

ANNUAL REPORT 2017

Thai Union Group
Public Company Limited

thaiunion.com



RÜGENFISCH

Chicken of the Sea

PETIT NAVIRE

SEAELECT
SINCE 1992

CONSERVIERIE
PARMENTIER



SINCE 1857
JOHN WEST



Mareblu



KING OSCAR
BY SPECIAL ROYAL PERMISSION



Qfresh
Selection



Bellotta
Bellota







COMPANY PROFILE

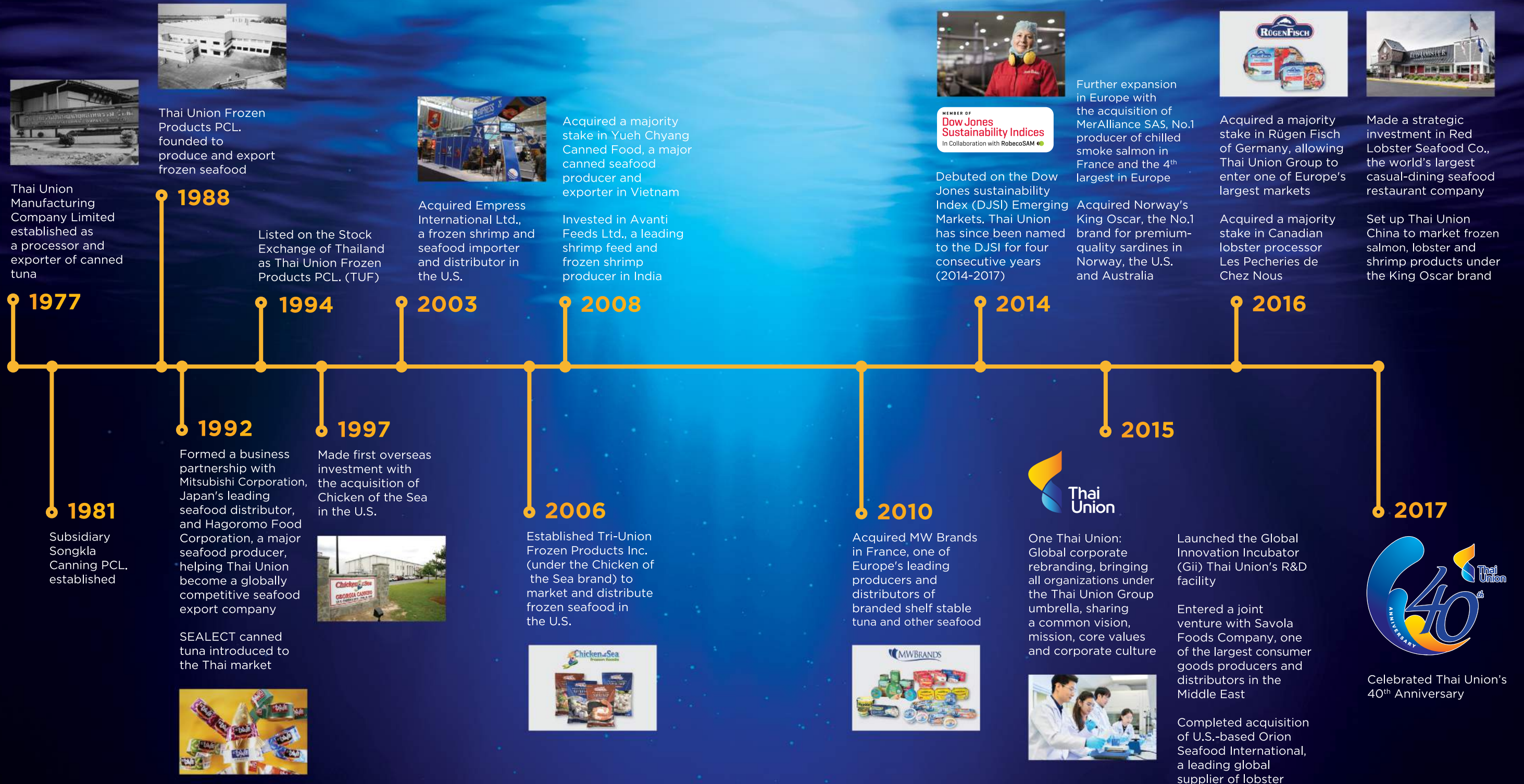
Thai Union Group Public Company Limited

Registration No. 0107537000891

TYPE OF BUSINESS	Processor and exporter of frozen and canned seafood
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WEBSITE	thaiunion.com Listed on the Stock Exchange of Thailand Since November 22, 1994 As of December 31, 2017 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



40 YEAR OF HISTORY AND DEVELOPMENT





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MESSAGE FROM OUR CHAIRMAN

The business environment presented a number of challenges for Thai Union in 2017, which had an impact on our overall business. While the company was able to achieve record sales for the year, thanks to robust demand for our products, it was not easy or straightforward. High tuna prices weighed on our margins, however, this was partly offset by prudent foreign exchange management and stringent cost controls. The result was a 14.6 percent rise in full year net profit to THB 6.02 billion. We also announced a full year dividend of THB 0.66 per share, while our gross profit margin was 13.3 percent, compared to 14.8 percent as reported in 2016.

The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) was slightly higher at THB 11.4 billion, up from a restated THB 11.3 billion in 2016. Annual sales revenue hit a record high of THB 136.5 billion, a 1.6 percent increase over the previous year.

There were plenty of things to celebrate in 2017, mostly notably Thai Union's 40th anniversary. We have achieved a lot during those four decades, but while Thai Union continued to grow and expand, at our core we have always remained humble. Remaining humble is very important to us at Thai Union. We started poor and we have never forgotten where we came from. And we have never forgotten how we got to where we are with the support of very important business partners.

There were a number of other achievements to be proud of in 2017, such as:

- Being included into the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the fourth consecutive year

- Being named to the FTSE4Good Emerging Index for a second year
- Winning the 2017 SEAL Business Sustainability Award for Organizational Impact
- Our Global Innovation Incubator winning a 2017 International Innovation Award from Enterprise Asia for its innovative yellow fin tuna slices
- Receiving the Best Investor Relations Award from FinanceAsia
- Being named the Best Managed Company in Thailand in FinanceAsia's Best Managed Companies Poll
- Receiving the Outstanding Investor Relations Award at the Stock Exchange of Thailand Awards

Thai Union has set itself some very ambitious targets for 2020. We remain confident in achieving these, thanks to our clear vision and clearly defined strategy and roadmap. We will, of course, continue to be driven by our six core pillars - Innovation, Sustainability, Operational Excellence, Mergers and Acquisitions, Global Talent Development and Strategic Sourcing.

As we work towards even greater success in 2018, we see a number of opportunities to build a stronger and more sustainable business. Innovation will play an increasingly significant role as we look to develop food products that are healthy and nutritious for our customers and consumers globally.



“ AS CHAIRMAN OF THAI UNION, 2017 WAS AN INCREDIBLY SPECIAL AND PROUD YEAR FOR ME PERSONALLY, AND FOR THAI UNION. WHILE WE CONTINUE TO FACE CHALLENGES IN OUR BUSINESS, I REMAIN VERY GRATEFUL FOR ALL THE WORK OF BOTH OUR MANAGEMENT AND EMPLOYEES. I WANT TO ALSO EXPRESS MY THANKS TO OUR SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS FOR THE TRUST AND SUPPORT THEY HAVE SHOWN OVER THE PAST 40 YEARS. ”

A handwritten signature in black ink, consisting of stylized, fluid strokes.

MR. KRAISORN CHANSIRI
CHAIRMAN



MESSAGE FROM OUR PRESIDENT AND CEO

2017 was a special year for Thai Union as we celebrated our 40th anniversary. Anniversaries such as this give us an opportunity to look back at how we have developed and adapted, confronted challenges and emerged stronger; and it also allows us to reflect on who we are today and what we want to become in the future.

We've been on an incredible journey. Importantly, our success has also been due in large part to our ability to remain humble – to keep learning, keep listening – a key part of our culture that will continue to guide us as we start the journey toward our next 40 years.

On the business side in 2017, we faced some difficult issues throughout the year. High tuna prices continued to present a challenge, putting pressure on our margins. However, strong discipline as we continued to work to our plan ensured we were able to manage this and deliver positive financial results. Our net profit increased 14.6 percent to THB 6.02 billion, while consolidated sales reached a record THB 136.5 billion.

It was pleasing to see that our products remain in strong demand in markets across the globe. The U.S. continued to be a critical part of our business, delivering 40 percent of total sales. Europe contributed 32 percent of sales, the Thai domestic market grew to 10 percent, while Japan was steady at six percent. Sales shifted slightly from the major markets to domestic and emerging markets thanks to greater penetration efforts in markets such as China. The overall drive in higher sales was due to ongoing organic growth and a stronger contribution from Red Lobster in the U.S.

2017 was also a landmark year for innovation at Thai Union. Innovation is critical to the company's future and last year we began to see our investment in this area produce what we expect will be an increasing number of innovative products, all driven by the Global Innovation Incubator (Gii). Last year, we launched yellowfin tuna slices – which are now sold in the U.S. – and healthy alternative tuna sausage, which is available for customers in Thailand. It will be innovation such as this that will be so important for Thai Union and become a key driver for profitable growth.

The Gii's groundbreaking efforts did not go unnoticed – it won the 2017 International Innovation Award from Enterprise Asia for the innovative sliceable tuna.

Sustainability, through our SeaChange® strategy, also remains at the core of our future. SeaChange® is part of our mission to care for our resources and nurture them for generations to come. We are working with many organizations including Greenpeace, WWF, and ISSF, among many others, to help us achieve our objectives.

We take our commitment very seriously. Our sustainability team has worked incredibly hard to deliver enormous changes to the way we approach this issue, and those efforts have grabbed people's attention. In 2017, Thai Union was included into the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the fourth consecutive year, and was also named to the FTSE4Good Emerging Index for a second year.

As a leader in the seafood industry, we also think it's important that we take the initiative in efforts to boost human rights in the sector, which remains a challenging issue. We have

made some positive changes in this area, which were highlighted through a short film about a digital traceability pilot program in Thailand - a partnership between Thai Union, Mars Petcare, Inmarsat and a coalition of industry and government groups. Thai Union also introduced a Fishing Vessel Improvement Program and Vessel Code of Conduct to provide clear guidance to fishing vessels from which it

sources as well as improve labor and ethical performance in the fishing sector.

Our industry is one full of challenges. But I am confident that through strong leadership and by maintaining a focus on our clearly defined strategies that we will continue to grow and, together, achieve our vision of being the most trusted brand in the seafood industry.

“ AT THAI UNION, WE LOVE CHANGE BECAUSE IT ALWAYS BRINGS SOMETHING POSITIVE TO OUR COMPANY. BUT WE CANNOT TACKLE CHANGE ALONE, AND OVER OUR 40-YEAR HISTORY WE HAVE HAD INCREDIBLE SUPPORT FROM SO MANY PEOPLE. I WANT TO THANK THE THAI GOVERNMENT, BANKERS, BUSINESS PARTNERS, CUSTOMERS, INVESTORS, AND OUR SUPPLIERS FOR THEIR SUPPORT AND LOOK FORWARD TO MAKING THAI UNION SUSTAINABLE WELL INTO THE FUTURE. ”



