. Thai Union has many initiatives underway to help protect the rights of migrant workers in Thailand.

We aim to prevent instances of child labor and trafficking by making sure Thai Union's migrant workers in Thailand understand their rights. We also recognize that education is an important foundation for a better life. To help boost the English language skills of migrant workers' children, Thai Union created a fun English teaching program at Wat Si Suttharam School in Thailand, where one of the company's preschools is located.

In 2016, Thai Union and the Labour Rights Promotion Network (LPN) expanded our children's education rights program to cover additional issues, including labor rights, for migrant worker communities in Samut Sakhon, Thailand. Together, we developed booklets with useful information on children's education rights, child labor, online endangerment, human trafficking and an emergency number to report violations. The program aims to ensure migrant workers understand their rights under Thai law, the risks of human trafficking and how to protect themselves. LPN distributed 5,000 booklets to migrant workers in 2016, and in 2017, LPN will offer the training program and distribute booklets to all Thai Union workers.

RESPONSIBLE OPERATIONS

Climate change and other global environmental risks have an increasingly negative impact on our oceans and threatens the existence of many marine species. We have initiatives in place that contribute to the Paris Agreement of net-zero emissions, use innovative and robust management practices to reduce our water and electricity consumption, and ensure that everyone who

works for Thai Union plays an active part in delivering against our environmental goals.

We also strive to make advances in our occupational health and safety policies; continually strengthening our safety standards, procedures and processes.

CASE STUDY – GARBAGE BANK

To promote environmental awareness, Thai Union established our Garbage Bank program in 2014. This allows us to encourage staff involvement in an environmental initiative and raises funds to support local communities. The program is designed to:

1. Improve the awareness and ability of Thai Union's staff to identify waste, both at the workplace and at home
2. Reduce plastic waste in the community
3. Use income from the program to support social projects

4. Promote collaboration among supervisors, officers and staff in the facility

In 2016, the Garbage Bank generated THB 13,336 by selling collected plastic waste. The revenue supported educational materials for the children of Thai Union workers. This program is also contributing to Thai Union's efforts to reduce the amount of plastic waste entering the ocean.

RESPONSIBLE SOURCING

Traceability is the backbone of our responsible sourcing program and is key to improving the transparency and operational practices of the entire seafood industry. With traceability in place, we can track every product – from catch to consumption – and we can encourage our suppliers support our sustainability commitments.

Through transparency, combined with our broad range of initiatives to improve the sourcing of seafood, we are delivering against the UN SDGs to protect and nurture life below the water. And we are also ensuring the health, productivity and resilience of the global environment now and for generations to come.

PEOPLE & COMMUNITIES

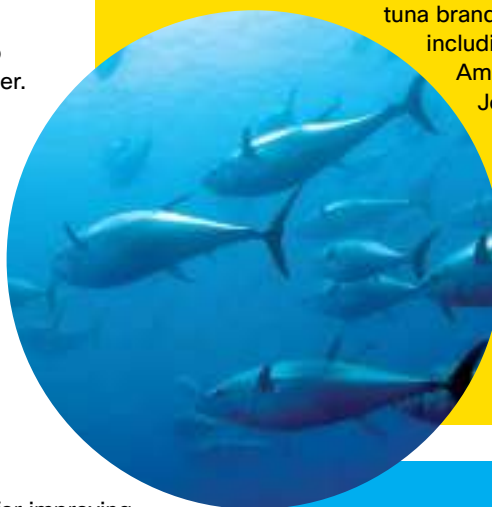
At Thai Union, we take responsibility for improving the lives of those living and working in the regions in which we operate. This includes cleaning marine environments and supporting efforts to end hunger through food donations, to educating children and providing nutritional information to local communities.

There is a global protein challenge of how to feed an estimated world population of 9 billion people by 2030. Without sustainable seafood production, both from aquaculture and from wild capture, we cannot achieve the Sustainable Development Goal of zero hunger.

CASE STUDY – AN AMBITIOUS GOAL FOR SUSTAINABLY-SOURCED TUNA

Last year, Thai Union announced an ambitious strategy to ensure 100 percent of its branded tuna is sustainably sourced with a commitment of achieving a minimum of 75 percent by 2020. As part of the new tuna strategy, Thai Union is investing USD 90m in initiatives that will increase the supply of sustainable tuna. This includes establishing, around the world, 11 new Fishery Improvement Projects (FIPs), a program to transform a fishery, ensuring sustainable fish stocks, minimized environmental impacts, and improved management of the fishery.

The commitment will apply to all of Thai Union's tuna brands sold around the world, including Chicken of the Sea (North America), Genova (North America), John West (Northern Europe and Middle East), Mareblu (Italy), Petit Navire (France), and SEALECT (Thailand). Each of these brands will report publicly on their progress against the 2020 commitment on a regular basis.



CASE STUDY – SCIENCE CAMP FOR LOCAL CHILDREN

Thai Union organized a science camp for children from three schools in Thailand: Ban Kok Khok Witthaya School, Ban Sok Tae School, and Ban Khok Yai School. Held at the Ban Kok Khok Witthaya School in Buriram province, Thailand, 64 scientists from Thai Union's Global Innovation Incubator led the program to teach children basic science and logical thinking skills.



INNOVATION AT THAI UNION



OUR APPROACH TO INNOVATION

An insatiable curiosity. A determination to evolve with changing consumer trends. A commitment to being the seafood industry's leading agent of change. An ambitious goal for sustainable business growth.

This is why we invest in innovation. It's how we'll become the world's most trusted seafood leader.

“ We challenge ourselves to think boldly, question the status quo and take calculated risks to unlock revolutionary changes in the way seafood is procured, produced, packaged and consumed. We know a better way is always just around the corner. ”



GLOBAL INNOVATION INCUBATOR

DEVELOPING GAME-CHANGING TECHNOLOGIES, PROCESSES AND PRODUCTS

Combining the forces of leading academic and in-house researchers – with decades of global experience in marine biotechnology; engineering; and nutraceuticals, food and nutritional science – Thai Union's Global Innovation Incubator (Gii) is modernizing the seafood industry.

Launched in 2015, the R&D facility in Bangkok, Thailand deploys unconventional investigation of seafood to:

- Enhance product quality, nutrition and consumer satisfaction.
- Accelerate our sustainability through smarter utilization of fishery resources, optimization of processes and technology, and value creation of byproducts.
- Create new corporate revenue streams from research and development tailored for new business growth.

Our team of industry experts stationed worldwide applies local consumer insights and market trends to emerging products, processes and technologies, tailoring Gii outputs for global market success.



COLLABORATION FOR INNOVATION

In a unique partnership with Mahidol University, Kasetsart University, King Mongkut University of Technology Thonburi, Naresuan University of Technology, and Prince of Songkla University in Thailand, the Gii leverages knowledge transfer between academia and industry. Working under the supervision of academic advisors, eligible Thai Union employees

continue their education and conduct Gii research simultaneously, ultimately earning post-graduate degrees.

This public-private partnership embeds validity within the Gii, offers universities industry exposure, maintains low costs through shared use of facilities, and builds valuable intellectual property for all involved.

DID YOU KNOW?

- With an investment of over THB 600 million, products and services originating from the Gii are projected to contribute as much as 10 percent of Thai Union's top-line revenue by the year 2020.
- The Gii has expanded to cover 1,200 square-meters – double its current size – and invested over THB 100 million in new research equipment.
- In 2015, our fundamental research on tuna received national recognition from the government of Thailand.
- We seek strategic innovation partnerships with institutions – private and public – around the world.

A STRATEGIC CORNERSTONE

Innovation is one of the six key corporate values to which we align every business decision because it is the foundation of our future. Nurturing curiosity and promoting scientific inquiry drives cutting-edge advancements critical to our sustainable business growth.

We begin our research by asking how Thai Union can:

- Better address the fundamental needs of the global consumer?
- Differentiate ourselves in the face of fierce global competition?
- Lead the way to a sustainable future?

Innovation is a trifecta solution: It's how we enhance product quality, nutrition and satisfaction to better serve consumer desires, and it's how we create shared value for our investors while carving a path for a sustainable seafood industry.

The Global Innovation Incubator (Gii) is driven by a deep exploration of outside-the-box ideas, and a culture of challenging assumptions and intensive problem solving. It is structured around four foundational pillars: **Science and Research, Technology and Development, Innovation Support and Industrialization**



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, nor are they employed by, or do they perform, consulting roles for the company.

In 2016, 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 23 meetings.

3. Mr. Nart Liuchareon,

Independent Director and Audit Committee Member, attended 21 meetings.

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 2016 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 have been reviewed and audited by the external auditor with unmodified opinion. The Committee met with the external auditor without the presence of company management. 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, which extends to all subsidiaries, and has also demonstrated corporate governance with care for society and the environment. In addition, the Committee has reviewed the company's 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 their own performance 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 meetings; 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 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 the internal control system evaluation by regularly perusing the work plan and internal audit reports. No significant fault was found. The internal auditor reported that the company and

its subsidiaries internal control are effective and the external auditor also reported that the internal control for accounting and finance is sufficient and appropriate. The Committee has annually reviewed the Audit Committee Charter and the Internal Audit Charter. 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 2016, 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 the aforementioned regulatory requirements.

6. Company and its subsidiaries visit

The Committee visited the company and seven of its domestic subsidiaries and three 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

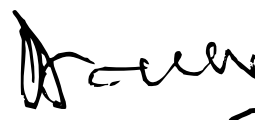
auditors. The Committee also observed production facilities, inventory management system and overall situations.

7. The Committee was able to conduct its 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 2017

The Committee is satisfied with the external auditor performance in the past year. Furthermore, after the Committee already reviewed qualification and independence of auditors, they found that the auditors have fully complied with regulations including the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) regulations. The Committee proposes to the Board of Directors for consideration and approval and was approved from the Annual General Meeting to appoint Mr. Somchai Jinnovart, and/or Mr. Vichien Khingmontri, and/or Mr. Prasit Yuengsrikul and/or Mr. Pongthavee Ratanakoses, from Pricewaterhouse Coopers ABAS Limited as the external auditor(s) of the company and subsidiaries for 2017.



Mr. Sakdi Kiewkarnkha
Audit Committee Chairman



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders

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. The Committee has compiled details relating to the composition, duties and responsibilities required to discharge its duties as assigned by the Board of Directors in the recruitment, selection and presentation of individual directors to the Board, qualified by knowledge and ability, experience and expertise to conduct business, as well as to offer a compensation plan for the Board and Committees.

The Nomination and Remuneration Committee will be comprised of two Directors and all of them are Independent Directors as follows:

1. Dr. Thamnoon Ananthothai

Chairman of the Nomination and Remuneration Committee.

2. Mr. Sakdi Kiewkarnkha

Member of the Nomination and Remuneration Committee.

In 2016, the Remuneration and Nomination Committee convened three times, and each time a quorum was met with the following resolutions:

1. Followed the granting of rights to allow a shareholders' proposal of decent persons they think fit to become director candidates, as well as proposal of a meeting agenda for the 2016 Annual General Meeting of Shareholders. Following the

Company's announcement of such grant of rights through the Stock Exchange of Thailand and on the corporate website between October 30, 2015 and February 15, 2016, there were eventually neither qualified director candidates nor a meeting agenda proposed by shareholders through the said entire 108 days entry period.

2. Proposed candidates for membership on the Board of Directors and proposed a list of candidates to the Board of Directors for approval.
3. Proposed compensation for the company's directors to the Board of Directors for consideration and subsequent approval, as well as disclosed of the remuneration of the directors, committees and management in the annual report.

The Nomination and Remuneration Committee has the duty to offer advice commenting on the importance of prudence, transparency and independence, according to the principles of corporate governance and as an act of good faith in the interests of the company and shareholders.

Dr. Thamnoon Ananthothai

Chairman of the Nomination and Remuneration Committee



CORPORATE GOVERNANCE REPORT

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 both the domestic and international markets. For this reason, the Board of Directors has been committed to running operations under a good corporate governance framework, which comprises directors and executives who are leaders with visions and responsibilities, and a management structure which controls, monitors, provides checks and balances for fairness, morality and transparency concerning the equity of the shareholders and the stakeholders in order to increase the competitive advantage, which will build confidence among shareholders, investors and stakeholders, to make the company operate with efficiency, stability, and sustainable growth along with added value 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 this for suitability to ensure that the duties of the Board of Directors are performed with effectiveness and constant good corporate governance.

The Board of Directors has verified the performance in accordance with the policy in 2016 and found that the performance was 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
<p>EQUITABLE TREATMENT OF SHAREHOLDERS:</p> <p>The delivery of the invitation to shareholders 21 days prior to the Annual General Meeting of Shareholders</p>	<p>Due to the preparation of the annual report, we have to wait for the results of operations for 2015 and will be prepared and audited by the Auditor within 60 days of the date of the balance sheet on December 31, 2015. The company has scheduled a board meeting to consider and approve the results of operations on February 23, 2016, which will take at least 14 days to close and compile the shareholders' list which the company has scheduled on March 10, 2016 and take about five days after the closing date to distribute the meeting invitation letter due to the waiting list of shareholders' registrar and postal process on March 18, 2016. As the company has set the date for the Annual General Meeting on April 5, 2016, this will affect sending the invitation letter to shareholders at least 21 days prior to the meeting date.</p> <p>The company understands that the company may defer the Annual General Meeting in order to give shareholders more time to read and study the invitation letter, but due to April having many holidays that results in a large number of SET listed companies holding their meetings after Songkran, then the company considers to set the meeting previously in order to have more shareholders attend.</p>

BOARD RESPONSIBILITIES: 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 qualifications 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 16 years, his commitment and his capabilities, 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 three independent directors who have not held those roles at the company for as long, thus the Board believes that checks and balances will be properly implemented.
Each of the company's directors should regularly attend meetings (at least 75 percent of all meetings).	Since one member of the Board of Directors has been appointed by our business alliance of more than 25 years, Mitsubishi Corporation, represented by Mr. Yutaka Kyoya (resigned 31 October 2016) and Mr. Kiyotaka Kikuchi (appointed 7 November 2016), who reside in Japan, it is unavoidable that he could not attend meetings as scheduled. Nevertheless, the company sent the meeting agendas along with supporting documents to all directors and made opportunities for directors to question and comment directly to the Group Chief Financial Officer of the company before the meeting days.
The board should have at least one woman as an independent director.	The company has a policy of diversifying the structure of the Board, professionally and in terms of skills, specializations, and gender, because currently the company has a sufficient number of directors. When the company has the opportunity to nominate directors, it is ready and willing to have an independent woman director on the committee.
The board should appoint Corporate Governance Committee.	The company is being studied and considered accordingly.
Companies should provide project grants to executives to purchase shares of the company for the period of three years and set the exercise price higher than the market price at the time of allocation of rights, including no significant concentration up to 5 percent.	The company is being studied and considered accordingly.

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 direction 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 to make 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

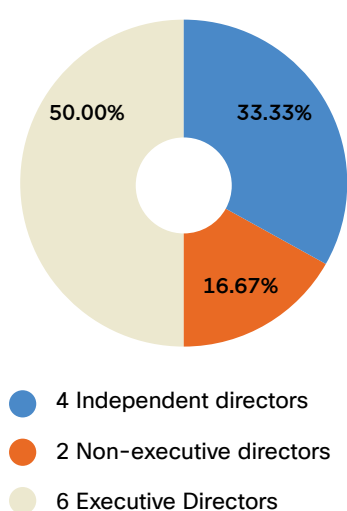
At least two directors of the company shall cosign and affix the company's seal, or in some cases the directors may appoint names as the authorized directors.

THE COMPOSITION OF THE BOARD OF DIRECTORS

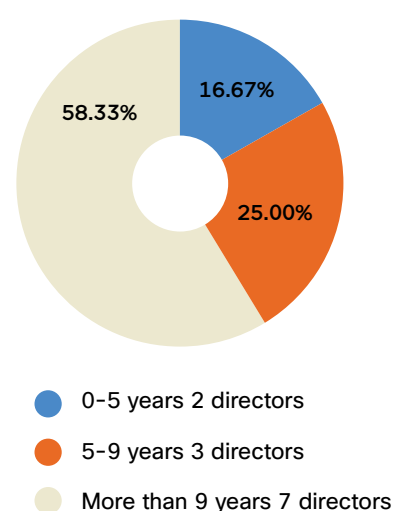
The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various aspects of the business. As at 31 December 2016, the Board of Directors was comprised of 12 members.

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. Kiyotaka Kikuchi	Non-Executive Director	7 November 2016
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 deposed due to factors other than expired tenure, the resolution of the Board of Directors shall be based on votes of no less than three quarters 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 in the case where the term of the said director has less than two months remaining, such person shall hold the position of director for the remaining term of the substituted director.

The Regulations of the company has been disclosed in the company's website: www.thaiunion.com at Investor Relations -> The Articles of Association

AUTHORITY OF BOARD OF DIRECTORS

The 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 interests of the company. Additionally, the Board of Directors is responsible for setting corporate policy and direction as well as ensuring that the management implements the policy effectively and efficiently.

Board members are required to disclose any material interests 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. The 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. Increasing the company's Board members.
4. Any deed that yields the Board of Directors a 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. Manage the company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the company's business operations.
2. Set targets and business policies to be implemented by the management.

3. Develop strategies, goals, corporate policies and investment policies.
4. Oversee the management's performance to ensure effectiveness.
5. Hold at least five Board meetings per year.
6. Hold at least one 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. Monitor operating results and the financial status of the company and its subsidiaries.
8. Approve quarterly and annual financial reports, information disclosure reports (Form 56-1), and the annual report (56-2), in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
9. Prepare 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. Set up the company's internal control system, internal audit system, and an effective risk management system.
11. Propose the appointment of auditor and set the level of compensation as proposed by the Audit Committee.
12. Propose the list of directors to be replaced and their replacement to the general shareholders' meeting.
13. Propose the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
14. Examine and approve matters proposed by the management committee.
15. Examine and approve 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. Examine and approve the company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.
17. Approve the appointment and set the scope of work and compensation for the company's sub-committees.
18. Approve the appointment of the company's secretary.
19. Adhere 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.

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 one for one or more candidates but cannot split the vote into portions.
3. Candidates shall be entitled to directorship based on votes received. A candidate with maximum votes is first entitled to directorship and followed by the other candidate with less votes, 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 the statutory expiration of their office term provided (a) three quarters of majority votes of all shareholder's 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.

The Board of Directors shall appoint any person deemed professionally recognized and qualified to act as an independent director provided that the appointee is (a) not an employee or staff member receiving a 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. The Board of Directors shall consider and vote to appoint qualified candidates and seek further approval during a 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 board members and not less than three persons, must be independent directors with a 3-year term of office. These directors should be qualified and independent in line with 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 an equitable manner without conflicts of interest and be available in Board meetings to give independent and unbiased opinions and judgments.

QUALIFICATION OF INDEPENDENT DIRECTORS

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 the 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 conflicts of interest, 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 terms of stock holding ratio.

SUBCOMMITTEES

The Board of Directors set up five 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 2016

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	23/23 (100%)
2. Dr. Thamnoon Ananthothai	Member	Independent Director	23/23 (100%)
3. Mr. Nart Liuchareon	Member	Independent Director	21/23 (91%)

The Audit Committee was established by the approval of the Board of the Directors on 15 November 1999 for the purpose of supporting and acting 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 disclosure of information.

The Audit Committee must be directors of the company who are qualified as independent directors and consist of not less than three members, comprised of one Chairman of the Audit Committee and two audit committee members and at least one 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 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.

The Audit Committee shall hold at least 12 meetings per year and report their performance to the Board of Directors at least twice a year.

ROLE OF THE AUDIT COMMITTEE

The duties of the Audit Committee are as follows:

1. Review the appropriateness of the 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. Encourage the development of a financial reporting system equivalent to International Financial Reporting Standards.
3. 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.
4. 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 systems.
5. Review the presence of a proactive preventive system to enhance operating effectiveness and efficiency and review the preventive measures in the organization and review the internal processes of the whistleblower system.
6. Review the internal audit process and the corporate risk management system.
7. 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.
8. Review the correctness and effectiveness of the information technology system relating to internal controls, financial reports, and risk management and suggest updates and improvements as needed.
9. 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.

10. Review the execution of the audit committee members' performance assessment, both as a whole and self-assessment, of the audit committee annually.
11. Review and give the opinion toward the audit practices of the Internal Audit Team and coordinate with external auditors.
12. 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 the SET.
13. 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.
14. Approve the internal audit plan, budget and manpower of the Internal Audit Team.
15. Review the execution of the Internal Audit Team for the performance assessment according to international standards.
16. Provide recommendations in respect of appointment, removal, transfer, or dismissal of the General Manager – Audit Unit.
17. Consider the independence of the Internal Audit Team based upon the execution of work, reports, and line of command.
18. Review the adequacy of the good corporate governance systems both of the domestic and foreign subsidiary companies.
19. Consider the external consultants to provide the suggestions or assistance in the operations of internal audit.
20. Review the Internal Audit Charter to be the proper charter at least once a year.
21. 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.
22. 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.
23. 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 the business operations 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 a 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 86

THE NOMINATION AND REMUNERATION COMMITTEE

Membership and meeting attendance 2016

NAME	POSITION	STATUS	MEETING ATTENDED
1. Dr. Thamnoon Ananthothai	Chairman	Independent Director	3/3 (100%)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	3/3 (100%)

The Board of Directors has set up the Nomination and Remuneration Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of one Chairman of the Nomination and Remuneration Committee and one 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.

ROLES 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 a 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 proposals 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 proposals 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 88

THE RISK MANAGEMENT COMMITTEE

Membership and meeting attendance 2016

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Kirati Assakul	Chairman	Independent Director	4/4 (100%)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	3/4 (75%)
3. Dr. Thamnoon Ananthothai	Member	Independent Director	3/4 (75%)
4. Mr. Thiraphong Chansiri	Member	Executive Director	3/4 (75%)
5. Mr. Shue Chung Chan	Member	Executive Director	4/4 (100%)

The Board of Directors has set up the Risk Management Committee since 1 November 2010 for a period of three years for each term. The Committee is comprised of three independent directors, two 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.

ROLES 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 115 - 116

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 for oversight of the risk management policy and procedures including providing advice and authorize the treasury execution team to minimize such financial risks to the acceptable levels due to the fact that the main Thai operations for Thai Union 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 a significant effect on the Group's financial performance. The composition of the 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 the Treasury Committee to have an annual meeting to review treasury policy. Any special meeting can be requested to approve any activities which are considered risky and over the authorization limit of the Treasury execution team.

ROLES AND RESPONSIBILITIES

The treasury committees are collectively responsible for developing Thai Union Group's financial risk management principles and expectations as well as defining Thai Union Group's acceptable risk appetite and tolerances, approve policy and procedures and monitor and enforce compliance with the policy and procedures.

- Identify the financial risks to the Group and ensure that procedures are established to mitigate the

impact of the risks for the best benefit of the Group.

- Oversight of the risk management policy and processes adopted by the company, approve and authorize the policy.
- Delegation of these Policy Limits to the Execution Team.
- Ensuring compliance with the terms of policy.
- Minimum Annual review of policy limits.

SUSTAINABLE DEVELOPMENT COMMITTEE

The Board of Directors no.4/2014 on 13 August 2014 has approved to the set up of 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 the company, monitoring and encouraging the operation of the five groups including the working group for Corporate Social Responsibility, Ethical Labor Practice, Human Capital Development, Energy, Environment & Climate Change, and Sustainable Supply Chain, while the Sustainable Development Working Group will be responsible for coordinating the work of five groups and affiliated companies both in country and overseas.

Separation between Chairman of the Board of Directors and Chief Executive Officer

The Chairman and Chief Executive Officer of the company is not the same person, clearly separating between policy and management.

ROLE AND RESPONSIBILITIES OF CHAIRMAN OF THE BOARD OF DIRECTORS

1. In accordance with the company's Articles of Association, section 5, number 24, states that the Chairman has to preside over the meeting, except if they are absent or cannot perform their duties.
2. In accordance with the company's Articles of Association, section 5, number 25, calls the meeting and presides as Chairman to submit a meeting invitation to directors not later than seven days prior to the meeting. Except in the case of an emergency to protect rights and interests, the company can inform the meeting by other means, and set the date for an earlier meeting.
3. Oversees policy advocacy and strategic performing manner of the company's management but shall not practice in the daily operation.
4. Monitor the meeting effectively according to company policy and encourage all directors to express their opinions independently.
5. Support and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance.
6. Oversees and follows up on the performance of the Board of Directors and other sub-committees to achieve the company's objectives.

7. Decides in the case that the Board of Directors meeting votes are equal.

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 subject to the consent of shareholders.
2. Set, propose and devise business policy and strategy to the Board of Directors.
3. Set business plan, business management authority, annual budget estimation, and budget allocation to the Board of Directors for review and approval, as well as follow the 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 institutions, 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 THB 200 million or equivalent in value, or the value as approved by the Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of the Board of Directors.

6. Appoint or dismiss any employee holding a position lower than managing director.
7. Perform other duties as assigned by the 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 that involve a conflict of interest, vested 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. An exception is made for approval given for business transactions in accordance with corporate policy and criteria approved by the Board of Directors, provided that executive directors with vested interest in such issues are not eligible for voting rights.

The Board of Directors is authorized to make changes to the authority of the executive directors as deemed necessary or appropriate.

MANAGEMENT TEAM

As at 31 December 2016, 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 Resource
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 – Finance
7. Mr. Ludovic Regis Henri Garnier	General Manager – Corporate Account

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 the Global Shrimp Business. Thus the Board of Directors has appointed Assistant Managing Director of Human Resources, along with the Chief Executive Officer, to implement a succession plan for the positions of Chief Executive Officer and President of the Global Shrimp Business.

EXECUTIVE SUCCESSION PLAN

Each year, the company will review the key positions of the organization by using a systematic process to understand the Critical Position, both current and in the future.

The Human Strategy Department will coordinate the Succession Plan by arranging a joint meeting between the key management and top HR management, both to strengthen business potential and reduce operation risks as well.

The Succession Plan for Thai Union is divided into two categories as follows:

1. Succession planning for Succession Plan for Critical Position: The plan for preparing a successor and promoting them to the next organizational level is divided into three groups as follows:
 - a. Ready Now
 - b. Ready in 2-3 years
 - c. Ready in 3-5 years
2. Succession for Emergency Plan: Preparation of an emergency successor candidate for a critical period. The company encourages individual parties to name a successor in the event of an emergency - it can be divided into sections and each section has a clearly understood responsibility.

The Succession Plan for the position will be in parallel with the Talent Review Process and Individual Development Plan. Human Resources, together with the management of each department, will jointly evaluate an employee's potential and Individual Development Plan clearly, especially for the successor. Provides analysis capabilities in order to step up the development plan, monitor and regularly evaluate development plans for possible adjustment to meet the criteria and to ensure that employees and organizations will benefit from the Succession Plan's objectives.

BOARD MEETINGS SCHEDULES

The Board of Directors has set the standards for a general meeting to be conducted at least five times a year and sets 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 for 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 seven 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 an exchange 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 and to verify and deliver them to each director for 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. An exception is reserved only for those directors who reside abroad.

NAME OF DIRECTOR	2016 AGM (83%)	BOARD MEETING			
		2015	%	2016	%
1. Mr. Kraisorn Chansiri	Attend	8/8	100.00	8/8	100.00
2. Mr. Cheng Niruttinanon	Absent	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. Yutaka Kyoya (Resigned 31 Oct 16) Mr. Kiyotaka Kikuchi (Appointed 7 Nov 16)	Absent	0/3	0.00	2/5 1/3	40.00 33.33
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	8/8	100.00	8/8	100.00
10. Dr. Thamnoon Ananthothai *	Attend	8/8	100.00	8/8	100.00
11. Mr. Kirati Assakul *	Attend	8/8	100.00	7/8	87.50
12. Mr. Nart Liuchareon * (Appointed 3 Apr 15)	Attend	6/6	100.00	6/8	75.00

**Independent Directors*

Remark: Mr. Yutaka Kyoya and Mr. Kiyotaka Kikuchi, 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 2016, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar, "National Director Conference (NDC), Audit Committee Forum (ACF), A discussion on Corporation's preparedness for the cybersecurity threats in the digital transformation Era and Preparing for Cash Flow Statements", and Mr. Nart Liuchareon, an independent director, attended a training seminar, "Audit Committee Forum (ACF)"

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:

CONTINUOUS DEVELOPMENT PROGRAM	1	2	3	4	5	6	7	8	9
Director Certification Program (DCP)		10/2001			10/2002	13/2011 2/2006 1/2013	70/2006	27/2003	
Director Accreditation Program (DAP)			86/2010	84/2010			48/2005		120/2015
The Role of Chairman Program (RCP)	15/2007					4/2001	14/2006		
The Role of Compensation Committee (RCC)						9/2009		5/2007	
Audit Committee Program (ACP)							10/2005		
Understanding the Fundamental of Financial Statement (UFS)							7/2007		
How to Develop a Risk Management Plan (HRP)						2/2012			
Handling Conflict of Interest (HCI)						4/2008			
TLCA Executive Development Program				2/2009	1/2009				
Advance Audit Committee Program (AACP)						20/2015			
National Director Conference (NDC)						2016			
Audit Committee Forum (ACF)						2016			2016
A discussion on a corporation's preparedness for cybersecurity threats in the digital transformation Era						2016			
Preparing for cash flow statements, Ministry of Commerce						2016			
Senior Executive Program: Capital Market Academy	12/2011								

NAME OF DIRECTORS

1. Mr. Kraisorn Chansiri, Chairman
2. Mr. Thiraphong Chansiri, President & CEO
3. Mr. Chuan Tangchansiri, Executive Director
4. Mr. Rittirong Boonmechote, Executive Director
5. Mr. Shue Chung Chan, Executive Director
6. Mr. Sakdi Kiewkarnkha, Independent Director
7. Dr. Thamnoon Ananthothai, Independent Director
8. Mr. Kirati Assakul, Independent Director
9. Mr. Nart Liuchareon, Independent Director

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 a 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 was as follows:

- Board Evaluation with an average score at 89 percent
- Director Evaluation with an average score at 89 percent
- Committee Evaluation with an average score at 92 percent
- CEO Evaluation with an average score at 91 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 five. 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 14 December 2007. The selected candidate was Mrs. Paralee Sukhatungka, 50, who holds a Master's Degree from the Faculty of Commerce and Accountancy, Thammasat University and attended the training of Company Secretary Program and Anti-Corruption - The Practical Guide 2016, conducted by the Thai Institute of Directors (IOD). 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

Or to our email:

The Audit Committee at complaint@thaiunion.com
The Board of Directors through the Company Secretary at 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 a 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 four 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 2016, the company had arranged the Annual General Meeting of Shareholders (AGM) on 5 April 2016 and 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 including the questions for the 2016 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 108 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 2016 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 since 2 March 2016 – 34 days prior to the Annual 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 2016 AGM.
- The company publicized the Invitation to the Meeting in Post Today newspaper (in Thai) and Bangkok Post (in English) for three consecutive days, seven 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 institutional 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 voting systems, serviced by Quid Lab Company Limited, to facilitate the Annual General Meeting of Shareholders and to cover the preparation of information regarding shareholders who had the right to attend, the registration of shareholders who attended by printing ballots and the process of counting the votes in the meeting. The Registration was open from 12:00 – 14:00 hrs. of 5 April 2016 at the well-known and easy-to-commute-to Benjapatchara Room, 2nd Floor, Royal Thai Army Radio and Television Station (TV5), Phaholyothin Road, Bangkok. In 2016 there were a total of 1,407 shareholders who attended and proxies whose aggregate shares totaled as 3,149,716,566 shares, equivalent to 66.01 percent of the total issued and paid-up shares.
- Chairman of the Board chaired the 2016 Annual General Meeting of Shareholders, in which there were 10 board members in attendance out of the whole board of 12 members, and they were the Chief Executive Officer, the President of the Global Shrimp Business, the Executive Directors and the Audit Committee members who were independent directors. The directors who could not attend were representatives of overseas shareholders who could not make it to the meeting due to the inconvenience of long journeys. However, without their presence, the directors had analyzed the information and expressed their opinions on the issues through the agendas delivered to them prior to the meeting. Moreover, the Group CFO, the General Manager – Finance, the General Manager – Accounting, the General Manager – Investor Relations, 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 two volunteers from the shareholders were the inspectors 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 five shareholders who made queries and presented opinions for the 2016 AGM.
- In order to preserve voting transparency, the company made available ballots to facilitate the exercise of voting rights by shareholders in case of their disapproval or abstention of any agenda needed to be 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 Office of the President & CEO.

POST-MEETING PROCEDURE AND MEETING MINUTES

- The company publicized the resolutions of all agenda considered in the 2016 Annual General Meeting of Shareholders (AGM) on www.thaiunion.com immediately on the date of the 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 18 April 2016, or 13 days following the date of AGM. 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

The hosting of the shareholders' meeting with great emphasis on equitable voting rights has earned the company an excellent performance in the 2016 annual evaluation of Annual General Meeting of Shareholders conducted by the 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 the Company Secretary to prepare data and communicate to shareholders with regards to the company's invitation for shareholders to propose a name list of potential director candidates and a meeting agenda for consideration in the 2016 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand communication systems and forwarded to the investor relations section on the corporate website 108 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 the 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 two independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In the 2016 Annual General Meeting of Shareholders, there were 643 shareholders who authorized Dr. Thamnoon Ananthothai, Member of the Audit Committee, there were 104 shareholders who authorized Mr. Kirati Assakul, Chairman of the Risk Management 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 voting system for each agenda separately so that they could vote as appropriate. The voting cards were then collected and calculated together with the votes cast before in the proxy form. The votes were then announced in the meeting room and filed the cards for inspection.
- The Board assigned the 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 the 2016 Annual General Meeting of Shareholders in the investor relations section on www.thaiunion.com immediately on the date of the 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 the 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. 1992 on immediate basis and not later than three 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 knowledge 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. 1992 and relevant regulations.
- The Board assigns the Company Secretary to oversee and follow up items with potential conflict of interests and connected transactions. The Company Secretary is responsible for preparing a quarterly summary report of those items and transactions and regularly publicizes such reports 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 the Company Secretary to maintain the filing of the report of vested interests as disclosed to the Company by the Board and management members pursuant to the Notification No. Tor.Jor.2/2009 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. 1992, as subsequently amended under the authority of the Securities and Exchange Act (No. 4) B.E. 2008, 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 the 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 rank, not associating with forced labor, child labor, human trafficking, and not supporting bribery or any form of corruption.