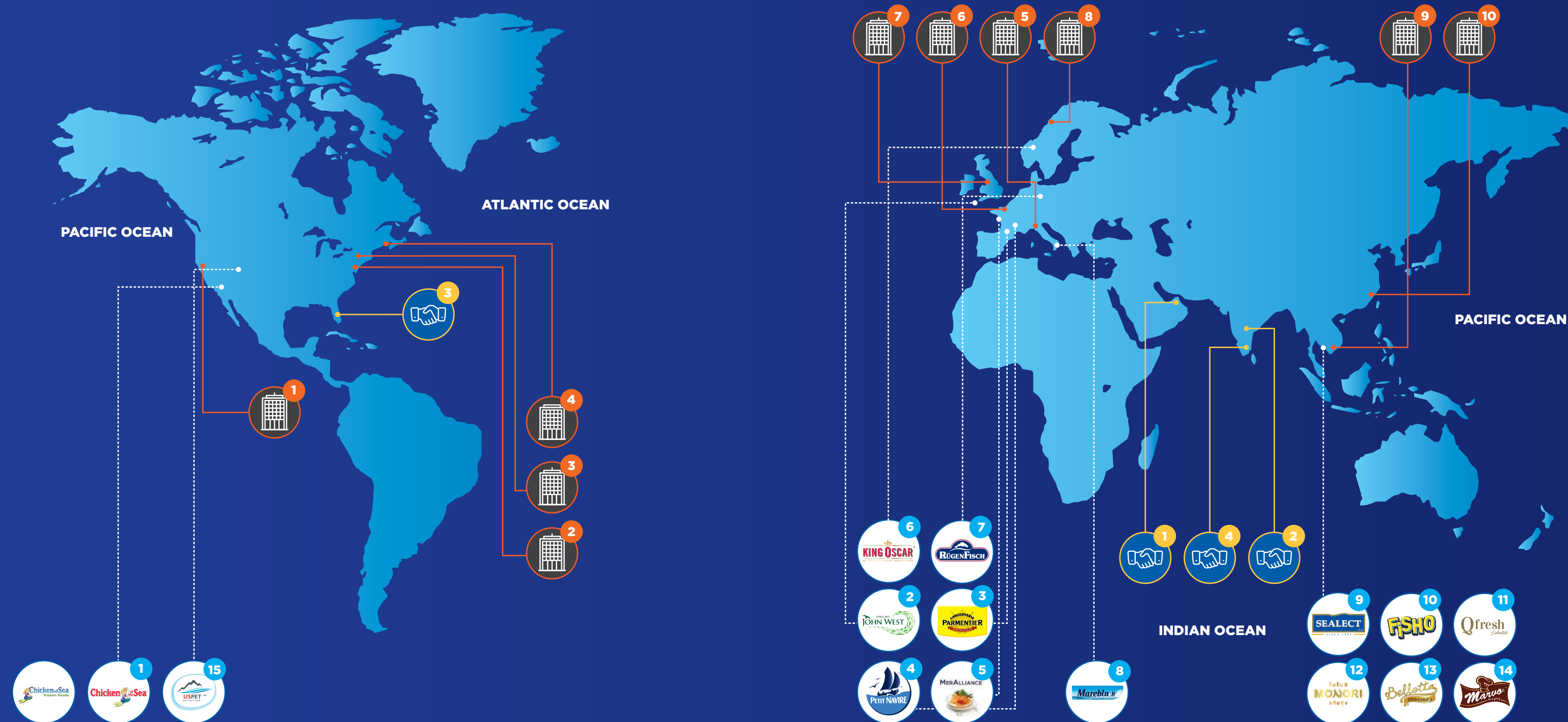
MR. THIRAPHONG CHANSIRI
PRESIDENT AND CEO





THAI UNION'S FOOTPRINT

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



LEGEND

Brands

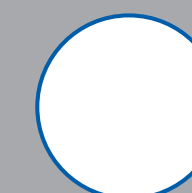
- 1 Chicken of the Sea, USA
- 2 John West, UK
- 3 Parmentier, France
- 4 Petit Navire, France
- 5 MerAlliance, France
- 6 King Oscar, Norway
- 7 Rügen Fisch, Germany
- 8 Mareblu, Italy
- 9 SEAELECT, Thailand
- 10 FISHO, Thailand
- 11 Q fresh, Thailand
- 12 Monori, Thailand
- 13 Bellotta, Thailand
- 14 Marvo, Thailand
- 15 US Pet, USA

Corporate office / Sales

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

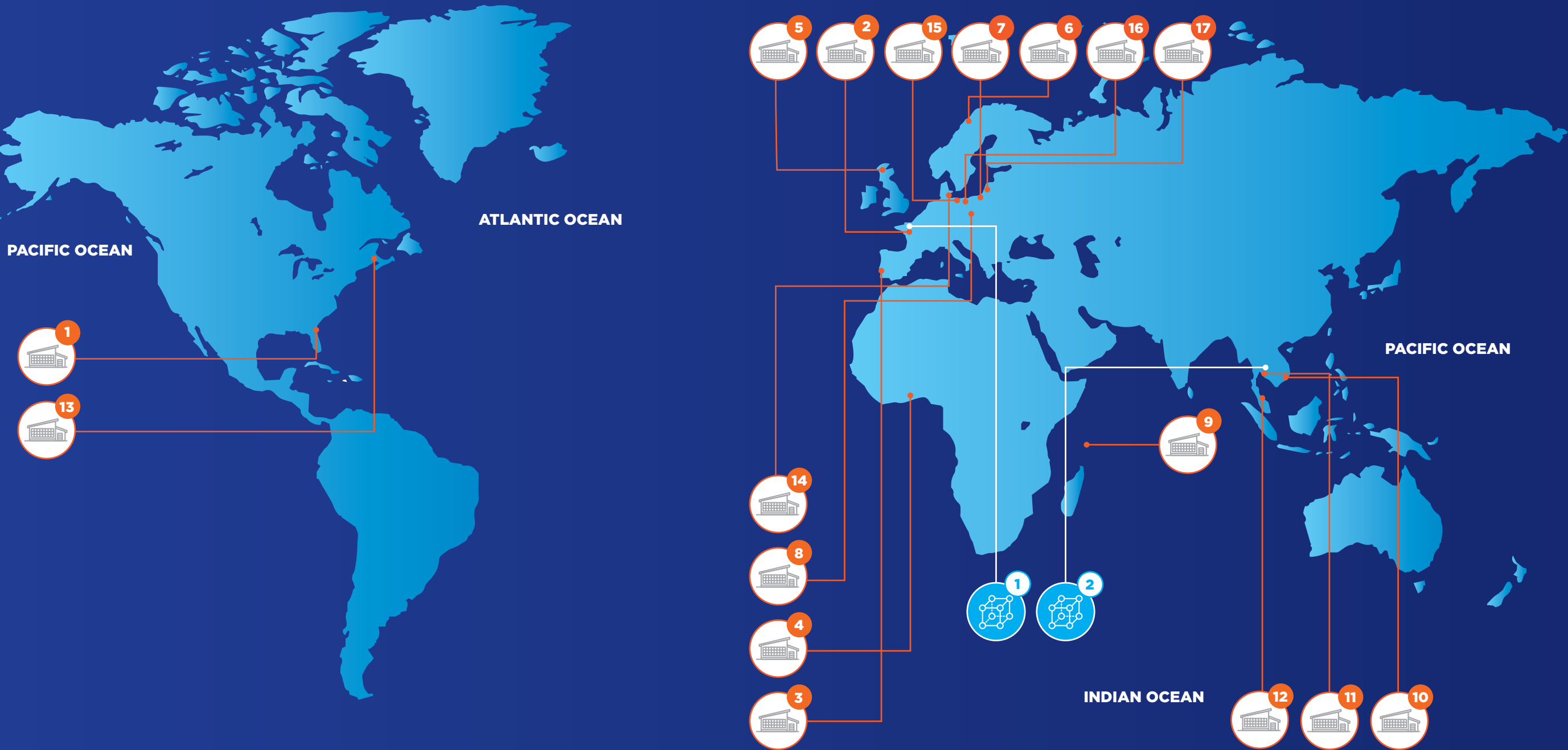


Joint venture



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

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.





THAI UNION STRATEGY

In 2017, increased competition within the global seafood industry, decelerating growth within our key markets and unusually high raw material prices posed a significant challenge for Thai Union. However, it also presented an opportunity for Thai Union to adapt, 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 our market position, and enhance our sourcing and distribution networks.

Thai Union reached a significant milestone in 2017 as it celebrated its 40th anniversary. During the year we also implemented many initiatives, especially around sustainable development and innovation. Looking forward, we will continue to execute our strategy with a focus more on “profitable growth” to achieve our 2020 targets, while initial discussions having already begun about what lies beyond 2020.

INNOVATION: Developing game-changing solutions for enhanced consumer satisfaction, shared value and sustainability

Innovation is a strategic cornerstone that will help drive sustainable growth and play an important role in shaping the future of Thai Union. The **Global Innovation Incubator (Gii)**, established in 2015 by Thai Union in collaboration with Mahidol University, is a world-class R&D facility to develop new products, packaging and processing, and thus add more value to Thai Union’s seafood business.

The research and development of Gii is focused on six categories: tuna, shrimp,

salmon, sardines and mackerel, premium pet food and ready-to-eat products. As we channel Gii’s research into new product development and process improvement, we aim to begin commercializing our innovations on a global scale.

The investment in Gii has led to the launch of several innovative products. In 2017, Thai Union **successfully commercialized patented sliceable tuna and tuna sausage**. The products are currently being introduced in several markets and have resonated well with customers around the world. For our Marine Ingredients unit – which uses high-quality byproducts such as fish skin and fish bone to create valuable nutrients for infant formula, cosmetics, dietary supplements and clinical nutrition – we have invested in extraction and refinery technology to start the commercialization of premium tuna oil. By 2020, innovation will play a bigger role in Thai Union’s business and is expected to contribute 10 percent of the company’s total revenue.

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. Aiming to take a leading role in supporting the seafood industry’s sustainability objectives, Thai Union committed to “**SeaChange®**,” our global sustainability strategy which can be classified into four areas with a set of specific milestones.

1. Responsible sourcing: Thai Union aims to achieve full traceability, 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. Following this direction, we launched a

digital traceability pilot program where we successfully installed Inmarsat's "Fleet One" terminals on fishing vessels in Thailand.

2. Safe and legal labor: We are determined to eliminate illegal and unsafe labor practices in the global seafood industry. This year, Thai Union has introduced its **Fishing Vessel Improvement Program and Vessel Code of Conduct** as an extension of our Business Labor and Ethics Code of Conduct, to provide guidance to the fishing vessels from which the company sources, as well as improve labor and ethical performances in the fishing sector.

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.

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. Thai Union **successfully entered into a joint agreement with Greenpeace** to commit to more sustainable operations in many areas. The partnership is well perceived and has put us at the forefront of the global fish and seafood agenda.

The milestones we achieve under SeaChange® programs will deliver against the UN Sustainable Development Goals (SDGs) and is guided by our commitment to the UN Global Compact. Going forward, Thai Union will continue to execute our SeaChange® sustainability strategy in becoming the seafood industry's leading agent of positive change.

OPERATIONAL EXCELLENCE: Driving towards a globally integrated business and productivity improvement throughout the 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 required **technical and quality standards**, and we also have kosher and halal certified factories to support specific groups of customers. In order to constantly improve the health and safety of our workers, all operations are regularly assessed according to specific evaluation criteria, and training and improvement needs are addressed. Best practice sharing and the establishment of a culture of continuous improvement ranks high on our agenda. A new position has been created within Thai Union to oversee operational excellence at the production facilities. Moreover, the launch of **global SAP** in Thailand will enable us to work on a common platform and help us integrate acquired businesses more effectively and gain financial visibility across our global operations.

To support planned business growth and improve COGS, agility, supply resilience, sustainability, capital utilization and inventory, in 2016 Thai Union launched a project **to operate our ambient and chilled manufacturing facilities as an integrated global network**. In 2017, we successfully executed some of the recommended initiatives. For the purpose of specialization and efficiency, we have transitioned select volumes among Thai Union plants and successfully stopped the duplication of production volumes.

MERGERS AND ACQUISITIONS (M&A): Maximizing investments for the benefit of all shareholders

Thai Union continues to explore 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.

In 2017, we executed several smaller transactions: **1) Minority buyouts of Pakfood and Yeuh Chyang Canned Food (YCC); 2) Completion of TTV divestiture, and 3) JV investment with Savola in Iran.** In addition to those transactions, we **increased our focus on post-merger integration and deal value realization of acquired companies.** After taking control of a business, Thai Union typically takes immediate action on establishing corporate governance and policies at the acquired company. **Our “First 100 days” integration guidelines and dedicated synergy tracking process** are in place for a seamless business transaction. By ensuring active engagement of the management and close monitoring of synergies, Thai Union continues to work towards maximizing the 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 the core of our human resources strategy. Our dedication to employee development is underpinned by the philosophy that every employee is valuable to Thai Union Group. As such, we provide employees with development opportunities that vary depending on their needs and readiness.

2017 was a year of reflection on how effective we were in terms of the development of our workforce and driving operational excellence. As a result, initiatives such as strengthening the core process of talent development are being implemented. In particular, we developed a **three-year Human Capital Development Roadmap** to ensure the alignment of our workforce development strategies with our business ambitions.

At Thai Union, 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. We believe these core values will drive a high performing culture and set an example for what good leadership should look like. Therefore,



the values are integrated throughout our human capital management process such as our performance management, leadership development and selection process.

STRATEGIC SOURCING: Securing continuous access to sufficient and sustainable raw materials by leveraging the global scale of our operations

Being one of the world's 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.

For tuna and other species, our sourcing strategy balances seafood stock availability with price volatility, securing continuous access to sustainable raw seafood material from reliable suppliers. In 2017, the regional procurement leadership team **established a global fish procurement organization** to enhance our strategic sourcing capability and supply chain management of fish and seafood raw materials.

On packaging and ingredients, we constantly explore both commercial and operational means to **leverage 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 and encourage more engagement in 'responsible' sourcing. This year, Thai Union executed a global tender for the procurement of our largest primary packaging category (over 1,300 metal cans and lids across our global network in Asia, Europe and Africa), with significant annual cost savings expected to be realized in FY18. Such progress has to continue by reducing the complexity of sourcing hundreds of items in this category.



OUR BRAND PORTFOLIO

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 FOODS

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. More than 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 one Everyday Fish 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 one 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.

EUROPE (CONTINUED)



KING OSCAR

King Oscar is the number one premium sardine brand in the U.S., Norway and Australia, while its premium mackerel line is number one 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 the 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 and salmon salads; tuna, mackerel and salmon sliced and mixed with tasty ingredients; 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 the tuna, sardines and mackerel categories.

In tuna, the brand has grown since 1992 to become the number one tuna brand in Thailand by virtue of market share. SEALECT offers consumers canned tuna with premium quality, taste, nutritional value and product varieties, making it the most sought after tuna brand. The brand continues to innovate to stay up-to-date with changing consumer and market trends.

In sardines and mackerel, SEALECT offers good quality fish in original sauces and is part of the main meal for many 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 among teenagers and young adults who enjoy the taste and love the idea of snacking without guilt. As snacking is a very dynamic category, Fisho continues to launch exciting new products and flavors from time to time to stay relevant and keep meeting evolving consumer needs.



KING OSCAR

King Oscar is a high-end Norwegian sardine, mackerel and cod liver brand. It was launched in Thailand in 2016 and has become a brand of choice among food connoisseurs who use it as an ingredient in their favorite dishes and also on its own.

ASIA-PACIFIC (CONTINUED)

Qfresh
Selection

**QFRESH**

Qfresh presents our strong desire to provide “FRESH QUALITY” with a wide range of the finest essentials for your culinary delights. Our prime selected products have journeyed from sustainable natural sources and are freshly crafted, stored to capture freshness, nutrition and signature savory. Treat your health with a delicious gift from nature.

Qfresh offers ready-to-cook and ready-to-eat products, including Chinese-style dim sum. Consumers can enjoy fresh quality seafood that is affordable, convenient and nutritious. We focus on production and storage innovation, as well as modern delivery methods, to ensure freshness, original flavor, and safety for our consumers.

MONORI
ก้ามกุ้ง

**MONORI**

Monori sea-snack products are packed with flavor and nutrients, made with the finest shrimp cheeks, carefully cooked in the purest rice bran oil, and baked to crunchy perfection. The brand focuses on providing high-quality sea snack products for consumers everywhere. Made with fresh, great tasting sustainable seafood, and using dedicated innovation, we offer flavorful, nutritious and tasty goodness.

Bellotta
เบลลอตต้า

Marvo
มาร์โว่

**BELLOTTA AND MARVO**

Bellotta and Marvo offer a good balance of taste and nutrition to enhance the health and happiness of our beloved furry family members.

In 2017, Bellotta and Marvo continued to build consumer engagement through well-received pet events in Thailand such as the Pet Expo, and the Thailand Dog & Cat Show.

Brand roadshows were also rolled out to key pet shops to maintain the momentum at the point-of-purchase level throughout Thailand.





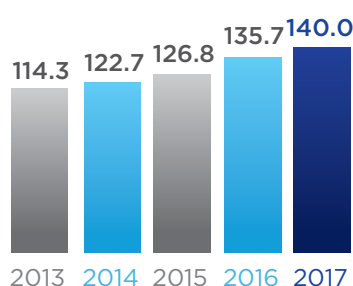
FINANCE HIGHLIGHTS

Financial Data	Year		
	2017	2016	2015
Net Sales	136.5	134.4	124.9
Total Revenues	140.0	135.7	126.8
Gross Profit	18.1	19.9	20.0
EBITDA	11.4	11.3	12.7
Total Assets	146.3	142.4	110.9
Total Liabilities	98.0	94.9	62.9
Shareholders' Equity	48.2	47.4	48.0
Net Cash from Operating Activities	6.8	7.8	15.7
Net Debt (Interest -bearing debt net of cash and cash equivalents)	66.4	64.9	36.4
Annual Dividend	3.1	3.0	3.0
Per Share Data (Baht)	Year		
	2017	2016	2015
Basic Earnings per Share	1.26	1.10	1.13
Diluted Earnings per Share	1.26	1.10	1.13
Dividend per Share	0.66	0.63	0.63
Par Value	0.25	0.25	0.25
Book Value per average share attributable to owner of the parent	9.32	9.06	9.48

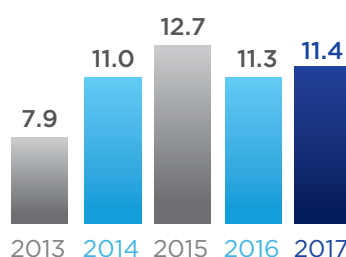
Unit: Billion Baht



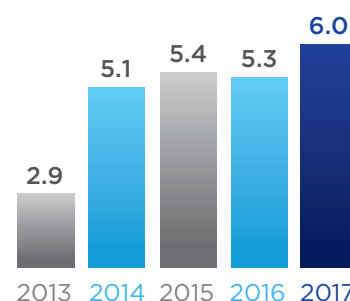
5-YEAR COMPARATIVE FINANCIAL STATISTICS



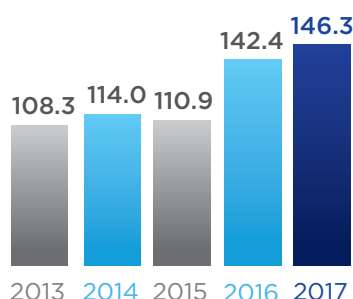
Total Revenues
(Billion Baht)



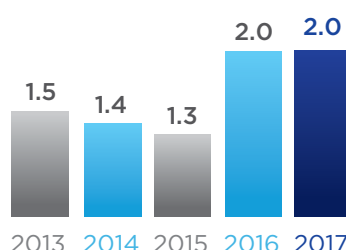
EBITDA
(Billion Baht)



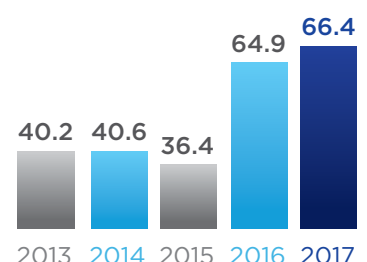
Net Profit attributable to owner of the parent
(Billion Baht)



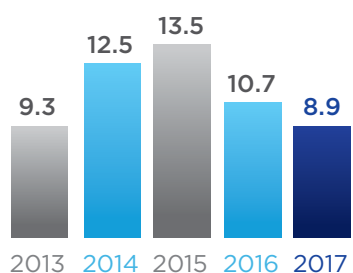
Total Assets
(Billion Baht)



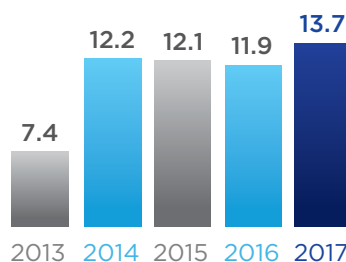
Total Liabilities to Equity
(Billion Baht)



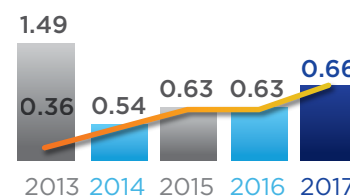
Net Interest-bearing Debt (net of cash and equivalents)
(Billion Baht)



Return on Capital Employed
(%)



Return on Average Equity
(%)



Dividend per Share
(Baht)*

* 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.

■ Dividend per Share
— Adjusted Dividend per Share



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. 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 exports, as a private company limited, with an initial registered capital of THB 25 million. In 1992, Mitsubishi Corporation and Haboromo Foods Corporation became business partners in Japan. Mitsubishi Corporation, a leading food distributor in Japan, and Haboromo Foods Corporation, a major seafood producer, played a significant role in developing Thai Union's products to meet international standards and become competitive in markets around the world. Thai Union 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, which had the third highest market share of canned tuna brands in the U.S.

2003

Acquired Empress International Ltd., a frozen seafood importer and distributor in the U.S.

2006

Established Tri-Union Frozen Products, Inc. (Chicken of the Sea Frozen Foods) to market frozen seafood in the U.S. 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

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 pet care in the U.S.

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, the U.S. and Australia and with over 140 years of heritage.

2015

Completed acquisition of Orion Seafood International, the U.S.-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.

2016

Completed acquisition of majority stake in Rügen Fisch, the leading seafood company in Germany.

2016

Entered into joint venture to acquire 40 percent equity stake of Avanti Feeds Limited's wholly owned shrimp processing unit Avanti Frozen Foods Private Limited India.

2016

Acquired majority stake in Canadian lobster processor Les Pecheries de Chez Nous (Chez Nous).

2016

Made a USD 575 million strategic investment in Red Lobster Seafood Co., the world's largest seafood restaurant company.

SUSTAINABILITY EFFORTS

A LEADER OF POSITIVE CHANGE

- Named to the Dow Jones Sustainability Index (DJSI) Emerging Markets for the fourth consecutive year. Thai Union's SeaChange® sustainability strategy successfully drove the score with industry best-in-class 100th percentile rankings for Climate Strategy, Materiality, Human Capital Development, Health and Nutrition, Water Related Risks, and Policy Influence. Strong performances in Supply Chain Management, Business Codes of Conduct and Labor Practice Indicators helped propel Thai Union into the 97th percentile ranking among companies in the industry.
- Named to the FTSE4Good Emerging Index by FTSE Russell. The FTSE4Good Emerging Index is an extension of the FTSE4Good Index Series - the latter of which launched in 2001 to help investors integrate environmental, social and governance (ESG) factors into their investment decisions and as a framework for corporate engagement and stewardship. The indices identify companies that better manage ESG risks and are used as a basis for tracker funds, structured products and as a performance benchmark. The FTSE4Good Emerging Index was launched in December 2016 and covers more than 20 emerging nations.
- Thai Union introduced its Fishing Vessel Improvement Program and Vessel Code of Conduct to provide clear guidance

to the fishing vessels from which the company sources as well as improve labor and ethical performance in the fishing sector. The Vessel Code of Conduct is an extension of the Thai Union **Business Labor and Ethics Code of Conduct**, which is built on 12 fundamental principles designed to reinforce a culture of integrity and is aligned with the United Nations Global Compact principles of basic responsibilities to people and upholding their basic rights.

- Committed to the World Economic Forum's 2020 Traceability Declaration, which supports the United Nations' (UN) Sustainable Development Goals (SDGs) that were adopted by all 193 Heads of State via a UN Resolution in September 2015 at a United Nations summit. The Tuna 2020 Traceability Declaration has been endorsed by leaders of the world's biggest retailers, tuna processors, marketers, traders and harvesters, with the support of influential civil society organizations and governments.
- Signed a groundbreaking pledge as part of its membership in the Seafood Business for Ocean Stewardship (SeaBOS), committing to improve operations while also challenging the rest of the seafood industry to follow, all with the goal of helping the world achieve the United Nations Sustainable Development Goals (SDGs). SeaBOS brings together some of the world's largest seafood companies to identify science-based solutions to issues the industry faces.

- The United Nations World Food Programme (WFP) with support from Thai Union launched a study to model the impact of a planned universal national school meals program on the economy in Kenya. Thai Union's support of WFP and the Home-Grown School Meals program is in line with the company's sustainability strategy, SeaChange®. Thai Union, a member of the UN Global Compact, is also working to deliver against the UN SDGs through SeaChange®, including SDGs Zero Hunger and Decent Work and Economic Growth.
- Launched a digital traceability pilot program with Mars Petcare and Inmarsat to demonstrate electronic catch data traceability, real-time data capture, and connectivity at sea—an industry first in Thailand.
- Thai Union, together with the Labour Rights Promotion Network Foundation (LPN), celebrated the official opening of the company's preschool for the children of migrant workers at Wat Yaichomprasat School in Samut Sakhon. Thai Union has now opened three total preschools in the area to help prepare students to enter Thailand's formal education system. Thai Union aims to open an additional two preschools in Samut Sakhon by 2020.

2017 – A YEAR OF ORGANIZATIONAL DEVELOPMENT

In 2017, we made several adjustments to our organization and global structure as we pursue more robust global integration, expand our operations, strengthen our corporate center, and create more synergies with our acquired businesses.