The company has employee's compensation management policy to retain capable employees who are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in the labor market, as well as cultural, rules and regulations 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 knowledge, experience and performance of individual employees, combined with parity within the company's evaluation based on responsibility, task complexity, work experience and skills. In addition, the company has set the compensation management policy based on the employee's performance and operation's performance as motivation for performances. The payouts policy for both short and long term is consistent with the results of the company's operations by targets and measures each year in accordance with the company's long-term strategic plan, called Enterprise Objective. The measurement has four elements as follows:

1. Drive Superior Financial Performance - driving excellence in financial management and capital efficiency 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 the 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 percent of annual salary.

The company has provided fringe benefits which exceed the legal requirements 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 thing is that each year the company sets aside funds to ensure that the company can pay the compensation to employees in accordance with their rights in the future to encourage employees to prepare financially in advance before entering retirement. To encourage employees to save before retirement, the company has joined with the Social Security Office to hold a training session under the topic of self-sufficiency economy and retirement saving. In addition, the training presented details about the impact on employees' income and benefits if the company stops operating temporarily. The employees would be protected by extending the coverage of insurance policies to cover employees' income which would be affected by the suspension of business operations.

Compensation of employees is as follows:

1. Compensation relating to the short-term business performance including salaries, which have increased the rate of one time per year, annual bonus, provident fund that is available to employees at all levels by contributions from 2.5 percent to 10 percent of salary depending on the length of employment. In 2016, the company contributed to the provident fund for employees totally THB 35.25 million.
2. Compensation relating to the long-term business performance, including of retirement paid to the conditions set forth in the Employee Handbook. The company has set aside money for retirement for 2016 at the amount of THB 66.27 million and in 2016, the company has paid money for the employee retirement totaling THB 7.64 million.

HUMAN CAPITAL DEVELOPMENT

The policy of development of employees is to help unlock the potential in people and improve the value of resources of the organization. We believe that all personnel have the ability or an advantage of their own. The company will help every employee to bring out their strength for the benefit of themselves and the organization, so that everyone has an opportunity for self-development and career advancement.

Developing people at every level is part of the company's core strategy and an ongoing commitment from senior management. We focus on providing training and staff development by focusing on the changing attitude and practices in order to provide organizations with international standards by incorporating the classroom training, coaching, giving feedback and applying real on-the-job training: OJT through training and development is done through these various methods:

- An on boarding process that facilitates a warm welcome, a smooth transition and a foundation for long-term success.
- Vocational, corporate values, cross cultural and Code of Conduct classroom training led by internal and external experts for employees so they can access the information and resources they need to become leaders in excellence.
- Mentoring, coaching and feedback mechanisms to provide support and build leadership capacity.
- Cross-functional projects to promote knowledge building, sharing and collaboration.
- Stretch assignment with coaching and learning resources available to foster growth.
- Job rotations to support skill set expansion and motivate inspiration, connections, including developing a long-term broad vision.
- International project assignments to enhance cultural competencies and language skills, adding value to current and future roles; and
- A structured and personalized follow-up process to

access the Global Talent Development Program's impact and track talent development progress.

Details of staff and management training in 2016 are as follows:

- Total hours of training: 151,040 hours.
- Average number of hours per employee per person: 11.26 hours.

Moreover, the company stresses the importance of communicating information concerning its business to all employees, such as when the CEO meets employees every six months to announce the annual targets, which also helps life spirits and morale.

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 as 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, pays attention to every customer with fairness, equality without bias.
- The company complies with the contract terms or conditions, and if not viable, will inform customers in advance and find a solution to prevent irreversible damage to the stakeholders.
- The company provides information regarding the instructions on the product features and specifications of goods and services, as well as how to use. The company also keeps customers informed about the products and other services so there is no misunderstanding about the quality or condition of any products or services.
- The company focuses on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit.
- The company also sets aside a special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The company will not receive bribes from customers.

BUSINESS PARTNERS

The company treats suppliers equitably and fairly in line with commercial conditions, is open to hear their opinions and suggestions to forge stronger business relations and places much attention on their commercial confidentiality. All Thai Union partners must agree to the company's Business Ethics and Labor Code of Conduct, which includes issues about Environment Health and Safety, and energy savings. The company uses these criteria in selecting its vendors. In addition, the company must have a price comparison or a bidding process that is approved and authorized by the company, ensuring transparency in the procurement process.

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 inspiration 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 works to minimize its exposure to potential conflicts of interest with creditors by 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 competitors under fair commercial competition, with business ethics and in compliance with applicable legislation. The company does not seek information such as its competitors' trade secret by dishonest means, thereby having no trading disputes with any competitor.

CORPORATE SOCIAL RESPONSIBILITY

The company supports corporate responsibility for the environment in the society and community and for natural resources conservation. In turning its nature-care spirit into action, extensive corporate support is given to communities around the plant in terms of both safety and environment. Among our corporate social responsibilities is the "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 a 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 action through 2016 are further described under the Sustainable Development heading on page 80 - 83 of this annual report.

In addition, Thai Union Group's policy must comply with the legal requirements and other commitments relating to the Group. The Group's targets in 2020 are to reduce its greenhouse gas emissions by 30 percent, reduce water use by 20 percent and reduce waste to landfill by 20 percent, giving the necessary education and training. The action plan can be summarized as follows:

1. The Environmental Policy Occupational Health and Safety with focus on capacity development, as well as the involvement of employees in preventing the negative effects on the environment. (<http://www.thaiunion.com/en/about/environment-health-and-safety>)
2. The establishment of the excellence in Environmental, Health and Safety Center. The investment budget of THB 20 million, which has established a device comparable to international standards for the collection of knowledge about the environment, health and safety and a training center for employees.
3. Training before starting work and during operation. This training is organized to suit the nature of the staff and to ensure that employees have a better understanding of how to protect themselves from harm and reduce the environmental impact of the practice on their own.
4. Assessment of compliance with the law continued to ensure that employees have been trained or qualified by law. From 2017 onwards, the company will have additional training requirements by local law to begin the process of evaluating employee's potential on environmental, health and safety to ensure their appropriateness and effectiveness and how they compare to international standards.

RESPECT OF COPYRIGHTS AND INTELLECTUAL PROPERTY RIGHTS

The company respects copyrights and intellectual property rights of others by forbidding employees from using illegal programs or software and ensuring they 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 20 August 2015. Hence, the company has issued an 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 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 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. The Board of Directors are responsible for making 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 complaints or reports of corrupt activities,
 - Providing advice on the implementation per Anti-Corruption Policy and Code of Conduct, and
 - Reporting finding(s) to the 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 conduct 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 assets or working hours
 - Laundering money
 - Obstructing or impeding due administration of justice or judicial proceedings
 - Making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc.
 - Donating to charitable causes, and
 - Sponsoring

For a personal or other undue advantage.

GIFTS, HOSPITALITY, AND EXPENDITURES

- Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the company's competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.
- Any offers or receipt of gifts and hospitality as per customs and traditions shall conform 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
23rd 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 the investor relations section on the corporate website in both English and Thai languages so as to provide equitable and credible access for shareholders, institutional 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 a report indicating its responsibilities to prepare financial statements. Such a report is exhibited alongside the auditor's report in the company's annual report to ensure a true and fair presentation of the financial statements regularly following the generally accepted accounting standards and accounting policy.

The Board's opinion is that there is effective administration of internal controls in the company and that the reasonable fairness is assured for the financial statements for the period ending 31 December 31 2016, for which the company's auditors have conducted the audits on generally accepted auditing standards.

REMUNERATION FOR DIRECTORS AND MANAGEMENT

- Directors are remunerated in the form of a monthly retainer, meeting allowance, and director's bonus comparable in average to the general practice in the industry, suitable for the scope and amount of assigned responsibilities, and with shareholders' approval. Aside from the preceding meeting allowance, directors are not additionally remunerated from the company's subsidiaries.
- Executive directors are remunerated in the form of a monthly retainer, meeting allowance, salary, provident fund matching contribution and annual bonus based mainly on the 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 the operational performance of the company and work performance of each management member. Overall compensation will be in line with the 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 percent of annual salary.
- Aside from the preceding monetary remuneration, there is health insurance coverage up to THB 700,000 (for directors who are younger than 70-years-old and a resident in Thailand only)

NAME OF DIRECTOR	POSITION	MONTHLY RETAINER, MEETING ALLOWANCE, AND DIRECTOR'S BONUS
1. Mr. Kraisorn Chansiri	Chairman	3,147,692.00
2. Mr. Cheng Niruttinanon	Executive Chairman	1,558,846.00
3. Mr. Thiraphong Chansiri	President & CEO	1,653,846.00
4. Mr. Chuan Tangchansiri	Executive Director	1,573,846.00
5. Mr. Rittirong Boonmechote	President of Global Shrimp Business	1,573,846.00
6. Mr. Shue Chung Chan	Executive Director	1,653,846.00
7. Mr. Kiyotaka Kikuchi (Start 7 Nov 16)	Non-Executive Director	65,000.00
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	1,573,846.00
9. Mr. Sakdi Kiewkarnkha	Independent Director	2,413,846.00
10. Dr. Thamnoon Ananthothai	Independent Director	2,233,846.00
11. Mr. Kirati Assakul	Independent Director	1,798,846.00
12. Mr. Nart Liuchareon	Independent Director	1,843,846.00
		21,091,152.00

The company considers the total amount of annual remuneration paid to the Board and management members as not high when compared to the average amount paid by other listed companies on 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 2016 in comparison with its counterparts in 2015 is set forth below:

Unit : Million baht

	2015		2016	
	BOARD OF DIRECTORS	MANAGEMENT TEAM	BOARD OF DIRECTORS	MANAGEMENT TEAM
Number (Person)	12	10	12	10
Monthly Retainer/Meeting Allowance	7.35	-	7.52	-
Director's Bonus	-	-	15.00	-
Salary/Annual Bonus	-	102.85	-	99.79
Provident Fund Matching Contribution	-	4.95	-	5.44
Total	7.35	107.80	22.52	105.23

The Board perceives the importance of correct, complete and transparent information disclosure to all shareholders, investors and all parties concerned on an equitable treatment basis. Information on operations and financial status is communicated clearly and timely under relevant laws to provide target groups with a correct understanding of the company, thereby creating acceptance and investment sentiment among investors. The communication also allows the company to gain insight into the public's view on the company's operations, which will be a part of considerations for future goal and strategy setting. The Investor Relations Unit is 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. Joerg Ayrl Group CFO
3. Mr. Wai Yat Paco Lee General Manager, Investor Relations & Corporate Investment
4. Mr. Bunlung Waiyanont Investor Relations Manager

The communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2016 were as follows:

- Approximately 55 company visits by investors and stock analysts
- 46 conference calls
- Five analysts' meetings following the announcement of operating results and acquisitions

- Participated in four Opportunity Day's by the SET
- Six plant visits by stock analysts and investors
- One plant visit by minor shareholders
- 17 overseas investor conferences
- Seven local roadshows

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

- Investor note, a press release giving information on operational results issued to investors and stock analysts on a quarterly basis
- Presentation issued to investors and stock analysts on a quarterly basis
- Thai Union 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 debt payments on 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, the company achieved four awards as follows:

- Best at Investor Relations in Thailand from FinanceAsia's 2016 Best managed Companies Poll
- Best at Investor Relations Program, from Sell-side professional, among Thai corporates in Consumer/Staples sector by Institutional Investor's All-Asia Executive Team Survey: Best CEO, Mr. Thiraphong Chansiri
- SET Award 2016 for Best Investor Relations, in the category of company's with market capitalization between THB 30,000 million – THB 100,000 million and also awarded outstanding investor relations for three consecutive years
- Investment Analysts Association awards for Listed Companies 2015/2016 in the Agro & Food Business Industry:

1. Best CEO: Mr. Thiraphong Chansiri
2. Best CFO: Mr. Joerg Ayrl

Mr. Thiraphong Chansiri has been named Best CEO by the IAA more than seven times in a row. And Thai Union has been featured in the IAA Awards every year since their inception in 2009.

BUSINESS CODE OF CONDUCT

The company has created a code of ethics or statement of business conduct for all directors, the management team and employees. The code serves as guidelines for their honest and equitable work operations and is made known to all directors, the management team and employees to ensure their awareness, understanding and compliance. The company believes that such practice will 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 areas:

- 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 the University of the Thai Chamber

of Commerce, and is a Certificated Public Accountant (CPA) No. 8549. He also attended training of the Anti-Corruption: The Practical Guide 2013 & 2016 conducted by the Thai Institute of Directors (IOD).

The internal Audit Unit regularly oversees the internal controls system, to inspect significant items including operations, compliance controls, risk management and extraordinary items, to ensure the effectiveness of the controlling system for greater credibility of the 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 an assessment of their impacts on the company's business. The 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 the Audit Committee for subsequent address in the 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. 1992 on an immediate basis and not later than three business days following the date of purchase, sale, transfer or receipt of such securities. The Board or management members or sections with access to, or knowledge 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.

The Company Secretary reports every change in the company's securities held by directors and management to the Chairman of the Board and Chairman of the 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 Thai Union 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 market price like transactions with any other outside parties (Arm's Length Basis). In the case that the Audit Committee does not have the expertise in the connected transactions, the company will provide an independent appraiser or external auditor of the company to ensure that such price is reasonable to the company before 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 on 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, when there are transactions involving directors and management, they are not allowed to vote or attend the meeting.



REPORT OF THE RISK MANAGEMENT COMMITTEE 2016

DEAR BOARD OF DIRECTORS AND SHAREHOLDERS,

The Risk Management Committee performed its duties, as assigned by the Board of Directors, in accordance with the Risk Management Committee Charter to oversee the effectiveness and efficiency of the company's Enterprise risk management process. The Committee supported the implementation of that process, ensuring it was in line with good practice guidelines of both the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as international standards.

The Committee comprises three independent directors and six executives of the company – all of whom are highly qualified with extensive experience from various backgrounds. Mr. Kirati Assakul, an independent director, is the Chairman.

There were changes to the Committee's membership from 2015. Dr. Sven Massen, the company's Group Strategy Director was appointed a Committee member, replacing Mr. Faisal Sheikh who ended his membership of the Risk Management Committee prior to the end of his term.

The Committee hereby summarized the tasks performed in 2016 as follows:

- Conducted an annual review of Thai Union Group's risk management policies, risk appetite, and framework
- Considered the company's 2016 risk management objective, roadmap and key milestones
- Oversaw risk management activities including the implementation of a risk plan with subsidiaries of the company
- Supervised risk assessment workshops at Group level and six subsidiaries

- Acknowledged and provided comment on the adequacy and appropriateness of risk assessment results and mitigations
- Monitored the risk profile at Group level and among subsidiaries in five categories including Strategic, Compliance, Hazard, Operation and Finance risks, and provided advice about risk management approaches to management
- Ensured impact analysis of changes in economic, social, political and regulatory factors
- Reported to the Board of Directors about the company and its subsidiaries in regards to the significant risks, key risk indicators status, mitigation progress and improvements
- Endorsed for consideration of the Board of Directors the following items:
 - Report of the Risk Management Committee for the year 2015
 - Thai Union Group risk management policies, risk appetite, and framework
 - Corporate risks and key risk indicators for 2016
 - The replacement of a Risk Management Committee member who ceased his membership prior to the end of his term
- Communicated and shared with the Audit Committee information and management decisions on risks

The Risk Management Committee convened four meetings during 2016. The directors meeting attendance report can be summarized as follows:

1. Mr. Kirati Assakul Independent Director	Chairman of the Risk Management Committee Attended: 4/4.
2. Mr. Sakdi Kiewkarnkha Independent Director	Risk Management Committee Director Attended: 3/4.
3. Dr. Thamnoon Ananthothai Independent Director	Risk Management Committee Director Attended: 3/4.
4. Mr. Thiraphong Chansiri President & CEO	Risk Management Committee Director Attended: 3/4.
5. Mr. Joerg Ayrle Group CFO	Risk Management Committee Director Attended: 3/4.
6. Mr. Chan Shue Chung Head of Group Human Resources	Risk Management Committee Director Attended: 4/4.
7. Mr. Wai Yat Paco Lee General Manager - Investor Relations and Corporate Investment	Risk Management Committee Director Attended: 4/4.
8. Dr. Darian McBain Global Director of Sustainable Development	Risk Management Committee Director Attended: 2/4.
9. Dr. Sven Massen Director of Group Strategy	Risk Management Committee Director Attended: 4/4.



Mr. Kirati Assakul

Chairman of the Risk Management Committee



RISK MANAGEMENT AND RISK FACTORS

ILLUSTRATION OF THAI UNION GROUP'S RISKS

This report provides insights and explanations of what Thai Union Group perceives as material risks to the achievement of the Group's objectives in 2016. In addition, the company recognizes that there are also relevant risk factors which could impact the company in the next three years. Both risk categories are included in this chapter. Some risks are currently identified as not having significant impact on the business in 2016, but

which at a later stage could develop into a significant impact. Our risk management systems endeavor to ensure the timely identification and action of risk trends. The table below summarizes the major risk factors.

The symbols represent management's assessment of how these risks are expected to develop compared with the previous year.

CORPORATE RISKS OVERVIEW

RISK FACTOR	RISK LEVEL	CHANGE (COMPARED WITH 2015)
Strategic Risks		
Fish and seafood competitive landscape	High	▲
Non-tariff trade barrier	High	■
Post-merger integration	Medium-High	▲
Competitive innovation	Medium-High	▲
Operation Risks		
Raw material prices	High	■
Inventory management	Medium-High	■
Legal & Compliance Risks		
Overseas law and regulation	High	■
Financial Risks		
International and local tax changes	Medium-High	▲
Exchange rate	Medium-High	■

▲ Risk has been assessed to increase

■ Risk has been assessed to remain fairly stable

STRATEGIC RISK	
RISK	RISK
FISH AND SEAFOOD COMPETITIVE LANDSCAPE	
<p>Risks associated with a rapidly changing fish and seafood industry landscape can present strategic challenges for Thai Union as one of the world's largest seafood producers.</p> <p>Although the global fish and seafood industry has been growing steadily over the past few years, there are some mature markets, especially Europe and the US, where fish consumption per capita was stagnant in 2014 and 2015, lower than the global average. Similarly, in terms of product segments, the canned fish market is also facing a slower growth rate than other seafood product segments globally.</p> <p>This has compelled Thai Union Group to adapt to these changes and build differentiated capabilities to create a competitive advantage and mitigate the risk.</p>	<p>Being in a competitive environment, Thai Union Group has shown flexibility in our strategy to align with the changing industry landscape.</p> <p>To achieve organic growth, we have gradually diversified our product segments by establishing a Marine Ingredients unit to commercialize high value-added products, and expanded to other geographies by establishing an Emerging Markets unit to drive the go-to-market strategy, especially in Asia-Pacific, the fastest growing region. In addition, we set up a Food Service unit to expand our sales channel direct to customers.</p> <p>These strategic initiatives will help the company gain additional sales and increase our margins to achieve our revenue goal of USD 8 billion by 2020.</p>

STRATEGIC RISK	
RISK	MANAGEMENT
NON-TARIFF BARRIERS	
<p>The global seafood industry confronts numerous non-tariff trade barriers relating to the environment and social sustainability which can impact trading conditions or cost competitiveness.</p> <p>Thai Union Group's key trade barrier challenges are posed by:</p> <ul style="list-style-type: none"> • EU - Illegal, Unregulated and Unreported (IUU) fishing yellow card issued against Thailand • US - Trafficking in Persons report grading given to Thailand • Legislation requiring greater transparency and detail of information on supply chain practices, such as the introduction of the US Trade Facilitation and Enforcement Act 2016, the entering into force of the reporting requirements under the UK Modern Slavery Act 2015 and the review of the US IUU Rules to combat Illegal Fishing. 	<p>Sustainability is not only 'the right thing to do'; it's imperative to Thai Union Group's business strategy as it gives us a competitive advantage within the seafood industry. In 2016, we made extensive progress in sustainable development through our global sustainability strategy, called SeaChange®, which covers every aspect of our business: from how we look after the oceans to how we manage our waste; from the responsibility we take for our workers to building brighter futures for the communities around our key sites. Many initiatives are implemented under four programs</p> <ol style="list-style-type: none"> 1. Responsible Sourcing 2. Responsible Operations 3. Safe and Legal Labor 4. People and Communities <p>Key achievements in 2016 included:</p> <ul style="list-style-type: none"> • Being listed to the Dow Jones Sustainability Index for Emerging Markets for the third year in a row, and inclusion in the FTSE4Good Emerging Index, as well as receiving many other awards for our sustainability programs. • Our Business Ethics and Code of Conduct: In 2015 we updated our stringent Business Ethics and Labor Code of Conduct and in 2016 started rolling this out to suppliers globally. It is applied to all of our group companies and business partners, and has a focus on the protection of workers' health and workplace safety http://www.thaiunion.com/en/sustain/tu-sustainability/code-of-conduct.ashx • Auditing the European fleet: We initiated an external audit process of the fleet supplying tuna to our European markets, which will be completed in 2017. The audit will check against compliance with regulations by the European Union (EU) and the International Seafood Sustainability Foundation (ISSF) around Illegal, Unreported, Unregulated (IUU), quality and food safety, and Thai Union's own sustainability policy and code of conduct. • Protecting pre-processing workers: In 2016 we brought the pre-processing of shrimp in-house at our factory in Samut Sakhon, Thailand, contracting workers directly so we can guarantee safe and legal employment • Conducting an extensive global stakeholder consultation that informed the refinement of our sustainability strategy, SeaChange®, and the launch of its new website http://seachangesustainability.org/ • Developing and announcing our commitment to sourcing 100 percent of our branded tuna from fisheries that are either Marine Stewardship Council (MSC) certified or engaged in Fishery Improvement Projects to move them toward MSC certification. We aim to achieve a minimum of 75 percent by the end of 2020.

STRATEGIC RISK	
RISK	MANAGEMENT
POST-MERGER INTEGRATION RISKS	
<p>The company has successfully completed many strategic acquisitions over the last couple of years. All transactions have enabled us to vertically shift along value chains and expand into new product categories and/or sales markets. The challenge is to manage the risk of missing synergy realization and value capture during the post-merger phase. Our business operations are spread around the global, and as a Group we need to effectively manage the integration of newly acquired businesses into Thai Union and ensure that benefits get realized as anticipated at the time each transaction has been closed.</p>	<p>After a change of control at every transaction, we intend to take immediate action on establishing corporate governance and policies at the acquired company. Otherwise we are not able to ensure ongoing compliance with Corporate rules, policies and commitments. Our “First 100 days” integration guidelines and dedicated synergy tracking process is there to manage related risks.</p> <p>For the purpose of a seamless business transition and integration, there is no standard approach. We believe that the degree and success of business integration depends on determinants that can vary by transaction. Every time, the strategic rationale and type of expected synergies are different, like the size and culture of acquired businesses. We engage in joint ventures in the same way we do with complete takeovers. With that in mind, we define every integration approach anew and thus feel comfortable to realize synergies and capture deal value as best we can.</p>

STRATEGIC RISK	
RISK	MANAGEMENT
COMPETITIVE INNOVATION	
<p>Our business relies on continued global demand for our brands and products. Achieving our business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to our equipment and manufacturing processes. The success of such innovation depends on our ability to correctly anticipate customer and consumer tastes, preferences and behaviors, which are constantly changing.</p> <p>The company must be able to successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to continually innovate, improve and respond to competitive moves could compromise our competitive position and adversely impact our results.</p>	<p>The company realizes consumer trends are changing, with customers more interested in product & process innovation and expect the market to be more competitive in regards to innovation.</p> <p>Realizing that innovation is the foundation for our future, the company has positioned innovation as one of the six key corporate values to which we align every business decision. The company has been active in innovation with our culinary development team of more than 200 food scientists, chefs, recipe developers and other cuisine and food processing experts who develop a range of more than 4,000 different recipes and products each year. We regularly conduct customer satisfaction surveys to understand the needs of our consumers. Surveys based on statistically relevant sample sizes provide us the insights into consumer perceptions towards Thai Union and their satisfaction for our products or service.</p> <p>The company launched the Global Innovation Incubator, a world-class research and development facility, in December 2014. As of December 2016, the company has invested more than THB 600 million and employed about 100 scientists who are purely dedicated to research, developing new ideas, creating new products and new product categories.</p> <p>Revenue from products and service innovations originating from the GII are projected to contribute as much as 10 percent of Thai Union's top-line revenue by 2020.</p>

STRATE OPERATIONAL RISK GIC RISK

RISK

MANAGEMENT

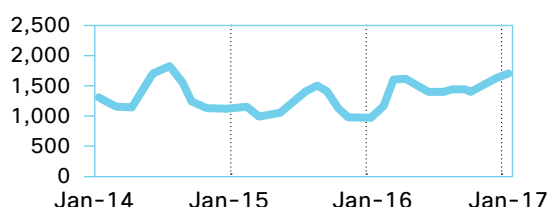
RAW MATERIAL PRICES RISK

In 2016, Thai Union Group's profitability was under pressure from higher raw material tuna and salmon prices.

Tuna

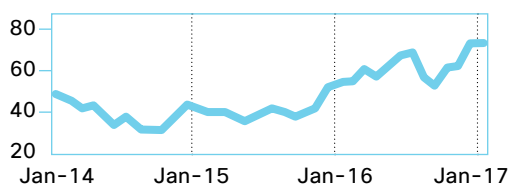
Skipjack tuna raw material price was higher than expected in the last 6 months of the year (Q416 up 23.4% vs. PY) presented a challenge to our Thailand-based tuna export business as well as our branded ambient seafood business in Europe.

Skipjack tuna raw material prices
(USD/ton)

**Salmon**

The chilled entities were confronted exceptional price increases in raw material farming Salmon (Salmon price up +50%). Our subsidiaries that historically were buying at spot have been impacted earlier and stronger than the competition.

Salmon raw material prices
(NOK/kg)

**Tuna**

The position of the company as one of the world's largest tuna purchasers has provided it with bargaining power over tuna prices; and the company has procurement units globally that are well equipped with extensive experience in the seafood business which is responsible for purchasing key raw materials from various sources around the world.

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

Therefore, the company focuses more on: Its ability to adjust prices, manage costs and concentrate more on value-added items in order to accommodate volatile tuna prices.

A stable supply of tuna raw materials at acceptable price levels to ensure normal buying by our private label customers and our ability to exercise cost-plus pricing for those accounts.

For tuna price hedging, there is no proven or good proxy to hedge tuna prices directly and from detailed study there are several factors affecting tuna prices directly and indirectly.

The company also prepares a selected number of scenarios, dealing with a category slowdown and profitability pressure.

Salmon

In this very challenging context, the company has moved to contract strategy (either physical or financial) achieving almost 50% of coverage.

This coverage level could vary according to:

- Customer assessment risk
- Market assessment risk (ie volume risks)
- "Filières" specificities risk (ex/ organic)
- Supplier willingness to contract

OPERATIONAL RISK

RISK

MANAGEMENT

INVENTORY MANAGEMENT

Managing a company's inventory is an important element for Thai Union Group. In 2016, the company's inventory value was 40,528 million baht, which accounts for 28.47% of its total assets. Such a sizeable inventory is a challenge to manage, as it is stored in different countries around the world. Without proper management, risks can occur, such as excessive or inadequate inventory, carrying costs, fluctuating market prices that can decrease the value of inventory, inventory becoming obsolete, and fraud. These risks can impact the company's financial statement and asset value.

Moreover, our key raw materials like tuna, shrimp and salmon are more or less like commodity prices, with no direct hedging instruments and market prices can decrease or increase rapidly and without control. This can have a significant effect on our stock value as has happened in the past and may be repeated in the future.

The company performs a detailed review of its inventory each fiscal quarter that considers multiple factors including demand forecasts, product life cycle status, product development plans, current sales levels, and component cost trends. This ensures that the company can fulfill customer orders while optimizing our financial position.

Since 2015, the company has conducted the Global Inventory Management Assurance Project. In 2016, a new standard operating procedure (SOP) of physical stock taking was released to all subsidiaries. The objective was to improve physical inventory management to reduce losses from fraud, damage, and to improve the quality of the inventory process.

LEGAL & COMPLIANCE RISKS

RISK

MANAGEMENT

OVERSEAS LAWS AND REGULATIONS

As one of the world's largest seafood producers, with operations domestically in Thailand and overseas, the company has to deal with the laws and regulations of various countries as well as our internal policy, which all entities under Thai Union Group are required to comply with. Therefore, non-compliance or partial compliance of either external laws or regulations or internal policy could negatively affect the organization's reputation and result in significant penalties and fines or loss of business opportunities. Legal processes can be protracted and costly.

Adapting operations to changes in laws and regulations is an ongoing process and is achieved by monitoring regulatory changes, through analysis and training, and by producing policy documents. Our global legal and compliance function, entity legal unit and external advisors monitor the development of laws and regulations, analyze impacts and factors related to the company, and train management and employees in important matters. The company also regularly updates supervisory authorities about new laws and regulations, as well as keeping them informed about the Group's operations and to ensure compliance with laws and regulations.

The Company commits to operate business compliant with laws and regulations and ensure that Directors, Executives and Staffs are perform their duties in accordance laws and business ethic as follows:

- Perform their duties with honesty as well as deciding on any action in good faith and fairness to the shareholders of both major and minor as well as to the country that Company operates its business.
- Perform to comply with Company's Regulations.
- The company established whistleblowing system for stakeholders and other parties to report complaints of unfair treatment by Thai Union Group. The Chairman of the Audit Committee (AC) is designated as the point of contact. The AC will review and provide a summary report to the Board of Directors.
- In-house training for managements and executives on important legislations/laws such as anti-trust, anti-bribery laws have been carried out in Thailand, Europe and the U.S.

FINANCIAL RISKS	
RISK	MANAGEMENT
INTERNATIONAL AND LOCAL TAX CHANGES	
<p>For international companies that operate in a number of countries, tax management can be especially difficult. Each year, many countries make a number of policy changes which may affect income taxes, sales tax rates, VAT or goods and services taxes (GST), payroll taxes, customs duties and special sales taxes, environmental taxes, property taxes, and so on.</p> <p>Additionally, longstanding international tax norms that determine each country's jurisdiction to tax cross-border international trade are evolving as a result of the Base Erosion and Profit Shifting project ("BEPS"). The final report on BEPS was released in October 2015 by the G20 and Organization for Economic Cooperation and Development ("OECD") and over 100 countries and jurisdictions are collaborating to implement and tackle BEPS measures. BEPS project focuses on 15 areas which all have direct/indirect impacts on our group. One of the key areas which has significant impact is "Transfer Pricing" on our intercompany transactions.</p> <p>As a result of BEPS, many countries will release new tax regulations/requirements which will be a burden for the Group. However, these should be considered as manageable compliance issues.</p> <p>Apart from BEPS, U.S. tax reform is another important area for consideration since it can have a significant impact on our financial results and commercial plans.</p> <p>Given the unpredictability of these possible changes and their potential interdependency, it is very difficult to assess the amount of risk but it should be significant, which we have to closely monitor.</p>	<p>To proactively deal with changes in tax systems, we constantly seek expert advice from specialized law or tax advisory firms. We closely monitor changes in legislation in order to properly adopt regulatory requirements regarding customs and taxes. In addition, our internal legal, customs or tax departments advise our operational management teams to ensure appropriate and compliant business practices.</p> <p>In 2016, the company initiated a project to understand and prepare readiness for BEPS implementation with advice from tax advisory firms. The potential impact of BEPS to Thai Union Group is analyzed and the company prepares work plans to manage this risk.</p> <p>In this regard, Group transfer pricing policies are under review and they will be documented to support our current position. Moreover, transfer pricing three-tiered documents (i.e. Master File, Local Files and Country-by-Country Report) will be prepared to ensure compliancy with the new requirements.</p> <p>Related to U.S. tax reform, there are many uncertainties in these areas. However, the tax department is now keeping their eye on these changes and will update operational management teams to handle this.</p>

FINANCIAL RISKS	
RISK	MANAGEMENT
EXCHANGE RATE	
<p>The global presence of Thai Union Group, with manufacturing and trading in a large number of countries plus Group borrowings in foreign currencies, offsets the exchange rate effects to a certain degree. Fluctuation or change in rates is likely to have an impact on transactional exposures within the businesses and to translation exposures when the assets, liabilities and results of overseas entities are translated into Thai Baht upon consolidation.</p>	<p>Although the company is aware that exchange rate fluctuations can have either a positive or negative impact on financial results, the company does its best to minimize this risk through</p> <ol style="list-style-type: none"> 1. Natural hedge. The company matches the revenue from product sales mostly in USD, to the main raw material, which is tuna, and other expenses. 2. Consideration of derivative financial instruments.

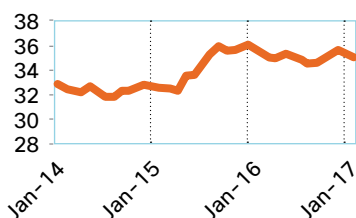
The largest exposures are denominated in USD, EUR, JPY and GBP according to our sales distribution by markets.

In 2016, there was additional uncertainty from Brexit and the U.S. presidential election.

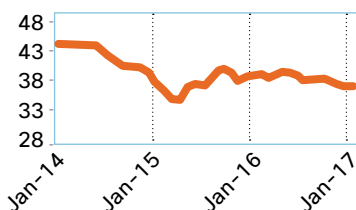
The Brexit referendum lead to currency fluctuations for the GBP against the EUR and USD and impacted John West's import costs and product pricing as well as translation effects.