- We **integrated our Thai branded business**, which manages the Sealect and Fisho brands, into our Thai Union Emerging Markets business unit under

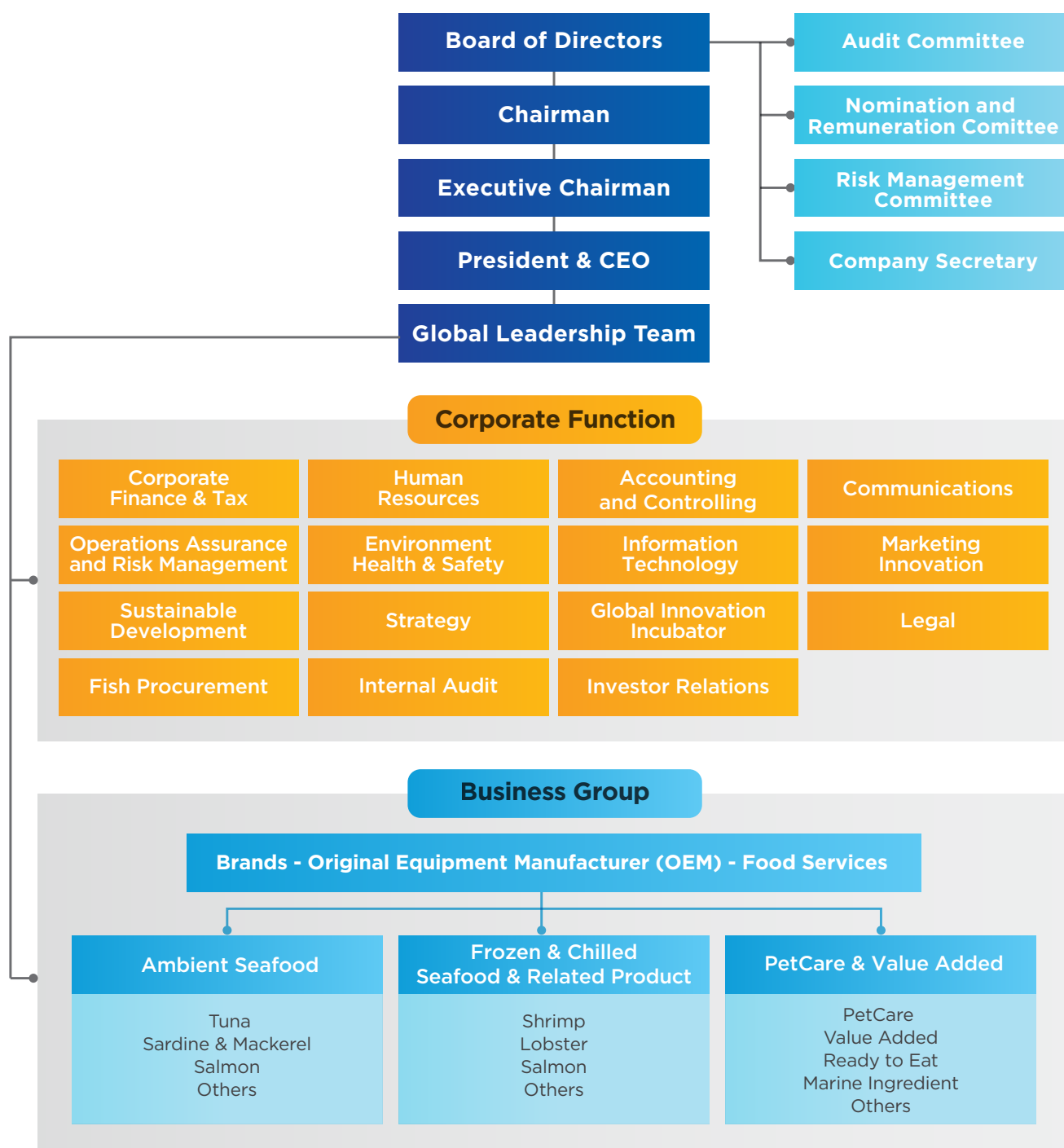
Thai Union Group PCL. At the same time, we closed T-Holding as a separate operating company. This creates efficiencies by using shared functions inside Thai Union. It also **builds a stronger South East Asian branded business** segment by leveraging the former T-Holding team over a larger geography, expands our brand reach, and realizes operational synergies.

- We **fully established Thai Union China**, with offices in Shanghai and Beijing, as a wholly-owned Thai Union subsidiary. The business offers high quality shrimp, salmon, toothfish and other speciality seafood under our global King Oscar premium brand to serve Chinese consumers in modern trade and through our online shop. We also built a Live Lobster business in China together with Alibaba and its retail store chain, Hema, and we set up a new food service channel to supply restaurants, hotels and other food and beverage clients. There are now more than 20 Thai Union seafood experts in our team and we plan to build upon the strong growth we see in this market.
- To streamline our business, improve efficiencies and remove duplicate cost structures, we have **delayed our European organization**, and established a **smaller management committee** looking after the commercial businesses, our finance and business services, legal affairs and our European supply chain. Besides reducing overhead costs, the key objective of this move was **to empower the operational country organizations and plants** to more directly drive profitable growth and cost productivity while transforming European corporate functions into efficient business services supporting the entrepreneurs in the countries and acting as an extended arm of our Bangkok headquarter functions.
- To strengthen our private label business in Europe and create an end-to-end business responsibility, we **established Thai Union Trading Europe, located in Utrecht/The Netherlands**, reporting directly to our global private label business unit in Bangkok. We combined the existing private label business of Thai Union Europe with the European sales activities originating in Bangkok to form a new, combined sales and marketing hub for our ambient private label and co-packing operations, supplying European clients directly from our factories in Europe, Asia and the U.S.
- We established a **new regional office for North America by merging our two separate offices into one regional hub**, based in Los Angeles. With this move, we have combined the teams in finance & accounting, IT, HR, sustainability and communications into one business services team to support all commercial and supply chain activities. The combined office will not only improve efficiencies in our overhead structures, but also allow us to benefit from stronger collaboration across the organization, in our account teams, in procurement, logistics and in marketing.
- We successfully **completed the divestiture of our fleet in Ghana** and no longer operate boats by ourselves.
- In our continuous aim to create value for our shareholders, we **bought out the minority investors in Pakfood in Thailand as well as in YCC in Vietnam**, with both now fully-owned Thai Union subsidiaries*.
- To drive operational efficiencies, we adjusted our work force and production scheme to match the work load, which increased productivity at our plants, in particular those in Tema and Lyons.
- To **reflect the importance of Sustainability and Innovation to our global management**, we promoted Dr. Darian McBain and Dr. Tunyawat Kasemsuwan to the Global Leadership Team (GLT), effective March 2018.

Remark: *99.7% in Pakfood, 100% in YCC



ORGANIZATION CHART





BOARD OF DIRECTORS



MR. KRAISORN CHANSIRI

POSITION: CHAIRMAN

APPOINTED

17 March 1988

NUMBER OF YEARS IN POSITION

30 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

NATIONALITY: THAI

AGE: 83 YEARS

(Born on 13 May 1935)

EDUCATION

- Honorary Doctorate Degree of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Science Degree of Doctor of Philosophy in Food Science and Technology, Thai Chamber of Commerce University, Thailand

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- shares

OTHER POSITIONS IN OTHER NON-LISTED COMPANIES

- 1973 - Present: Chairman, Thai Union Manufacturing Co., Ltd.
- 1977 - Present: Chairman, Thai Sea Food Co., Ltd.
- 2000 - Present: Chairman, Merchant Partners Securities PCL.
- 2011 - Present: Chairman, Merchant Partners Asset Management Co., Ltd.
- 1972 - Present: Executive Director, Thai Union Trading Co., Ltd.
- 1981 - Present: Executive Director, Songkla Canning PCL.
- 1984 - Present: Executive Director, Penven (Thailand) Co., Ltd.
- 1988 - Present: Executive Director, Thai Union Properties Co., Ltd.
- 1990 - Present: Executive Director, Bangkai Condotown Co., Ltd.
- 1995 - Present: Executive Director, Thai Union Graphic Co., Ltd.
- 2004 - Present: Executive Director, Thai Hua Hong Development Co., Ltd.
- 2006 - Present: Executive Director, Chansiri Printing and Dyeing Co., Ltd.
- 2017 - Present: Executive Director, Thai Union Property Development Co., Ltd.
- 1988 - Present: Director, Chansiri Real Estate Co., Ltd.
- 1993 - Present: Director, Waithai Co., Ltd.
- 1996 - Present: Director, Thai Union North America (USA)
- 1996 - Present: Director, Thai Union Seafood Co., Ltd.
- 1997 - Present: Director, Tri-Union Seafoods, LLC. (USA)
- 2000 - Present: Director, Thai Union Feedmill Co., Ltd.
- 2014 - Present: Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- The Role of Chairman Program Thai Institute of Directors Association (RCP 15/2007)
- Certificate, Capital Market Academy Leader Program 12 (March - July 2011)



MR. CHENG NIRUTTINANON

POSITION: EXECUTIVE CHAIRMAN

APPOINTED

8 April 1999

NUMBER OF YEARS IN POSITION

19 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

NATIONALITY: THAI

AGE: 76 YEARS

(Born on 3 March 1942)

EDUCATION

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

SHAREHOLDINGS

265,059,216 shares*, equivalent to 5.55% of paid-up capital

- Personal: 200,442,084 shares
- Spouse: 64,617,132 shares
- Children not yet of legal age:
-none- shares

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 1987 – Present: Chairman, Asian-Pacific Can Co., Ltd.
- 1987 – Present: Chairman, TC Union Agrotech Co., Ltd.
- 1989 – Present: Chairman, Asian Pacific Thai Tuna 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.
- 2010 – Present: Executive Director, Oriental Unique Co., Ltd.
- 2011 – Present: Executive Director, Thai Glycerine Co., Ltd.
- 2013 – Present: Executive Director, Phil-Union Frozen Foods, Inc. (Philippines)
- 2016 – Present: Executive Director, Thai Union China Co., Ltd. (China)
- 1993 – Present: Director, Waithai Co., Ltd.
- 1996 – Present: Director, Thai Union North America (USA)
- 1997 – Present: Director, New Century Printing and Package Co., Ltd.
- 1997 – Present: Director, Tri-Union Seafoods, LLC. (USA)
- 2000 – Present: Director, Thai Union Feedmill Co., Ltd.
- 2007 – Present: Director, Yueh Chyang Canned Food Co., Ltd. (Vietnam)
- 2008 – Present: Director, Thaipatana Stainless Steel Co., Ltd.
- 2010 – Present: Director, Thai Union Europe (France)
- 2010 – Present: Director, U.S. Pet Nutrition LLC. (USA)
- 2010 – Present: Director, Tri-Union Frozen Products, Inc. (USA)
- 2014 – Present: Director, King Oscar AS (Norway)
- 2001 – Present: Managing Partner, Hunhong Kanchang Registered Ordinary Partnership

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

None



MR. CHUAN TANGCHANSIRI

POSITION: EXECUTIVE DIRECTOR

APPOINTED

17 March 1988

NUMBER OF YEARS IN POSITION

30 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

NATIONALITY: THAI

AGE: 73 YEARS

(Born on 9 September 1945)

EDUCATION

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

SHAREHOLDINGS

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

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

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 1981 - Present: Executive Director, Songkla Canning PCL.
- 1973 - Present: Executive Director, Thai Union Manufacturing Co., Ltd.
- 1977 - Present: Executive Director, Thai Sea Food Co., Ltd.
- 1987 - Present: Executive Director, Asian-Pacific Can Co., Ltd.
- 1989 - Present: Executive Director, Asian Pacific Thai Tuna Co., Ltd.
- 1988 - Present: Director, Chansiri Real Estate Co., Ltd.
- 1988 - Present: Director, Thai Union Properties Co., Ltd.
- 1993 - Present: Director, Waithai Co., Ltd.
- 1995 - Present: Director, Thai Union Graphic Co., Ltd.
- 1996 - Present: Director, Thai Union Seafood Co., Ltd.
- 1999 - Present: Director, Asia-Pacific Risk Consultants (Thailand) Co., Ltd.
- 2000 - Present: Director, Thai Union Feedmill Co., Ltd.
- 2004 - Present: Director, Asia-Pacific Insurance Brokers Co., Ltd.
- 2008 - Present: Director, Thaipatana Stainless Steel Co., Ltd.
- 2010 - Present: Director, Thai Union Investment Holding (Mauritius)
- 2017 - Present: Director, Okeanos Food Co., Ltd.
- 2001 - Present: Managing Partner, Hunhong Kanchang Registered Ordinary Partnership

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- Directors Accreditation Program, Thai Institute of Directors Association (DAP 86/2010)



MR. THIRAPHONG CHANSIRI

POSITION: PRESIDENT AND CEO

APPOINTED

1 January 1990

NUMBER OF YEARS IN POSITION

28 years

POSITIONS HELD IN OTHER LISTED COMPANIES

- 2014 – Present: Director, Minor International PCL.

POSITIONS HELD 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 Investment Holding (Mauritius)
- 2010 – Present: President, Thai Union Europe (France)
- 2010 – Present: President, Thai Union France Holding 2 SAS (France)
- 1999 – Present: Executive Director, Songkla Canning PCL.
- 2012 – Present: Executive Director, Pakfood PCL.
- 1989 – Present: Executive Director, Thai Union Manufacturing Co., Ltd.
- 2012 – Present: Executive Director, Okeanos Food Co., Ltd.
- 2016 – Present: Executive Director, Thai Union Online Shop Co., Ltd.
- 2016 – Present: Executive Director, Thai Union China Co., Ltd. (China)
- 2016 – Present: Executive Director, Pracharat Raksamakkee Samutsakorn (Social Enterprise) Co., Ltd.
- 2017 – Present: Executive Director, Thoon Thanasiri Co., Ltd.
- 2017 – Present: Executive Director, Thai Union Asia Investment Holding Co., Ltd. (Hong Kong)
- 2018 – Present: Executive Director, Thoon Thanasiri (Songkhla) Co., Ltd.
- 1984 – Present: Director, Penven (Thailand) 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, U.S. Pet Nutrition LLC. (USA)
- 2012 – Present: Director, Chaowpraya Cold Storage Co., Ltd.
- 2010 – 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)
- 2017 – Present: Director, Thai Union Property Development Co., Ltd.

NATIONALITY: THAI

AGE: 53 YEARS

(Born on 22 July 1965)

EDUCATION

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

SHAREHOLDINGS

529,785,212 shares*, equivalent to 11.10% of paid-up capital

- Personal: 420,456,164 shares
- Spouse: 109,329,048 shares
- Children not yet of legal age: -none- shares

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- Director Certification Program, Thai Institute of Directors Association (DCP 10/2001)



MR. RITTIRONG BOONMECHOTE

POSITION: PRESIDENT - GLOBAL FROZEN AND RELATED UNIT

APPOINTED

5 January 1998

NUMBER OF YEARS IN POSITION

20 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

NATIONALITY: THAI

AGE: 56 YEARS

(Born on 26 February 1962)

EDUCATION

- Bachelor's Degree, Bangkok University, Thailand

SHAREHOLDINGS

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

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

POSITIONS HELD 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. (including 4 companies)
- 2012 - Present: President, Pakfood PCL.
- 2012 - Present: President, Okeanos Food Co., Ltd.
- 2012 - Present: President, Chaowpraya Cold Storage Co., Ltd.
- 2012 - Present: President, Thaksin Samut Co., Ltd.
- 2017 - Present: Executive Director, RBC Asset Co., Ltd.
- 1997 - Present: Director, Tri-Union Frozen Products, Inc. (USA)
- 2016 - Present: Director, Thai Union Online Shop Co., Ltd.
- 2016 - Present: Director, Red Lobster Master Holdings LP (USA)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- TLCA Executive Development Program (EDP2/2009), Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP84/2010), Thai Institute of Directors Association (IOD)
- Leader Program no.25/2560, Capital Market Academy



MR. KIYOTAKA KIKUCHI

POSITION: DIRECTOR

APPOINTED

7 November 2016

NUMBER OF YEARS IN POSITION

1 year

POSITIONS HELD IN OTHER LISTED COMPANIES

None

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

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

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

None

NATIONALITY: JAPANESE

AGE: 51 YEARS

(Born on 19 November 1966)

EDUCATION

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

SHAREHOLDINGS

-none- shares*, equivalent to - of paid-up capital

- Personal: -none- shares
- Spouse: -none- shares
- Children not yet of legal age: -none- shares



MR. RAVINDER SINGH GREWAL SARBJIT S

POSITION: DIRECTOR

APPOINTED

15 November 2010

NUMBER OF YEARS IN POSITION

7 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 2010 – Present: Director, Thai Union Europe (France)
- 2014 – Present: Director, Alpha Energy Holdings Ltd. (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)

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 Ltd. (Australia)
- 2010 – 2013: Alt Director, Otto Marine Ltd. (Singapore)
- 2007 – 2013: Director, Scomi Oilfield Ltd. (Bermuda)
- 2007 – 2013: Director, Shangri-La Hotels (Malaysia) Bhd. Berhad (Malaysia)
- 2007 – 2007: Alt Director, Scomi Oilfields Ltd. (BVI)
- 2005 – 2011: Director, Sei Woo Technologies Ltd. (Singapore)

PROFESSIONAL DEVELOPMENT

- Certified Public Accountants, Australian Society

NATIONALITY: MALAYSIAN

AGE: 49 YEARS

(Born on 15 September 1969)

EDUCATION

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

SHAREHOLDINGS

-none- shares*, equivalent to - of paid-up capital

- Personal: -none- shares
- Spouse: -none- shares
- Children not yet of legal age: -none- shares



MR. CHAN SHUE CHUNG

POSITION: GROUP DIRECTOR HUMAN RESOURCES

APPOINTED

30 April 2001

NO. OF YEARS IN POSITION

17 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

NATIONALITY: CHINESE

AGE: 42 YEARS

(Born on 29 October 1975)

EDUCATION

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

SHAREHOLDINGS

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

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

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 2002 – Present: Executive Director, Thai Union Feedmill Co., Ltd.
- 2014 – Present: Executive Director, Thai Union Graphic Co., Ltd.
- 2015 – Present: Director, Thai Union Seafood Co., Ltd.
- 2017 – Present: Director, Thoon Thanasiri Co., Ltd.
- 2018 – Present: Director, Thoon Thanasiri (Songkhla) Co., Ltd.

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- Director Certification Program, Thai Institute of Directors Association (DCP 10/2002)
- TLCA Executive Development Program, Thai Institute of Directors Association (EDP1/2009)



MR. SAKDI KIEWKARNKHA

POSITION: INDEPENDENT DIRECTOR

APPOINTED

22 August 2000

NUMBER OF YEARS IN POSITION

17 years

POSITIONS HELD IN OTHER LISTED COMPANIES

- 2016 – 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

EDUCATION

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

SHAREHOLDINGS

-none- shares*, equivalent to - of paid-up capital

- Personal: -none- shares
- Spouse: -none- shares
- Children not yet of legal age: -none- shares

WORK EXPERIENCE

- 1958 – 1973: Banking Ombudsman, Bank of Thailand
- 1973 – 1996: Executive Vice President, Siam Commercial Bank PCL.
- 1998 – 2001: Executive Director and Advisor to Executive Board, Bangkok Metropolitan Bank PCL.
- 1998 – 2000: Executive Director, Bangkok Metropolitan Life Insurance Co., Ltd.
- 2000 – 2003: Chairman of Audit Committee, Book Club Finance PCL.
- 2000 – 2016: Independent Director & Audit Committee Member, Dusit Thani PCL.

PROFESSIONAL DEVELOPMENT

- Certified Public Accountants No. 0156 from 1962
- Attorney of Law No.2913401 from 1986
- The Role of Chairman Program, Thai Institute of Directors Association (RCP 4/2001)
- Directors Certification Program, Thai Institute of Directors Association (DCP 13/2001)
- Director Certification Program Refresher Course, Thai Institute of Directors Association (RE DCP 2/2006)
- Handling Conflicts of Interest: What the Board should do?, Thai Institute of Directors Association (4/2008)
- Role of Compensation Committee, 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, 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, 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, Stock Exchange of Thailand
- Management for CEO’s and Senior Executive, Thai Institute of Directors Association
- Director Certification Program Update, Thai Institute of Directors Association (DCPU 1/2014)
- Advanced Audit Committee Program, 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, Thai Institute of Directors Association
- National Director Conference 2016: Enhancing Growth Through Governance in Family Controlled Business, Thai Institute of Directors Association
- Audit Committee Forum “New Auditor’s Report: What’s in it for you?”, 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, Thai Institute of Directors Association
- National Director Conference 2017 “Steering Governance in a Changing World”, Thai Institute of Directors Association
- The Audit Committee’s Role in Compliance and Ethical Culture Oversight, Thai Institute of Directors Association



DR. THAMNOON ANANTHOTHAI

POSITION: INDEPENDENT DIRECTOR

APPOINTED

22 March 2010

NUMBER OF YEARS IN POSITION

8 years

POSITIONS HELD 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.
- 2016 - Present: Independent Director and Audit Committee, After You PCL.

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 2004 - Present: Executive Director, Merchant Partners Securities PCL.
- 2013 - Present: Executive Director, Merchant Partners Co., Ltd.
- 2014 - Present: Executive Director, Merchant Partners Asset Management Ltd.
- 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: Associate Judge, Central Intellectual Property and International Trade Court
- 1988 - 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.

PROFESSIONAL DEVELOPMENT

- Audit Committee Program, Thai Institute of Directors Association (ACP 10/2004)
- Director Accreditation Program, Thai Institute of Directors Association (DAP 48/2005)
- Director Certification Program, Thai Institute of Directors Association (DCP 70/2006)
- The Role of Chairman Program, Thai Institute of Directors Association (RCP 14/2006)
- Understanding the Fundamental of Financial Statement
- A.C.A Certificate, American Accreditation Council for Accountancy, USA

NATIONALITY: THAI

AGE: 61 YEARS

(Born on 4 May 1957)

EDUCATION

- Ph.D. International Management, Walden University, USA
- Master of Business Administration (Management), University of Sarasota, USA
- Bachelor's Degree (Accountancy & Management), Eckerd College-St. Petersburg, USA

SHAREHOLDINGS

-none- shares*, equivalent to - of paid-up capital

- Personal: -none- shares
- Spouse: -none- shares
- Children not yet of legal age: -none- shares



MR. KIRATI ASSAKUL

POSITION: INDEPENDENT DIRECTOR

APPOINTED

22 March 2010

NUMBER OF YEARS IN POSITION

8 years

POSITIONS HELD IN OTHER LISTED COMPANIES

- 1993 – 2016: Chairman of the Board, Ocean Glass PCL. (including 2 companies)
- 2016 – Present: Director, Ocean Glass PCL. (including 2 companies)

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 1984 – Present: Chairman, Ocean Life Insurance Co., Ltd.
- 1988 – Present: Director, Service Leasing Co., Ltd.
- 1992 – Present: Director, Ocean Holding Co., Ltd.
- 1994 – Present: Director, Kirati Home Co., Ltd.
- 1996 – Present: Director, Ocean Group (Thailand) Co., Ltd.
- 1998 – Present: Director, Kris & Sumali Co., Ltd.
- 2002 – Present: Director, Great Field Co., Ltd.
- 2010 – Present: Director, Siam Estate Co., Ltd.
- 2013 – Present: Director, Ocean Property Co., Ltd.
- 2013 – Present: Director, Ocean Marina Co., Ltd.

NATIONALITY: THAI

AGE: 60 YEARS

(Born on 20 June 1958)

EDUCATION

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

SHAREHOLDINGS

103,248 shares*, equivalent to 0.00% of paid-up capital

- Personal: -none- shares
- Spouse: 103,248 shares
- Children not yet of legal age: -none- shares

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

PROFESSIONAL DEVELOPMENT

- Director Certification Program, Thai Institute of Directors Association (DCP 27/2003)
- The Role of Compensation Committee, Thai Institute of Directors Association (RCC 5/2007)



MR. NART LIUCHAREON

POSITION: INDEPENDENT DIRECTOR

APPOINTED

3 April 2015

NUMBER OF YEARS IN POSITION

3 years

POSITIONS HELD IN OTHER LISTED COMPANIES

None

POSITIONS HELD IN OTHER NON-LISTED COMPANIES

- 1992 – Present: Executive Director and CEO, CDG Group (including 9 companies)
- 2000 – Present: Executive Director and CEO, G-ABLE Group (including 8 companies)

OTHER POSITIONS THAT MAY CAUSE CONFLICT OF INTEREST

None

WORK EXPERIENCE

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

PROFESSIONAL DEVELOPMENT

- Leader Program no. 12/2010, Capital Market Academy
- Director Accreditation Program, Thai Institute of Directors Association (DAP 120/2015)
- Audit Committee Forum “New Auditor’s Report: What’s in it for you?”, Thai Institute of Directors Association
- Advanced Audit Committee Program, Thai Institute of Directors Association (AACP 25/2017)

NATIONALITY: THAI

AGE: 59 YEARS

(Born on 25 May 1959)

EDUCATION

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

SHAREHOLDINGS

-none- shares*, equivalent to - of paid-up capital

- Personal -none- shares
- Spouse -none- shares
- Children not yet of legal age -none- shares

Remarks: * Number of shares held and shareholding proportion as of 29 December 2017 of the total of 4,771,815,496 shares.