The monetary and other administration policies of the new U.S. president could impact on foreign exchange of USD currency against other key currencies the company has businesses in ie. EUR, JPY, GBP and THB

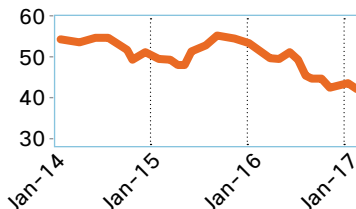
Exchange rate
USD/THB



EUR/THB



GBP/THB



The company's financial risk management and treasury policy objective is to manage all financial risks including currency risk and execute derivative financial instruments for supporting the businesses' hedging purposes, not for speculative purposes, as well as for fixing and stabilizing future earnings.

The policy on managing exchange rate risks can be categorized in to two areas:

1. Foreign exchange from trading activities

1.1 For Thailand Operations where the operations are mostly for OEM business, sales in foreign currency, and the pricing setting is on a spot deal basis. The risk starts from when we pay the FX raw material invoices within 3-5 days of ordering while we still need more time to produce and deliver the product and collect payment. Therefore, the company has set at 25 - 75 percent of hedging percentage over the inventory level as the approved range.

1.2 For EU and U.S. Operations, where the branded business share is a greater portion of their revenue. Fixing pricing with wholesalers or retailers could be for a bit longer tenor than customers of their OEM business which has a smaller portion. Foreign exchange risks could happen from revenue arising from sales to overseas customers, or costs and expenses from purchasing offshore, or pricing directly linking to the FX rate. To have an appropriate hedging policy for different natures of business, therefore, the company has set three main categories:

1.2.1 For OEM business - hedging is set at 60-100 percent

1.2.2 For Branded business - hedging is set at 50-100 percent

1.2.3 For Premium Branded business - hedging is set 40-100 percent

Financial derivative products to be used for hedging, forward contracts are mostly considered. Currency options could be an alternative.

2. Foreign exchange from financing/investing activities

For all borrowing, or lending, or placing deposits in other currencies that the currency at the final use of money, 100 percent hedging on foreign exchange risks is a must, both with external parties and inter-company transactions where we have certainty of the amount of FX risk. This is to ensure that there is no impact from foreign exchange gains or losses on the Group's borrowing cost.

As for equity investment where the return can be expected from dividend payments or the recapitalization, the uncertainty and tenor cannot be precisely estimated and may not be stable. Also, in most cases, the funding for equity investment is made directly from the parent. Therefore, the decision of hedging on equity investment will be decided by the Group Treasury Committee.

Financial derivative products to be used for hedging could be Cross Currency Swap, or Plain Vanilla Swap, or Non-deliverable Forwards (NDFs), depending on the nature of foreign exchange risk and future cash flow. Financial derivative instruments which have the value linking to the Proxy which is not related to the underlying are not allowed to be used.

RISK MANAGEMENT

Thai Union Group (the company) is aware of the importance of risk management and is committed to systematic and consistent risk management throughout. The company and its local and overseas subsidiaries aim to promote good corporate governance, bolster confidence among investors and facilitate the achievement of the organization's objectives.

The company defines risk as the potential occurrence of external or internal factors that may negatively impact our ability to achieve the Group's business objectives or financial goals.

OUR RISK MANAGEMENT STRUCTURE

The company has clearly established a risk management structure. The Board of Directors has overall responsibility to oversee that risk management is appropriately and effectively implemented by management.

The Risk Management Committee (RMC) is assigned by the Board of Directors to oversee risk management implementation to ensure it complies with the company's risk management policy, framework and process and report key corporate risks to the company's Board of Directors. The Group Risk Management Department coordinates and implements the risk management processes at Group level while providing advice and guidance about the risk

management framework and process to subsidiaries. Risk coordinators at subsidiary level coordinate and implement risk management according to guidance. Management and employees are responsible for managing risks in their areas of responsibility. When risks are above the company's tolerance level, the company will appoint a risk owner who has an in-depth knowledge and experience of business regarding a particular risk. They will monitor the risk and identify mitigation controls where appropriate as well as report the status of risk and mitigation to management.

In addition, the Audit Committee oversees and monitors risk management by means of independent reviews, in order to ensure that risk management is implemented according to the policy effectively throughout the organization

OUR RISK MANAGEMENT FRAMEWORK AND PROCESS

The company's risk management framework is established in accordance with the international standards of COSO ERM (Enterprise Risk Management - Integrated Framework, the Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000: Risk Management. It is a guideline for management and employees to operate consistently. The risk management framework consists of six key steps as summarized in the figure below.



1 RISK IDENTIFICATION

Risk identification involves identifying inherent risks, which include existing and emerging risks and both internal and external factors that may affect the achievement of the company's objectives and goals. The company classifies risks into five categories which are strategic, operations, financial, compliance and hazards.

2 RISK ASSESSMENT CRITERIA

Our risk assessment criteria is clearly set into likelihood level and impact level in order to measure the probability of an occurrence and its financial and non-financial impact when assessing and consolidating risks across the organization. The risk assessment criteria is consistently applied.

Risk Appetite

Risk appetite level is the risk assessment criteria level that the company is willing to accept in pursuit of its objectives and goals. It is clearly set and approved by the Board of Directors. It is used as a guideline in identifying risks and the risk treatment being implemented.

3 RISK ANALYSIS AND ASSESSMENT

The management considers the inherent risk level and existing mitigation controls to determine the residual risk level, based on the risk assessment criteria. The company conducts risk assessments at least quarterly, or when there are any significant changes in the internal and external business environment.

4 RISK TREATMENT

When the residual risk exceeds the risk appetite level, management will consider establishing risk owners to monitor and identify additional mitigation. The mitigation will be taken after management approves an objective to reduce the risk level to within the risk appetite level.

5 MONITORING AND REPORTING

Risk owners are responsible for monitoring the effectiveness of identified additional mitigation plans. The Group Risk Management Department monitors the progress of the overall implementation of mitigation plans, the status of key risk indicators of corporate risks and subsidiaries' risks and report the risk management results to the Board of Directors, the President, the Risk Management Committee, and the Group's Chief Finance Officer on a quarterly basis at a minimum.

Key Risk Indicators (KRIs)

For materiality risks, Key Risk Indicators, or KRIs, are set up and closely monitor the movement. KRIs provide an early signal of increasing risk exposures in various areas of the enterprise, and can be lagging and leading indicators. For example; the company uses a number of negative news stories related to labor practices as a KRI for one of non-tariff trade barrier risks.

6 COMMUNICATION AND COORDINATION

Key communication and coordination activities to enable employees to gain an understanding of risks and the importance of risk management, and to be aware of their responsibilities in risk management. Key activities are as follows:

- Management and the Risk Management Committee to discuss and communicate the status of risk profiles and risk management results to the Board of Directors at least once per quarter
- Risk Management Committee to communicate key corporate risks to the Audit Committee to gain an understanding and integrate such risks in the internal control system and audit planning at least once a quarter
- Management and risk owners to gather and submit information of risk profiles and mitigation controls to the Risk Management Department. The Risk Management Department to present to the Risk Management Committee at least once a quarter
- Management and Risk Management Department to communicate the awareness of risk management's importance to employees at least twice a year



MANAGEMENT DISCUSSION AND ANALYSIS

2016 was a challenging year for Thai Union with key raw material prices rising significantly. Despite an unfavorable external environment, the company managed to report a record result in terms of revenue while keeping operational expenses under control. Thai Union posted record high sales of THB 134.4 billion (USD 3.8 billion). The sales growth was 7.3 percent from the previous year in Thai baht terms, and 2.3 percent in US dollar terms. The underlying sales growth was driven by a number of acquisitions during 2016. Overall volume continued to increase, partly from organic growth in all three key business segments and partly due to business acquisitions during the year.

Thai Union recorded a 2016 net profit of THB 5.3 billion, stable from the net profit during 2015. While the company faced a challenging raw material price environment, the weak operation was offset by stringent cost control and an increase in other income contribution from our Red Lobster investment that started to contribute from the fourth quarter of 2016.

Excluding M&A activities, Thai Union's free cash flow from its 2016 operations was still positive thanks to strong EBITDA generation and tight control on capital expenditure and working capital amid rising raw material prices. Including the M&A and financing activities, the company's interest-bearing debt rose to THB 65.9 billion and net debt to equity ratio increased to 1.37 times at the end of 2016.

The ambient seafood business saw gross profits decline during 2016 due mostly to the unanticipated high tuna cost toward the second half of the year that put pressure on ambient seafood business margin. Given a significant increase in salmon prices, the frozen, chilled and related seafood business managed to improve in revenue due to product price adjustments during 2016 and the improvement in domestic shrimp production to 310,979 tons (up 18 percent from 2015 production levels). Our continued focus on PetCare and value-added items so far has proven resilient, both in term of revenue growth and margin improvement, amidst the unfavorable situation of tuna raw material prices.

The ambient seafood business remained the largest

sales contributor of Thai Union at 45 percent of total sales. The ambient seafood business sales growth was driven mainly by volume growth as a result of the German-based Rügen Fisch acquisition during early 2016. Frozen, chilled seafood and related business accounted for 42 percent of total 2016 sales. The segment's sales growth was also driven by volume growth during the year as a result of increased domestic shrimp production and the acquisition of Canadian-based lobster supplier Chez Nous during 2016. The average selling prices (ASP) across all categories were generally stable from 2015.

During 2016, Thai Union's European business contributed 33 percent of total sales. While remaining the second largest market for the company, the sales contribution improved from 29 percent a year earlier. The growth was driven by both strong growth in branded product sales and the acquisition of Rügen Fisch. The U.S. market remained the company's largest market and contributed 39 percent to the revenue. The other important markets were Thailand at 8 percent and Japan at 6 percent. Other smaller markets, such as Africa and the rest of Asia, made up the remaining 13 percent of Thai Union's sales.

The following are the key factors that contributed to the company's 2016 performance:

1. Tuna raw material price increased significantly
In 2016, the average tuna raw material price was USD 1,425 per ton, up 22 percent from the 2015 average price. The higher YoY tuna raw material prices since early 2016 prompted cost pressure, especially in the branded business, particularly in France, UK and Italy, where selling prices tend to be inflexible during the short term. As the tuna business is a major contributor of the ambient seafood business, the segment's gross margin declined to 17.0 percent during 2016, down from 18.7 percent a year earlier.

2. Record salmon price from production disruption in Chile

In 2016, the average salmon raw material price was at NOK 63 per kilogram, up 50 percent from the 2015 average price. The sudden increase in salmon raw material prices since early 2016 prompted cost pressure, especially in the private label MerAlliance in France and UK, where long-term selling price contracts are a normal business practice. Due to the significant increase in raw material pricing, Thai Union's European salmon operation reported net losses of EUR 13 million during 2016. As a result, the frozen, chilled seafood and related business saw the gross margin decline to 9.1 percent during 2016 from 10.7 percent in 2015.

3. Growing domestic shrimp production

Thailand continued to see shrimp production recover during 2016, with the country's total output at 310,979 tons, an increase of 18 percent from 2015, as Thai shrimp farmers coped better with the shrimp EMS disease. The 2016 average Thailand shrimp price (60 pieces per kilogram) also increased 6.0 percent from the 2015 level to THB 179 per kilogram due to strong global demand.

4. Acquisition-driven growth

During 2016, Thai Union acquired a majority stake of 51 percent in Rügen Fisch AG, Germany's leading shelf-stable seafood operator, and 80 percent in Les Pêcheries de Chez Nous (Chez Nous) the lobster supplier based in Canada. As a result, the consolidation of these two companies contributed to the sales growth of the ambient seafood and frozen, chilled seafood and related businesses, respectively, during the year.

While not consolidated to Thai Union's profit and loss statement due to the nature of the investment, the investment in Red Lobster, the world's largest seafood restaurant chain, started to contribute profits to the company during the fourth quarter of 2016.

5. Currency fluctuation

The company has approximately 92 percent of sales occurring in foreign currencies from the reporting Thai Baht, mostly in USD, Euro and GBP. Despite currency volatility during the year from the various political changes in different countries, the company minimized the negative impact from the currency volatility, which resulted in minimal foreign exchange gains of THB 84 million during the year.

6. Prudent SG&A expenses management

Given the difficult external environment during 2016, Thai Union focused on internal cost efficiency, primarily thanks to active cost control

and capitalization of the Global Innovation Incubator (Gii) investment, supported by privileges granted by the Thai government. We also had success with our 2016 SG&A expenses, which increased by 3.2 percent YoY, compared to the sales growth 7.3 percent. This resulted in SG&A to sales ratio of 9.8 percent versus 10.2 percent a year ago and below the company's SG&A to sales ratio target of 10 percent.

7. A more levered balance sheet from M&A activities

Due to the number of investments made during 2016, where all deals were immediately net profit accretive, 2016 net debt-to-equity ratio increased YoY to 1.37 time from 0.75 time a year ago. While this increased, the ratio is still well below the debt covenant threshold of 2.0 times. Net debt was higher at THB 64.9 billion, from THB 36.4 billion in 2015.

AMBIENT SEAFOOD BUSINESS

The ambient seafood business recorded sales of THB 61,042 million, up 3.2 percent from THB 59,414 million a year ago, thanks mainly to the Rügen Fisch consolidation. While the volume grew 2.9 percent to 375,916 tones, the average selling price increased 0.3 percent in 2016. Gross profit margin of ambient seafood declined to 17.0 percent from 18.7 percent a year ago, mainly driven by rising tuna prices, which posted a challenge to Thailand-based export business as well as European branded business.

On average, the skipjack price (WPO/Bangkok landing) during the year increased 22 percent to USD 1,425 per metric ton from USD 1,170 per metric tons a year ago. While the increase in tuna price supported the average selling prices and sales growth of the ambient seafood business, the gross margin has been compromised during 2016. Ongoing product price negotiation should help alleviate the impact of the high raw material price and support margin recovery into 2017.

FROZEN, CHILLED SEAFOOD AND RELATED BUSINESSES

Frozen, chilled seafood and related business recorded sales of THB 55,832 million, up 11 percent from THB 50,307 million a year ago, thanks to increased sales volume, and rising raw material prices prompted some price adjustment, and the Chez Nous consolidation. The volume increased 9.8 percent to 239,143 tons, and the average selling price increased 1.1 percent. The sales growth was driven by Thailand's improved shrimp output to 310,979 tons in 2016, accounting for 18 percent growth. Thailand's Department of Fisheries expects to see shrimp output to increase to 330,000-340,000 tons in 2017.

Rising shrimp and salmon prices put pressure on profit margins of frozen, chilled seafood and related businesses. The gross profit margin declined to 9.1 percent from 10.7 percent a year ago. The average

price of shrimp was at THB 179 per kilogram (60 piece per kilogram), a 6 percent increase from last year. The salmon price faced the largest increase of 50 percent to NOK 63 per kilogram due to the supply shortage from algae bloom in Chile. Despite the sharp increase in

salmon raw material prices during the year, the frozen, chilled seafood and related business margin gradually improved from the trough in the second quarter of 2016 into the end of 2016, thanks to the proactive price re-negotiation with customers.

FINANCING AND INVESTMENT

During 2016, we have carried out a few important financing and investment activities as follows:

1. Thai Union acquired a majority stake in Rügen Fisch - Germany's Shelf-Stable Seafood Leader

Thai Union acquired a 51 percent equity stake in Rügen Fisch AG, Germany's leading shelf-stable seafood operator during 2016. Rügen Fisch, based in North-East Germany, 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. The company recorded sales of approximately EUR 140 million in 2015.

2. Thai Union acquired a majority stake in Chez Nous - Canadian-based Lobster Processor

Thai Union acquired a majority stake in Canadian lobster processor Les Pêcheries de Chez Nous (Chez Nous), while Francois "Frankie" Benoit, the founder of the company, will retain a minority share. Chez Nous is based in New Brunswick with a processing facility strategically located on the Gulf of St. Lawrence. Chez Nous employed up to 200 seasonal workers during the lobster harvest. The company recorded sales of approximately CAD50 million in 2015.

Along with the acquisition of Orion Seafood International in 2015, Thai Union was one of the largest sellers of North Atlantic lobster in the U.S. The acquisition will give Thai Union Group companies enhanced traceability and quality control, and expanded product offerings into specialty grades and packs.

3. Thai Union made a strategic investment in Red Lobster- World's Largest Seafood Restaurant Chain

Thai Union made a USD 575 million strategic investment in Red Lobster, the world's largest seafood restaurant chain. Post transaction, TU would own a 25 percent equity stake of Red Lobster and certain 10-year convertible preferred units which could be converted into a 24 percent equity stake of Red Lobster on a fully-diluted

basis. Golden Gate Capital would remain the majority owner and retain operational control of Red Lobster.

Red Lobster is the world's largest seafood restaurant company with annual revenue of USD 2.5 billion and operates over 700 stores in North America and other 50 overseas branches through franchise.

4. Thai Union Acquired a Minority Stake in Avanti Frozen Foods Private Limited - One of Indian's Largest Shrimp Processor

Thai Union acquired a 40 percent equity stake of Avanti Feeds Limited's wholly owned shrimp processing unit Avanti Frozen Foods Private Limited (AFFPL). AFFPL focuses on shrimp processing in India for exports and domestic markets. With the proceeds, AFFPL will increase processing capacity from 35 tons per day to a total of 110 tons per day.

5. Thai Union issued USD 75 million "Muay Thai" FX dominated bond

Thai Union issued its first USD debenture "Muay Thai Bond" worth USD 75 million, with 10-year tenor in the Thai bond market. TU is locally rated at AA-by TRIS Rating Co., Ltd. The debenture was issued according to FX bond regulations stipulated by Securities and Exchange Commission of Thailand and approved by the Bank of Thailand. The proceeds from this issuance will be for general corporate purposes and to support Thailand's Global Treasury Center functions. This USD debenture was an important step for the company in the international debt capital markets and also a great first fund raising transaction done by the company after receiving Thailand's Global Treasury Center license.

6. Thai Union issued THB 10,000 million bond

TU issued THB 10,000 million debentures in July 2016. The debentures were assigned AA-rating by TRIS Rating, a local credit rating agency. The proceeds from the debentures would mostly be used to refinance existing Asset-Backed Loans (ABLs) borrowed by TU's subsidiaries in the U.S. This would help TU in finalizing the establishment of a Global Treasury Center in Thailand to improve the overall cost of borrowing for the Group, and



to release assets placed with the bank as security for its loans which will provide more flexibility in accessing financial markets in the future.

Future Prospect and Action Plan

In 2017, we expect a year of continued sales growth 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) price adjustment to reflect the rising raw material prices during 2016. Together, they will drive our sales and support the company's sales target of USD 8.0 billion by 2020.

On the back of continued sales growth expectation into 2017, Thai Union expects its profit margin to improve in 2017 due to 1) a recovery in the salmon business of MerAlliance, 2) Thai tuna export business (private label), and 3) increased profits contributed from investments in Red Lobster. Aside from the business operation growth, the company will continue to focus on prudent cost control.

Thai Union prioritizes the following five key areas of operation into 2017:

1. Operation improvement
 - Continue to profitably grow market share in European ambient markets
 - Improved profitability of tuna and salmon
2. M&A / Post Merger Integration
 - Red Lobster continues to support business growth
 - Improved business integration and collaboration globally
3. New Businesses
 - Develop King Oscar as a global brand and grow related business
 - Launch the marine ingredients business to utilize the company's co-product at higher value
4. Innovation
 - Implementing Gii commercialization, both on new products and processes initiatives

5. Sustainability

- 'SeaChange' and Tuna Commitment sustainability programs
- Demonstrate leading capabilities in responsible sourcing and fair labor

Total planned capital investment will be THB 4.8 billion as we continue to improve and streamline our existing operations in order to achieve sustainable long-term growth as well as the capital expenditure related to the new business division. 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 strong cash flow profile despite difficult environment, we have managed to report stable profits and maintain dividend paying of THB 0.63 per share for operating year 2016, same level as 2015 payout. Thai Union have consistently pay dividend every year since the company's listing on the Stock Exchange of Thailand in 1994.

COMPARATIVE FINANCIAL RATIOS

Ratios	2014	2015	2016
1. Liquidity Ratios			
• Current Ratio (Times)	1.51	1.47	1.01
• Quick Ratio (Times)	0.43	0.48	0.29
2. Leverage Ratios			
• Gearing Ratio (Times)	1.43	1.29	2.00
• Debt to Equity (Times)*	0.98	0.81	1.39
• Net Debt to Equity (Times)*	0.85	0.75	1.37
• Times Interest Earned (Times)	5.07	5.55	5.66
3. Efficiency Activity Ratios			
• Total Assets Turnover (Times)	1.09	1.11	1.06
• Inventory Turnover (Times)	2.75	2.91	3.06
• Account Receivable Turnover (Times)	8.42	8.09	8.83
• Account Payable Turnover (Times)	12.65	11.66	10.77
• Inventory Days (Days)	131	124	118
• Account Receivable Days (Days)	43	44	41
• Account Payable Days (Days)	28	31	33
4. Profitability Ratios			
• Gross Profit Margin (%)	15.7	15.6	14.8
• EBITDA margin (%)	9.1	9.2	8.3
• Net Profit Margin (%)	4.2	4.2	3.9
• Return on Average Equity (%)	12.2	11.9	11.8
• Return on Assets (%)**	7.6	7.8	6.4
• Return on Capital Employed (%)	12.5	12.0	10.5
5. Per Share Data			
• Earning Per Share (Thai Baht)	1.099***	1.11	1.10
• Dividend Per Share (Thai Baht)	0.54	0.63	0.63
• Book Value Per Share (Thai Baht)	9.42	9.60	9.06

Remark: 2015 ratios were based on financial statement reported on 23 February 2016

*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

2016 was another consecutive year of record sales for Thai Union. Despite the business operation facing the challenge of rising tuna and salmon raw material prices, the company managed to maintain the stable operating profits and net profits from 2015.

The average tuna raw material prices increased 22 percent compared to the previous year to USD 1,425 per ton during 2016. Moreover, average salmon prices also increased by 50 percent to NOK 63 per kilogram over the same period. While Thai Union managed to pass on some price increase to customers, the high raw material price situation has put pressure on the company's profitability.

2016 domestic shrimp production improved to 310,979 tons, up 18 percent from 2015 production due to the improved situation of shrimp EMS disease and a more sustainable farming methods. Our shrimp & related business continued to grow in term of revenue, thanks to increased domestic shrimp supply, more focus on higher margin value-added products, as well as the recent acquisition of the Canadian lobster supplier.

Towards the end of the year, Thai Union announced its intention to divest its fishing fleet business in Ghana. The subsidiary comprised in this segment was reported in the financial statements as a discontinuing operation. The Sales Contract and Memorandum of Understanding were signed for the sales of vessels in December 2016. The Group expects to dispose all relating assets in 2017.

SALES

2016 sales set a new record at THB 134.4 billion (+7.3 percent year-over-year), equivalent to USD 3.80 billion (+2.3 percent YoY), where the growth was mostly driven by consolidation of the recent acquisitions of Rügen Fisch and Chez Nous, and the price adjustment of frozen and chilled products to reflect higher raw material prices.

The ambient seafood sales contribution was at 45.4 percent during 2016, down from 47.2 percent in the previous year, while the segment sales still reported positive growth, driven by the acquisition of Rügen Fisch. The 2016 frozen, chilled seafood and related business sales contribution improved to 41.6 percent (from 40.2 percent in 2015) due to an increase in domestic shrimp production and the acquisition of Chez Nous during the year. PetCare, value-added and others business segments contributed the remaining 13.0 percent of total sales (versus 12.6 percent in 2015).

The U.S. market remain Thai Union's largest market with sales contribution of 39 percent of total sales. Sales contribution from the European markets increased

to 33 percent (from 29 percent during 2015), driven by a strong performance of our existing brands and consolidation of recent acquisitions. Thailand and Japan markets contributed 8 percent and 6 percent, respectively, of total sales, which were stable from the contribution during the previous year.

Of the total sales, 2016 branded and private label business sale contributions were stable from 2015 at 42 percent and 58 percent, respectively, as the company consolidated both branded and private label operation during 2016.

GROSS PROFIT

2016 gross profit was at THB 19.9 billion, an increase of 2.2 percent year-over-year. Despite the gross margin declining slightly to 14.8 percent from 15.6 percent in 2015, driven mainly by a rise in tuna and salmon raw material prices, the gross profit still improved, thanks to solid sales growth during the year.

The ambient seafood business showed a gross margin contraction to 17.0 percent (from 18.7 percent in 2015). Lower profitability was due to the rising tuna raw material prices during the year, which put pressure on both branded and private label ambient seafood business segment.

With the salmon production disruption problem in Chile, the 2016 average salmon price rose 50 percent year-over-year, putting pressure on the frozen, chilled seafood and related business gross margin. The gross margin decreased year-over-year to 9.1 percent (from 10.7 percent in 2015). The gross margin of PetCare, value-added and others business was higher YoY, thanks to the deconsolidation of the loss-making fishing fleet operation.

SELLING AND ADMINISTRATIVE EXPENSE (SG&A)

2016 SG&A expenses increased by 3.2 percent YoY to THB 13.1 billion. Compared to the sales growth of 7.3 percent, the 2016 SG&A to sales ratio was at 9.8 percent, down from 10.2 percent in the previous year. Despite solid sales growth, a number of investment and acquisitions, and a number of growth initiatives, Thai Union managed to prudently control cost well below the company's target cost ratio of 10 percent.

OPERATING PROFIT

2016 operating profit was THB 6,805 million, up 0.3 percent YoY, due to rising tuna and salmon raw material prices, which drove the company's salmon operation to a loss during the year. While the SG&A cost ratio has partly offset the impact of the declining gross margin, the 2016 operating profit margin still declined 36bps year-over-year to 5.1 percent.

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

2016 other incomes increased by 29.8 percent year-over-year to THB 1.3 billion, mainly due to the dividend income from the investment in Red Lobster that started to contribute to the company's other incomes since 4Q16.

FX GAIN/LOSS

2016 FX gain was at THB 84 million, down from a gain of THB 1,012 million. The decline was due to the absence of the one-time FX gains from unwinding of hedged EUR in 1Q15 and unwinding of FX derivatives related to Bumble Bee acquisition deal. Otherwise, Thai Union managed to neutralize the FX impact on the company's operation during 2016.

FINANCE COST

Despite the Red Lobster acquisitions and other investment during the year that drove the interest-bearing debt of the company up to THB 65,919 million (up from THB 39,179 million in 2015), interest expenses actually declined to THB 1,440 million, down from THB 1,592 million during 2015. The decline was mainly due to a number of debt refinancing during the year that reduced the company's effective interest rate and the funding for Red Lobster, which was acquired during 4Q16.

CORPORATE INCOME TAX

2016 corporate income tax decreased by 56 percent YoY to THB 583 million from THB 1,332 million in 2015. The 2016 effective tax rate was 8.7 percent, which is lower than the 2015 effective tax rate of 18.4 percent. The decline in the effective tax rate was mainly due to the decrease in deferred tax liabilities as a result of tax rate reduction in France. This was due to the tax effects from the French tax re-assessment, and this is reflective of current French tax rules which may need to be adjusted if tax legislation changes again. Moreover, the continued lost-making European salmon business still provided some tax credit for the company.

NET PROFIT

2016 net profit was at THB 5,254 million, stable from THB 5,303 million reported during 2015. The high raw material prices were offset by strong sales growth, stringent cost control, rising other incomes and lower tax expenses during the year. Net profit margin was at 3.9 percent, down from 4.2 percent a year earlier.

ASSETS

Total assets in 2016 amounted to THB 142.4 billion, representing an increase of THB 31.4 billion from THB 111.5 billion in 2015.

- Net trade receivables were THB 14.8 billion, down 5.4 percent from THB 15.6 billion in 2015, in contrast of the growing consolidated sales. Accounts receivable turnover improved to 8.83 times from 8.09 times in 2015, due to a lower average accounts receivables and strong sales growth. 2016 accounts

receivable days declined to 41 days from 44 days in 2015.

- Net inventories increased by 12.6 percent to THB 39.6 billion from THB 35.2 billion a year ago due mainly to a higher tuna and salmon raw material price. 2016 inventory days declined slightly to 118 days from 124 days a year ago, mainly due to an average inventory value increased by 2.9 percent, lower than 5.8 percent increase in average cost of sales. The improved turnover rate was a result of in house proactive measures taken to keep inventory at the optimal level.
- Asset turnover rate decreased to 1.06 times in 2016 from 1.11 times in 2015 due to a higher growth rate of total assets from a number of investments, including Red Lobster, made during 2016. Moreover, some investments did not contribute to the consolidated sales due to the nature of investment holdings.
- Current ratio declined YoY at 1.01 times in 2016 from 1.47 times in 2015. Similarly, the quick ratio declined to 0.29 times from 0.48 times. The reduction of both ratios was due to the short-term bridge loans to fund the Red Lobster acquisition during 4Q16. The short-term bridge loan has already been refinanced into the long-term debenture and loans as of the first quarter of 2017.
- Property plant and equipment totaled THB 23.3 billion, slightly increased from THB 23.1 billion in 2015 partly due to the consolidation of some businesses during the year.

LIABILITIES

Total liabilities in 2016 amounted to THB 94.9 billion, representing an increase of THB 32.1 billion from THB 62.9 billion in 2015.

- Trade payables were THB 11.5 billion, up 17.8 percent from THB 9.8 billion in 2015. 2016 trade payables days increased to 33 days from 31 days in 2015, thanks to a lower accounts payable turnover rate (10.8 times compared with 11.7 times a year ago).
- Mainly due to the bridge loan secured for Red Lobster investment in fourth quarter of 2016
- Long term loans increased by 59 percent to THB 25.4 billion from THB 15.9 billion as the company refinanced its short term debt with long-term debentures to finance investments during the year.
- Interest-bearing debts were THB 65.9 billion, up 68 percent from THB 39.2 billion a year ago. The proportion of long term debts (including the current portion) declined from 51 percent of the total interest bearing debts to 44 percent, due mainly to the short-term bridge loan to finance the Red Lobster investment.

SHAREHOLDERS' EQUITY

Equity attributable to shareholders of the Company in 2016 amounted to THB 43.2 billion, representing a decline of THB 2.5 billion from THB 45.8 billion in 2016 due mainly to a challenging operation while the company continue to pay dividends during the year.

- Total liabilities to equity ratio in 2016 increased to 2.0 times from 1.3 times in 2015 mainly due to an increase in interest bearing debts to fund acquisitions and investments during the year.
- With a number of investments during 2016, including the Red Lobster, 2016 net debt-to-equity ratio increased YoY to 1.37 time from 0.75 time a year ago. While increase, this ratio was still well below the debt covenant threshold of 2.0 times. Net debt was higher at THB 64.9 billion, from THB 36.4 billion in 2015.
- Return on average capital employed in 2016 was at 10.5 percent, down from 12.0 percent in 2015, mainly due to an increase in debt funding for the Red Lobster investments, while the benefit contribution incurred only during the fourth quarter of the year. The return on average equity in 2016 remained high at 11.8 percent, relatively stable with 11.9 percent in 2015, which reflected the stable net profits performance during 2016.

CASH FLOWS

In 2016, net cash receipts from operating activities were THB 7,770 million. Positive cash flow was driven mostly by profitable operation (EBITDA: THB 11,138 million) during the year despite a challenging operational outlook. A sharp rise in tuna and salmon raw material prices and a new business consolidation resulted in higher inventory value and a negative net working capital of THB 1,026 million during 2016.

Net cash payments for investing activities were THB 29,400 million due to M&A and investment in related companies, namely: 1) Red Lobster; 2) Rügen Fisch AG; 3) Les Pecheries de Chez Nous; 4) Avanti Frozen Foods Private Limited; and 5) the buyout of the minority stake of Tri-Union Frozen Products, Inc.

Thai Union recorded net cash receipts from financing activities of THB 19,821 million, mainly debenture issues and debt raising to fund a number of M&A and investment transactions during the year. However, the strong operating cash flow still enabled the company to pay a dividend (THB 2,982 million) during 2016.

Net decreases in cash and cash equivalents, including an exchange loss on cash and cash equivalent were THB 1,840 million. Cash and cash equivalents at the beginning period were THB 2,816 million. In sum, the balance at the end of period was THB 976 million.





SHAREHOLDING STRUCTURE AND MANAGEMENT

Top 10 shareholders as of 31 January 2017, the share register book closing date, are as follows:

Shareholders	Number of Shares	% Shareholding
1. Chansiri Family	978,004,352	20.5
2. Thai NVDR Co., Ltd.	598,366,550	12.5
3. Mitsubishi Corporation	347,745,120	7.3
4. Niruttinanon Family	326,497,812	6.8
5. Social Security Office	227,338,408	4.8
6. State Street Bank Europe Limited	136,305,270	2.9
7. Bualuang Long-Term	120,047,100	2.5
8. Boonmechote Family	87,932,980	1.8
9. Morgan Stanley & Co. International PLC.	82,437,140	1.7
10. Chase Nominees Limited	76,908,902	1.6

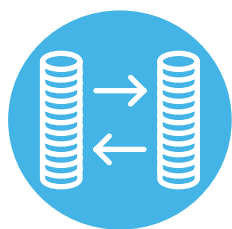
SHAREHOLDING STRUCTURE (AS OF 31 JANUARY 2017, THE SHARE REGISTER BOOK CLOSING DATE)

	Juristic Persons		Private Individuals	
Thai shareholders	1,539,942,171	32.27%	1,624,335,251	34.04%
Foreign shareholders	1,470,823,796	30.82%	136,714,278	2.87%
Total	3,010,765,967	63.09%	1,761,049,529	36.91%

Remarks: As of 31 January 2017, from a total of 4,771,815,496 shares traded and paid at THB 0.25 a share and included shares of concerned parties and under the same corporate group. Shares held by Thai NVDR, accounting for 12.5 percent of total, are ineligible for voting.