AUDIT COMMITTEE AND SUB-COMMITTEE

AUDIT COMMITTEE

AUDIT COMMITTEE CONSISTS OF INDEPENDENT DIRECTORS AS FOLLOWS:



MR. SAKDI KIEWKARNKHA
Chairman of Audit Committee



DR. THAMNOON ANANTHOTHAI
Audit Committee



MR. NART LIUCHAREON
Audit Committee

SUB-COMMITTEE

NOMINATION AND REMUNERATION SUB-COMMITTEE

Dr. Thamnoon Ananthothai	Chairman of Nomination and Remuneration Sub-Committee
Mr. Sakdi Kiewkarnkha	Member of Nomination and Remuneration Sub-Committee

RISK MANAGEMENT SUB-COMMITTEE

Mr. Kirati Assakul	Chairman of Risk Management Sub-Committee
Mr. Sakdi Kiewkarnkha	Member of Risk Management Sub-Committee
Dr. Thamnoon Ananthothai	Member of Risk Management Sub-Committee
Mr. Thiraphong Chansiri	Member of Risk Management Sub-Committee
Mr. Joerg Ayrlle	Member of Risk Management Sub-Committee
Mr. Chan Shue Chung	Member of Risk Management Sub-Committee
Dr. Darian McBain	Member of Risk Management Sub-Committee
Dr. Sven Massen	Member of Risk Management Sub-Committee
Ms. Whitney Foard Small	Member of Risk Management Sub-Committee



GLOBAL LEADERSHIP TEAM



**Mr. Cheng
Niruttinanon**
Executive Chairman



**Mr. Rittirong
Boonmechote**
President,
Global Frozen
and Related Unit



**Mr. Thiraphong
Chansiri**
President and CEO



**Mr. Joerg
Ayrlé**
Group CFO

**Mr. Chan
Shue Chung**
Group Director,
Human Resources



**Dr. Sven
Massen**
Group Director,
Strategy



**Mr. Faisal
Sheikh**

Managing Director,
Emerging Market



**Mr. Valentin
Ramirez**

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



**Mr. Paul
Reenan**

Regional President,
Thai Union Europe



**Dr. Tunyawat
Kasemsuwan**

Group Director, Global
Innovation



**Mr. Bryan
Rosenberg**

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



**Dr. Darian
McBain**

Group Director,
Sustainable
Development





MANAGEMENT TEAM



Mr. Paul English

President, Global
PetCare Business Unit

Mr. Scott Solar

Group Director,
Food Services



**Mr. Leonardus
Coolen**

Managing Director,
Marine Ingredients



**Ms. Whitney
Foard Small**

Head of Group
Corporate
Communications



**Ms. Supathra
Kuratana**

Group Director,
Marketing Innovation



Mr. Comgrit Sorchom

Group Director,
Environmental
Health and Safety



Mr. Yongyut Setthawiwat

General Manager,
Group Corporate
Finance and Tax



Mr. Colin Loo

Head of Group
Information
Technology

Mr. Ludovic Garnier

Head of Group
Accounting
and Controlling



Mr. David Sankowicz

Head of Group Legal



Mr. Kevin Bixler

Group Director,
Fish Procurement



AWARDS AND RECOGNITION

EXECUTIVES:

1. **Diamond Commercial Award from Thailand's Ministry of Commerce** to Mr. Thiraphong Chansiri for his contributions to the trade and commercial sectors, and for his continuous support of government-sponsored Pracharat projects.
2. **Multiple awards in FinanceAsia's 2017 Best Managed Companies Poll:**
 - #1 Best Managed Company in Thailand
 - #1 Best CEO in Thailand, Mr. Thiraphong Chansiri
 - #1 Best CFO in Thailand, Mr. Joerg Ayrlé
3. **No.1 ranking among ASEAN corporations in Consumer/Staples sector by 2017 All-Asia (ex-Japan) Executive Team rankings by Institutional Investor:**
 - Best CEO, Mr. Thiraphong Chansiri*
 - Best CFO, Mr. Joerg Ayrlé*

CORPORATE:

1. **Multiple awards from FinanceAsia's 2017 Best Managed Companies Poll:**
 - #1 Best at Investor Relations in Thailand
 - #1 Most committed to corporate governance in Thailand
2. **Stock Exchange of Thailand Award 2017 for Outstanding Investor Relations.** Thai Union's Investor Relations team has delivered efficient, responsive and accurate IR services to the investment community, thus winning the Outstanding Investor Relations Awards for a company with market capitalization above THB 100,000 million.
3. **Multiple awards from The Asset's Triple A Asset Asian Awards 2017:**
 - Treasury Team of the Year, led by Mr. Yongyut Setthawiwat
 - Best Cash Management Solution, Thailand

The global treasury center of Thai Union Group provides a clear view on which options are the most optimal financial sources for the company, supporting its vision to be the world's most trusted seafood company.
4. **IR Magazine Awards – South East Asia 2017 for Best Investor Relations in Consumer Staples Sector.** Thai Union's Investor Relations effort has been well-recognized among leading consumer staple companies in South East Asia.
5. **Institutional Investor's Thailand Most Honored Company.** This recognition is underpinned by significant and actionable feedback from over 3,000 investors.



SUSTAINABILITY:

1. Award from FinanceAsia's 2017 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 fourth consecutive year, with Thai Union's SeaChange® sustainability strategy successfully driving the score with industry best-in-class 100th percentile rankings for Climate Strategy, Materiality, Human Capital Development, Health and Nutrition, Water Related Risks, and Policy Influence. This propelled Thai Union into the 97th percentile ranking among companies in the industry.

3. Inclusion in the FTSE4Good Emerging Index for the second consecutive year. 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. Asia Corporate Excellence & Sustainability Awards (ACES) to Thai Union Group as Top Corporate Social Responsibility (CSR) Advocates. The Top CSR Advocates award is presented to companies that have various CSR initiatives integrated into its policies and operations, as well as have a high level of employee and top management involvement in those programs.

5. Stock Exchange of Thailand's (SET) 2017 Outstanding Sustainability Award to

Thai Union Group among Thai-listed companies with market capitalization over THB 100,000 million, in recognition of outstanding performance. Additionally, Thai Union was listed in the SET's 2017 Thailand Sustainability Investment Index (THSI) for the third consecutive year.

6. 2017 SEAL Business Sustainability Awards for Organizational Impact. The SEAL (Sustainability, Environmental Achievement and Leadership) Awards recognizes organizations and leaders dedicated to making real progress on sustainable development and environmental issues.

7. 2017 Best Sustainability Report Award from the Office of the Securities and Exchange Commission. The award recognizes efforts by Thai companies towards building more sustainable business practices. Thai Union was one of eight companies that received the distinction.

8. Ministry of Labour's Certificate of Gold Labour Practices to Thai Union Group along with selected subsidiaries from the company, including Thai Union Manufacturing (TUM), Songkhla Canning PCL (SCC), Thai Union Seafood (TUS) and Okeanos Food (OKF). Thai Union remains committed to driving forward positive change and promoting good labor practices.



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



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 ensure 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, environmental protection, and energy management system which are reflected in numerous national and international accreditations including: ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, OHSAS 18001: Occupational Health and Safety Management System, and certified Best Aquaculture Practices (BAP) for the whole shrimp supply chain, HACCP, GMP, BRC, 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 9001 on Quality Management System by the JAS-ANZ.
- Accredited with ISO 14001 on Environmental Management System by the 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), and the Ministry of Agriculture and Cooperatives of Thailand.
- Accredited with BRC Global Standard for Food Safety by the JAS-ANZ.

- Accredited with Kosher Certificate by the Union of Orthodox Jewish Congregations of America covering tuna and sardine plants.
- 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 the 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 the Department of Fishery and the 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 operations by the Department of Fishery, Department of Livestock and the 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 the Aquaculture Certification Council, Inc. (ACC) for our standard practices pertaining to shrimp culture and processing, covering shrimp hatcheries, shrimp farms 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 the Department of Fishery, and the Ministry of Agriculture and Cooperatives of Thailand.





ENVIRONMENT, HEALTH, AND SAFETY

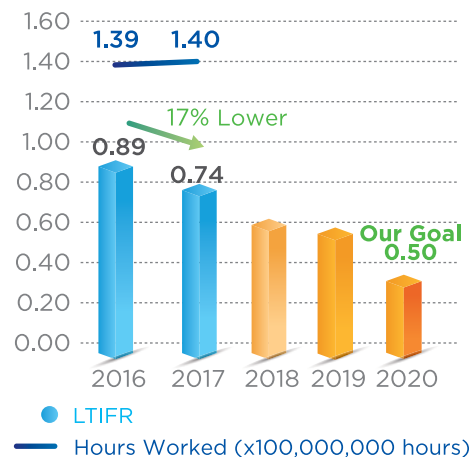
OCCUPATIONAL HEALTH AND SAFETY

In recent years, Thai Union has prioritized developing the foundation of an Environmental, Occupational Health and Safety (EHS) Management System within the company. Implementation of Thai Union EHS Protocols ensures every Thai Union workplace operates under the same minimum EHS requirements. We systematically integrate Environmental, Occupational Health, Safety, and Energy conservation (EHS&En) considerations into our business processes to overcome any challenges of building a safe workplace, and mitigate the risk of injuries and fatalities.

In 2017, our journey to “Building a Trusted Workplace in Health and Safety” continued. We maintained the occupational illness frequency rate for employees at zero. We also continued to reduce the Lost Time Injury Severity Rate (LTISR) per 200,000



Lost Time Injury
Frequency Rate (LTIFR)



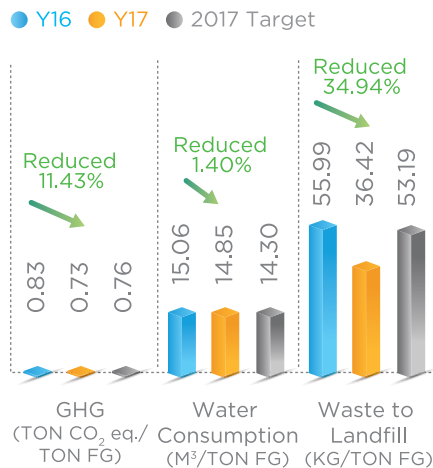
worked hours by 22% (5.82 in 2017 vs 7.48 in 2016) and the Lost Time Injury Frequency Rate by 17% (0.74 in 2017 vs 0.89 in 2016). Despite our best efforts, we experienced an incident, which resulted in fatality of our employee. We deeply regret a loss of life. We are committed to improving our workplace and minimizing the risk of injuries and fatalities.

One of our key initiatives in 2017 was launching the Center of Excellence: Environment, Health, and Safety (COE). We realize that employees' skills and competencies are critical in building a robust safety culture at Thai Union. COE was established in February 2017 to serve as a learning hub for all Thai Union employees, with more than 3,000 employees attending various courses last year. Ensuring the issues of environment, health and safety are understood by all employees, we provided training in Thai, English, and Burmese. Recognizing there is also a need for similar improvement outside Thai Union, we plan to expand our services publicly in 2018 to serve both Thai and immigrant workers in the region. Our objective is to improve EHS awareness, skills and competencies in Thailand, especially for immigrant workers.

CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION

Climate change is a global challenge involving economic, social and environmental issues. Oceans are also directly linked with climate change, whether through warming sea surface temperatures, rising sea levels, or ocean acidification. It is our social and environmental responsibility to take action to minimize the factors which cause the climate change. Thai Union is committed to protecting the environment by mitigating risks from our natural resources consumption and greenhouse gas emissions, especially within our organization. We are also committed to our proactive environmental sustainability 2020 targets for enhancing our environmental accounting, monitoring and mitigation plans.

Environment Performance
Y2016 VS Y2017



GLOBAL ENVIRONMENTAL & GHG PERFORMANCE Y2017 VS Y2016

In 2017, our efforts to reduce our greenhouse gas emissions, and waste to landfill exceeded our targets as we continuously promoted, initiated and implemented the environmental and greenhouse gas accounting, audits and mitigation projects. We reduced our greenhouse gas intensity emissions by 11.43%, or about 55,489,695 kg CO₂ equivalent., and reduced our water and waste to landfill by 1.40% and 34.94%,



2020 TARGET

*compared to the base year, 2016



Reduce GHG emissions by **30 percent** per ton of production*



Reduce waste to landfill by **20 percent** per ton of production*



Reduce water consumption by **20 percent** per ton of production*

respectively, compared with 2016. The financial savings for Thai Union from these environmental reduction programs were more than USD 1.69 million.

SOLAR ENERGY GENERATION PROJECT ON PLANT ROOFTOP (SUN SEEKER PROJECT)

In 2017, one of Thai Union's major projects for reducing greenhouse gas emissions was the first "Power Purchase Agreement (PPA) Sun Seeker Project." The project was implemented at Thai Union Factory on the roof of the cold storage, with total power capacity of 935.55 kW, or approximately 1,273,000 kWh per year, which can reduce greenhouse gas emissions by more than 720 tons CO₂ equivalent per year. The success of this pilot project serves as a model, and we plan to increase this project in other locations by at least 4 - 6 MW in 2018.







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 PET FOOD, 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 types 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 2017, sales of this category amounted to THB 62.3 billion, representing 46 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 57 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, and 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 their shelf-life. Since aqua feed (for shrimp and fish) is part of the supply chain of the shrimp business, it is also included in this category as a related business.