Comparison of shares held by the board including those of their spouses and children under legal age between 30 December 2015 and 30 December 2016

Board of Directors		
	As of 30 December 2015	As of 30 December 2016
1. Mr. Kraisorn Chansiri	231,134,720	231,134,720
2. Mr. Cheng Niruttinanon	271,252,676	265,762,276
3. Mr. Chuan Tangchansiri	38,668,000	38,668,000
4. Mr. Thiraphong Chansiri	460,547,772	493,855,472
5. Mr. Rittirong Boonmechote	63,442,980	63,442,980
6. Mr. Takehiko Kakiuchi (Resigned 31 Oct 16)	-	-
7. Mr. Kiyotaka Kikuchi (Appointed 7 Nov 16)	-	-
8. Mr. Shue Chung Chan	-	-
9. Mr. Ravinder Singh Grewal Sarbjit S	12,295,272	12,295,272
10. Mr. Sakdi Kiewkarnkha	-	-
11. Dr. Thamnoon Ananthothai	-	-
12. Mr. Kirati Assakul	-	-
13. Mr. Nart Liuchareon	103,248	53,248
	-	-



CONNECTED TRANSACTION SUMMARY

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
1. Thai Union Feedmill Co., Ltd. (holding 51.0%)	Mr. Rittirong Boonmechote	Director	5,974,975	11.9%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of raw materials (Fish meal) from TUE Group • Purchase of raw materials (Scrap) from TU • Purchase of raw materials (Scrap) from PPC • Purchase of raw materials (Scrap) from TUS • Purchase of raw materials (Vitamin) from TUM • Sale of raw materials (Shrimp+Fish) from experimental farm to TU • Sale of raw materials (Fish) from experimental farm to TUM • Sale of Vitamin Red TVP to TUM Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for Headquarter Services to TU • Payment for lease of land to TU • Payment for New Year hampers to TU • Payment for e-auction service to BZD • Payment for products to THD • Payment for traceability charge from TU • Payment for traceability charge from TUS Finance Support Transactions: <ul style="list-style-type: none"> • Payment for interest of short-term loans to TU (There are no outstanding loans)
	Mr. Prasert Boonmechote (Mr. Rittirong's father)	Relative of Director	2,500,000	5.0%		
	Mr. Wattana Boonmechote (Mr. Rittirong's brother)	Relative of Director	1,750,000	3.5%		
	Ms. Rungtiwa Boonmechote (Mr. Rittirong's sister)	Relative of Director	1,750,000	3.5%		
	Mr. Preerasak Boonmechote	Management	125,000	0.3%		
TMAC GROUP (51% held by TFM) consist of 1. TMAC 2. TUH 3. TCM 4. TMK	Thai Union Feedmill Co.,Ltd., which is a connected company		57,629,997	51.0%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Sale of raw materials (Shrimp) to TUS • Sale of raw materials (Shrimp) to TU • Sale of raw materials (Shrimp) to PPC

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
2. Thai Union Seafood Co., Ltd. (holding 51.0%)	Mr. Rittirong Boonmechote	Director	3,974,850	13.2%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of raw materials from TMAC Group • Purchase of raw materials and finished goods from TU • Purchase of raw materials from PPC • Sale of finished goods to COSF • Sale of finished goods to TU • Sale of finished goods to PPC • Sale of raw materials (Scrap) to TFM Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for Headquarter Services to TU • Payment for marketing service charge to TUM • Payment for warehousing and transportation charge to COSF • Payment for traceability charge to TFM • Payment for printing to TUG • Payment for staff charge and New Year hampers to TU Asset or Service Transactions: <ul style="list-style-type: none"> • Sale of shrimp conveyor belt (second hand) to TU • Sale of conveyor belt (second hand) to PPC • Purchase of generator (second hand) from TU
	Mr. Prasert Boonmechote (Mr. Rittirong's father)	Relative of Director	3,000,000	10.0%		
	Mr. Wattana Boonmechote (Mr. Rittirong's brother)	Relative of Director	900,000	3.0%		
	Ms. Rungtiwa Boonmechote (Mr. Rittirong's sister)	Relative of Director	900,000	3.0%		
	Mr. Thanachote Boonmechote (Mr. Rittirong's son)	Relative of Director	1,800,000	6.0%		
	Mr. Boonpaween Boonmechote (Mr. Rittirong's son)	Relative of Director	1,800,000	6.0%		
3. Lucky Union Foods Co., Ltd. (holding 25.0%)	Mr. Cheng Niruttinanon	Director	102,000	11.3%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of raw materials (Fish head) from TU • Purchase of finished goods from TUM • Purchase of finished goods from PPC • Purchase of finished goods from THD • Payment for packing service charge to PPC • Sale of raw materials (Imported Surimi) to TU • Sale of raw materials (Petfood Topping) to TUM • Sale of finished goods to PPC • Sale of finished goods to SC Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for warehousing charge to TU • Receive for transportation charge from TU • Receive for transportation charge from PPC

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
4. Chansiri Real Estate Co., Ltd.	Mr. Thiraphong Chansiri	Director	19,680,000	32.8%	Compare to neighbor areas	Short-term Rent of Immovable Property Transactions: TU, TUM, SC and TUO paid the rent and service charges for its Bangkok office. With their needs to run the Bangkok office to facilitate business transactions, the four companies entered into a rental contract with Chansiri Real Estate Co., Ltd., a real estate developer. The contracted rental charge is THB270/square meter/month and the service charge is THB180/square meter/month depending on the level of the rented area. The rental and service charge is consistent with general market price in the industry and applies only for the rented area, excluding other utility charges. The rental agreement is effective for three years until December 2019. It was approved by the Board of Directors.
	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 wife)	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	Commercial Transactions: <ul style="list-style-type: none"> Purchase of raw materials (Scrap) from SC Sale of raw materials (Scrap) to TFM
6. TC Union Agrotech Co., Ltd.	Mr. Cheng Niruttinanon	Director	496,000	49.6%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> Purchase of raw materials (Scrap) from TU Purchase of raw materials (Scrap) from TUM Sale of raw materials to TFM Sale of finished goods (Fish oil) to TUM Asset or Service Transactions: <ul style="list-style-type: none"> Payment for sola oil and moving fish cooking tank charge to TU Short-term of Immovable Property Transactions: TU paid the rent, service charges, utility charges and expenses on utilities for office and plant area including machinery, equipment and the contracted service of TC Union Agrotech Co., Ltd., as a solution for the company's inadequate processing area for the extension of its value-added production line (pie and ready-to-eat food). The contracted rental charge is THB471,995 per month and the cold system multi stage cost is THB54,780 per month

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
6. TC Union Agrotech Co., Ltd. (continued)						(the said amount is only for rent and service charges, excluding expenses on utilities.). The rental agreement is effective for three years until December 2019. It was approved by the Board of Directors.
7. Geminai & Associate Co., Ltd.	Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	459,870	92.0%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of finished goods from THD
8. Wai Thai Co., Ltd.	Mr. Cheng Niruttinanon Mr. Kraisorn Chansiri Ms. Jintana Niruttinanon (Mr. Cheng's wife) Mr. Chuan Tangchansiri Mr. Thiraphong Chansiri Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Director Director Relative of Director Director Director Relative of Director	100,000 59,200 36,800 20,000 20,000 20,000	31.3% 18.5% 11.5% 6.3% 6.3% 6.3%	Market Price	Supporting Commercial Transactions: <ul style="list-style-type: none"> • Receive for haulage charge from TUM • Receive for haulage charge from TU • Receive for haulage charge from APC • Receive for haulage charge from SC <p>Under the 2011 AGM resolution passed on 25 April 2011, related to expense transactions per year not exceeding THB 100 million.</p>
9. Thaipatana Stainless Steel Co., Ltd.	Mr. Cheng Niruttinanon Mr. Chuan Tangchansiri	Director Director	20,000 5,000	40.0% 10.0%	Market Price	Asset or Service Transactions: <ul style="list-style-type: none"> • Receive for stream retort pouch, filler size room, fish oven, chicken oven, freezer truck and production tools from TUM • Receive for repair equipment from TUM • Receive for stream retort and production tools from TU • Receive for repair equipment from TU • Receive for production tools from APC • Receive for repair equipment from SC <p>Under the 2011 AGM resolution passed on 25 April 2011, related to expense transactions per year not exceeding THB 150 million.</p>
10. Yueh Chyang Canned Food Co., Ltd. (holding 51.0% changed to 95.04% in August 2016)	Mr. Cheng Niruttinanon	Director	USD 120,181 (All transfer to TU as of August 2016)	6.2%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of packaging from APC • Purchase of tuna loin from TUM • Purchase of tuna loin from SC • Sale of finished goods to SC • Sale of finished goods to COSI • Sale of finished goods to COSF • Sale of finished goods to TUM • Sale of finished goods to TU Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for commission to SC

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
11. TN Fine Chemicals Co., Ltd. (holding 48.97%)	Mr. Thiraphong Chansiri	Director	1	0.0%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Purchase of raw materials (Scrap) from TUM • Purchase of raw materials (Scrap) from TU Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for marketing service charge and utilities service charge to TUM • Payment for LAB service charge to TU Finance Support Transactions: <ul style="list-style-type: none"> • Interest receive from TUM
12. 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	Supporting Commercial Transactions: <ul style="list-style-type: none"> • Receive e-Procurement and e-Auction consulting service charge from TU, TUM, SC, PPC, TFM, TUG and APC Asset / Service Transactions: <ul style="list-style-type: none"> • Sale of office furniture to TU
13. Thai Union Properties Co., Ltd.	Mr. Kraisorn Chansiri Ms. Bussakorn Chansiri (Mr. Kraisorn's wife) 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	Commercial Transactions: <ul style="list-style-type: none"> -None-
14. Geminai Water Craft Co., Ltd.	Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	400,000	80.0%	Market Price	Commercial Transactions: <ul style="list-style-type: none"> • Payment for printing to TUG
15. Factory Storage Service Co., Ltd.	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	300,000	60.0%	Compare to neighbour areas	Short-term of Immovable Property Transactions: <p>TUM paid the rent, service charges, utility charges and expenses on utilities for the 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 one year until December 2017. It was approved by the Board of Directors.</p>

Connected Company	First & Last Name	Position Held in TU	No. of Shares Owned in Connected Company		Price Policy	Connected Transactions for Year 2016
16. Minor Food Group PCL. (Subsidiary 99.73% of Minor International PCL.)	Mr. Thiraphong Chansiri Ms. Pornnapa Chansiri (Mr. Thiraphong's wife)	Director Relative of Director	-0-	-	Market Price	Commercial Transactions: • Purchase of finished goods from TU • Purchase of finished goods from PPC
17. Phil-Union Frozen Foods, INC. Philippines	Mr. Cheng Niruttinanon	Director	149,996	100.0%	Market Price	Commercial Transactions: • Purchase of packaging from APC • Sale of finished goods to COSF
18. New Century Printing and Packaging Co., Ltd.	Mr. Cheng Niruttinanon	Director	25,000	55.6%	Market Price	Commercial Transactions: • Sale of packaging to SC
19. Pae Rungtiwa (Natural Person)	Ms. Rungtiwa Boonmechote (Mr. Rittirong's sister)	Relative of Director	Owner	100.0%	Market Price	Commercial Transactions: • Sale of raw materials (shrimp) to PPC
20. Thai Union Hi-tech Pearl Cultivation Co., Ltd.	Mr. Kraisorn Chansiri Mr. Thiraphong Chansiri Mr. Dejphon Chansiri (Mr. Kraisorn's son) Mr. Disaphol Chansiri (Mr. Kraisorn's son)	Director Director Relative of Director Relative of Director	2,500,000 5,000,000 7,500,000 7,500,000	5.0% 10.0% 15.0% 15.0%	Market Price	Commercial Transactions: • Purchase of shrimp feed and fish from TFM
21. D Chansiri A Co., Ltd.	Mr. Disaphol Chansiri (Mr. Kraisorn's son) Mr. Dejphon Chansiri (Mr. Kraisorn's son) Ms. Bussakorn Chansiri (Mr. Kraisorn's wife)	Relative of Director Relative of Director Relative of Director	9,800 100 100	98.0% 1.0% 1.0%	Market Price	Commercial Transactions: -None-
22. Lucky Union Foods-Euro SP.ZO.O (Subsidiary 100.00% of Lucky Union Foods Co., Ltd.)	Mr. Cheng Niruttinanon	Director	102,000	11.3%	Market Price	Commercial Transactions: • Sale of raw materials (surimi stick) to TUE Group

Remarks:

- Commercial transaction refers to the 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 20 August 2008.
- For item 8, 10-13, 16 and 20, Mr. Kraisorn Chansiri, Mr. Cheng Niruttinanon, Mr. Chuan Tangchansiri, and Mr. Thiraphong Chansiri are TU directors with share ownership in the connected company of less than 10 percent of its registered capital but also hold director titles in the said connected company.
- For items 10, Yueh Chyang Canned Food Co., Ltd. located in Vietnam with an investment value of no shares.

In addition, the company and its subsidiaries have entered into a 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, is also a director with the insurer. The insurer is entitled to only a partial commission from the total amount of the paid premium.



REFERENCES

Common Share Registrar

Thailand Securities Depository Co., Ltd
14th Floor, The Stock Exchange of Thailand Building,
93 Rachadapisek Road, Dindaeng
Bangkok 10400
Tel: 66 (0) 2009-9000
Fax: 66 (0) 2009-9992

Debenture Registrar

2011 Debentures, 1-3 series: Kasikornbank Plc
2014 Debentures, 1st batch, 1-4 series: Kasikornbank Plc
2014 Debentures, 2nd batch, 1-2 series: TMB Bank Plc
2016 Debentures, 1st batch: Bank of Ayudhya Plc
2016 Debentures, 2nd batch, 1-3 series: Bank of Ayudhya Plc

Independent Auditors

Mr. Somchai Jinnovart	CPA No. 3271 or
Mr. Vichien Khingmontri	CPA No. 3977 or
Mr. Pongthavee Ratanakoses	CPA No. 7795 or
Mr. Prasit Yuengsrikul	CPA No. 4174

PricewaterhouseCoopers
ABAS Limited
15th Floor Bangkok City Tower,
179/74-80 South Sathorn Road,
Thungmahamek, Sathorn, Bangkok 10120
Tel: 66 (0) 2344-1000
Fax: 66 (0) 2286-5050

Independent Auditor Remuneration of year 2016

1. AUDIT FEE

The Company and subsidiaries paid audit fees to:

1. Independent auditors for the past financial year for THB 0
2. Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2016 fiscal year total 71 companies and amounts to THB 76,350,000.00

2. NON-AUDIT FEE

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

- Audit fee paid to the Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2016 fiscal year amounts to THB 0
- Audit fee for special items, pursuant to Notification Por 4/2001 of the Board of Investment, paid to the Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2016 fiscal year total 6 companies and amounts to THB 850,000.00
- Fees for specific audit and tax consulting services of THB 100,723,114.00



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

The Board of Directors hereby expresses 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 their 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 the financial statements is in accordance with the updated accounting standards for the Company shareholders and investors. Independent auditors have unqualified expressed their opinions on our financial statements in the independent auditor's report.

The Board of Directors has appointed the Audit Committee which comprises 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 regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). All of 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, Mr. Somchai Jinnovart CPA # 3271 from PwC (PricewaterhouseCoopers ABAS Ltd). He has provided assurance that he retained an 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 has ensured the credibility and reliability of the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ending 31 December 2016. The financial statements presents the Company's financial position, operating results, changes in shareholders' equity and cash flows fairly, in all material respects and in a reliable manner so 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



INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Board of Directors of Thai Union Group Public Company Limited

MY OPINION

In my opinion, the consolidated financial statements of Thai Union Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial statements and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

WHAT I HAVE AUDITED

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>ASSESSMENT OF IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS</p> <p>The Group carries a significant amount of goodwill and intangible assets on its statement of financial position. Under Thai Financial Reporting Standards, the Group is required to test the amount of goodwill for impairment annually as well as when there is a triggering event indicating the potential for impairment. This includes the identification of the Group's Cash Generating Units (CGUs) that relates to goodwill.</p> <p>I focused on this area because the complexity of the assessment process and significant judgments and</p>	<p>My audit procedures included, among others, assessing the appropriateness of management's identification of the Group's CGUs and the involvement of a valuation expert to assist me in evaluating the assumptions and methodologies used by the Group, when applicable. In particular, I focused on testing the assumptions relating to the forecasted revenue growth, profit margins for key CGUs and pre-tax discount rate. I assessed and challenged the cash flow projections, mainly for key CGUs, including an assessment of the historical accuracy of management's estimates and evaluation of future business plans.</p>

assumptions involved are affected by unexpected future market or economic conditions. The Group assessed the value-in-use of goodwill and intangible assets by using the discounted cash flow model that required many assumptions that are subject to management's judgments such as revenue growth rates and discount rates applied to future cash flow forecasts.

As at 31 December 2016, the Group had goodwill of THB 13,647 million and intangible assets of THB 15,936 million on the statement of financial position, representing approximately 9.59% and 11.19% of total assets, as detailed in Note 15 and Note 17, respectively. The Group has not recognised any impairment loss on these assets.

BUSINESS COMBINATIONS

As described in Note 13.1, the Group completed the acquisition of the business and assets of Rugen Fisch AG. The final purchase consideration was equivalent to THB 1,760 million. Management assessed that the acquisitions qualified as a business combination by applying the definition in TFRS 3.

Management determined that the fair value of the net identifiable assets acquired is THB 2,640 million with THB 1,053 million relating to goodwill that arose from the business combination. The valuation of the assets acquired, including intangible assets, and liabilities assumed was performed as part of the Purchase Price Allocation and the values of goodwill and the intangible assets have been determined in accordance with TFRS 3.

I focused on the business combination transactions and intangible assets arising from the transaction as a significant area of judgment. The valuation methodology, as well as the inputs and assumptions in the model, will affect the fair value of the intangible assets. The key assumptions are the future results of the business, the discount rates and the useful lives associated with the acquired intangible assets, which involves significant management judgment.

Furthermore, I assessed and tested the assumptions, methodologies, the weighted average cost of capital, royalty rate and other data used in management's impairment analysis. For example, by comparing them to external and historical data, such as external market growth expectations. I specifically focused on the sensitivity in the available headroom for the CGUs, evaluating whether a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount, and assessed the historical accuracy of management's estimates and assumptions.

I also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill and intangible assets.

Based on the procedures I performed, I considered management's key assumptions to be within a reasonable range. I also assessed that the disclosures are adequate.

I evaluated management's assessment that the acquisitions identified in Note 13.1 should be accounted for as business combinations and determined that they are appropriately accounted for in accordance with the requirements set out in TFRS 3.

I have, among others, read the business purchase agreements, confirming the correct accounting treatment has been applied and appropriate disclosure has been made; assessed the valuation and accounting for the purchase price and traced payments to bank statements; audited the identification and fair valuation of the assets and liabilities the Group acquired; and assessed the appropriateness of valuation assumptions such as discount and tax rates, evaluating and challenging assumptions used in such calculation based on historical and external evidence.

I tested the calculation of the goodwill arising from the business combinations, being the difference between the total purchase consideration and the fair value of the net identifiable assets and noted that management's computation was in line with TFRS 3.

Also, the goodwill arising from the acquisition has been determined by management to be part of the ambient food business. I have assessed management's determination of the allocation of the acquired intangibles to CGUs and found that it was reasonable.

Based on my procedures, I found that the allocation of the intangible assets at the date of the statement of financial position and the accounting for the business combination were appropriately allocated and recorded. In addition, I assessed the adequacy of the disclosures and did not identified any significant issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the

consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Somchai Jinnovart

Certified Public Accountant (Thailand) No. 3271

Bangkok
21 February 2017

Thai Union Group Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2016	2015	2015	2016	2015	2015
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets							
Current assets							
Cash and cash equivalents	8	976,122	2,815,970	2,123,441	13,404	2,092,174	12,091
Short-term investments		-	-	4,032,884	-	-	4,032,884
Trade and other receivables, net	9, 35	16,412,244	16,554,406	16,033,238	3,962,669	3,501,725	3,597,077
Short-term loans to related parties	35	-	30,600	-	7,331,581	2,944,881	1,631,881
Short-term loans to third parties		-	2,386	4,191	-	-	-
Current portion of long-term loans to related parties	35	-	-	-	-	501,613	1,982,410
Current portion of long-term loans to third parties		-	3,410	4,527	-	-	-
Inventories, net	10	39,626,191	35,180,216	37,517,575	4,769,795	3,445,750	4,103,172
Current portion of derivative contracts receivables		854,832	1,612,494	127,232	543,351	1,408,466	108,897
Other current assets	11	1,176,674	897,873	1,020,811	173,439	183,884	125,357
Assets of disposal group classified as held-for-sale	12	1,032,461	-	-	-	-	-
Total current assets		60,078,524	57,097,355	60,863,899	16,794,239	14,078,493	15,593,769
Non-current assets							
Restricted deposits with financial institutions		1,417	9,984	43,432	-	-	-
Investments in subsidiaries	13	-	-	-	27,851,936	18,562,950	16,500,073
Investments in associates	13	10,492,318	1,468,369	1,293,308	835,293	155,574	155,574
Investments in joint ventures	13	626,463	621,923	627,997	-	-	-
Other long-term investments	16	2,655,007	33,686	30,592	2,627,527	-	-
Long-term loans to related parties, net	35	12,361,592	-	-	40,263,658	20,495,060	22,936,080
Long-term loans to third parties, net		10,448	15,951	23,980	-	-	-
Property, plant and equipment, net	14	23,280,566	22,118,155	22,144,513	4,254,411	4,031,818	4,037,224
Intangible assets, net	15	15,935,933	14,394,959	14,197,194	513,554	206,178	21,082
Goodwill	17	13,646,643	13,001,066	13,078,777	-	-	-
Derivative contracts receivables, net		1,713,481	1,298,966	1,208,571	1,713,482	1,298,966	1,208,571
Deferred tax assets	18	704,258	432,213	269,608	17,709	20,756	13,305
Other non-current assets	19	858,813	418,573	226,811	415,963	113,553	76,161
Total non-current assets		82,286,939	53,813,845	53,144,783	78,493,533	44,884,855	44,948,070
Total assets		142,365,463	110,911,200	114,008,682	95,287,772	58,963,348	60,541,839

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Financial Position (continued)
As at 31 December 2016

		Consolidated financial statements			Separate financial statements		
		31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	20	36,905,656	19,376,546	26,086,541	28,638,929	3,688,339	8,889,561
Trade and other payables	21, 35	17,428,944	13,731,482	11,054,486	3,512,941	2,281,456	1,980,000
Short-term loans from related parties	35	77,000	60,900	52,700	923,957	32,600	-
Current portion of long-term							
loans from financial institutions, net	22	764,733	1,561,176	936,035	701,910	1,464,675	450,000
Current portion of debentures, net	23	2,499,835	1,949,122	-	2,499,835	1,949,122	-
Current portion of finance lease							
liabilities, net	24	82,308	90,908	113,920	12,241	11,128	43,303
Income tax payable		291,838	417,127	272,610	-	-	13,455
Current portion of derivative contracts							
payables		596,375	788,081	119,883	169,595	588,641	47,035
Other current liabilities	25	506,045	698,820	1,717,672	83,722	71,228	91,937
Liabilities of disposal group classified							
as held-for-sale	12	89,119	-	-	-	-	-
Total current liabilities		59,241,853	38,674,162	40,353,847	36,543,130	10,087,189	11,515,291
Non-current liabilities							
Long-term loans from							
financial institutions, net	22	963,325	1,696,537	3,050,224	840,941	1,547,562	2,857,040
Debentures, net	23	24,417,199	14,231,230	16,174,785	24,417,199	14,231,230	16,174,785
Finance lease liabilities, net	24	208,439	212,358	309,587	20,080	6,629	-
Employee benefit obligations	26	1,916,304	1,801,199	1,831,625	455,667	397,041	414,846
Deferred tax liabilities	18	4,499,820	4,657,473	4,459,391	-	-	-
Derivative contracts payables, net		1,037,913	1,059,289	207,031	1,037,913	1,059,289	117,293
Other non-current liabilities		2,644,674	609,158	881,058	453,216	426,145	634,380
Total non-current liabilities		35,687,674	24,267,244	26,913,701	27,225,016	17,667,896	20,198,344
Total liabilities		94,929,527	62,941,406	67,267,548	63,768,146	27,755,085	31,713,635

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited

Statement of Financial Position (continued)

As at 31 December 2016

	Notes	Consolidated financial statements			Separate financial statements		
		31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity (continued)							
Equity							
Share capital	27						
Authorised share capital							
5,971,815,496 ordinary shares at							
a par value of Baht 0.25 per share							
(1 January 2015: 4,808,000,000							
ordinary shares at a par value of							
Baht 0.25 per share)		1,492,954	1,492,954	1,202,000	1,492,954	1,492,954	1,202,000
Issued and paid-up share capital							
4,771,815,496 ordinary shares at							
a par value of Baht 0.25 per share		1,192,954	1,192,954	1,192,954	1,192,954	1,192,954	1,192,954
Premium on share capital		19,948,329	19,948,329	19,948,329	19,948,329	19,948,329	19,948,329
Retained earnings							
Appropriated - legal reserve	29	149,295	149,295	120,200	149,295	149,295	120,200
Unappropriated		26,528,035	24,309,334	21,526,720	10,275,437	9,917,685	7,566,721
Other components of equity		(4,575,938)	(383,690)	272,589	(46,389)	-	-
Equity attributable to owners of							
the parent		43,242,675	45,216,222	43,060,792	31,519,626	31,208,263	28,828,204
Non-controlling interests		4,193,261	2,753,572	3,680,342	-	-	-
Total equity		47,435,936	47,969,794	46,741,134	31,519,626	31,208,263	28,828,204
Total liabilities and equity		142,365,463	110,911,200	114,008,682	95,287,772	58,963,348	60,541,839

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2016 Thousand Baht	31 December 2015 Thousand Baht	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht
Sales	35	134,375,112	124,904,264	20,520,535	19,343,117
Cost of sales	35	(114,448,218)	(104,937,327)	(18,561,941)	(16,961,791)
Gross profit		19,926,894	19,966,937	1,958,594	2,381,326
Net gain on exchange rates		84,346	1,173,044	414,174	928,821
Dividend income	35	10,327	8	3,117,994	4,146,527
Other income	30	1,115,396	701,781	1,778,182	1,024,108
Profit before expenses		21,136,963	21,841,770	7,268,944	8,480,782
Selling expenses		(6,627,385)	(6,328,384)	(677,579)	(693,714)
Administrative expenses		(6,494,247)	(5,848,138)	(1,489,662)	(1,708,314)
Other expenses		(54,960)	(57,530)	(750,715)	-
Operating profit		7,960,371	9,607,718	4,350,988	6,078,754
Finance costs	31	(1,440,044)	(1,589,093)	(995,693)	(954,637)
Profit before share of profit of investments in associates and joint ventures		6,520,327	8,018,625	3,355,295	5,124,117
Share of profit of investments in associates and joint ventures	13	194,305	335,951	-	-
Profit before income tax expenses		6,714,632	8,354,576	3,355,295	5,124,117
Income tax expenses	33	(582,529)	(1,350,462)	8,701	(73,800)
Profit for the year from continuing operations		6,132,103	7,004,114	3,363,996	5,050,317
Loss for the year from discontinued operation	12	(271,953)	(1,015,887)	-	-
Profit for the year		5,860,150	5,988,227	3,363,996	5,050,317
Profit attributable to:					
Owners of the parent					
From continuing operations		5,526,385	6,388,396	3,363,996	5,050,317
From discontinued operation		(271,953)	(1,015,887)	-	-
		5,254,432	5,372,509	3,363,996	5,050,317
Non-controlling interests		605,718	615,718	-	-
Profit for the year		5,860,150	5,988,227	3,363,996	5,050,317
Earnings per share for profit attributable to the owners of the parent					
Earnings per share (Baht)	34				
Basic earnings per share					
From continuing operations		1.16	1.34	0.70	1.06
From discontinued operation		(0.06)	(0.21)	-	-
Total basic earnings per share		1.10	1.13	0.70	1.06

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht
Profit for the year	5,860,150	5,988,227	3,363,996	5,050,317
Other comprehensive income (expenses):				
Items that will not be reclassified subsequently to profit or loss				
- Loss on change in the value of pension fund	-	22,232	-	-
- Actuarial gain - net income tax	20,025	163,657	-	49,677
- Increase in other reserves	56,443	15,697	-	-
Total items that will not be reclassified to profit or loss	76,468	201,586	-	49,677
Items that will be reclassified subsequently to profit or loss				
- Exchange differences on translation	(923,709)	472,902	-	-
- Change in fair value of available- for-sale investments, net of tax	(46,770)	4,144	(46,389)	-
Total items that will be reclassified to profit or loss	(970,479)	477,046	(46,389)	-
Other comprehensive income (expenses) for the year, net of tax	(894,011)	678,632	(46,389)	49,677
Total comprehensive income for the year	4,966,139	6,666,859	3,317,607	5,099,994
Total comprehensive income attributable to:				
Owners of the parent	4,429,049	5,994,895	3,317,607	5,099,994
Non-controlling interests	537,090	671,964	-	-
Total comprehensive income for the year	4,966,139	6,666,859	3,317,607	5,099,994

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements														
Attributable to owners of the parent														
Notes	Retained earnings				Other components of equity							Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Appropriated - Legal reserve	Unappropriated	Exchange differences on translation	Changes in value of available-for-sale investments	Provision for changes in the value of pension fund	Revaluation surplus on assets	Other reserves	Changes in ownership interest in subsidiaries	Total other components of equity			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance as at 1 January 2015														
- as previously reported	1,192,954	19,948,329	120,200	21,526,720	363,604	(6,034)	(22,232)	604,591	(25,518)	(37,231)	877,180	43,665,383	3,801,524	47,466,907
Impact of changes in accounting policy and correction of prior year	4	-	-	-	-	-	-	(604,591)	-	-	(604,591)	(604,591)	(121,182)	(725,773)
Opening balance as at 1 January 2015 - restated														
Net decrease in non-controlling interest from change in investment in subsidiary	-	-	-	-	-	-	-	-	-	(1,119,530)	(1,119,530)	(1,119,530)	(943,347)	(2,062,877)
Dividend payment	-	-	-	(2,719,935)	-	-	-	-	-	-	-	(2,719,935)	(655,387)	(3,375,322)
Legal reserve	29	-	-	29,095	(29,095)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,531,644	421,178	4,144	22,232	-	15,697	-	463,251	5,994,895	671,964	6,666,859
Closing balance as at 31 December 2015														
	1,192,954	19,948,329	149,295	24,309,334	784,782	(1,890)	-	-	(9,821)	(1,156,761)	(383,690)	45,216,222	2,753,572	47,969,794
Opening balance as at 1 January 2016														
- as previously reported	1,192,954	19,948,329	149,295	24,239,293	784,782	(1,890)	-	604,591	(9,821)	(1,120,040)	257,622	45,787,493	2,838,033	48,625,526
Impact of changes in accounting policy and correction of prior year	4	-	-	70,041	-	-	-	(604,591)	-	(36,721)	(641,312)	(571,271)	(84,461)	(655,732)
Opening balance as at 1 January 2016 - restated														
Net decrease in non-controlling interest from change in investment in subsidiary	13	-	-	(69,759)	-	-	-	-	-	(1,414,818)	(1,414,818)	(1,484,577)	(545,767)	(2,030,344)
Acquisition of non-controlling interests through business combination	13	-	-	-	-	-	-	-	-	-	-	-	1,932,022	1,932,022
Options over non-controlling interests through business combination	13	-	-	-	-	-	-	-	(1,932,022)	-	(1,932,022)	(1,932,022)	-	(1,932,022)
Dividend payment	28	-	-	(2,985,997)	-	-	-	-	-	-	-	(2,985,997)	(483,656)	(3,469,653)
Total comprehensive income for the year	-	-	-	5,274,457	(855,081)	(46,770)	-	-	56,443	-	(845,408)	4,429,049	537,090	4,966,139
Closing balance as at 31 December 2016														
	1,192,954	19,948,329	149,295	26,528,035	(70,299)	(48,660)	-	-	(1,885,400)	(2,571,579)	(4,575,938)	43,242,675	4,193,261	47,435,936

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Separate financial statements								
Notes	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Retained earnings		Other components of equity			Total equity Thousand Baht
			Appropriated - Legal reserve Thousand Baht	Unappropriated Thousand Baht	Changes in value of available-for-sale investments Thousand Baht	Revaluation surplus on assets Thousand Baht	Total other components of equity Thousand Baht	
Opening balance as at 1 January 2015								
- as previously reported	1,192,954	19,948,329	120,200	7,566,721	-	179,590	179,590	29,007,794
Impact of changes in accounting policy	4	-	-	-	-	(179,590)	(179,590)	(179,590)
Opening balance as at 1 January 2015 - restated								
	1,192,954	19,948,329	120,200	7,566,721	-	-	-	28,828,204
Dividend payment	-	-	-	(2,719,935)	-	-	-	(2,719,935)
Legal reserve	29	-	29,095	(29,095)	-	-	-	-
Total comprehensive income for the year	-	-	-	5,099,994	-	-	-	5,099,994
Closing balance as at 31 December 2015	<u>1,192,954</u>	<u>19,948,329</u>	<u>149,295</u>	<u>9,917,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,208,263</u>
Opening balance as at 1 January 2016								
- as previously reported	1,192,954	19,948,329	149,295	9,917,685	-	179,590	179,590	31,387,853
Impact of changes in accounting policy	4	-	-	-	-	(179,590)	(179,590)	(179,590)
Opening balance as at 1 January 2016 - restated								
	1,192,954	19,948,329	149,295	9,917,685	-	-	-	31,208,263
Dividend payment	28	-	-	(3,006,244)	-	-	-	(3,006,244)
Total comprehensive income for the year	-	-	-	3,363,996	(46,389)	-	(46,389)	3,317,607
Closing balance as at 31 December 2016	<u>1,192,954</u>	<u>19,948,329</u>	<u>149,295</u>	<u>10,275,437</u>	<u>(46,389)</u>	<u>-</u>	<u>(46,389)</u>	<u>31,519,626</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Profit before income tax expenses					
From continuing operations		6,714,632	8,354,576	3,355,295	5,124,117
From discontinued operation		(271,943)	(1,016,192)	-	-
Total		6,442,689	7,338,384	3,355,295	5,124,117
Adjustments for:					
Depreciation expenses	14	2,731,475	2,528,124	386,639	366,542
Amortisation expenses	15	251,516	198,043	12,875	4,419
Amortisation of discount/premium from derivative contracts		(225,152)	35,965	(256,275)	(879)
(Reversal of) Allowance for doubtful accounts		(11,749)	82,193	1,291	2,318
(Reversal of) Allowance for diminution in value of inventories		(257,872)	(145,106)	(64,190)	783
(Reversal of) Allowance for loss on impairment of assets	14,15	(134,882)	533,100	-	-
Allowance for loss on impairment of assets of disposal group classified as held for sale	12	52,935	-	-	-
Employee benefit obligations	26	246,417	232,474	66,270	48,074
Loss on sales of investments in subsidiaries		30,739	-	49,244	-
Loss on sales of investments in joint ventures		22,678	-	-	-
Gain on sales of other long-term investments		(4,768)	-	-	-
Loss from capital reduction from subsidiaries		-	-	676,105	-
(Gain) Loss on disposals and write-offs of property, plant and equipment, net and intangible assets, net		17,237	127,383	(9,781)	10,744
Share of profit from investments in associates and joint ventures	13	(194,305)	(335,951)	-	-
(Gain) loss on exchange rates		916,445	242,960	275,362	(77,123)
Dividend income		(10,327)	(8)	(3,117,994)	(4,146,527)
Finance costs		1,440,044	1,589,093	995,693	954,637
Interest income		(227,919)	(63,127)	(1,115,111)	(797,766)
		11,085,201	12,363,527	1,255,423	1,489,339
Changes in operating assets and liabilities					
- (Increase) Decrease in trade and other receivables		195,235	(214,557)	(228,226)	74,095
- (Increase) Decrease in inventories		(4,159,662)	3,397,535	(1,259,204)	657,689
- (Increase) Decrease in other current assets		(108,827)	155,842	(17,390)	(12,274)
- Increase in other non-current assets		(202,121)	(142,336)	(38,754)	(708)
- Increase in trade and other payables		2,938,483	1,649,632	977,625	303,229
- Decrease in other current liabilities		(287,172)	(313,930)	(34,533)	(13,147)
- Increase (Decrease) in other non-current liabilities		106,282	(18,606)	(6,138)	31,418
- Cash paid for employee benefit obligations		(90,938)	(79,956)	(7,643)	(15,346)
Cash flows receipts from operations		9,476,481	16,797,151	641,160	2,514,295
- Income tax paid		(1,706,592)	(1,070,650)	39,624	(116,991)
Net cash receipts from operating activities		7,769,889	15,726,501	680,784	2,397,304

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited**Statement of Cash Flows (continued)****For the year ended 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities					
Decrease in restricted deposits with financial institutions		8,481	31,709	-	-
Net cash receipts for short-term investments		-	4,043,822	-	4,043,812
Purchases of property, plant and equipment		(3,737,433)	(2,935,889)	(503,233)	(360,109)
Proceeds from disposals of property, plant and equipment		187,946	10,430	13,156	3,320
Purchases of intangible assets		(383,652)	(255,872)	(320,076)	(189,515)
Proceeds from disposals of intangible assets		211	558	-	-
Cash payment for business combinations, net of cash acquired	13	(1,932,307)	(322,434)	-	-
Cash payment for investments in subsidiaries		-	-	(18,246,920)	(2,062,877)
Cash payment for investments in associates	13	(8,787,895)	-	(679,719)	-
Cash payment for investments in joint ventures	13	(137,700)	-	-	-
Cash payment for other long-term investments		(2,674,164)	(2,042)	(2,673,918)	-
Proceeds from reduced share capital of subsidiary		-	-	8,232,585	-
Proceeds from sale of investments in joint ventures		36,657	-	-	-
Proceeds from sale of other long-term investments		10,828	4,188	-	-
Net cash receipts from (payments for) short-term loans to related parties		30,600	(30,600)	(4,550,184)	(1,287,895)
Net cash receipts from short-term loans to third parties		1,250	1,799	-	-
Cash receipts from long-term loans to related parties	35	-	-	14,230,572	5,463,285
Cash payments from long-term loans to related parties	35	(12,174,947)	-	(34,043,181)	(1,551,424)
Cash receipts from long-term loans to third parties		9,539	9,095	-	-
Interest received		8,310	94,953	894,251	826,684
Dividend received		134,490	91,999	3,117,994	4,146,527
Net cash receipts (payments) from investing activities		(29,399,786)	741,716	(34,528,673)	9,031,808

Thai Union Group Public Company Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from financing activities					
Net cash receipts (payments) for bank overdrafts and short-term loans from financial institutions		17,443,896	(7,550,204)	24,969,047	(5,218,389)
Net cash receipts from short-term loans from related parties		16,100	8,200	1,307,423	-
Net cash receipts from short-term loans from third parties		-	-	-	32,600
Cash receipts from debenture issuance	23	12,642,843	-	12,642,843	-
Repayments for debenture issuance	23	(1,950,000)	-	(1,950,000)	-
Cash receipts from long-term loans from financial institutions	22	14,883	-	-	-
Repayments for long-term loans from financial institutions	22	(1,567,209)	(877,826)	(1,334,800)	(450,000)
Debenture issuance costs	23	(20,554)	-	(20,554)	-
Interest paid		(1,009,311)	(1,234,160)	(812,635)	(780,775)
Other finance costs paid		(258,936)	(432,362)	(14,762)	(182,152)
Cash paid for finance lease liabilities		(64,515)	(176,125)	(14,958)	(30,325)
Cash paid for non-controlling interest from change in investment in subsidiary	13	(2,050,013)	(2,062,877)	-	-
Receipts from non-controlling interest for additional share capital in a subsidiary	13	89,428	-	-	-
Dividends paid to the owners of the parent		(2,982,062)	(2,719,988)	(3,002,479)	(2,719,988)
Dividends paid to non-controlling interests		(483,656)	(655,387)	-	-
Net cash receipts (payments) for financing activities		19,820,894	(15,700,729)	31,769,125	(9,349,029)
Net increase (decrease) in cash and cash equivalents		(1,809,003)	767,488	(2,078,764)	2,080,083
Cash and cash equivalents - opening balance	8	2,815,970	2,123,441	2,092,174	12,091
Exchange loss on cash and cash equivalents		(30,845)	(74,959)	(6)	-
Cash and cash equivalents - closing balance	8	976,122	2,815,970	13,404	2,092,174
Non-cash items					
Payable balances from purchase of property, plant and equipment (include in trade and other payables)	21	392,992	164,824	114,316	38,105
Acquisition of property, plant and equipment by means of finance leases		60,867	47,980	29,522	4,779

The accompanying notes are an integral part of these consolidated and separate financial statements.

Thai Union Group Public Company Limited**Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2016****1 General information**

Thai Union Group Public Company Limited (the “Company”) is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The current address of the Company’s registered office is at 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsai, Amphur Muang, Samutsakorn. The Company has 11 branches in Bangkok and Samutsakorn.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Company operates its business in Thailand and its subsidiaries conduct business in Thailand and overseas countries. The principal activities of the Company and the subsidiaries in Thailand are the manufactures and sales of frozen, chilled and canned seafood. Local subsidiaries are also engaged in the packaging, printing and pet food businesses.

The principal operations of the overseas subsidiaries consist of the following businesses. The subsidiaries in America are the manufacturers and distributors of lobster and other seafood products, and the importer of shrimp and other frozen seafood products for sales to restaurant chains, retailers and wholesalers. The subsidiaries in Europe are the manufacturers and distributors of ambient seafood products to countries in Europe, America and Australia under their trademarks. The subsidiaries in Asia are the manufacturer and distributor of seafood in Vietnam and China.

These Group consolidated financial statements were authorised for issuance by the Board of Directors on 21 February 2017.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investments as explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (continued)

2.2 Revised financial reporting standards and interpretations (continued)

2.2.1 Revised financial reporting standards and related interpretations with significant changes that are effective on 1 January 2016 and relevant to the Group:

TAS 19 (revised 2015)	Employee benefits
TAS 36 (revised 2015)	Impairment of assets
TAS 40 (revised 2015)	Investment property
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the Group.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. This standard has no impact to the Group.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11. This standard has no impact to the Group.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group, except for disclosures.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group.

TFRIC 21, 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. This standard has no impact to the Group.

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted these revised standards

Financial reporting standards which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 11 (revised 2016)	Joint arrangements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- Other comprehensive income (OCI) arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) the amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the assets is not allowed and 2) the amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted these revised standards

Financial reporting standards which have significant changes and are relevant to the Group: (continued)

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement of subsidiaries applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

The Group's management has assessed and considered that the above revised standards will not have a material impact on the Group.

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries, associates and joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's subsidiaries and the effects of the acquisition and disposal of subsidiaries have been disclosed in Note 13.

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries, associates and joint ventures (continued)

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as associate, joint venture or other long-term investment. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the separate financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal associates and the effects of acquisition and disposal of associates are set out in Note 13.

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries, associates and joint ventures (continued)

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 Accounting policies (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, rebates and other similar items. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for slow-moving, obsolete and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognized at cost, which is equal to the fair value of consideration paid plus transaction cost.

2 Accounting policies (continued)

2.8 Investments (continued)

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the market. The unrealised gains and losses of trading investments are recognised in statement of income. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Property, plant and equipment

Land is stated at historical cost less allowance for impairment. Other property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated on the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	5 - 40 years
Buildings and building improvements	5 - 40 years
Machinery and factory equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 20 years
Vehicles	3 - 20 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within other income/expenses in the statement of income.

2 Accounting policies (continued)

2.10 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less allowance for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.11 Intangible assets

2.11.1 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit. During the year ended 31 December 2016, all development projects were in progress and had not been amortised.

2.11.2 Trademarks and licences

Separately acquired trademarks and licences are initially recorded at historical cost. Trademarks and licences acquired in business combinations are initially recognised at fair value at the acquisition date. Trademarks and licenses with an indefinite useful life are carried at cost less allowance for impairment. Trademarks and licenses with a finite useful life are carried at cost less accumulated amortisation and allowance for impairment. The trademarks presented in these financial statements have indefinite useful lives and are tested annually for impairment. The licenses have definite useful lives and are amortised using the straight-line method to allocate the cost of licences over their estimated useful lives of 2 - 16 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 - 10 years.

2.11.3 Contractual customer and distributor relationships

Contractual customer and distributor relationships acquired in a business combination are initially recognised at fair value at the acquisition date. The contractual customer and distributor relationships have a finite useful life, and are carried at cost less accumulated amortisation and allowance for impairment. Amortisation is calculated using the straight-line method over the expected lives of 5-10 years.

2 Accounting policies (continued)

2.11 Intangible assets

2.11.4 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include employee costs of software development team and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives of 3 - 10 years.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases – where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2 Accounting policies (continued)

2.14 Borrowings and debentures

Borrowings and debentures are recognised initially at the fair value, net of transaction costs incurred. Borrowings and debentures are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing period using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings and debentures are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.15 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (continued)

2.17 Employee benefits

The Group operates various post-employment benefit schemes, including both defined contribution plans and defined benefit plans.

A defined contribution plan is a post-retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurement gains and losses arising from past experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and included in retained earnings in the statement of changes in shareholders' equity.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions (excluding employee benefits) are recognised when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Share Capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2 Accounting policies (continued)

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognised on an accrual basis, using the effective interest method.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income is recognised when the right to receive payment is established.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the annual dividends and the interim dividends are approved by the Company's shareholders and the Company's board of directors, respectively.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Global Leadership Team (GLT) that makes strategic decisions.

2.23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.24 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

(1) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk in connection with measurement currency.

(2) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, including the Group's had entered into interest rate swap agreements.

The Group sometimes borrows at variable rates and uses interest rate swaps to hedge future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(2) Interest rate risk (continued)

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.

As at 31 December 2016	Consolidated financial statements								
	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	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht			
Financial assets									
Cash and cash equivalents	66	-	-	181	-	-	729	976	0.05 - 4.00
Trade and other receivables	-	-	-	-	-	-	15,827	15,827	-
Restricted bank deposits	-	-	-	-	1	-	-	1	0.85 - 1.15
Long-term loans to related and third parties	-	-	12,365	-	-	-	7	12,372	3.66 - 8.00
	<u>66</u>	<u>-</u>	<u>12,365</u>	<u>181</u>	<u>1</u>	<u>-</u>	<u>16,563</u>	<u>29,176</u>	
Financial liabilities									
Bank overdrafts and short-term loans from financial institutions	14,070	-	-	22,836	-	-	-	36,906	0.55 - 4.25
Trade and other payables	-	-	-	-	-	-	15,534	15,534	-
Short-term loans from related parties	77	-	-	-	-	-	-	77	1.30 - 1.30
Long-term loans from financial institutions	62	54	-	702	877	-	33	1,728	1.15 - 5.75
Debentures	2,500	15,183	9,234	-	-	-	-	26,917	2.03 - 5.18
Finance lease liabilities	82	144	57	-	-	-	8	291	0.81 - 6.00
	<u>16,791</u>	<u>15,381</u>	<u>9,291</u>	<u>23,538</u>	<u>877</u>	<u>-</u>	<u>15,575</u>	<u>81,453</u>	
As at 31 December 2015	Consolidated financial statements								
	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	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht			
Financial assets									
Cash and cash equivalents	7	-	-	2,181	-	-	628	2,816	0.10 - 1.75
Trade and other receivables	-	-	-	-	-	-	15,776	15,776	-
Short-term loans to related parties	31	-	-	-	-	-	-	31	2.40
Short-term loans to third parties	-	-	-	1	-	-	1	2	0.30 - 3.70
Restricted bank deposits	-	-	-	-	1	-	9	10	0.80
Long-term loans to third parties	3	9	-	-	-	-	7	19	0.96 - 6.16
	<u>41</u>	<u>9</u>	<u>-</u>	<u>2,182</u>	<u>1</u>	<u>-</u>	<u>16,421</u>	<u>18,654</u>	
Financial liabilities									
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 loans from related parties	61	-	-	-	-	-	-	61	1.45
Long-term loans from financial institutions	27	26	-	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
	<u>11,918</u>	<u>5,818</u>	<u>8,651</u>	<u>11,046</u>	<u>1,641</u>	<u>-</u>	<u>12,367</u>	<u>51,441</u>	

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(2) Interest rate risk (continued)

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 (continued).

As at 31 December 2016	Consolidated financial statements								
	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	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht			
Financial assets									
Cash and cash equivalents	-	-	-	13	-	-	-	13	0.10 - 0.40
Trade and other receivables	230	-	-	3	-	-	3,599	3,832	0.63 - 6.00
Short-term loans to subsidiaries	84	-	-	7,248	-	-	-	7,332	0.63 - 2.10
Long-term loans to subsidiaries	-	24,078	-	-	12,715	3,471	-	40,264	1.33 - 6.16
	314	24,078	-	7,264	12,715	3,471	3,599	51,441	
Financial liabilities									
Bank overdrafts and short-term loans from financial institutions	8,566	-	-	20,073	-	-	-	28,639	0.55 - 2.18
Trade and other payables	2	-	-	-	-	-	3,480	3,482	1.30 - 1.65
Short-term loans from subsidiaries	905	-	-	-	-	-	19	924	1.30 - 1.50
Long-term loans from financial institutions	-	-	-	702	841	-	-	1,543	1.34 - 2.60
Debentures	2,500	15,183	9,234	-	-	-	-	26,917	2.03 - 5.18
Finance lease liabilities	12	20	-	-	-	-	-	32	2.12 - 2.81
	11,985	15,203	9,234	20,775	841	-	3,499	61,537	
As at 31 December 2015	Consolidated financial statements								
	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	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht			
Financial assets									
Cash and cash equivalents	-	-	-	2,089	-	-	3	2,092	0.50 - 1.75
Trade and other receivables	-	-	-	-	-	-	3,386	3,386	-
Short-term loans 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
	2,887	12,623	-	2,649	3,897	3,975	3,389	29,420	
Financial liabilities									
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 loans from subsidiaries	33	-	-	-	-	-	-	33	1.45
Long-term loans from financial institutions	-	-	-	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
	5,681	5,653	8,585	1,464	1,548	-	2,248	25,179	

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(3) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does 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.

(4) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Accounting for derivative financial instruments and hedging activities

The Group parties to financial instruments that reduce exposure to fluctuations in exchange rates and interest rates by using derivative contracts to protect its exposure from movements in the exchange rates and interest rates. At the statement of financial position date, the foreign currency amounts receivable or payable under these contracts are translated into Baht at the rates ruling at that date. Unrealized gains or losses that result from the translation are recognized in the statement of income. Any premiums or discounts equal to the difference between the exchange rates and the contract rates at the inception of the contracts are amortized on a straight-line basis over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statement of financial position. Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement

Disclosure about derivative financial instruments to which the Group is a party are provided in Note 37.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2016 and 2015.

As at 31 December 2016	Consolidated financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset measured at fair value				
Available-for-sale financial assets				
Equity instrument	2,650,641	-	-	2,650,641
Assets for which fair value are disclosed				
Investment in associate	2,772,861	-	-	2,772,861
Derivatives				
Foreign currency forward contracts	-	614,774	-	614,774
Option agreements	-	2,277	-	2,277
Cross-currency and interest rate swap agreements	-	327,603	-	327,603
Liabilities for which fair value are disclosed				
Debentures	-	27,346,473	-	27,346,473
Derivatives				
Interest rate swap agreements	-	180,992	-	180,992
As at 31 December 2015	Consolidated financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset measured at fair value				
Available-for-sale financial assets				
Equity instrument	30,776	-	-	30,776
Assets for which fair value are disclosed				
Investment in associate	2,550,834	-	-	2,550,834
Derivatives				
Foreign currency forward contracts	-	706,278	-	706,278
Option agreements	-	54,843	-	54,843
Cross-currency and interest rate swap agreements	-	281,465	-	281,465
Liabilities for which fair value are disclosed				
Debentures	-	17,138,067	-	17,138,067
Derivatives				
Interest rate swap agreements	-	368,291	-	368,291

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2016 and 2015 (continued).

As at 31 December 2016	Separate financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Asset measured at fair value				
Available-for-sale financial assets	2,626,527	-	-	2,626,527
Equity instrument				
Assets for which fair value are disclosed				
Investment in associate	2,772,861	-	-	2,772,861
Derivatives				
Foreign currency forward contracts	-	675,241	-	675,241
Option agreements	-	1,152	-	1,152
Cross-currency and interest rate swap agreements	-	327,603	-	327,603
Liabilities for which fair value are disclosed				
Debentures	-	27,346,473	-	27,346,473
As at 31 December 2015	Separate financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Assets for which fair value are disclosed				
Investment in associate	2,550,834	-	-	2,550,834
Derivatives				
Foreign currency forward contracts	-	698,381	-	698,381
Option agreements	-	54,843	-	54,843
Cross-currency and interest rate swap agreements	-	281,465	-	281,465
Liabilities for which fair value are disclosed				
Debentures	-	17,138,067	-	17,138,067
Derivatives				
Interest rate swap agreements	-	6,226	-	6,226

There were no transfers between such levels during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 Change in accounting policy, reclassification and correction of prior period

Change in accounting policy

The Group has changed the accounting policy regarding the measurement of land from cost or revaluation model to cost model since 1 January 2016 to comply with the Group's accounting policy. The change in this accounting policy has been applied retrospectively and the effect of the change is presented in the next section.

Reclassification

The Group has changed the presentation of other receivables and other payables in the consolidated statement of financial position that was previously included in other current assets and other current liabilities to trade and other receivables and trade and other payables, respectively. The Group has also reclassified investment in an associate to investment in a joint venture. Comparative figures have been reclassified to conform to the presentation in the current year.

Correction of prior period

The Group retrospectively adjusted the comparative financial statements due to the depreciation calculation, the recognition of deferred tax on eliminated profit on inventories and share of profit and loss from associates and joint ventures and the correction of derivatives measurement of the overseas subsidiaries in consolidation level. The Group revisited deferred tax calculation and recognized deferred tax assets and liabilities arising from eliminated profit on inventories and share of profit and loss from associates and joint ventures. The Group's receivables and payables arising from forward contracts are translated into Baht at the closing rates at the date of the statement of financial position. Unrecognized gains and losses from the translation are included in profit and loss. Premiums or discounts on forward contracts are amortized on a straight-line basis over the contract periods.

4 Change in accounting policy, reclassification and correction of prior period (continued)

The effects of change in accounting policy, reclassification and correction of prior period on the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of income and comprehensive income for the year then ended are as follows:

	As previously reported Thousand Baht	Adjustment Thousand Baht	Restated Thousand Baht	
Consolidated statement of financial position as at 31 December 2015				
Trade and other receivables, net	15,775,582	778,824	16,554,406	
Current portion of derivative contracts receivables	1,421,699	190,795	1,612,494	
Other current assets	1,624,922	(727,049)	897,873	
Investment in associates	1,620,403	(152,034)	1,468,369	
Investment in joint ventures	469,889	152,034	621,923	
Property, plant and equipment, net	23,072,327	(954,172)	22,118,155	
Deferred tax assets	286,422	145,791	432,213	
Trade and other payables	12,262,008	1,469,474	13,731,482	
Current portion of derivative contracts payables	694,015	94,066	788,081	
Other current liabilities	2,154,923	(1,456,103)	698,820	
Deferred tax liabilities	4,674,989	(17,516)	4,657,473	
Unappropriated retained earnings as at 31 December 2015	24,239,293	70,041	24,309,334	
Other components of equity as at 1 January 2015	877,180	(604,591)	272,589	
Other components of equity as at 31 December 2015	257,622	(641,312)	(383,690)	
Non-controlling interests as at 1 January 2015	3,801,524	(121,182)	3,680,342	
Non-controlling interests as at 31 December 2015	2,838,033	(84,461)	2,753,572	
	As previously reported Thousand Baht	Adjustment Thousand Baht	Discontinued operation (Note 12) Thousand Baht	Restated Thousand Baht
Consolidated statements of income and comprehensive income for the year ended 31 December 2015				
Sales	125,182,812	-	(278,548)	124,904,264
Cost of sales	(105,681,841)	(46,955)	791,469	(104,937,327)
Other income	709,125	-	(7,344)	701,781
Net gain on exchange rates	1,011,972	161,072	-	1,173,044
Administrative expense	(6,387,402)	31,590	507,674	(5,848,138)
Other expenses	-	(57,530)	-	(57,530)
Finance costs	(1,592,034)	-	2,941	(1,589,093)
Income tax expenses	(1,332,021)	(18,136)	(305)	(1,350,462)
Profit for the year from continuing operations	5,918,186	70,041	1,015,887	7,004,114
Loss for the year from discontinued operation	-	-	(1,015,887)	(1,015,887)
Profit for the year	5,918,186	70,041	-	5,988,227
- Owners of the parent	5,302,468	70,041	-	5,372,509
Total comprehensive income for the year	6,596,818	70,041	-	6,666,859
- Owners of the parent	5,924,854	70,041	-	5,994,895
Basic and diluted earnings per share attributable to owners of the parent (Baht)	1.11	0.02	-	1.13

4 Change in accounting policy, reclassification and correction of prior period (continued)

The effects of change in accounting policy and reclassification on the separate statement of financial position as at 31 December 2015 are as follows:

	As previously reported Thousand Baht	Adjustment Thousand Baht	Restated Thousand Baht
Separate statement of financial position as at 31 December 2015			
Trade and other receivables, net	3,385,609	116,116	3,501,725
Other current assets	300,000	(116,116)	183,884
Property, plant and equipment, net	4,256,305	(224,487)	4,031,818
Deferred tax assets	-	20,756	20,756
Deferred tax liabilities	24,141	(24,141)	-
Other components of equity as at 1 January 2015	179,590	(179,590)	-
Other components of equity as at 31 December 2015	179,590	(179,590)	-

The presentation of the statement of financial position as at 1 January 2016 has been presented in accordance with TAS 1, Presentation of Financial Statements, paragraph 40A.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of goodwill and intangible asset with an indefinite useful life

The Group tests annually whether goodwill and intangible asset with an indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in Note 2.10 and 2.11, respectively. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The recoverable amounts of trademarks have been determined based on fair value which is mainly derived from the Relief-from-royalty method. These calculations require the use of estimates (Note 15 and 17).

(b) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality corporate bonds/market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 26.

6 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 Segment information

The Global Leadership Team ("GLT") is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the GLT for the purposes of allocating resources and assessing performance.

For management purposes, the Group 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 Group 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 Group measures segment performance based on gross profit on a consistent basis with that uses to measure gross profit in the financial statements.

Transactions between operating segments are recorded in a manner similar to transactions with third parties. These transactions are eliminated for the consolidated financial statements.

7 Segment information (continued)

The following tables present revenue and gross profit information regarding the Group's operating segments for the year ended 31 December 2016 and 2015.

	Consolidated financial statements					
	Ambient seafood Thousand Baht	Frozen and chilled seafood and related business Thousand Baht	Pet food, value- added and other business Thousand Baht	Total reportable segments Thousand Baht	Eliminations Thousand Baht	Total Thousand Baht
For the year ended 31 December 2016						
External customers	61,041,805	55,832,912	17,500,395	134,375,112	-	134,375,112
Inter-segment	9,326,006	7,523,462	4,752,024	21,601,492	(21,601,492)	-
Total revenue	70,367,811	63,356,374	22,252,419	155,976,604	(21,601,492)	134,375,112
Results						
Segment gross profit	10,425,570	5,026,152	4,464,313	19,916,035	10,859	19,926,894
Selling and administrative expenses						(13,121,632)
Other expenses						(54,960)
Operating profit (not including other income)						6,750,302
Finance costs						(1,440,044)
Share of profits from investments in associates and joint ventures						194,305
Other income						1,210,069
Profit before income tax expenses						6,714,632
Income tax expenses						(582,529)
Profit for the year from continuing operations						6,132,103
Loss for the year from discontinued operation						(271,953)
Profit for the year						5,860,150

7 Segment information (continued)

The following tables present revenue and gross profit information regarding the Group's operating segments for the year ended 31 December 2016 and 2015 (continued).

For the year ended 31 December 2015	Consolidated financial statements					
	Ambient seafood Thousand Baht	Frozen and chilled seafood and related business Thousand Baht	Pet food, value- added and other business Thousand Baht	Total reportable segments Thousand Baht	Eliminations Thousand Baht	Total Thousand Baht
External customers	59,141,931	50,306,850	15,455,483	124,904,264	-	124,904,264
Inter-segment	7,652,189	6,494,062	4,688,161	18,834,412	(18,834,412)	-
Total revenue	66,794,120	56,800,912	20,143,644	143,738,676	(18,834,412)	124,904,264
Results						
Segment gross profit	11,114,623	5,554,969	3,554,936	20,224,528	(257,591)	19,966,937
Selling and administrative expenses						(12,176,522)
Other expenses						(57,530)
Operating profit (not including other income)						7,732,885
Finance costs						(1,589,093)
Share of profits from investments in associates and joint ventures						335,951
Other income						1,874,833
Profit before income tax expenses						8,354,576
Income tax expenses						(1,350,462)
Profit for the year from continuing operations						7,004,114
Loss for the year from discontinued operation						(1,015,887)
Profit for the year						5,988,227

Geographic information

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

For the year ended 31 December	Consolidated financial statements	
	2016 Thousand Baht	2015 Thousand Baht
Revenue from external customers		
Thailand	11,088,194	10,038,548
The United States of America	53,009,905	52,828,575
Japan	8,544,810	7,839,005
European countries	43,722,243	36,532,300
Others	18,009,960	17,665,836
Total	134,375,112	124,904,264

Major customer

During the year ended 31 December 2016 and 2015, the Group had no customer with revenues of 10% or more of the Group's revenue.

8 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Cash on hand	6,443	15,540	887	768
Current and savings accounts	933,127	2,800,430	12,517	2,091,406
Fixed deposits due within 3 months	36,552	-	-	-
Total cash and cash equivalents	976,122	2,815,970	13,404	2,092,174

The effective interest rate on fixed deposits due within 3 months was between 0.20% per annum and 0.80% per annum (2015: between 0.05% per annum and 1.75% per annum).

9 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Trade receivables	15,231,996	16,097,014	3,417,501	3,393,769
<u>Less</u> Allowance for doubtful accounts	(433,857)	(448,392)	(30,237)	(28,946)
Trade receivables, net	14,798,139	15,648,622	3,387,264	3,364,823
Accrued interest income				
- related parties (Note 35)	225,256	62	233,514	10,461
Accrued interest income				
- third parties	-	795	-	783
Other receivables - related parties	53,905	-	116,992	-
Other receivables - third parties	439,130	-	-	-
Prepaid expenses	496,223	689,342	52,508	36,471
Tax coupon	89,312	89,482	78,196	79,645
Accrued income	75,334	29,556	16,670	8,354
Advance payments	234,945	96,547	77,525	1,188
Total trade and other receivables, net	16,412,244	16,554,406	3,962,669	3,501,725

9 Trade and other receivables, net

Outstanding trade receivables can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
<u>Trade receivables - third parties</u>				
Not yet due	11,298,894	12,927,287	880,214	1,202,453
Up to 3 months	2,978,323	2,357,439	488,172	249,388
3-6 months	336,541	132,257	64,208	3,792
6-12 months	61,011	130,289	2,794	-
Over 12 months	418,399	448,035	27,576	28,946
	15,093,168	15,995,307	1,462,964	1,484,579
<u>Less</u> Allowance for doubtful accounts	(433,857)	(448,392)	(30,237)	(28,946)
	14,659,311	15,546,915	1,432,727	1,455,633
<u>Trade receivables - related parties</u> (Note 35)				
Not yet due	43,152	70,037	1,610,120	1,463,732
Up to 3 months	95,676	29,758	339,709	427,816
3-6 months	-	1,738	4,708	17,642
6-12 months	-	92	-	-
Over 12 months	-	82	-	-
	138,828	101,707	1,954,537	1,909,190
Trade receivables, net	14,798,139	15,648,622	3,387,264	3,364,823

As at 31 December 2016, the Group had no trade receivables that were used for securing their credit facilities (2015: Baht 3,582.52 million). As at 31 December 2016, the Group had no foreign currency trade receivables of overseas subsidiaries that were sold at a discount rate to financial institutions, with recourse (2015: Baht 74 million).

10 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Finished goods, net	23,806,750	19,152,984	1,867,952	1,322,941
Work in process, net	320,393	433,398	-	9,402
Raw materials, net	9,633,381	9,202,903	1,979,711	1,493,744
Ingredients and packaging, net	1,534,831	1,388,156	146,802	145,727
Goods in transit	3,594,584	4,091,478	752,629	455,960
Spare parts and supplies, net	736,252	911,297	22,701	17,976
Total inventories, net	39,626,191	35,180,216	4,769,795	3,445,750

As at 31 December 2016, the Group and the Company provided allowance for net realisable value in the consolidated and separate financial statements in the amount of Baht 901.59 million and Baht 57.43 million, respectively (2015: Baht 1,273.28 million and Baht 121.62 million, respectively).

As at 31 December 2016, the Group had no inventories pledged with financial institution to secure their credit facilities (2015: Baht 7,606.40 million)

11 Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Prepaid income tax	277,519	200,488	67,611	95,486
Unamortised discount on derivative contracts	124,995	43,202	40,180	37,021
Value added tax refundable	522,852	387,619	31,135	45,450
Other current assets	251,308	266,564	34,513	5,927
Total other current assets	<u>1,176,674</u>	<u>897,873</u>	<u>173,439</u>	<u>183,884</u>

12 Non-current assets classified as held-for-sale and discontinued operation

In December 2016, the Group announced its intention to divest fishing fleet business in Ghana. The subsidiary comprises this segment is reported in the financial statements as a discontinuing operation. The Sales Contract and Memorandum of Understanding were signed for the sales of vessels in December 2016. The Group expects to dispose all relating assets in the year 2017.

The assets and liabilities classified as disposal group held-for-sale as at 31 December 2016 are mainly boats, equipment, inventory, other assets and other liabilities.

The results of cash flows for the year ended 31 December 2016 and 2015 are as follow:

Statement of cash flow for discontinued operation

For the year ended 31 December	Consolidated financial statements	
	2016 Thousand Baht	2015 Thousand Baht
Cash flows from operating activities	(265,007)	(252,956)
Cash flows from investing activities	211,667	(261,532)
Cash flows from financing activities	59,119	515,406
Net cash flow	<u>5,779</u>	<u>918</u>

12.1 Assets of disposal group classified as held-for-sale

As at 31 December	Consolidated financial statements	
	2016 Thousand Baht	2015 Thousand Baht
Property, plant and equipment	931,910	-
Inventory	59,216	-
Others	41,335	-
Total assets of disposal group classified as held-for-sale	<u>1,032,461</u>	<u>-</u>

12 Non-current assets classified as held-for-sale and discontinued operation (continued)**12.2 Liabilities of disposal group classified as held-for-sale (continued)**

As at 31 December	Consolidated financial statements	
	2016	2015
	Thousand Baht	Thousand Baht
Trade and other payable	73,658	-
Provision	14,745	-
Others	716	-
Total liabilities of disposal group classified as held-for-sale	89,119	-

In accordance with TFRS 5, the assets and liabilities held-for-sale were written down to their fair value less cost to sell of Baht 52.93 million. The fair value is measured based on expected sales price for the vessels and spare parts.