In 2017, sales of this category amounted to THB 56.1 billion, representing 41 percent of the Group's total. Shrimp is the most important species in this category, followed by salmon and lobster. Based on our estimate, sales from our own brands (including industrial or non-consumer brands) accounted for about 35 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.

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-style 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 labels 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 2017, sales of this category amounted to THB 18.1 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 nine 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 a 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.



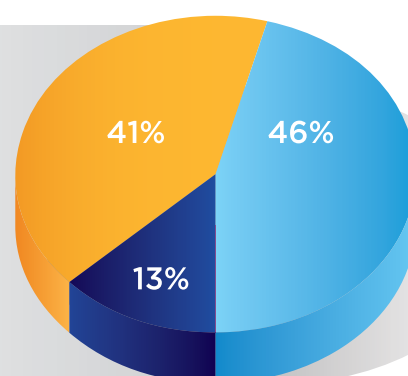




2017 SALES BREAKDOWN AND DISTRIBUTION

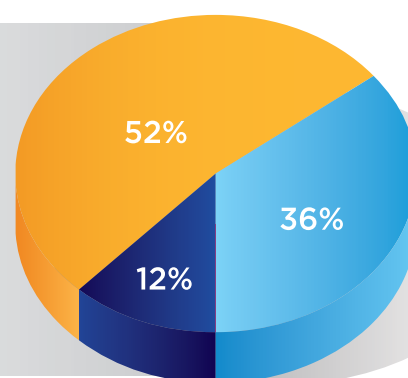
SALES BREAKDOWN BY CATEGORY

● Ambient Seafood	46%
● Frozen, Chilled Seafood and Related Business	41%
● PetCare, Value Added and Other Business	13%
TOTAL	100%



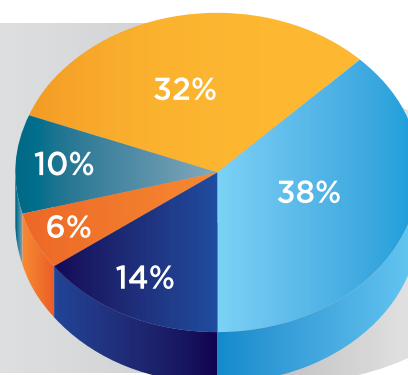
SALES BY CHANNEL

● Branded	36%
● Private Label	52%
● Food Services	12%
TOTAL	100%



SALES DISTRIBUTIONS BY MARKET

● USA	38%
● Europe	32%
● Thailand	10%
● Japan	6%
● Others	14%
TOTAL	100%





SALE STRUCTURE OF TU AND SUBSIDIARIES

Unit: Billion Baht

COMPANIES		% HOLDING BY TU	2017		2016		2015	
			SALES	%	SALES	%	SALES	%
1. ASIA								
Thai Union Group PCL	TU	-	13.0	9.6	12.4	9.2	12.2	9.8
Thai Union Manufacturing Co., Ltd.	TUM	99.66	19.1	14.0	17.0	12.6	16.1	12.9
Songkla Canning PCL	SC	99.55	6.2	4.5	5.9	4.4	5.4	4.4
Asian-Pacific Can Co., Ltd.	APC	99.54*	0.7	0.5	0.6	0.5	0.5	0.4
Yueh Chyang Canned Food Co., Ltd.	YCC	99.55*	0.3	0.2	0.4	0.3	0.3	0.3
Thai Union Seafood Co., Ltd.	TUS	51.00	2.5	1.9	1.4	1.1	1.0	0.8
Pakfood PCL	PPC	99.74*	5.8	4.2	6.5	4.8	5.0	4.0
T-Holding Co., Ltd.	THD	90.00	0.4	0.3	1.1	0.8	1.4	1.1
Thai Union Feedmill Co., Ltd.	TFM	51.00	4.3	3.2	4.1	3.0	3.6	2.9
Thai Union Graphic Co., Ltd.	TUG	98.00	0.2	0.1	0.1	0.1	0.2	0.1
Seafood International One FZCO	SIC1	60.00	0.0	0.0	0.1	0.1	N/A	N/A
Thai Union Online Shop Co., Ltd.	TUO	100.00	0.0	0.0	0.0	0.0	N/A	N/A
Thai Union (China) Co., Ltd.	TUC	100.00	0.2	0.1	0.0	0.0	N/A	N/A
2. EUROPE & AFRICA								
Thai Union Europe SAS	TUE	100.00*	25.0	18.3	25.4	18.9	24.7	19.8
MerAlliance SAS	MA	100.00*	6.9	5.0	6.7	5.0	6.0	4.8
King Oscar AS	KO	100.00*	2.0	1.4	2.3	1.7	2.4	1.9
Thai Union Germany GmbH	TUGe	100.00*	5.0	3.7	5.3	4.0	N/A	N/A
Thai Union Canada Inc.	TUCa	80.00*	0.3	0.2	0.0	0.0	N/A	N/A
3. USA								
Tri-Union Seafoods LLC	TRI-U	100.00*	13.3	9.7	13.3	9.9	13.8	11.0
Tri-Union Frozen Products Inc.	TUFP	100.00*	30.3	22.2	30.1	22.4	30.7	24.6
U.S. Pet Nutrition LLC	USPN	100.00*	1.2	0.9	1.7	1.2	1.6	1.2
GRAND TOTAL			136.5	100.0	134.4	100.0	124.9	100.0

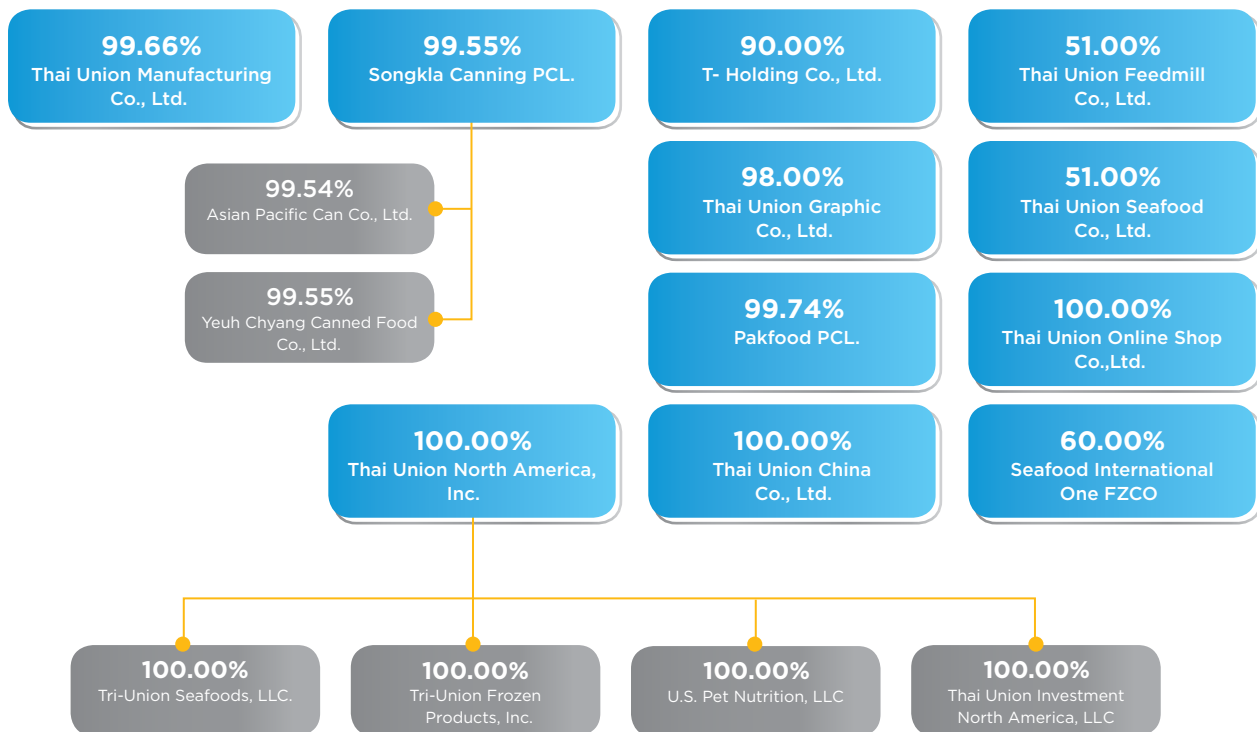
Remarks: The above data refers to sales structure after exclusion of intercompany transactions.