12.3 Cumulative income or expenses recognised in other comprehensive income relating to disposal group classified as held-for-sale

As at 31 December	Consolidated financial statements	
	2016	2015
	Thousand Baht	Thousand Baht
Foreign currencies translation	(103,613)	(111,686)

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group, is as follows:

For the year ended 31 December	Consolidated financial statements	
	2016	2015
	Thousand Baht	Thousand Baht
Sales	210,142	278,548
Gross profits	(213,315)	(512,921)
Selling and administrative expense	(6,687)	-
Impairment of assets	(52,934)	(507,674)
Operating loss	(272,936)	(1,020,595)
Finance costs	(672)	(2,941)
Other income	1,665	7,344
Loss before income tax expenses	(271,943)	(1,016,192)
Income tax expenses	(10)	305
Loss after income tax expenses	(271,953)	(1,015,887)

13 Investments in subsidiaries, associates and joint ventures

The amounts of investments recognised in the statements of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Subsidiaries	-	-	27,851,936	18,562,950
Associates	10,492,318	1,468,369	835,293	155,574
Joint ventures	626,463	621,923	-	-
Total investments in subsidiaries, associates and joint ventures	11,118,781	2,090,292	28,687,229	18,718,524

The amounts recognised in the statement of income are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Associates	287,396	342,025	-	-
Joint ventures	(93,091)	(6,074)	-	-
Total share of profit of investments in associates and joint ventures	194,305	335,951	-	-

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries

Details of investments in subsidiaries in the separate financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Proportion of shares directly held by the Group		Proportion of shares held by non-controlling interests		Cost method		Dividends received	
			31 December 2016 Million	31 December 2015 Million	31 December 2016 %	31 December 2015 %	31 December 2016 %	31 December 2015 %	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht
Thai Union Manufacturing Co., Ltd.	Manufacturer and exporter of canned tuna and pet food	Thailand	Baht 300	Baht 300	99.66	99.66	0.34	0.34	2,648,407	2,648,407	986,628	3,405,196
Songkla Canning Plc.	Manufacturer and exporter of canned seafood	Thailand	Baht 360	Baht 360	99.55	99.55	0.45	0.45	2,006,664	2,006,433	358,386	386,749
Thai Union Seafood Co., Ltd.	Manufacturer and exporter of frozen shrimp	Thailand	Baht 300	Baht 300	51.00	51.00	49.00	49.00	189,316	189,316	18,360	-
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70	Baht 70	90.00	90.00	10.00	10.00	20,699	20,699	-	-
Thai Union Feedmill Co., Ltd.	Manufacturer and distributor of animal feeds	Thailand	Baht 500	Baht 500	51.00	51.00	49.00	49.00	255,000	255,000	107,100	53,805
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40	Baht 40	98.00	98.00	2.00	2.00	96,019	96,019	-	-
Thai Union North America, Inc. (TUNA)	Holding company	USA	USD 343.5	USD 98.6	100.00	100.00	-	-	11,741,316	3,115,350	-	-
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	EUR 0.5	EUR 222	100.00	100.00	-	-	20,046	8,900,256	1,308,989	-
Pakfood Plc.	Manufacturer and distributor of frozen foods & aquatic animal products	Thailand	Baht 330	Baht 330	77.44	77.44	22.56	22.56	1,331,470	1,331,470	255,542	214,655
Seafood International One FZCO	Distributor of food products	United Arab Emirates	AED 0.1	-	60.00	60.00	40.00	40.00	575	-	-	-
Thai Union China Co., Ltd.	Distributor	China	USD 8	-	100.00	-	-	-	36,433	-	-	-
Thai Union Online Shop Co., Ltd.	E-Commerce	Thailand	Baht 1	-	100.00	-	-	-	1,000	-	-	-
Thai Union European Seafood 1 SA	Holding company	Luxembourg	EUR 212	-	100.00	-	-	-	9,504,991	-	-	-
Total									27,851,936	18,562,950	3,035,005	4,060,405

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

The movements of investments in subsidiaries during the period are as follows:

For the year ended 31 December	Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht
Opening net book value	18,562,950	16,500,073
Additions, net	19,808,674	2,062,877
Disposals	(1,610,998)	-
Capital reduction from subsidiaries	(8,908,690)	-
Closing net book value	27,851,936	18,562,950

On 21 March 2016, Seafood International One FZCO called for paid-up capital of AED 100,000 or equivalent to Baht 0.96 million. The Company's portion is Baht 0.58 million. Non-controlling interest's portion is Baht 0.38 million.

In March 2016, the Company established a wholly owned subsidiary, Thai Union Online Shop Co., Ltd. The total number of shares is 100,000 shares with a par value of Baht 10 per share. The share capital of Baht 1 million has been fully paid-up.

In May 2016, the Company increased investment in Songkla Canning Public Company Limited for 1,500 ordinary shares at a purchase price of Baht 154 Baht per share, or a total of Baht 0.23 million.

In June 2016, the Company established a wholly owned subsidiary, Thai Union China Company Limited. The total registered capital is USD 8 million. The called-up capital is USD 1 million or equivalent to Baht 36.43 million.

In June 2016, the Company established a wholly owned subsidiary, Tri-Invest LLC. The Company paid for the called-up capital at USD 45.35 million or equivalent to Baht 1,593.18 million. In August 2016, Tri-Invest LLC reduced its capital for a total of USD 0.77 million or equivalent to Baht 26.55 million. In September 2016, the Company increased investment in Thai Union North America, Inc. for 1,900,000 shares at the amount of USD 43.66 million or equivalent to Baht 1,518.48 million by transferring the total remaining capital of Tri-Invest LLC.

In September 2016, the Company established a wholly owned subsidiary, Tri-Invest II LLC. The Company paid for the called-up capital at USD 1.3 million or equivalent to Baht 46.30 million in November 2016. Tri-Invest II LLC reduced its capital for a total of USD 0.01 million or equivalent to Baht 1.93 million. In December 2016, the Company increased investment in Thai Union North America, Inc. at the amount of USD 1.21 million or equivalent to Baht 43.27 million by transferring the total remaining capital of Tri-Invest II LLC.

In October 2016, the Company increased investment in Thai Union North America, Inc. at the amount of USD 200 million or equivalent to Baht 7,064.21 million.

In December 2016, the Company acquired the total investment in Thai Union EU Seafood 1 S.A. which was previously held by Thai Union Investment Holding Co., Ltd for the amount of EUR 245.80 million or equivalent to Baht 9,504.99 million.

In December 2016, Thai Union Investment Holding Co., Ltd reduced its share capital by EUR 221.50 million or equivalent to Baht 8,880.21 million.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)****Summarised financial information on subsidiaries with material non-controlling interests**

The total non-controlling interest for the year ended 31 December 2016 is as follows:

	Thai union Feedmill Co., Ltd. Thousand Baht	Rugen Fisch AG Thousand Baht	Total Thousand Baht
Total non-controlling interest	859,202	1,890,917	2,750,119
Profit attributable to non-controlling interest for the year	244,889	69,823	314,712
Dividend paid to non-controlling interest during the year	102,900	110,928	213,828

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

Summarised financial information on subsidiaries with material non-controlling interests (continued)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations.

Summarised statement of financial position

As at 31 December	Thai union Feedmill Co., Ltd.		Rugen Fisch AG		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Current						
Assets	948,265	788,889	1,565,229	-	2,513,494	788,889
Liabilities	(902,766)	(887,461)	(1,224,022)	-	(2,126,788)	(887,461)
Total current net assets	<u>45,499</u>	<u>(98,572)</u>	<u>341,207</u>	<u>-</u>	<u>386,706</u>	<u>(98,572)</u>
Non-current						
Assets	1,791,018	1,818,254	827,069	-	2,618,087	1,818,254
Liabilities	(83,044)	(103,132)	(20,830)	-	(103,874)	(103,132)
Total non-current net assets	<u>1,707,974</u>	<u>1,715,122</u>	<u>806,239</u>	<u>-</u>	<u>2,514,213</u>	<u>1,715,122</u>
Net assets	<u>1,753,473</u>	<u>1,616,550</u>	<u>1,147,446</u>	<u>-</u>	<u>2,900,919</u>	<u>1,616,550</u>

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)****Summarised financial information on subsidiaries with material non-controlling interests (continued)**

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations (continued).

Summarised statement of comprehensive income

For the year ended 31 December	Thai union Feedmill Co., Ltd.		Rugen Fisch AG		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Revenue	4,080,483	3,604,850	5,311,259	-	9,391,742	3,604,850
Profit before income tax	516,566	257,367	204,689	-	721,255	257,367
Income tax expenses	(16,792)	(18,182)	(62,193)	-	(78,985)	(18,182)
Post-tax profit from continuing operations	499,774	239,185	142,496	-	642,270	239,185
Other comprehensive income	-	5,932	(45,919)	-	(45,919)	5,932
Total comprehensive income	499,774	245,117	96,577	-	596,351	245,117
Profit attributable to non-controlling interests	244,889	117,201	69,823	-	314,712	117,201
Dividends paid to non-controlling interests	102,900	51,695	110,928	-	213,828	51,695

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

Summarised financial information on subsidiaries with material non-controlling interests (continued)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations (continued).

Summarised statement of cash flows

For the year ended 31 December

	Thai union Feedmill Co., Ltd.		Rugen Fisch AG		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Cash flow from operating activities						
Cash generated from operations	564,215	376,470	76,071	-	640,286	376,470
Income tax paid	(20,841)	(18,465)	(52,947)	-	(73,788)	(18,465)
Net cash generated from operating activities	543,374	358,005	23,124	-	566,498	358,005
Net cash generated (used) in investing activities	(301,246)	(78,356)	239,880	-	(61,366)	(78,356)
Net cash used in financing activities	(230,097)	(280,727)	(191,348)	-	(421,445)	(280,727)
Net increase (decrease) in cash and cash equivalents	12,031	(1,078)	71,656	-	83,687	(1,078)
Cash and cash equivalents at beginning of the year	15,784	16,862	-	-	15,784	16,862
Exchange gains (losses) on cash and cash equivalents	14	-	(2,344)	-	(2,330)	-
Cash and cash equivalents at end of the year	27,829	15,784	69,312	-	97,141	15,784

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)**

Companies under subsidiaries included in the preparation of the consolidated financial statements are:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u>				
Thai Union Investments North America LLC (100% held by TUNA)	Holding company	USA	100.00	-
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) (100% held by TUNA)	Importer and distributor of frozen seafood	USA	100.00	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 (Liquidated in the year 2016)	Canada	-	100.00
Asian-Pacific Can Co., Ltd. (99% held by Songkla Canning Plc.)	Manufacturer & distributor of packaging for food products	Thailand	99.54	90.09
Yueh Chyang Canned Food Co., Ltd. (83.30% held by Songkla Canning Plc.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	82.93	50.77
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
MW Brands Seychelles Limited (100% held by Thai Union Europe)	Exporter of canned tuna	Seychelles	100.00	100.00

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)**

Companies under subsidiaries included in the preparation of the consolidated financial statements are:
(continued)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u> (continued)				
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)	Fishing fleet operation	Ghana	50.00	50.00

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)**

Companies under subsidiaries included in the preparation of the consolidated financial statements are:
(continued)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u> (continued)				
Chaophraya Coldstorage Co., Ltd. (100% held by Pakfood Plc.)	Property rental	Thailand	77.44	77.44
Okeanos Food Co., Ltd. (100% held by Pakfood Plc.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	77.44	77.44
Okeanos Co., Ltd. (100% held by Pakfood Plc.)	Dormant company (Liquidated in the Year 2016)	Thailand	-	77.44
Takzin Samut Co., Ltd. (100% held by Pakfood Plc.)	Dormant company	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
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

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

Companies under subsidiaries included in the preparation of the consolidated financial statements are:
(continued)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u> (continued)				
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 company (Liquidate in the year 2016)	USA	-	100.00
Thai Union Norway AS (100% held by Thai Union EU Seafood 1 S.A.)	Holding company	Norway	100.00	100.00
King Oscar AS (100% held by Thai Union Norway 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)	Dormant company (Liquidate in the year 2016)	Norway	-	100.00
Thai Union Poland Sp. Z.o.o. (100% held by Thai Union EU Seafood 1 S.A.)	Manufacturer and distributor of canned seafood	Poland	100.00	100.00
Tri-Union Frozen Products North America, LLC (TUFPPNA) (100% held by TUFPP)	Holding company	USA	100.00	82.00
Tri-Union Frozen Products Canada, ULC (100% held by TUFPPNA)	Technical service provider	Canada	100.00	82.00
Thai Union Germany GmbH (TUGe) (100% held by Thai Union EU Seafood 1 S.A.)	Holding company	Germany	100.00	-
Thai Union Marine Nutrients GmbH (100% held by TUGe)	Tuna oil refinery	Germany	100.00	-

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

Companies under subsidiaries included in the preparation of the consolidated financial statements are:
(continued)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u> (continued)				
Rugen Fisch AG (51% held by TUGe)	Manufacturer and distributor of seafood	Germany	51.00	-
Sassnitz Fisch GmbH (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	-
Hawesta-Feinkost Hans Westphal GmbH & Co. KG (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	-
Seafood Beteiligungs - und Verwaltungs GmbH (100% held by Hawesta-Feinkost Hans Westphal GmbH)	Dormant company	Germany	51.00	-
Artur Heymann GmbH & Co.KG (100% held by Hawesta-Feinkost Hans Westphal GmbH)	Distributor of seafood	Germany	51.00	-
Wefina Feinkost Gunther Wehowsky GmbH (100% held by Artur Heymann GmbH & Co.KG)	Distributor of seafood	Germany	51.00	-
Meekrone Fisch-Feinkost GmbH (100% held by Rugen Fisch AG)	Property rental	Germany	51.00	-
Rugener Fischspezialitalen GmbH (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	-
F&M Fish & Meat Vertiebs GmbH (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	-
Ostsee Fisch Verwaltungs GmbH (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	-
Ostsee Fisch GmbH & Co. Produktions - und Vertriebs KG (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	-

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

Companies under subsidiaries included in the preparation of the consolidated financial statements are:
(continued)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2016 %	31 December 2015 %
<u>Held by subsidiaries</u> (continued)				
Lysell GmbH & Co.KG (100% held by Rugen Fisch AG)	Distributor of seafood	Germany	51.00	-
Lysell Verwaltungs GmbH (100% held by Lysell GmbH & Co.KG)	Dormant company	Germany	51.00	-
Lysell Marken GmbH & Co.KG (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	-
Rugen Fisch Verwaltungs GmbH (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	-
Ostsee Fisch Kretinga UAB (gAG) (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Lithuania	51.00	-
Thai Union Canada Inc. (80% held by Thai Union EU Seafood 1 S.A.)	Manufacturer and distributor of seafood	Canada	80.00	-
C.H. Rich, Inc. (100% held by Thai Union Canada Inc.)	Holding company	Canada	80.00	-

In April 2016, Armoric USA, Inc. which was a wholly-owned subsidiary of Europeenne De La Mer SAS was dissolved.

In July 2016, Thai Union Canada issued common shares to another shareholder. The Group's shareholding has been reduced from 100% in June 2016 to 80% in July 2016 because the non-controlling interest contributed capital of EUR 2.28 million, equivalent to Baht 89.05 million.

In August 2016, Songkla Canning Plc., which is the Group's subsidiary, purchased the additional shares from the current shareholders of Asian-Pacific Can Co., Ltd. The additional investment increased shareholding of the Group from 90.09% to 99.54%, for a purchase price totalling Baht 142.60 million.

In August 2016, Tri-Invest LLC agreed to exchange a total of 72,390,500 TU Shares that had been purchased from the Stock Exchange of Thailand. In September 2016, Tri-Invest LLC transferred its total TU Shares to Diversified Food Products LLC ("DFP"), a non-controlling shareholder of TUFPP, to exchange with the remaining 18% interest in TUFPP held by DFP. In addition, DFP shall make an adjustment payment in cash to Tri-Invest LLC in case of occurring of triggering event as stipulated in the Share Exchange Agreement dated 27 September 2016 at the amount based on the defined adjustment payment formula taking into account the future performance.

13 Investments in subsidiaries, associates and joint ventures (continued)

13.1 Investments in subsidiaries (continued)

In September 2016, Thai Union North America, Inc. ("TUNA") received the 100% interest of Tri-Invest LLC in exchange of issuing its 1,900,000 shares to the Company. Subsequently in December 2016, Tri-Invest LLC was liquidated and transferred the remaining asset 18% interest in TUF to TUNA.

In October 2016, Canadian Pet Nutrition, ULC which was a wholly-owned subsidiary of US Pet Nutrition, LLC was dissolved.

In November 2016, C.H. Rich, Inc. which is a wholly-owned subsidiary of Thai Union Canada was established. In addition, Norway Foods AS which was a wholly-owned subsidiary of King Oscar AS was dissolved.

In December 2016, Okeanos Co., Ltd., which was a wholly-owned subsidiary of Pakfood Plc was dissolved.

In December 2016, Songkla Canning Plc., which is the Group's subsidiary, purchased the additional shares from the current shareholders of Yueh Chyang Canned Food Co., Ltd. The additional investment increases shareholding of the Group from 50.77% to 82.93%, for a purchase price totalling Baht 308.46 million.

Business combinations - Rugen Fisch

On 2 February 2016, the Group completed the acquisition of a 51% equity stake in Rugen Fisch AG. The final purchase price was EUR 44.84 million or equivalent to Baht 1,760 million. The Group also holds a call option and the other shareholders who are a non-controlling interest hold a put option over the remaining 49% exercisable between 2019 and 2021. The Group have an obligation to purchase non-controlling interests' shareholding, which represents 49% of total shareholding. The Group recognised the liabilities under other non-current liabilities together with options over non-controlling interests as part of business combination, which is presented in other reserves in the statement of changes in equity, with the amount of Baht 1,932 million.

As a result of the acquisition, the Group expected to increase its market share in Germany. None of the goodwill is expected to be deductible for tax purpose.

Goodwill recognised of Baht 1,053 million arises from a number of factors such as expected synergy through combining skilled workforces and obtaining economies of scale, including unrecognised benefits such as the workforces.

The following table summarises the consideration paid for investment in Rugen Fisch AG, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration as at acquisition date

	<u>Thousand Baht</u>
Cash	1,760,436
Total consideration transferred	<u>1,760,436</u>

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)**Business combinations - Rugen Fisch (continued)**Recognized amounts of identifiable assets acquired and liabilities assumed**

	<u>Thousand Baht</u>
Cash and cash equivalents	272,505
Trade and other receivables	369,991
Inventories	1,096,855
Other current assets	27,725
Property, plant and equipment, net	891,099
Intangible assets, net	2,022,429
Bank overdrafts and short-term loans from financial institutions	(314,078)
Trade and other payables	(882,828)
Other current liabilities	(68,184)
Long-term loans	(163,044)
Deferred tax liabilities	(612,748)
Total identifiable net assets	2,639,722
Non-controlling interest measured at fair value	(1,932,022)
Goodwill	1,052,736
Total	1,760,436

The Group has recorded the net assets acquired as of the acquisition date. The remaining excess of the total consideration transferred over the net assets acquired has been recorded as goodwill. The Group obtained the appraisal and completed the purchase price allocation in December 2016.

The Group has chosen to recognize the non-controlling interest at the fair value which is determined by applying a discounted technique. The fair value is based on assumptions on exercise date of option, including discount rate at 4.52% per annum. The provisional fair value as at the acquisition date is Baht 1,932 million.

The revenue included in the consolidated statement of income for the year ended 31 December 2016 contributed by Rugen Fisch AG was Baht 5,311 million. The Rugen Fisch AG also contributed profit of Baht 143 million over the same period. These amounts are after eliminating intercompany transactions.

Business combinations - Chez Nous

On 30 June 2016, The Group entered into an asset purchase agreement and completed the acquisition of a group of assets of Les Pecheries de Chez Nous, a Canadian Lobster Processor in Canada, for the total consideration of CAD 16.36 million or equivalent to Baht 444 million. Thai Union Canada Inc., a subsidiary of Thai Union EU Seafood 1 S.A., has been established to enter into this acquisition. The acquisition of this group of assets constitutes a business. As a result of the acquisition, the Group expected additional expertise and transparency for the Group's customers and to secure a stronger integration footprint in the North Atlantic Lobster category.

The goodwill of Baht 206 million arises from a number of factors such as expected synergy through processing of lobsters and obtaining economies of scale. The goodwill is expected to be deductible for tax purpose.

13 Investments in subsidiaries, associates and joint ventures (continued)**13.1 Investments in subsidiaries (continued)**Business combinations - Chez Nous (continued)

The following table summarises the consideration paid, and the amounts of the assets acquired at the acquisition date.

Consideration as at acquisition date

	Thousand Baht
Cash	444,376
Total consideration transferred	444,376

Recognized provisional amounts of identifiable assets acquired

	Thousand Baht
Other current assets	1,268
Property, plant and equipment, net	196,727
Intangible assets, net	40,735
Total identifiable net assets	238,730
Goodwill	205,646
Total	444,376

The Group has recorded the net assets acquired as of the acquisition date. The remaining excess of the total consideration transferred over the net assets acquired has been recorded as goodwill. The Group obtained the appraisal and completed the purchase price allocation in December 2016.

The revenue included in the consolidated statement of comprehensive income since 30 June 2016 contributed to Chez Nous was Baht 1,138.97 million.

Had the Chez Nous been acquired from 1 January 2016 until 31 December 2016, the consolidated statements of income would show revenue of CAD 67.88 million or equivalent to Baht 1,818.97 million.

13.2 Investments in associates

The movements of investments in associates during the year are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net book value	1,468,369	1,293,308	155,574	155,574
Addition	8,787,895	-	679,719	-
Share of profit	287,396	342,025	-	-
Dividend distribution tax	(8,393)	-	-	-
Dividends received	(124,163)	(91,991)	-	-
Translation adjustment	81,214	(74,973)	-	-
Closing net book value	10,492,318	1,468,369	835,293	155,574

13 Investments in subsidiaries, associates and joint ventures (continued)

13.2 Investments in associates (continued)

Details of investment in associates are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 December 2016 (%)	31 December 2015 (%)	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht
Investments in associates, directly held by the Company								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	378,690	342,440
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	22,152	20,133
Avanti Feeds Limited (Listed company in India)	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	665,804	526,845
Seafood International Two FZCO	Distributor of food products	United Arab Emirates	40.00	40.00	384	-	(25,714)	-
Avanti Frozen Foods Private Limited ⁽¹⁾ (60% held by Avanti Feeds Limited)	Manufacturer and exporter of shrimp products	India	55.07	-	679,335	-	719,147	-
					835,293	155,574	1,760,079	889,418
Investments in associates, directly held by subsidiaries								
TN Fine Chemicals Co., Ltd. (49% held by Thai Union Manufacturing Co., Ltd.)	Manufacturer & exporter of by-products from seafood	Thailand	48.83	48.83	44,070	44,070	70,910	61,856
LDH (La Doria) Limited (20% held by John West Foods Limited)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	466,694	517,095
Red Lobster Master Holdings, L.P. and GGCOF RL Blocker, LLC (25% held by Thai Union Investments North America LLC)	Holding Company	USA	25.00	-	8,108,176	-	8,194,635	-
					8,248,186	140,010	8,732,239	578,951
					9,083,479	295,584	10,492,318	1,468,369

⁽¹⁾ The Company has classified this investment as investment in an associate because the Company's voting right in this associate is not more than 50% of the total voting rights.

13 Investments in subsidiaries, associates and joint ventures (continued)

13.2 Investments in associates (continued)

On 21 March 2016, Seafood International Two FZCO called for paid-up capital of AED 40,000 or equivalent to Baht 0.38 million.

In March 2016, the Company entered into an agreement to acquire 40% equity stake of Avanti Frozen Foods Private Limited (AFFPL) from Avanti Feeds Limited which is incorporated in India. The subscription price is INR 1,254.10 million. The primary objectives of the investment are to diversify the Group's shrimp sourcing and increase production capacity to accommodate growing demand of the shrimp products. In July 2016, the acquisition was completed when the conditions precedent specified in the agreement is satisfied.

On 10 October 2016, the Group announced the acquisition of:

- (i) 2,500,000 common units - 1,687,245 common units in Red Lobster Master Holdings, L.P., a Delaware limited partnership (Red Lobster) and 100% of the outstanding Class H shares in GGCOF RL Blocker, LLC, a Delaware limited liability company (RL LLC) holding interests in Red Lobster, effectively giving the ownership over an additional 812,755 common units in Red Lobster, which results in the ownership of 25% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD 230 million; and
- (ii) 2,400,000 convertible preferred units - 1,619,755 convertible preferred units in Red Lobster (the CP Units) and 100% of the Class G shares in RL LLC, effectively giving the ownership over an additional 780,245 CP Units in Red Lobster, which results in the ownership of 24% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD 345 million. As holder of the convertible preferred units, the Group may decide on the tenth anniversary of the acquisition of the aforementioned securities to either (a) redeem the principal of the convertible preferred units, or (b) automatically convert the units into common units of Red Lobster with no other factors affecting the conversion ability.

The units in (i) and (ii) are purchased by the Group for an aggregate purchase price of USD 575 million. In addition, the Group receives certain rights to make additional investment in Red Lobster and RL LLC within a specified period of time based on the defined pricing formula taking into account its future performance, the Group has no obligation to make such additional investments. The acquisition was completed in October 2016.

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.

Set out below are the associates of the Group as at 31 December 2016, which, in the opinion of the directors, are material to the Group.

Nature of investment in associates in 2016 and 2015:

Company's name	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2016	2015		
Avanti Feeds Limited	India	25.12	25.12	Note 1	Equity
Red Lobster	USA	25.00	-	Note 2	Equity

13 Investments in subsidiaries, associates and joint ventures (continued)**13.2 Investments in associates (continued)**

Note 1: Avanti Feeds Limited is a manufacturer of prawn feed, shrimp processor and exporter of its products globally. Avanti Feeds Limited is a strategic partnership of the Group in shrimp feed manufacturing and shrimp processing.

As at 31 December 2016, the fair value of the Group interest in Avanti Feeds Limited, which listed on the National Stock Exchange of India, was Baht 2,772.86 million (2015: Baht 2,550.83 million) and the carrying amount of the Group's interest was Baht 665.80 million (2015: Baht 526.85 million)

Note 2: Red Lobster is a seafood restaurant chain in the United States and has operations in many countries such as Canada, Malaysia and Japan. Red Lobster is strategic for the Group's growth in a food service business.

There are no contingent liabilities relating to the Group's interest in the associates.

13 Investments in subsidiaries, associates and joint ventures (continued)**13.2 Investments in associates (continued)****Summarised financial information for associates:**

Set out below are the summarised financial information for companies which are accounted for using the equity method.

Summarised statement of financial position

As at 31 December	Avanti Feeds Limited		Red Lobster		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Assets						
Current assets	3,381,855	2,314,351	15,707,319	-	19,089,174	2,314,351
Non-current assets	1,446,866	1,135,206	12,933,700	-	14,380,566	1,135,206
Total assets	4,828,721	3,449,557	28,641,019	-	33,469,740	3,449,557
Liabilities						
Current liabilities	(1,259,048)	(1,269,297)	(9,939,480)	-	(11,198,528)	(1,269,297)
Non-current liabilities	(172,266)	(82,947)	(16,863,863)	-	(17,036,129)	(82,947)
Total liabilities	(1,431,314)	(1,352,244)	(26,803,343)	-	(28,234,657)	(1,352,244)
Net assets	3,397,407	2,097,313	1,837,676	-	5,235,083	2,097,313
Less: Non-controlling interest of associates	(500,472)	-	-	-	(500,472)	-
Elimination entries	(246,442)	-	-	-	(246,442)	-
Net assets	2,650,493	2,097,313	1,837,676	-	4,488,169	2,097,313

13 Investments in subsidiaries, associates and joint ventures (continued)**13.2 Investments in associates (continued)****Summarised financial information for associates (continued):**

Set out below are the summarised financial information for companies which are accounted for using the equity method (continued).

Summarised statement of comprehensive income

For the year ended 31 December	Avanti Feeds Limited		Red Lobster		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Revenue	13,092,095	10,299,455	18,926,043	-	32,018,138	10,299,455
Profit (loss) before income tax	1,275,834	1,199,767	(475,078)	-	800,756	1,199,767
Income tax expenses	(438,345)	(406,953)	1,482	-	(436,863)	(406,953)
Post-tax profit (loss) from continuing operations	837,489	792,814	(473,596)	-	363,893	792,814
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (expenses)	837,489	792,814	(473,596)	-	363,893	792,814
Dividends received from associates	41,244	31,522	-	-	41,244	31,522

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

13 Investments in subsidiaries, associates and joint ventures (continued)

13.2 Investments in associates (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

For the year ended 31 December	Avanti Feeds Limited		Red Lobster		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 ⁽¹⁾ Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Opening net assets as at 1 January	2,097,313	1,368,551	-	-	2,097,313	1,368,551
Acquisition during the year	-	-	2,265,641 ⁽²⁾	-	2,265,641	-
Profit (loss) for the year	837,489	792,814	(473,595)	-	363,894	792,814
Dividends	(197,601)	(125,486)	-	-	(197,601)	(125,486)
Foreign exchange differences	(86,708)	61,434	751,482	-	664,774	61,434
Closing net assets as at 31 December	2,650,493	2,097,313	2,543,528	-	5,194,021	2,097,313
Shareholding percentage	25.12%	25.12%	25.00%	-		
Interest in associates	665,804	526,845	635,882	-	1,301,686	526,845
Goodwill	-	-	7,558,753	-	7,558,753	-
Carrying value	665,804	526,845	8,194,635	-	8,860,439	526,845

⁽¹⁾ Above financial information is for the period between 10 October 2016 (the date of investment in associate) and 31 December 2016.

⁽²⁾ Net assets of Red Lobster as at investment date

13 Investments in subsidiaries, associates and joint ventures (continued)**13.2 Investments in associates (continued)****Individually immaterial associates**

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

As at 31 December

	2016	2015
	Thousand Baht	Thousand Baht
Aggregate carrying amount of individually immaterial associates	1,631,879	941,524
Aggregate amounts of the Group's share of:		
Profit for the year from continuing operations	195,417	142,870
Total comprehensive income for the year	195,417	142,870

13.3 Investments in joint ventures

The movements of investments in joint ventures during the year are as follows:

	Consolidated financial statements	
For the year ended 31 December	2016	2015
	Thousand Baht	Thousand Baht
Opening net book value	621,923	627,997
Additions	137,700	-
Share of loss	(93,091)	(6,074)
Disposal of joint ventures	(59,335)	-
Translation adjustment	19,266	-
Closing net book value	626,463	621,923

On 15 January 2016, TMAC Co., Ltd increased its registered share capital and called for fully paid-up capital of Baht 137.70 million.

In December 2016, the Group disposed the investment in Century (Shanghai) Trading Co., Ltd and Cindena Resources Limited with the total value of USD 0.62 million or equivalent to Baht 59.33 million.

13 Investments in subsidiaries, associates and joint ventures (continued)**13.3 Investments in joint ventures (continued)**

Details of investment in joint ventures are as follows:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 December 2016 %	31 December 2015 %	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht	31 December 2016 Thousand Baht	31 December 2015 Thousand Baht
TMAC Co., Ltd. (Joint venture of TFM and other company in the portion of 51:49)	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	Thailand	26.01	26.01	576,300	438,600	499,982	428,771
Moresby International Holdings Inc. (Joint venture of TUM and other company in the portion of 33:67)	Holding in fishing company	British Virgin Island	33.22	33.22	136,535	136,535	126,481	152,034
Cindena Resources Limited (Joint venture of TUM and other company in the portion of 50:50)	Owner of trademark "Century", which is the trademark of canned tuna distributed overseas	British Virgin Island	-	49.83	-	8,075	-	8,075
Century (Shanghai) Trading Co., Ltd. (Joint venture of TUM and other company in the portion of 50:50)	Importer & exporter of food products	China	-	49.83	-	75,900	-	33,043
Total					712,835	659,110	626,463	621,923

13 Investments in subsidiaries, associates and joint ventures (continued)**13.3 Investments in joint ventures (continued)**

Set out below is the joint venture of the Group as at 31 December 2016, which, in the opinion of the directors, are material to the Group.

Nature of investment in joint ventures in 2016 and 2015:

Name of entity	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2016	2015		
TMAC Company Limited	Thailand	51.00	51.00	Note 1	Equity

Note 1: TMAC Company Limited is a distributor of shrimp feed and also invests in companies which engaged in the breeding, rearing and distributing of shrimp. TMAC is a strategic partnership of the Group in providing shrimp and engaging in shrimp breeding business.

There are no commitments and contingent liabilities relating to the Group's interest in the joint ventures

Summarised financial information for joint ventures:

Set out below are the summarised financial information for TMAC Company Limited which are accounted for using the equity method.

Summarised statement of financial position

As at 31 December	TMAC Co., Ltd.	
	2016 Thousand Baht	2015 Thousand Baht
Current assets		
Cash and cash equivalents	25,527	46,947
Other current assets (excluding cash)	31,104	27,902
Total current assets	56,631	74,849
Non-current assets	650,463	666,624
Total assets	707,094	741,473
Current liabilities		
Other current liabilities (including trade payables)	(23,532)	(193,086)
Total current liabilities	(23,532)	(193,086)
Non-current liabilities		
Other liabilities	(5,198)	(4,185)
Total non-current liabilities	(5,198)	(4,185)
Total liabilities	(28,730)	(197,271)
Net assets	678,364	544,202
Less: Non-controlling interests of joint ventures	(13,061)	(18,529)
Net assets	665,303	525,673

13 Investments in subsidiaries, associates and joint ventures (continued)**13.3 Investments in joint ventures (continued)****Summarised financial information for joint ventures: (continued)**

Set out below are the summarised financial information for TMAC Company Limited which are accounted for using the equity method (continued).

Summarised statement of comprehensive income

For the year ended 31 December	TMAC Co., Ltd	
	2016	2015
	Thousand Baht	Thousand Baht
Revenue	195,516	164,110
Depreciation and amortisation	(41,897)	(36,810)
Interest income	1,348	310
Interest expenses	(613)	(2,504)
Loss for the year from operations	(127,706)	(148,834)
Income tax expenses	(2,664)	(22,627)
	(130,370)	(171,461)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(130,370)	(171,461)

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint venture.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures

For the year ended 31 December	TMAC Co., Ltd	
	2016	2015
	Thousand Baht	Thousand Baht
Opening net assets as at 1 January	525,673	697,134
Increase in share capital	270,000	-
Loss for the year from operations	(130,370)	(171,461)
Closing net assets as at 31 December	665,303	525,673
Interest in joint ventures (51.00%)	339,304	268,093
Goodwill	160,678	160,678
Carrying value	499,982	428,771

13 Investments in subsidiaries, associates and joint ventures (continued)**13.3 Investments in joint ventures (continued)****Individually immaterial joint ventures**

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

As at 31 December

	2016	2015
	Thousand Baht	Thousand Baht
Aggregate carrying amount of individually immaterial joint ventures	<u>126,481</u>	<u>193,152</u>
Aggregate amounts of the joint ventures' share of:		
Loss for the year from continuing operations	<u>(26,602)</u>	<u>79,920</u>
Total comprehensive income (expense) for the year	<u>(26,602)</u>	<u>79,920</u>

14 Property, plant and equipment, net

Consolidated financial statements							
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2015							
Cost (Restated)	2,505,743	11,430,873	22,343,641	977,441	795,239	3,213,023	41,265,960
<u>Less</u> Accumulated depreciation	(91,288)	(4,345,637)	(13,521,473)	(636,235)	(469,270)	(720)	(19,064,623)
Allowance for impairment	(4,535)	(36,261)	(16,028)	-	-	-	(56,824)
Net book amount	2,409,920	7,048,975	8,806,140	341,206	325,969	3,212,303	22,144,513
For the year ended 31 December 2015							
Opening net book amount	2,409,920	7,048,975	8,806,140	341,206	325,969	3,212,303	22,144,513
Increase from business combinations	-	19,259	5,515	6,685	-	-	31,459
Additions	24,887	11,784	237,551	81,954	16,212	2,607,278	2,979,666
Disposals, net book value	-	(2,859)	(9,560)	(2,385)	(7,125)	(10,065)	(31,994)
Write-off, net book value	-	(4,271)	(34,738)	(2,899)	(11,854)	(51,367)	(105,129)
Reclassification	(143,179)	58,212	4,381	(53,276)	1,045	27,945	(104,872)
Transfer in (out)	9,293	366,612	1,803,122	70,210	103,786	(2,353,023)	-
Depreciation charge	(5,252)	(518,780)	(1,793,305)	(130,514)	(80,273)	-	(2,528,124)
Impairment loss	-	(17,782)	(515,318)	-	-	-	(533,100)
Translation adjustment	(1,568)	54,826	178,649	3,223	1,453	29,153	265,736
Closing net book amount	2,294,101	7,015,976	8,682,437	314,204	349,213	3,462,224	22,118,155
As at 31 December 2015							
Cost (Restated)	2,330,415	11,752,835	25,106,650	1,059,511	868,723	3,462,224	44,580,358
<u>Less</u> Accumulated depreciation	(31,779)	(4,682,172)	(15,873,325)	(745,307)	(519,510)	-	(21,852,093)
Allowance for impairment	(4,535)	(54,687)	(550,888)	-	-	-	(610,110)
Net book amount	2,294,101	7,015,976	8,682,437	314,204	349,213	3,462,224	22,118,155

14 Property, plant and equipment, net (continued)

Consolidated financial statements

	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2016							
Cost (Restated)	2,330,415	11,752,835	25,106,650	1,059,511	868,723	3,462,224	44,580,358
<u>Less</u> Accumulated depreciation	(31,779)	(4,682,172)	(15,873,325)	(745,307)	(519,510)	-	(21,852,093)
Allowance for impairment	(4,535)	(54,687)	(550,888)	-	-	-	(610,110)
Net book amount	2,294,101	7,015,976	8,682,437	314,204	349,213	3,462,224	22,118,155
For the year ended 31 December 2016							
Opening net book amount	2,294,101	7,015,976	8,682,437	314,204	349,213	3,462,224	22,118,155
Increase from business combinations	89,404	604,030	354,942	22,252	10,074	7,124	1,087,826
Additions	19,431	103,371	332,724	110,038	25,473	3,454,420	4,045,457
Disposals, net book value	-	(837)	(153,795)	(240)	(2,792)	(26,134)	(183,798)
Write-off, net book value	-	(12,852)	(4,060)	(430)	2	(3,572)	(20,912)
Reclassification	(2,075)	155,737	(457,018)	10,356	4,170	(575,166)	(863,996)
Transfer in (out)	4,871	502,390	1,204,311	78,192	47,106	(1,836,870)	-
Depreciation charge	(5,897)	(587,321)	(1,884,832)	(149,431)	(103,994)	-	(2,731,475)
Impairment loss	-	(84)	(663)	-	-	-	(747)
Reversal of impairment	4,276	-	102,945	-	-	-	107,221
Translation adjustment	(7,999)	(137,706)	(103,339)	(5,713)	(2,839)	(19,569)	(277,165)
Closing net book amount	2,396,112	7,642,704	8,073,652	379,228	326,413	4,462,457	23,280,566
As at 31 December 2016							
Cost	2,435,551	13,609,428	24,230,992	1,235,780	898,570	4,462,457	46,872,778
<u>Less</u> Accumulated depreciation	(39,180)	(5,966,724)	(16,140,108)	(856,552)	(572,157)	-	(23,574,721)
Allowance for impairment	(259)	-	(17,232)	-	-	-	(17,491)
Net book amount	2,396,112	7,642,704	8,073,652	379,228	326,413	4,462,457	23,280,566

14 Property, plant and equipment, net (continued)

	Separate financial statements						
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2015							
Cost (Restated)	791,245	2,637,621	3,090,439	116,945	152,900	279,979	7,069,129
<u>Less</u> Accumulated depreciation	-	(807,086)	(2,017,483)	(84,582)	(86,493)	-	(2,995,644)
Allowance for impairment	-	(36,261)	-	-	-	-	(36,261)
Net book amount	791,245	1,794,274	1,072,956	32,363	66,407	279,979	4,037,224
For the year ended 31 December 2015							
Opening net book amount	791,245	1,794,274	1,072,956	32,363	66,407	279,979	4,037,224
Additions	-	3,284	51,543	10,195	3,736	306,442	375,200
Disposals, net book value	-	-	(2,267)	(6)	(37)	-	(2,310)
Write-off, net book value	-	-	-	(17)	(11,737)	-	(11,754)
Transfer in (out)	-	36,771	149,656	10,979	20,983	(218,389)	-
Depreciation charge	-	(106,038)	(232,352)	(19,123)	(9,029)	-	(366,542)
Closing net book amount	791,245	1,728,291	1,039,536	34,391	70,323	368,032	4,031,818
As at 31 December 2015							
Cost (Restated)	791,245	2,677,676	3,251,304	137,558	160,128	368,032	7,385,943
<u>Less</u> Accumulated depreciation	-	(913,124)	(2,211,768)	(103,167)	(89,805)	-	(3,317,864)
Allowance for impairment	-	(36,261)	-	-	-	-	(36,261)
Net book amount	791,245	1,728,291	1,039,536	34,391	70,323	368,032	4,031,818

14 Property, plant and equipment, net (continued)

	Separate financial statements						
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht	Total Thousand Baht
As at 1 January 2016							
Cost (Restated)	791,245	2,677,676	3,251,304	137,558	160,128	368,032	7,385,943
<u>Less</u> Accumulated depreciation	-	(913,124)	(2,211,768)	(103,167)	(89,805)	-	(3,317,864)
Allowance for impairment	-	(36,261)	-	-	-	-	(36,261)
Net book amount	791,245	1,728,291	1,039,536	34,391	70,323	368,032	4,031,818
For the year ended 31 December 2016							
Opening net book amount	791,245	1,728,291	1,039,536	34,391	70,323	368,032	4,031,818
Additions	-	690	41,939	36,167	3,023	527,494	609,313
Disposals, net book value	-	1,693	(4,495)	-	(556)	-	(3,358)
Write-off, net book value	-	-	(4)	(13)	-	-	(17)
Reclassification	-	809	-	2,485	-	-	3,294
Transfer in (out)	-	113,483	114,765	45,676	10,993	(284,917)	-
Depreciation charge	-	(111,841)	(240,194)	(21,330)	(13,274)	-	(386,639)
Closing net book amount	791,245	1,733,125	951,547	97,376	70,509	610,609	4,254,411
As at 31 December 2016							
Cost	791,245	2,757,281	3,347,875	200,676	160,627	610,609	7,868,313
<u>Less</u> Accumulated depreciation	-	(1,024,156)	(2,396,328)	(103,300)	(90,118)	-	(3,613,902)
Net book amount	791,245	1,733,125	951,547	97,376	70,509	610,609	4,254,411

14 Property, plant and equipment, net

Depreciation expense of Baht 2,731 million (2015: Baht 2,528 million) has been charged in “cost of sales”, Baht 2,529 million (2015: Baht 2,338 million), in “selling expense” Baht 8 million (2015: Baht 10 million) and in “administrative expense” Baht 194 million (2015: Baht 180 million).

Leased assets included above, where the Group and the Company is a lessee under a finance lease, mainly comprise plant and machinery:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Cost - capitalised finance leases	734,120	431,015	70,894	78,996
<u>Less</u> Accumulated depreciation	<u>(294,960)</u>	<u>(313,488)</u>	<u>(19,478)</u>	<u>(33,074)</u>
Net book amount	<u>439,160</u>	<u>117,527</u>	<u>51,416</u>	<u>45,922</u>

As at 31 December 2016, property, plant and equipment of an overseas subsidiaries totalled Baht 381.87 million (2015: Baht 1,119.30 million) were pledged with financial institutions for long-term loans from financial institutions.

Borrowing costs of Baht 44.94 million arising from financing specifically entered into for the construction of new buildings, were capitalised during the year and are included in “Additions”. A capitalisation rate of 1.92% was used representing the actual borrowing costs of the loans used to finance the projects.

15 Intangible assets, net

Consolidated financial statements							
	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Others Thousand Baht	Total Thousand Baht
As at 1 January 2015							
Cost	275,200	13,622,039	139,477	896,590	226,010	405,717	15,565,033
<u>Less</u> Accumulated amortisation	(60,212)	(296,503)	(139,477)	(580,666)	(47,238)	(31,060)	(1,155,156)
Allowance for impairment	-	(212,683)	-	-	-	-	(212,683)
Net book amount	214,988	13,112,853	-	315,924	178,772	374,657	14,197,194
For the year ended 31 December 2015							
Opening net book amount	214,988	13,112,853	-	315,924	178,772	374,657	14,197,194
Increase from business combination	-	82,972	73,029	345	-	-	156,346
Additions	207	403	-	252,501	-	2,760	255,871
Disposals, net book value	-	-	-	(558)	-	-	(558)
Write-off, net book value	-	-	-	(501)	-	-	(501)
Reclassification	11,792	-	350,934	87,801	-	(345,665)	104,862
Transfer in (out)	-	-	-	-	-	-	-
Amortisation charge	(8,838)	(8,673)	(47,435)	(120,425)	(10,723)	(1,949)	(198,043)
Translation adjustment	9,723	(133,817)	14,720	9,244	(2,935)	(17,147)	(120,212)
Closing net book amount	227,872	13,053,738	391,248	544,331	165,114	12,656	14,394,959
As at 31 December 2015							
Cost	298,712	13,596,970	600,501	1,315,492	222,829	41,302	16,075,806
<u>Less</u> Accumulated amortisation	(70,840)	(333,053)	(209,253)	(771,161)	(57,715)	(28,646)	(1,470,668)
Allowance for impairment	-	(210,179)	-	-	-	-	(210,179)
Net book amount	227,872	13,053,738	391,248	544,331	165,114	12,656	14,394,959

15 Intangible assets, net (continued)

	Consolidated financial statements							
	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Others Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
As at 1 January 2016								
Cost	298,712	13,596,970	600,501	1,315,492	222,829	41,302	-	16,075,806
<u>Less</u> Accumulated amortisation	(70,840)	(333,053)	(209,253)	(771,161)	(57,715)	(28,646)	-	(1,470,668)
Allowance for impairment	-	(210,179)	-	-	-	-	-	(210,179)
Net book amount	227,872	13,053,738	391,248	544,331	165,114	12,656	-	14,394,959
For the year ended 31 December 2016								
Opening net book amount	227,872	13,053,738	391,248	544,331	165,114	12,656	-	14,394,959
Increase from								
business combination	2,169	1,476,165	541,785	2,311	40,734	-	-	2,063,164
Additions	26	275	14,230	37,943	-	-	331,179	383,653
Disposals, net book value	-	-	-	(211)	-	-	-	(211)
Write-off, net book value	-	-	-	(474)	-	-	-	(474)
Reclassification	-	-	163,423	11,892	(163,423)	(2,461)	-	9,431
Transfer in (out)	-	-	-	88	-	-	(88)	-
Amortisation charge	(10,140)	(1,067)	(90,666)	(142,639)	(3,992)	(3,012)	-	(251,516)
Impairment loss	-	-	-	(6,882)	-	-	-	(6,882)
Reversal of impairment	-	35,290	-	-	-	-	-	35,290
Translation adjustment	(36,129)	(596,285)	(49,450)	(6,748)	(2,543)	(497)	171	(691,481)
Closing net book amount	183,798	13,968,116	970,570	439,611	35,890	6,686	331,262	15,935,933
As at 31 December 2016								
Cost	303,584	14,467,109	1,316,775	1,386,909	39,878	39,775	331,262	17,885,292
<u>Less</u> Accumulated amortisation	(119,786)	(331,558)	(346,205)	(940,416)	(3,988)	(33,089)	-	(1,775,042)
Allowance for impairment	-	(167,435)	-	(6,882)	-	-	-	(174,317)
Net book amount	183,798	13,968,116	970,570	439,611	35,890	6,686	331,262	15,935,933

15 Intangible assets, net (continued)

	Separate financial statements					
	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Others Thousand Baht
As at 1 January 2015						
Cost	-	-	-	31,101	-	-
<u>Less</u> Accumulated amortisation	-	-	-	(10,019)	-	-
Net book amount	-	-	-	21,082	-	-
For the year ended 31 December 2015						
Opening net book amount	-	-	-	21,082	-	-
Additions	-	-	-	189,515	-	-
Amortisation charge	-	-	-	(4,419)	-	-
Closing net book amount	-	-	-	206,178	-	-
As at 31 December 2015						
Cost	-	-	-	220,617	-	-
<u>Less</u> Accumulated amortisation	-	-	-	(14,439)	-	-
Net book amount	-	-	-	206,178	-	-

15 Intangible assets, net (continued)

	Separate financial statements							
	Licenses	Trademarks	Customer relationships	Computer software	Distributor relationships	Others	Product Development in progress	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2016								
Cost	-	-	-	220,617	-	-	-	220,617
Less Accumulated amortisation	-	-	-	(14,439)	-	-	-	(14,439)
Net book amount	-	-	-	206,178	-	-	-	206,178
For the year ended 31 December 2016								
Opening net book amount	-	-	-	206,178	-	-	-	206,178
Additions	-	-	-	380	-	-	319,696	320,076
Reclassification	-	-	-	175	-	-	-	175
Amortisation charge	-	-	-	(12,875)	-	-	-	(12,875)
Closing net book amount	-	-	-	193,858	-	-	319,696	513,554
As at 31 December 2016								
Cost	-	-	-	220,997	-	-	319,696	540,693
Less Accumulated amortisation	-	-	-	(27,139)	-	-	-	(27,139)
Net book amount	-	-	-	193,858	-	-	319,696	513,554

15 Intangible assets, net (continued)

Product development in progress include internally generated capitalised development costs and other costs.

Amortisation of Baht 252 million (2015: Baht 198 million) is included in “cost of goods sold” Baht 13 million (2015: Baht 13 million), in “selling expense” Baht 52 million (2015: Baht 1 million) and in “administrative expense” Baht 187 million (2015: Baht 184 million).

As at 31 December 2016, there is no intangible assets pledged for credit facilities of the subsidiary (2015: trademark “Chicken of the Sea” of an overseas subsidiary Baht 195.48 million was pledged for credit facilities of the subsidiary).

Impairment tests for trademarks

The Group’s trademarks result from business combinations. Considering their long track record of stability, durability and the intention of the management, the trademarks have an indefinite useful life thus not amortized.

The recoverable amounts of trademarks have been determined based on fair value which is mainly derived from the Relief-from-royalty method. This method consists, in applying to the brand revenues, a royalty rate determined by a qualitative and quantitative analysis of the positioning of the brands in the market.

For each of the brand with significant carrying amount, the key assumptions are royalty rate and discount rate use in the calculation are as follow:

Brand	Chicken of the Sea	John West	Petit Navire	King Oscar
Royalty rate	2.0%	3.3%	12.0%	2.6%
Discount rate	14.2%	9.7%	8.2%	9.2%

The impairment of US Dollars 1 million or equivalent to Baht 35.29 million for a trademark was reversed during the year-ended 2016 due to the impairment indication in prior period is no longer exist.

16 Other long-term investments

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Available-for-sale investments, net	2,650,641	30,766	2,626,527	-
General investments	4,366	2,920	1,000	-
Net book amount	2,655,007	33,686	2,627,527	-

The movements of available-for-sale investments during the year can be analysed as follows:

For the year ended 31 December 2016	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
Opening net book value	30,766	-
Additions	2,672,918	2,672,918
Reclassification	(268)	-
Disposals, net	(6,059)	-
Change in fair value of investments	(46,716)	(46,391)
Closing net book value	2,650,641	2,626,527

17 Goodwill

	Consolidated financial statements
	Thousand Baht
As at 1 January 2015	
Cost	13,078,777
<u>Less</u> Allowance for impairment	-
Net book amount	13,078,777
For the year ended 31 December 2015	
Opening net book amount	13,078,777
Acquisition of subsidiaries	114,403
Translation adjustment	(192,114)
Closing net book amount	13,001,066
As at 31 December 2015	
Cost	13,001,066
<u>Less</u> Allowance for impairment	-
Net book amount	13,001,066
For the year ended 31 December 2016	
Opening net book amount	13,001,066
Acquisition of subsidiaries (Note 13)	1,258,382
Reclassification	(2,803)
Translation adjustment	(610,002)
Closing net book amount	13,646,643
As at 31 December 2016	
Cost	13,646,643
<u>Less</u> Allowance for impairment	-
Net book amount	13,646,643

17 Goodwill (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. The Group management review the business performance based on geography and type of business.

As at 31 December 2016, a segment-level summary of the goodwill allocation is presented below.

	Ambient seafood business Thousand Baht	Frozen and chilled seafood and related business Thousand Baht	Pet food, value-added and other business Thousand Baht	Total Thousand Baht
Asia continents	42,358	-	-	42,358
Europe continents	12,235,726	798,833	-	13,034,559
US continents	35,904	533,822	-	569,726
Goodwill allocation	<u>12,313,988</u>	<u>1,332,655</u>	<u>-</u>	<u>13,646,643</u>

These calculations use cash flow projections before income taxes based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

For each of the CGUs with significant amount of goodwill, the key assumptions used in the value-in-use calculations are as follows.

	Europe continents - Ambient seafood business	Europe continents - Frozen and chilled seafood and related business	US continents - Frozen and chilled seafood and related business
Growth rate	1.5%	1.5%	2.5%
Discount rate	7.6%	7.4%	16.0%

These assumptions have been used for the analysis of each CGU within the business segment. Management determined the growth rates to be consistent with the forecasts in the industry. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	431,641	375,254	8,928	-
Deferred tax asset to be recovered after more than 12 months	980,329	545,661	11,794	23,712
	1,411,970	920,915	20,722	23,712
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(26,426)	(41,284)	-	-
Deferred tax liabilities to be settled after more than 12 months	(5,181,095)	(5,104,891)	(3,013)	(2,956)
	(5,207,521)	(5,146,175)	(3,013)	(2,956)
Deferred tax assets (liabilities), net	(3,795,551)	(4,225,260)	17,709	20,756

The reconciliation of deferred tax assets and liabilities in the statements of financial position is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Deferred tax assets included in assets of disposal group classified as held-for-sale	11	-	-	-
Deferred tax assets, net	704,258	432,213	17,709	20,756
Deferred tax liabilities, net	(4,499,820)	(4,657,473)	-	-
Deferred tax assets (liabilities), net	(3,795,551)	(4,225,260)	17,709	20,756

The gross movement of deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
As at 1 January	(4,225,260)	(4,189,783)	20,756	13,305
Acquisition of subsidiary (Note 13)	(612,748)	-	-	-
Credited/(charged) to profit or loss	878,522	(62,073)	(3,047)	8,306
Charged to other comprehensive income	(6,528)	(5,035)	-	(855)
Disposal of subsidiary	(354)	-	-	-
Translation adjustment	170,817	31,631	-	-
As at 31 December	(3,795,551)	(4,225,260)	17,709	20,756

18 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements			
	As at 1 January 2015 Thousand Baht	Credited/(charged) to		As at 31 December 2015 Thousand Baht
		Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	
Deferred tax assets				
Allowance for doubtful accounts	44,553	378	-	46,501
Allowance for net realisable value of inventories and inventory costs	406,473	29,428	-	454,878
Allowance for impairment and depreciation of property, plant and equipment	8,159	100	-	8,261
Amortisation of intangible assets	21,798	18,366	-	41,082
Employee benefit obligations	59,055	5,709	(3,996)	61,805
Provisions and liabilities	102,548	19,232	-	132,472
Tax loss carried forward	137,361	1,219	-	136,706
Others	16,432	21,530	(1,039)	39,210
Total	796,379	95,962	(5,035)	920,915

18 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated financial statements				
	As at 1 January 2015 Thousand Baht	Charged/(credited) to		Translation adjustment Thousand Baht	As at 31 December 2015 Thousand Baht
		Profit and loss Thousand Baht	Other comprehensive income Thousand Baht		
Deferred tax liabilities					
Depreciation of property, plant and equipment	(346,433)	(54,970)	-	(11,703)	(413,106)
Amortisation of intangible assets	(4,412,680)	(14,934)	-	30,935	(4,396,679)
Derivative contracts	-	(31,430)	-	(25)	(31,455)
Investments in associates	-	(81,980)	-	-	(81,980)
Finance lease liabilities	-	(6,211)	-	(225)	(6,436)
Inventory costs	(156,913)	19,279	-	(15,603)	(153,237)
Others	(70,136)	12,211	-	(5,357)	(63,282)
Total	(4,986,162)	(158,035)	-	(1,978)	(5,146,175)
Deferred tax assets (liabilities), net	(4,189,783)	(62,073)	(5,035)	31,631	(4,225,260)

18 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated financial statements					
	As at 1 January 2016 Thousand Baht	Acquisition of subsidiary (Note 13) Thousand Baht	Credited/(charged) to		Disposal of subsidiary (Note 13) Thousand Baht	As at 31 December 2016 Thousand Baht
			Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Translation adjustment Thousand Baht	
Deferred tax assets						
Allowance for doubtful accounts	46,501	-	13,552	-	-	59,914
Allowance for net realisable value of inventories and inventory costs	454,878	-	103,320	-	-	547,962
Allowance for impairment and depreciation of property, plant and equipment	8,261	-	2,627	-	(354)	10,687
Amortisation of intangible assets	41,082	-	150,237	-	(8,207)	183,112
Derivative contracts	-	-	3,363	-	(110)	3,253
Investment in associate	-	-	139,517	-	2,139	141,656
Employee benefit obligations	61,805	-	41,223	(5,146)	(295)	97,587
Provisions and liabilities	132,472	-	29,853	-	(984)	161,341
Tax loss carried forward	136,706	-	2,063	-	(1,401)	137,368
Others	39,210	-	28,780	(54)	1,154	69,090
Total	920,915	-	514,535	(5,200)	(17,926)	1,411,970

18 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated financial statements					
	As at 1 January 2016 Thousand Baht	Acquisition of subsidiary (Note 13) Thousand Baht	Charged/(credited) to		Disposal of subsidiary Thousand Baht	As at 31 December 2016 Thousand Baht
			Profit and loss Thousand Baht	Other comprehensive Income Thousand Baht	Translation adjustment Thousand Baht	
Deferred tax liabilities						
Depreciation of property, plant and equipment	(413,106)	(27,113)	4,409	-	4,350	(431,460)
Amortisation of intangible assets	(4,396,679)	(580,665)	336,166	-	184,599	(4,456,579)
Derivative contracts	(31,455)	-	30,184	-	(1,709)	(2,980)
Investment in associates	(81,980)	-	(34,028)	(1,328)	-	(117,336)
Finance lease liabilities	(6,436)	-	(2,807)	-	366	(8,877)
Inventory costs	(153,237)	-	26,041	-	5,686	(121,510)
Others	(63,282)	(4,970)	4,022	-	(4,549)	(68,779)
Total	(5,146,175)	(612,748)	363,987	(1,328)	188,743	(5,207,521)
Deferred tax assets (liabilities), net	(4,225,260)	(612,748)	878,522	(6,528)	170,817	(3,795,551)

18 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Separate financial statements					
	Charged/(credited) to			Charged/(credited) to		
	As at 1 January 2015 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	As at 31 December 2015 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht
Deferred tax assets						
Allowance for doubtful accounts	5,217	572	-	5,789	(115)	-
Allowance for net realisable value of inventories	3,338	547	-	3,885	(871)	-
Allowance for impairment of property, plant and equipment	7,252	-	-	7,252	(7,252)	-
Employee benefit obligations	6,704	937	(855)	6,786	4,918	-
Others	2,745	(2,745)	-	-	330	-
Total	25,256	(689)	(855)	23,712	(2,990)	-
						20,722
Deferred tax liabilities						
Depreciation of property, plant and equipment	(3,024)	115	-	(2,909)	(88)	-
Others	(8,927)	8,880	-	(47)	31	-
Total	(11,951)	8,995	-	(2,956)	(57)	-
						(3,013)
Deferred tax assets (liabilities), net	13,305	8,306	(855)	20,756	(3,047)	-
						17,709

18 Deferred income taxes (continued)

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 337 million (2015: Baht 17 million) in respect of losses amounting to Baht 1,162 million (2015: Baht 83 million) that can be carried forward against future taxable income. Losses amounting to Baht 67 million (2015: Baht 83 million) expired in 2019 to 2021 (2015: 2018 to 2020).

19 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Unamortized discount on derivative contracts	364,592	100,936	364,592	100,936
Advance payment for purchase of construction and equipment	115,957	134,947	-	-
Deposit and guarantee	308,826	107,857	31,238	12,617
Other non-current assets	69,438	74,833	20,133	-
Total other non-current assets	858,813	418,573	415,963	113,553

20 Bank overdrafts and short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Bank overdrafts	245,263	225,664	-	-
Short-term loans	29,570,611	15,107,430	26,523,983	3,323,732
Trust receipts and packing credits	7,089,782	3,969,395	2,114,946	364,607
Factored trade receivables with recourse	-	74,057	-	-
Total bank overdrafts and short-term loans from financial institutions	36,905,656	19,376,546	28,638,929	3,688,339

As at 31 December 2016, the Group's and the Company's bank overdrafts and short-term loans, trust receipts and packing credits bear interest at the range of 0.55% per annum to 7.68% per annum (2015: 0.55% per annum to 5.50% per annum).

The Company has entered into a bridge loan facility agreement of up to Baht 20,100 million with financial institutions in Thailand in order to apply the proceeds from such financing for the investment. The maturity of this bridge loan is in six months. It bears interest of THBFIX plus a certain margin per annum.

21 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Trade payable - third parties	11,424,731	8,241,729	2,243,223	1,483,403
Trade payable - related parties (Note 35)	73,501	180,967	569,182	378,988
Accrued expenses and other payables - third parties	5,106,143	4,835,316	524,962	319,619
Accrued expenses and other payables - related parties	58,860	58,335	24,566	26,735
Dividend payable	14,549	10,668	5,171	1,407
Deposits and unearned revenue	358,168	239,643	31,173	33,199
Construction and equipment purchase payable - third parties	387,092	155,337	114,316	32,397
Construction and equipment purchase payable - related parties	5,900	9,487	348	5,708
Total trade and other payables	17,428,944	13,731,482	3,512,941	2,281,456

22 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Current portion of long-term loans from financial institutions	764,733	1,561,176	701,910	1,464,675
Non-current portion of long-term loans from financial institutions, net	963,325	1,696,537	840,941	1,547,562
Total long-term loans from financial Institutions, net	1,728,058	3,257,713	1,542,851	3,012,237

The movements of long-term loans from financial institutions during the year can be analysed as follows:

For the year ended 31 December 2016	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance	3,257,713	3,012,237
Increase from business combination (Note 13.1)	163,044	-
Additions	14,883	-
Amortisation of financial fees	997	997
Repayments	(1,567,209)	(1,334,800)
Gain on foreign exchange rates	(135,782)	(135,583)
Translation adjustment	(5,588)	-
Closing balance	1,728,058	1,542,851

22 Long-term loans from financial institutions, net (continued)

As at 31 December 2016, long-term loans from financial institutions are for operation, purchase of machinery, investments in subsidiaries, associates and joint ventures and construction of building and factory. The loans from financial institutions of Baht 103.50 million are secured by the Group's property, plant and equipment. The Group is subject to certain financial covenants, including limitations on indebtedness, capital leases and capital expenditures, transactions with affiliates, distributions, and dividend payments.

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The Group had the following unused overdraft lines from financial institutions and other credit facilities:

As at 31 December	Consolidated financial statements	
	2016	2015
Baht	Baht 33,185 million	Baht 36,121 million
US Dollar	USD 286 million	USD 265 million
Euro	EUR 27 million	EUR 10 million
Polish Zlotych	-	PLN 1 million

23 Debentures, net

On 26 October 2005, the meeting of the Company's Board of Directors approved the issuance of debentures of the Group and the Company in the amount of up to Baht 8,500 million or the equivalent amount 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 Group and the Company in the amount of up to Baht 15,000 million or the equivalent amount 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 3 April 2014, the Annual General Meeting of Shareholders approved the increase of credit limit for issuance of debentures of the Group and the Company 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 Group and the Company 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.

On 11 April 2016, the Company issued the US Dollars debenture amounting to USD 75 million for the purpose of future expansion. The term of debenture is 10 years and bears interest rate of 3.66% per annum. The interest is paid semi-annually. Such debentures are offered to the institutional investors and large investors.

In July 2016, the Company issued the Thai Baht debentures which are unsubordinated and unsecured totaling Baht 10,000 million. Such debentures were offered to the institutional investors and large investors.

23 Debentures, net (continued)

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

Debentures	Interest rate (% per annum)	Terms	Due date	Number of debentures Thousand units	Consolidated and Separate financial statements	
					31 December 2016 Million Baht	31 December 2015 Million Baht
Debentures # 1/2011 (2)	4.70	5 years	27 July 2016	1,950	-	1,950
Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500	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
Debentures # 1/2016 (USD)	3.66	10 years	11 April 2026	75	2,700	-
Debenture # 2/2016 (1)	2.03	3 years	20 July 2019	6,000	6,000	-
Debenture # 2/2016 (2)	2.32	5 years	20 July 2021	2,000	2,000	-
Debentures # 2/2016 (3)	2.79	7 years	20 July 2023	2,000	2,000	-
Total debentures - face value					26,950	16,200
<u>Less</u> Unamortised issuance costs					(33)	(20)
Total debentures, net					26,917	16,180
<u>Less</u> Current portion of debentures					(2,500)	(1,949)
Long-term debentures, net					24,417	14,231

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.

The movement of debenture during the year can be analyzed as follows:

For the year ended 31 December 2016	Consolidated and separate financial statements
	Thousand Baht
Opening balance	16,180,352
Debenture issuance	12,642,843
Repayment	(1,950,000)
Issuance costs	(20,554)
Unrealised loss on foreign exchange rate	57,343
Amortisation of issuance costs	7,050
Closing balance	26,917,034

23 Debentures, net (continued)

The carrying amounts and fair values of debentures are as follows:

As at 31 December	Consolidated and separate financial statements			
	Carrying amounts		Fair values	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Debentures, net	26,917,034	16,180,352	27,346,473	17,138,067

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 1.71 - 3.82 % per annum (2015: 1.71 - 3.64 % per annum) and are within level 2 of the fair value hierarchy (Note 3.3).

24 Finance lease liabilities, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Current portion of finance lease liabilities	82,308	90,908	12,241	11,128
Non-current portion of finance lease liabilities	208,439	212,358	20,080	6,629
Total finance lease liabilities, net	290,747	303,266	32,321	17,757

The minimum lease payments recognised as finance lease liabilities are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Not later than one year	90,485	99,695	13,310	11,535
Later than 1 year but not later than 5 years	169,378	164,692	21,353	6,744
Later than 5 years	57,108	71,325	-	-
	316,971	335,712	34,663	18,279
<u>Less</u> Future finance charges on finance leases	(26,224)	(32,446)	(2,342)	(522)
Present value of finance lease liabilities	290,747	303,266	32,321	17,757

24 Finance lease liabilities, net (continued)

The present value of finance lease liabilities is as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Not later than one year	82,308	90,908	12,241	11,128
Later than 1 year but not later than 5 years	153,902	145,697	20,080	6,629
Later than 5 years	54,537	66,661	-	-
	<u>290,747</u>	<u>303,266</u>	<u>32,321</u>	<u>17,757</u>

25 Other current liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Unamortized premium on derivative contracts	85,326	17,613	51,357	4,330
Payable to Revenue Department	116,019	80,469	23,339	30,893
Other current liabilities	304,700	600,738	9,026	36,005
Total other current liabilities	<u>506,045</u>	<u>698,820</u>	<u>83,722</u>	<u>71,228</u>

26 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Liability in the statement of financial position				
- Retirement benefits	<u>1,916,304</u>	<u>1,801,199</u>	<u>455,667</u>	<u>397,041</u>
Profit or loss charge included in the statement of income				
- Retirement benefits	<u>246,417</u>	<u>232,474</u>	<u>66,270</u>	<u>48,074</u>
Remeasurement for				
- Retirement benefits	<u>(24,436)</u>	<u>(194,788)</u>	<u>-</u>	<u>(50,533)</u>

Retirement benefits plans

The plans are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

26 Employee benefit obligations

Retirement benefits plans (continued)

The movement in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
As at 1 January	1,801,199	1,831,625	397,041	414,846
Current service cost	167,895	149,193	54,720	34,401
Interest cost	78,522	83,281	11,550	13,673
	<u>246,417</u>	<u>232,474</u>	<u>66,270</u>	<u>48,074</u>
Remeasurements:				
(Gain)/Loss from change in demographic assumptions	(11,289)	6,205	-	-
(Gain)/Loss from change in financial assumptions	(4,783)	6,406	-	12,429
Experience gain	(8,364)	(207,399)	-	(62,962)
	<u>(24,436)</u>	<u>(194,788)</u>	<u>-</u>	<u>(50,533)</u>
Benefit payments	(90,938)	(79,956)	(7,644)	(15,346)
Transferred to disposal group classified as held-for-sale	(14,745)	-	-	-
Reclassification	9,204	-	-	-
Translation adjustment	(10,397)	11,844	-	-
As at 31 December	<u>1,916,304</u>	<u>1,801,199</u>	<u>455,667</u>	<u>397,041</u>

The Group and the Company expect to pay Baht 46.08 million and Baht 4.25 million, respectively, of retirement benefits during the next year. (2015: Baht 210.52 million and Baht 26 million, respectively).

As at 31 December 2016, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 16 years and 16 years, respectively (2015: 11 - 17 years and 17 years, respectively).

26 Employee benefit obligations (continued)

Retirement benefits plans (continued)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate (%)	1.0 - 24.0	2.0 - 23.0	3.1	3.1
Salary growth rate (%)	1.5 - 15.0	2.0 - 15.0	3.5 - 7.0	3.5 - 7.0

	Consolidated financial statements			
	Impact on defined benefit obligation			
	Increase in assumption by 1%		Decrease in assumption by 1%	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	(162,948)	(156,262)	192,012	184,250
Salary growth rate	185,946	178,312	(161,443)	(154,747)

	Separate financial statements			
	Impact on defined benefit obligation			
	Increase in assumption by 1%		Decrease in assumption by 1%	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	(46,659)	(42,362)	55,230	50,145
Salary growth rate	53,216	48,316	(46,011)	(41,774)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, at the end of the year, the same method has been applied as when calculating the employee benefit obligation recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted retirement:

	Employee benefit obligations	
	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
As at 31 December 2016		
Less than a year	46,143	4,250
Between 1 - 3 years	271,581	64,142

27 Share capital and premium on share capital

	Number of issued and paid-up shares Shares	Ordinary shares Thousand Baht	Premium on share capital Thousand Baht	Total Thousand Baht
As at 1 January 2015	4,771,815,496	1,192,954	19,948,329	21,141,283
Issue of shares	-	-	-	-
As at 31 December 2015	4,771,815,496	1,192,954	19,948,329	21,141,283
Issue of shares	-	-	-	-
As at 31 December 2016	4,771,815,496	1,192,954	19,948,329	21,141,283

The total number of authorised ordinary shares is 5,971,815,496 shares (2015: 5,971,815,496 shares) with a par value of Baht 0.25 per share (2015: Baht 0.25 per share). There are 4,771,815,496 shares (2015: 4,771,815,496 shares) which are fully paid.

Under the Public Companies Act. B.E. 2535 requires companies to set aside share subscription monies received in excess of the issued shares' par value to a reserve account (share premium). The share premium is not available for dividend distribution.

28 Dividends**The Company**

On 5 April 2016, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 3,006 million from its net operating profit of the year 2015. However, by the resolution of the meeting of the Company's Board of Directors 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 totalling Baht 1,527 million on 9 September 2015. The remaining dividend of Baht 0.31 per share, totalling Baht 1,479 million, was paid on 21 April 2016.

On 8 August 2016, the Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of Baht 0.32 per share to the Company's shareholders totalling Baht 1,527 million. The interim dividend was paid on 2 September 2016.

28 Dividends (continued)**Subsidiaries**

On 26 January 2016, the Board of Directors' meeting of a foreign subsidiary passed a resolution to approve dividend payment of EUR 11.36 million or equivalent to Baht 445.87 million which was solely paid to the Company in April 2016.

On 29 March 2016, the Annual General Shareholders' meeting of a local subsidiary passed a resolution to approve dividend payment from its operating results for the year ended 31 December 2015 at Baht 11.50 per share, totalling Baht 379 million, inclusive of interim dividends at Baht 3 per share, totalling Baht 99 million that were approved by the subsidiary's Board of Directors' meeting on 19 August 2015. The subsidiary had already paid interim dividend in August 2015. The remaining dividends at Baht 8.50 per share, totalling Baht 280 million was paid on 4 April 2016. The Group's portion is Baht 217.21 million.

On 11 April 2016, the Annual General Shareholders' meeting of a local subsidiary approved a resolution to pay a dividend of Baht 36 million from its net operating profit of the year 2015. The Company's portion is Baht 18.36 million. The subsidiary paid out the dividend on 18 April 2016.

On 11 April 2016, the Annual General Shareholders' meeting of a local subsidiary approved a resolution to pay a dividend of Baht 125 million from its net operating profit of the year 2015. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 21 August 2015, the subsidiary paid out the interim dividend to the subsidiary's shareholders totaling Baht 20 million. The remaining dividend of Baht 105 million was paid on 18 April 2016. The Company's portion is Baht 53.55 million.

On 18 April 2016, the Annual General Shareholders' meeting of a local subsidiary approved a resolution to pay a dividend of Baht 870 million from its net operating profit of the year 2015. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 26 August 2015, the subsidiary paid out the interim dividend to the subsidiary's shareholders totaling Baht 420 million. The remaining dividend of Baht 450 million was paid on 19 April 2016. The Company's portion is Baht 448 million.

On 25 April 2016, the Annual General Shareholders' meeting of a local subsidiary approved a resolution to pay a dividend of Baht 369 million from its net operating profit of the year 2015. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 20 August 2015, the subsidiary paid out the interim dividend to the subsidiary's shareholders totaling Baht 225 million on 7 September 2015. The remaining dividend of Baht 144 million was paid on 29 April 2016. The Company's portion is Baht 143 million.

On 9 August 2016, the Board of Directors' meeting of a local subsidiary passed a resolution to approve an interim dividend payment of Baht 18.00 per share from its net operating profit of the six-month period ended 30 June 2016. The Company's portion is Baht 538.16 million. The subsidiary paid out the dividend on 31 August 2016.

On 9 August 2016, the Board of Directors' meeting of a local subsidiary passed a resolution to approve an interim dividend payment of Baht 6.00 per share from its net operating profit of the six-month period ended 30 June 2016. The Company's portion is Baht 215.03 million. The subsidiary paid out the dividend on 31 August 2016.

On 15 August 2016, the Board of Directors' meeting of a local subsidiary passed a resolution to approve an interim dividend payment of Baht 1.50 per share from its net operating profit of the six-month period ended 30 June 2016. The Company's portion is Baht 38.33 million. The subsidiary paid out the dividend on 30 August 2016.

On 17 August 2016, the Board of Directors' meeting of a local subsidiary passed a resolution to approve an interim dividend payment of Baht 2.10 per share from its net operating profit of the six-month period ended 30 June 2016. The Company's portion is Baht 53.55 million. The subsidiary paid out the dividend on 31 August 2016.

On 21 December 2016, the Board of Directors' of a foreign subsidiary passed a resolution to approve a dividend payment of EUR 23.30 million. The dividend was settled on the same date.

29 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	149,295	120,200	149,295	120,200
Appropriate during the year	-	29,095	-	29,095
As at 31 December	149,295	149,295	149,295	149,295

Under of the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

30 Other income

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
For the year ended 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest income	227,919	63,127	1,115,111	797,766
Claims for goods	44,067	56,737	12,749	40,625
Tax coupon	138,359	161,044	13,485	19,532
Management fee	23,292	5,710	267,859	33,407
Amortized premium/discount on derivatives contracts	225,152	-	256,275	879
Other income	456,607	415,163	112,703	131,899
Total other income	1,115,396	701,781	1,778,182	1,024,108

31 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
For the year ended 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Amortization of financing costs	11,354	6,873	11,354	6,873
Interest expenses	1,173,060	1,149,857	972,883	765,612
Other finance costs	255,630	432,363	11,456	182,152
Total finance costs	1,440,044	1,589,093	995,693	954,637

32 Expense by nature

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Changes in finished goods and work in process	(4,650,113)	(605,028)	(520,095)	371,953
Raw material and consumables used	102,326,599	95,101,994	13,925,500	12,203,037
Employee expenses	12,664,722	12,802,266	2,796,262	2,613,001
Depreciation on property, plant and equipment (Note 14)	2,731,475	2,528,124	386,639	366,542
(Reversal) impairment of assets	(134,822)	533,100	-	-
Amortization of intangible assets (Note 15)	251,516	198,043	12,875	4,419
Operating lease expenses	723,630	1,023,046	141,187	318,777
Research and development expenses	83,089	18,428	32,796	11,684

33 Income tax expense

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Current tax:				
Current tax on profit for the year	1,554,028	1,262,294	527	56,132
Adjustments in respect of prior year	(92,967)	25,790	(12,275)	25,974
Total current tax	1,461,061	1,288,084	(11,748)	82,106
Deferred income tax:				
Decrease (increase) in deferred tax assets (Note 18)	(514,535)	(95,962)	2,990	689
Increase (decrease) in deferred tax liabilities (Note 18)	(363,987)	158,035	57	(8,995)
Total deferred income tax	(878,522)	62,073	3,047	(8,306)
Total income tax expenses (revenue)	582,539	1,350,157	(8,701)	73,800
Income tax expenses (revenue) attributable to:				
Profit from continuing operations	582,529	1,350,462	(8,701)	73,800
Loss from discontinued operation (Note 12.3)	10	(305)	-	-
Total income tax expenses (revenue)	582,539	1,350,157	(8,701)	73,800

33 Income tax expense (continued)

The taxes on the Group's and the Company's profits before tax differ from the theoretical amounts that would arise using the basic tax rates of the Group and the Company as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Profit before tax from continuing operations	6,714,632	8,354,576	3,355,295	5,124,117
Loss before tax from discontinued operation (Note 12.3)	(271,943)	(1,016,192)	-	-
Total profit before tax	6,442,689	7,338,384	3,355,295	5,124,117
Tax calculated at tax rates of 10-38% (2015: 10-38%)	1,279,319	1,761,333	671,059	1,024,823
Tax effect of:				
Income not subject to tax	(767,111)	(703,970)	(801,411)	(994,753)
Additional expenses deductible for tax purpose	(130,611)	(659)	(555)	-
Expenses not deductible for tax purpose	478,555	234,321	456	17,756
Utilisation of previously unrecognised tax losses	(44,514)	(2,982)	-	-
Recognition of deferred tax assets from previously unrecognised tax losses	(2,080)	-	-	-
Tax losses and temporary differences for which no deferred tax asset was recognised	304,381	13,992	135,002	-
Adjustments in respect of prior year	(92,967)	25,790	(12,275)	25,974
Impact on change in tax rate	(466,512)	(7,112)	-	-
Others	24,079	29,444	(977)	-
Tax charge (revenue)	582,539	1,350,157	(8,701)	73,800

The Group's weighted average applicable tax rate was 9.04% (2015: 18.40%). The major decrease is caused by a change in corporate income tax of a foreign subsidiary from 34.43% to 28.92% that was substantively enacted on 22 December 2016 and effective from 1 January 2017. The relevant deferred tax balances have been re-measured using this new effective rate.

The Company's weighted average applicable tax rate was -0.26% (2015: 1.44%).

33 Income tax expense (continued)

The tax charge relating to components of other comprehensive income is as follows:

For the year ended 31 December	Consolidated financial statements					
	2016			2015		
	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht
Actuarial gain on employee benefit obligations	25,171	(5,146)	20,025	189,885	(3,996)	185,889
Other reserves	56,443	-	56,443	15,697	-	15,697
Change in fair values of available-for-sale investments	(46,716)	(54)	(46,770)	5,183	(1,039)	4,144
Translation adjustment	(922,381)	(1,328)	(923,709)	472,902	-	472,902
Other comprehensive income (expenses)	(887,483)	(6,528)	(894,011)	683,667	(5,035)	678,632
For the year ended 31 December	Separate financial statements					
	2016			2015		
	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht
Actuarial gain on employee benefit obligations	-	-	-	50,532	(855)	49,677
Change in fair values of available-for-sale investments	(46,389)	-	(46,389)	-	-	-
Other comprehensive income (expenses)	(46,389)	-	(46,389)	50,532	(855)	49,677

34 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to the owners of the parent (Thousand Baht)	5,254,432	5,372,509	3,363,996	5,050,317
Weighted average number of ordinary shares outstanding (Thousand shares)	4,771,815	4,771,815	4,771,815	4,771,815
Basic earnings per share (Baht per share)	1.10	1.13	0.70	1.06

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

35 Related party transactions

The Company is the ultimate parent company. The largest shareholder of the Company is a group of Chansiri family, which owns 20.15% of the Company's shares. The remaining of the shares are widely held.

The lists of subsidiaries, associates and joint ventures are set out in Note 13.

The following significant transactions and balances were carried out with related parties:

i) Sales

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Revenue from sales				
Subsidiaries	-	-	8,096,542	7,160,773
Associates and joint ventures	553,447	208,661	8,611	27,208
Other related companies	888,784	884,296	503,302	447,277
	<u>1,442,231</u>	<u>1,092,957</u>	<u>8,608,455</u>	<u>7,635,258</u>
Dividend income				
Subsidiaries	-	-	3,035,005	4,060,405
Associates and joint ventures	-	-	72,694	86,122
	<u>-</u>	<u>-</u>	<u>3,107,699</u>	<u>4,146,527</u>
Other income				
Subsidiaries	-	-	1,437,939	815,512
Associates and joint ventures	270,199	31,759	399	849
Other related companies	502	495	502	487
	<u>270,701</u>	<u>32,254</u>	<u>1,438,840</u>	<u>816,848</u>

35 Related party transactions (continued)

The following significant transactions and balances were carried out with related parties: (continued)

ii) Purchases of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Purchase of goods				
Subsidiaries	-	-	1,820,680	1,254,424
Associates and joint ventures	1,025,827	1,539,995	211,106	221,609
Other related companies	1,060,224	1,142,028	-	-
	<u>2,086,051</u>	<u>2,682,023</u>	<u>2,031,786</u>	<u>1,476,033</u>
Purchase of fixed assets				
Subsidiaries	-	-	1,975	21,523
Associates and joint ventures	26	17	26	17
Other related companies	96,660	75,361	17,874	9,141
	<u>96,686</u>	<u>75,378</u>	<u>19,875</u>	<u>30,681</u>
Purchase of services				
Subsidiaries	-	-	289,806	232,369
Associates and joint ventures	8,039	2,759	3,019	1,650
Other related companies	262,451	233,297	103,594	89,927
	<u>270,490</u>	<u>236,056</u>	<u>396,419</u>	<u>323,946</u>

iii) Outstanding balances arising from sales and purchases of goods, fixed assets and services

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Trade receivables				
- related parties				
Subsidiaries	-	-	1,912,119	1,868,750
Associates and joint ventures	94,734	50,024	1,279	6,336
Other related companies	44,094	51,683	41,139	34,104
	<u>138,828</u>	<u>101,707</u>	<u>1,954,537</u>	<u>1,909,190</u>
Accrued interest income				
- related parties				
Subsidiaries	-	-	233,514	10,461
Associates and joint ventures	225,256	62	-	-
	<u>225,256</u>	<u>62</u>	<u>233,514</u>	<u>10,461</u>
Trade payables				
- related parties				
Subsidiaries	-	-	561,951	375,202
Associates and joint ventures	26,713	116,335	5,900	1,938
Other related companies	46,788	64,632	1,331	1,848
	<u>73,501</u>	<u>180,967</u>	<u>569,182</u>	<u>378,988</u>

35 Related party transactions (continued)

The following significant transactions and balances were carried out with related parties (continued):

iv) Loans to/from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Short-term loans to related parties				
Subsidiaries	-	-	7,331,581	2,944,881
Associates and joint ventures	-	30,600	-	-
	-	30,600	7,331,581	2,944,881
Long-term loans to related parties				
Current portion of long-term loans				
Subsidiaries	-	-	-	501,613
Long-term loans				
Subsidiaries	-	-	40,263,658	20,495,060
Associates and joint ventures	12,361,592	-	-	-
	12,361,592	-	40,263,658	20,996,673

The movements of long-term loans to related parties during the year can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
As at 1 January	-	-	20,996,673	24,918,490
Additions	12,174,947	-	34,043,181	1,551,424
Repayments	-	-	(14,230,572)	(5,463,285)
Unrealised gain (loss) on exchange rates	186,645	-	(545,624)	(9,956)
As at 31 December	12,361,592	-	40,263,658	20,996,673
As at 31 December				
	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Short-term loans from related parties				
Subsidiaries	-	-	923,957	32,600
Associates and joint ventures	77,000	60,900	-	-
	77,000	60,900	923,957	32,600

35 Related party transactions (continued)

The following significant transactions and balances were carried out with related parties (continued):

v) Directors and key management remuneration

The compensation paid or payable to key management for employee services is shown below:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	864,020	929,099	109,359	100,619
Post-employment benefits	22,270	35,055	9,396	7,972
Other long-term benefits	16,553	54,573	5,610	6,737
	<u>902,843</u>	<u>1,018,727</u>	<u>124,365</u>	<u>115,328</u>

36 Commitments and contingent liabilities**36.1 Capital commitments**

The Group and the Company had capital commitments as at the statement of financial position date but not recognised in the financial statements as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Factory, building and warehouse construction agreements	Baht 517 million USD 1 million EUR 4 million	Baht 257 million USD 1 million -	- - -	- - -
Purchase of machinery and equipment agreements	Baht 77 million USD 1 million EUR 3 million JPY 7 million	Baht 77 million USD 4 million EUR 2 million JPY 34 million	Baht 16 million - - -	Baht 21 million - - -

36.2 Guarantees

- As at 31 December 2016, there were outstanding bank guarantees of Baht 41 million (2015: Baht 31 million) issued on behalf of the Company in the normal course of business.
- As at 31 December 2016, there were outstanding bank guarantees of Baht 95 million, USD 5 million, EUR 2 million, NOK 10 million and PLN 1 million (2015: Baht 81 million, USD 2 million, EUR 4 million and NOK 7 million) issued on behalf of the subsidiaries in the normal course of business.
- As at 31 December 2016, there was an outstanding letter of guarantee of USD 13 million (2015: USD 13 million) issued to a financial institution to secure credit facilities of a subsidiary of the Group's joint venture.

36 Commitments and contingent liabilities (continued)

36.2 Guarantees (continued)

- d) As at 31 December 2016, there were outstanding bank guarantees of EUR 12 million and CAD 6 million (2015: EUR 10 million) issued on behalf of the Company to secure credit facilities of its subsidiaries.
- e) As at 31 December 2016, there were outstanding bank guarantees of Baht 61 million (2015: Baht 61 million) issued on behalf of a subsidiary to secure credit facilities of the Group's joint venture.

36.3 Operating lease commitments

The Group leases land, machinery, vehicles, computers, office space and equipment under operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Not later than 1 year				
- THB	204,225	177,762	93,850	79,932
- USD	2,573	2,894	130	228
- EUR	4,131	3,948	-	-
Later than 1 year but not later than 5 years				
- THB	363,531	331,066	292,285	271,640
- USD	3,854	4,455	-	127
- EUR	7,597	10,069	-	-
Later than 5 years				
- THB	130,923	113,800	123,666	102,338
- USD	275	266	-	-
- EUR	87	585	-	-
	<u>717,196</u>	<u>644,845</u>	<u>509,931</u>	<u>454,265</u>

36.4 Litigation

Tri-Union Seafoods LLC (Tri-U)

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 which 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.

37 Financial instruments

Fair value of financial derivatives is set out as below:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Assets (Liabilities), net				
Foreign currency forward contracts	614,774	706,278	675,241	698,381
Option contracts	2,277	54,843	1,152	54,843
Interest rate swap contracts	(180,992)	(368,291)	-	(6,226)
Cross currency and interest rate swap contracts	327,603	281,465	327,603	281,465
	<u>763,662</u>	<u>674,295</u>	<u>1,003,996</u>	<u>1,028,463</u>

37.1 Foreign currency forward contracts and option contracts

Foreign currency risk

The Group's and the Company's exposures to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group and the Company seek to reduce this risk by entering into foreign currency forward contracts and option contracts when it considers appropriate.

The balances of financial assets and liabilities denominated in foreign currencies of the Group are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
EUR	572,277	517,031	92,514	38,994	37.76	39.39
USD	998,354	370,290	306,612	132,880	35.83	36.04
JPY	23,615	44,049	64,084	115,499	0.31	0.30
NOK	38,595	52,508	84,928	56,082	4.16	4.13
GBP	10,571	36,746	3,568	20,749	44.04	53.43
SEK	2,032	3,773	3,161	3,482	3.94	4.30
PLN	268,552	1,402	134,087	1,158	8.53	9.31
CZK	2,218	8,478	2,365	-	1.39	1.46
GHS	13,853	-	-	-	4.53	4.14

37 Financial instruments (continued)

37.1 Foreign currency forward contracts and option contracts (continued)

The Group and the Company had outstanding forward contracts as summarised below.

As at 31 December 2016					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
<u>The Company</u>					
USD	9	358	35.80 – 36.49 Baht against USD	33.58 - 36.05 Baht against USD	January 2017 - October 2020
JPY	-	176	-	0.32 - 0.35 Baht against JPY	June 2017 - November 2017
EUR	-	224	-	37.82 - 48.45 Baht against EUR	March 2017 - January 2021
<u>Subsidiaries</u>					
USD	14	239	35.12 -35.99 Baht against USD	34.64 - 36.22 Baht against USD	January 2017 - July 2017
JPY	-	315	-	0.31 - 0.35 Baht against JPY	June 2017 - December 2017
AUD	-	3	-	26.32 - 26.59 Baht against AUD	January 2017 - August 2017
USD	38	50	0.87 - 0.90 EUR against USD	0.88 EUR against USD	January 2017 - December 2017
USD	61	-	0.75 - 0.81 GBP against USD	-	January 2017 - December 2017
USD	-	21	-	3.56 - 4.14 PLN against USD	January 2017 - December 2017
USD	1	2	1.31 CAD against USD	1.33 - 1.35 CAD against USD	January 2017 – May 2017
EUR	74	-	0.73 - 0.91 GBP against EUR	-	January 2017 - December 2017
EUR	-	1	-	8.72 - 9.83 NOK against EUR	January 2017 - December 2017
NOK	347	-	0.11 EUR against NOK	-	January 2017 - January 2018
NOK	12	-	0.09 GBP against NOK	-	January 2017 - January 2018
GBP	2	-	1.30 EUR against GBP	-	January 2017 - June 2017
PLN	2	-	0.23 EUR against PLN	-	January 2017 - December 2017
JPY	-	120	-	3.82 - 3.89 PLN against 100 JPY	January 2017 - December 2017

37 Financial instruments (continued)

37.1 Foreign currency forward contracts and option contracts (continued)

The Group and the Company had outstanding forward contracts as summarised below (continued).

As at 31 December 2015					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
The Company					
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
Subsidiaries					
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
EUR	1	-	38.37 - 41.06 Baht against EUR	-	February 2016 - July 2016
AUD	-	1	-	25.20 - 25.37 Baht against AUD	April 2016
USD	-	24	-	3.11 - 3.99 PLN against USD	January 2016 - December 2017
EUR	23	37	1.10 -1.13 USD against EUR	1.08 - 1.17 USD against EUR	January 2016 - December 2016
EUR	98	2	0.70 - 0.76 GBP against EUR	0.71 - 0.74 GBP against EUR	January 2016 - December 2017
EUR	-	1	-	4.28 - 4.34 PLN against EUR	October 2016 - December 2016
EUR	-	32	-	8.48 - 9.83 NOK 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

As at 31 December 2016, the Group had outstanding option agreements with special conditions with financial institutions under which they had obligations to buy amounts of USD 12 million (31 December 2015: USD 25 million), depending on conditions stipulated in the agreements, at rates of Baht 35.04 - 35.72 per USD 1 (31 December 2015: at rate of Baht 33.80 per USD 1). These agreements will end in February 2017.

37 Financial instruments (continued)

37.2 Interest rate swap contracts

The details of outstanding interest rate swap contracts as at 31 December 2016 and 31 December 2015 are as follows:

The Company

The Company had no outstanding interest rate swap contracts as at 31 December 2016.

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

Subsidiaries

As at 31 December 2016				
	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
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

37 Financial instruments (continued)

37.3 Cross currency and interest rate swap contracts

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2016 and 2015 are as follows:

The Company

As at 31 December 2016					
	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 1,145 million	Floating rate 3-month THBFIX plus 4.75%	USD 32 million	Fixed rate 5.65%	March 2017
2	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
3	USD 7 million	Floating rate LIBOR plus 0.92%	Baht 221 million	Fixed rate 3.62%	July 2017
4	Baht 326 million	Floating rate 3-month THBFIX plus 0.70%	USD 10 million	Fixed rate 1.92%	December 2017
5	Baht 1,899 million	Fixed rate 1.65%	EUR 50 million	-	December 2017
6	Baht 614 million	Floating rate 3-month THBFIX minus 0.06%	USD 20 million	Fixed rate 1.54%	June 2018
7	USD 14 million	Floating rate LIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
8	Baht 4,106 million	Fixed rate 2.32%	EUR 97 million	-	December 2019
9	Baht 3,475 million	Floating rate 6-month THBFIX plus 3.50%	USD 100 million	Fixed rate 5.10%	October 2020
10	Baht 1,911 million	Floating rate 6-month THBFIX plus 3.49%	USD 55 million	Fixed rate 5.10%	October 2020
11	Baht 2,428 million	Floating rate 3-month THBFIX plus 3.56%	USD 70 million	Fixed rate 5.10%	October 2020
12	Baht 2,433 million	Floating rate 3-month THBFIX	USD 70 million	Fixed rate 5.10%	October 2020
13	Baht 2,780 million	Floating rate 3-month THBFIX plus 3.50%	USD 80 million	Fixed rate 5.10%	October 2020
14	Baht 2,050 million	Floating rate 6-month THBFIX plus 1.26%	EUR 50 million	Floating rate 3-month EURIBOR plus 1.38%	October 2021
15	Baht 1,647 million	Floating rate 6-month THBFIX plus 1.26%	EUR 40 million	Floating rate 3-month EURIBOR plus 1.38%	October 2021
16	Baht 80 million	Floating rate 6-month THBFIX plus 1.33%	EUR 2 million	Floating rate 3-month EURIBOR plus 1.38%	October 2021
17	EUR 30 million	Floating rate 3-month EURIBOR plus 2.10%	PLN 130 million	Floating rate 3-month WIBOR plus 3.38%	October 2021
18	Baht 1,179 million	Fixed rate 0.70%	EUR 30 million	Fixed rate 0.73%	October 2021
19	Baht 976 million	Floating rate 6-month THBFIX plus 1.80%	USD 30 million	Fixed rate 3.70%	June 2022

37 Financial instruments (continued)

37.3 Cross currency and interest rate swap contracts (continued)

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2016 and 2015 are as follows (continued):

The Company (continued)

As at 31 December 2016					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
20	Baht 737 million	Fixed rate 2.88%	USD 23 million	Fixed rate 3.30%	June 2022
21	Baht 573 million	Fixed rate 2.88%	USD 18 million	Fixed rate 3.30%	June 2022
22	Baht 1,089 million	Floating rate 6-month THBFIX plus 2.15%	EUR 27 million	Floating rate 3-month EURIBOR plus 3.15%	January 2023
23	Baht 656 million	Fixed rate 4.53%	EUR 17 million	Floating rate 3-month EURIBOR plus 3.15%	January 2023
24	Baht 233 million	Fixed rate 3.69%	EUR 6 million	Floating rate 3-month EURIBOR plus 3.15%	January 2023
25	Baht 426 million	Fixed rate 3.68%	USD 13 million	Fixed rate 3.96%	June 2025
26	Baht 505 million	Fixed rate 3.30%	USD 14 million	Fixed rate 3.96%	June 2025
27	Baht 1,452 million	Fixed rate 3.05%	USD 40 million	Fixed rate 3.98%	June 2025
28	Baht 550 million	Fixed rate 3.73%	USD 17 million	Fixed rate 3.96%	January 2026
29	USD 75 million	Fixed rate 3.66%	Baht 2,529 million	-	April 2026

37 Financial instruments (continued)

37.3 Cross currency and interest rate swap agreements (continued)

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2016 and 2015 are as follows: (continued)

The Company (continued)

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 430 million	Floating rate 3-month THBFIX	USD 14 million	Floating rate 3-month LIBOR plus 0.20%	June 2016
2	Baht 1,145 million	Floating rate 3-month THBFIX plus 4.75%	USD 32 million	Fixed rate 5.65%	March 2017
3	Baht 1,997 million	Floating rate 6-month THBFIX minus 1.75%	EUR 50 million	-	June 2017
4	USD 35 million	Floating rate LIBOR plus 0.92%	Baht 1,106 million	Fixed rate 3.62%	July 2017
5	Baht 1,899 million	Fixed rate 1.65%	EUR 50 million	-	December 2017
6	Baht 326 million	Floating rate 3-month THBFIX plus 0.75%	USD 10 million	Fixed rate 1.92%	January 2018
7	Baht 614 million	Floating rate 3-month THBFIX	USD 20 million	Fixed rate 1.54%	June 2018
8	USD 14 million	Floating rate LIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
9	Baht 4,106 million	Fixed rate 2.32%	EUR 97 million	-	December 2019
10	Baht 2,050 million	Floating rate 6-month THBFIX plus 1.26%	EUR 50 million	Floating rate 3-month LIBOR plus 1.38%	October 2021
11	Baht 1,647 million	Floating rate 6-month THBFIX plus 1.26%	EUR 40 million	Floating rate 3-month LIBOR plus 1.38%	October 2021
12	Baht 80 million	Floating rate 6-month THBFIX plus 1.33%	EUR 2 million	Floating rate 3-month LIBOR plus 1.38%	October 2021
13	Baht 1,951 million	Floating rate 6-month THBFIX plus 0.98%	USD 60 million	Fixed rate 3.70%	January 2023
14	Baht 655 million	Fixed rate 2.91%	USD 20 million	Fixed rate 3.30%	January 2023
15	Baht 1,310 million	Fixed rate 2.95%	USD 40 million	Fixed rate 3.30%	January 2023
16	Baht 1,951 million	Fixed rate 3.95%	USD 60 million	Fixed rate 3.96%	January 2026
17	Baht 1,310 million	Fixed rate 3.59%	USD 40 million	Fixed rate 3.98%	January 2026

38 Promotional privileges

The Company received promotional privileges from the Office of the Board of Investment (“BOI”) for the production of processed and semi-processed food in seal containers, ready-to-eat frozen meals, frozen aquatic animals and pet food in seal containers. Under these privileges, the Company has received exemption from certain taxes and duties as detailed in the certificate including exemption from corporate income tax for a period of 8 years from the date of commencement of earning promoted revenue and 50% reduction of corporate income tax rate for another 5 years after the exemption period. As a promoted industry, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

Revenue classified by BOI and Non-BOI promoted activities (revenue from Non-BOI business included non-exemption from the privilege on corporate income tax and revenue after the exemption period) are as follows:

	BOI promoted activities		Non-BOI promoted activities		Total	
	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 Thousand Baht
Domestic sales	2,972,150	2,799,488	1,912,212	1,272,547	4,884,362	4,072,035
Export sales	15,168,879	14,907,207	467,294	363,875	15,636,173	15,271,082
Total revenue from sales	18,141,029	17,706,695	2,379,506	1,636,422	20,520,535	19,343,117

39 Events after the reporting period

Debentures

In January 2017, the Company issued the Thai Baht debentures which are unsubordinated and unsecured totaling Baht 12,000 million. Such debentures are offered to the institutional investors and large investors. Under the issuance of these debentures, the Company has to comply with the conditions including certain financial covenants. The details of the debentures are summarized below:

Debentures	Interest rate (% per annum)	Terms	Due date	Number of debentures Thousand units	Amount Million Baht
Debentures # 1/2017 (1)	2.49	3 years	19 January 2020	3,500	3,500
Debentures # 1/2017 (2)	2.91	5 years	19 January 2022	2,000	2,000
Debentures # 1/2017 (3)	3.58	7 years	19 January 2024	2,500	2,500
Debentures # 1/2017 (4)	3.94	10 years	19 January 2027	4,000	4,000
Total					12,000

Long-term loans

In January 2017, the Company entered into a term loan facility agreement of up to Baht 12,500 million with financial institutions in Thailand in order to apply the proceeds for refinancing the existing loans. The loan has maturity date of five years from the first utilization date and bears interest of THBFIX plus a certain margin per annum.

Dividend

On 21 February 2017, the Board of Directors’ meeting of the Company passed the resolution to propose to the Annual General Meeting of the Company that will be held in April 2017, to pay a dividend of Baht 3,006 million from its net operating profit for the year 2016. However, by the resolution of the Company’s Board of Directors held on 8 August 2016, the Company paid out the interim dividend of Baht 0.32 per share from operating profit for the six-month period ended 30 June 2016, to the Company’s shareholders totaling Baht 1,527 million on 2 September 2016. The remaining dividend of Baht 0.31 per share or totaling Baht 1,479 million will be paid on 20 April 2017.

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