*Owned by Subsidiaries of TU

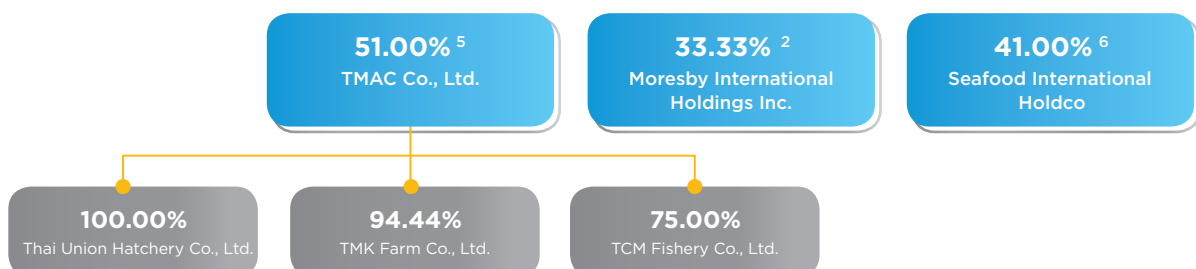


GROUP BUSINESS STRUCTURE

SUBSIDIARIES¹



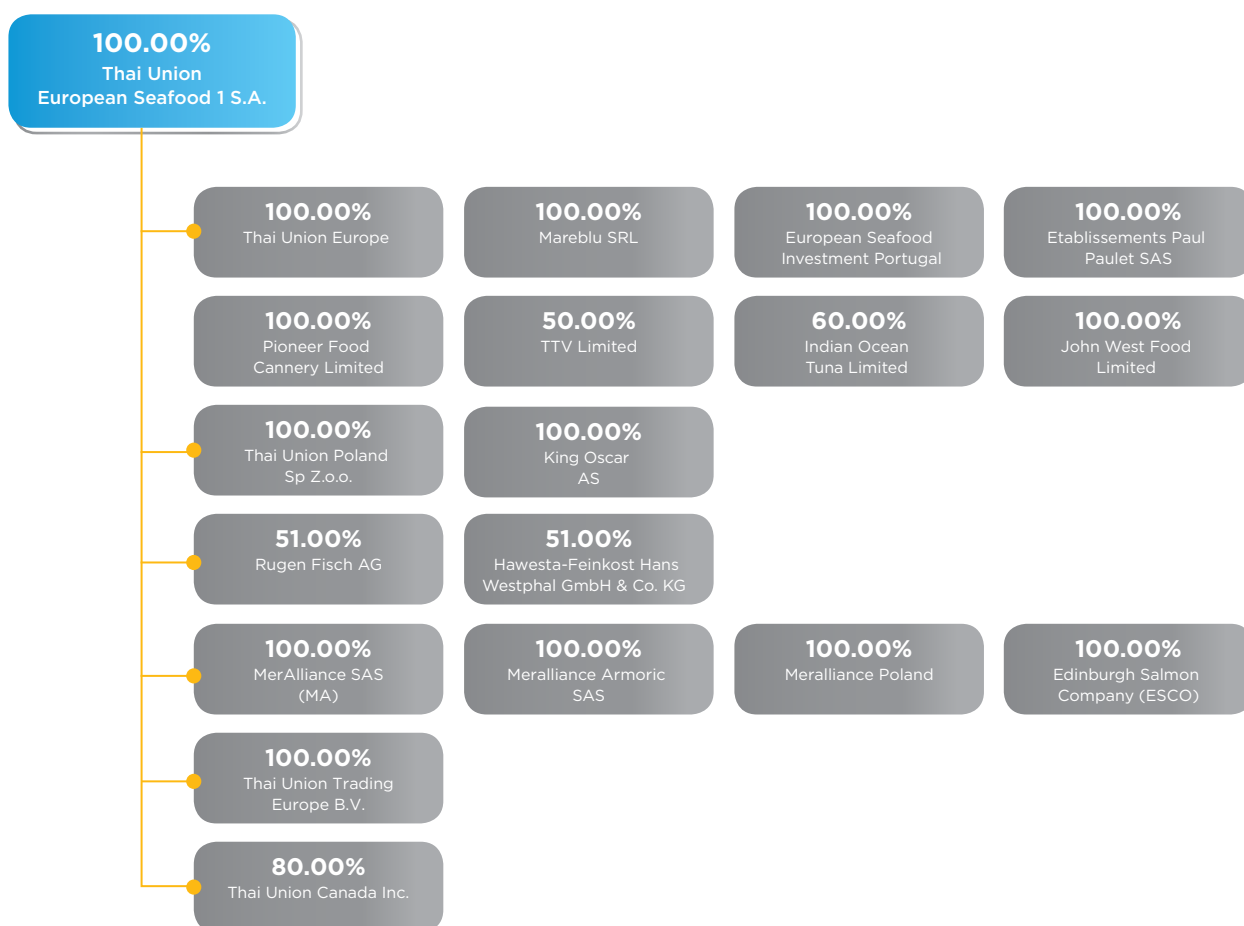
JOINT VENTURES



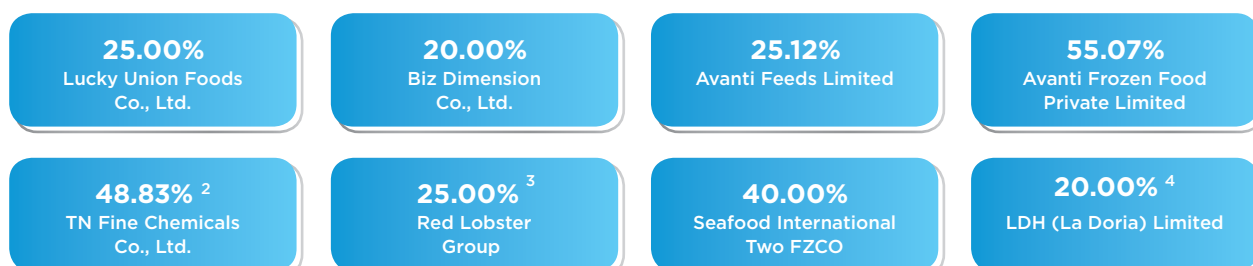
Remark

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, LLC
4. Investment by John West Food Limited
5. Investment by Thai Union Feedmill Co., Ltd.
6. Investment by Thai Union Germany GmbH.

SUBSIDIARY COMPANIES¹



ASSOCIATES





INVESTMENTS IN SUBSIDIARIES, ASSOCIATED AND JOINT VENTURES 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 (0) 2298-0025, 2298-0421 - 32
Fax:	66 (0) 2298-0027 - 28
Factory:	30/2 Moo 8, Sethakit 1 Road, Tarsai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel:	66 (0) 3441-2210, 3481-6441 - 4
Fax:	66 (0) 3442-5459
Type of Business:	Manufacturer 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 percent 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 (0) 2298-0029
Fax:	66 (0) 2298-0442 - 3
Factory:	333 Moo 2, Kanjanavanij Road, Pavong Sub-district, Mueang Songkhla District, Songkhla Province 90100
Tel:	66 (0) 7433-4005 - 8
Fax:	66 (0) 7433-4009
Type of Business:	Manufacturer 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 percent 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 (0) 2108-1980
Fax:	66 (0) 2108-1844
Type of Business:	Distributor of food products under "FisHo", "SEALECT", "Bellotta" and "Marvo" brand
Registered Capital:	THB 70,000,000 at THB 10 par value
Date of Investment:	November 1996
Type/% Holding/No. of Shares:	Common share 90.00 percent or 6,300,000 shares
Website:	http://www.fisho.com

THAI UNION FEEDMILL CO., LTD.

Office: 89/1 Moo 2, Rama II Road, Kalong Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province 74000
Tel: 66 (0) 3441-7222
Fax: 66 (0) 3441-7255
Factory: 103/1 Moo 2, Songkhla-Ranot Road, Pak-Trae Sub-district, Ranot District, Songkhla Province 90140
Tel: 66 (0) 74536-260 - 2
Fax: 66 (0) 74536-268
Type of Business: Manufacturer and distributor 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 percent or 25,500,000 shares
Website: <http://www.thaiunionfeedmill.com>

THAI UNION SEAFOOD CO., LTD.

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

PAKFOOD PUBLIC CO., LTD.

Office: 103 Soi Ruam Mit, Non Si Road, Chong Non Si, Yannawa, Bangkok 10120
Tel: 66 (0) 2295-1991-9
Fax: 66 (0) 2295-2012
Factory: 47/29 Moo 4, Khok Kham Sub-district, Mueang District, Samut Sakhon Province 74000
Tel: 66 (0) 3483-4483
Fax: 66 (0) 3441-3174
Type of Business: Manufacturer and distributor of frozen food and aquatic animal
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 November 2013 and October 2017)
Type/%Holding/No. of Shares: Common share 99.74 percent or 32,912,392 shares
Website: <http://www.pakood.co.th> and <http://www.ttimefood.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 (0) 3442-3401 - 6
Fax:	66 (0) 3442-1493
Type of Business:	Manufacturer and distributor of steel and aluminum food packaging products
Registered Capital:	THB 80,000,000 at THB 400,000 par value
Date of Investment:	December 1993
Type/% Holding/No. of Shares:	Common share 99.00 percent or 198 shares (Invested by Songkla Canning PCL.) Common share 0.005 percent or 1 shares (Invested by Thai Union Manufacturing Co., Ltd.) Common share 0.005 percent 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 (0) 2415-5808 - 9, 2895-5865 - 6
Fax:	66 (0) 2415-4371
Type of Business:	One-stop-service offset printing house specialized in standard high-quality printouts
Registered Capital:	THB 40,000,000 at THB 10 par value
Date of Investment:	July 1995 (Additional investment in May 2001)
Type/% Holding/No. of Shares:	Common share 98.00 percent or 3,920,000 shares
Website:	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 (0) 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 share 100.00 percent 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: Manufacturer and distributor of canned seafood
Registered Capital: VND 27,233,525,395
Date of Investment: December 2007 (Additional investment in 2017)
Type/%Holding/No. of Shares: 100.00 percent (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: Distributor of food products
Registered Capital: AED 100,000 at AED 1 par value
Date of Investment: March 2016
Type/%Holding/No. of Shares: 60.00 percent or 60,000 shares

THAI UNION CHINA COMPANY LIMITED

Enterprise address: Floor1, Block1, No.251 Yaohua Road, China (Shanghai) Pilot Free Trade
Zone, China
Office: Room A1810, No.596 of Mid Longhua Rd, Xuhui District, Shanghai, 200032,
China
Tel: 0086-21-80177564
Fax: 0086-21-80177899
Type of Business: Distributor of food products
Registered Capital: USD 8 million
Date of Investment: June 2016
Type/% Holding/No. of Shares: 100 per cent

THAI UNION ASIA INVESTMENT HOLDING LIMITED

Office: RM 2101, Hong Kong Trade centre 161-7 Des Voeux Road, Central Hong Kong
Type of Business: Holding Company
Registered Capital: USD 20,000 at USD 1 par value
Date of Investment: November 2017
Type/%Holding/No. of Shares: Common share 100.00 percent or 20,000 shares

THAI UNION NORTH AMERICA, INC.

Office: 2150 E. Grand Ave, El Segundo, CA 90245, USA
 Tel: (424) 397-8556
 Fax: (424) 397-8600
 Type of Business: Holding Company
 Registered Capital: Authorized 12,000,000 at USD 1 par value
 Issued and paid up USD 10,050,000 at USD 1 par value
 Date of Investment: February 1996
 Type/% Holding/No. of Shares: Common share 100.00 percent or 10,050,000 shares
 Additional Paid-in-Capital: USD 319,018,225.18

TRI-UNION SEAFOODS, LLC.

Office: 2150 E. Grand Ave, El Segundo, CA 90245, USA
 Tel: (424) 397-8556
 Fax: (424) 397-8600
 Type of Business: Manufacturer 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 percent (Invested by Thai Union North America, Inc.)
 Website: <http://www.chickenofthesea.com>

TRI-UNION FROZEN PRODUCTS, INC.

Office: 1250 E. Grand Ave, El Segundo, CA 90245, USA
 Tel: (310) 469-7030
 Fax: (310) 469-7037
 Type of Business: Importer and distributor of frozen seafood
 Registered Capital: USD 10 at 0.001 par value
 Date of Investment: July 2003
 Type/% Holding/No. of Shares: Common share 100.00 percent 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: 2150 E. Grand Ave, El Segundo, CA 90245, USA
 Tel: (424) 397-8556
 Fax: (424) 397-8600
 Factory: 212 North Commerce Drive, Lyons, Georgia 30436
 Tel: (912) 526-5108
 Fax: (912) 246-3804
 Type of Business: Manufacturer and distributor of premium pet food
 Equity: USD 64,000,000
 Date of Investment: October 2010
 Type/% Holding/No. of Shares: 100.00 percent
 (Invested by Thai Union North America, Inc. 99.00 percent and
 Tri-Union Seafoods, LLC. 1.00 percent)

THAI UNION INVESTMENTS NORTH AMERICA LLC

Office: Corporation Trust Center 1209 Orange Street, Wilmington,
New Castle County, Delaware 19801, USA
Type of Business: Holding Company
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 : 5 rue Goethe L-1637 Luxembourg, Luxembourg
Type of Business: Holding Company
Registered Capital: EUR 212,250,690 at EUR 1 par value
Date of Investment: October 2010
Type/%Holding/No. of Shares: Common share 100.00 percent or 212,250,690 shares

THAI UNION EUROPE

Office: 104 Avenue du Président Kennedy 75016 Paris, France
Tel: (33) 1-53-77-53-61
Fax: (33) 1-53-77-17-61
Type of Business: Holding Company
Registered Capital: EUR 153,468,098 at EUR 1 par value
Date of Investment: October 2010
Type/%Holding/No. of Shares: Common share 100.00 percent or 153,468,098 shares
(Invested by Thai Union EU Seafood 1 S.A.)

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: Manufacturer and exporter of canned sardines and mackerel
Registered Capital: EUR 50,000 at EUR 5 par value
Date of Investment: October 2010
Type/%Holding/No. of Shares: 100.00 per cent or 10,000 shares
(Invested by Thai Union Europe)

MAREBLU SRL

Office: via dei Missaglia 97 ed. B2, Milano, 20142, Italy
 Tel: +390 257 420 032
 Fax: +393 216 103 2
 Type of Business: Importer and distributor of canned seafood
 Registered Capital: EUR 100,000 at EUR 1 par value
 Date of Investment: October 2010
 Type/%Holding/No. of Shares: 100.00 percent or 100,000 shares
 (Invested by Thai Union Europe)
 Website: www.mareblu.it

INDIAN OCEAN TUNA LIMITED

Office: Fishing Port, PO Box 676, Victoria, Mahe, Seychelles
 Tel: +248 4282500
 Fax: +248 4324868
 Type of Business: Manufacturer and exporter of canned tuna
 Registered Capital: EUR 7,192,589
 Date of Investment: October 2010
 Type/%Holding/No. of Shares: 60.00 percent
 (Invested by Thai Union Europe)

ETABLISSEMENTS PAUL PAULET SAS

Office: Zone Industrielle de Pouldavid 29177 Douarnenez, France
 Tel: +33 2 98 74 40 00
 Fax: +33 2 98 74 40 40
 Type of Business: Manufacturer, importer distributor and exporter of canned seafood
 Registered Capital: EUR 12,736,220 at EUR 20 par value
 Date of Investment: October 2010
 Type/%Holding/No. of Shares: Common share 100.00 percent or 636,811 shares
 (Invested by Thai Union 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: Manufacturer of canned tuna
 Registered Capital: USD 5,297,100
 Date of Investment: October 2010
 Type/%Holding/No. of Shares: 100.00 percent
 (Invested by Etablissements Paul Paulet SAS)

TTV LIMITED

Office: P.O. Box GP 1632, Adabraka, Accra, Ghana
 Tel: +233 303 204 431
 Fax: +233 303 206 218
 Type of Business: Fishing fleet operation (Cease operation in 2017)
 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, Liverpool, L3 1BP, UK
 Tel: +44 151 243 6200
 Fax: +44 151 236 7502
 Type of Business: Importer and distributor of canned seafood
 Registered Capital: GBP 250,000 at GBP 1 par value
 Date of Investment: October 2010
 Type/%Holding/No. of Shares: 100.00 percent or 250,000 shares
 (Invested by UK Seafood Investment Limited)
 Website: www.john-west.co.uk

MERALLIANCE SAS

Office: 55 Avenue de Kéradenec 29556 Quimper, France
 Tel: (33) 2-98-64-72-72
 Fax: (33) 2-98-64-72-71
 Type of Business: Distributor of smoked salmon
 Registered Capital: EUR 500,000 at EUR 10 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: Common share 100.00 percent or 50,000 shares
 (Invested by Européenne de la Mer SAS)
 Website: www.meralliance.com

MERALLIANCE ARMORIC SAS

Office: 55 Avenue de Kéradenec 29556 Quimper, France
 Tel: (33) 2-98-64-72-72
 Fax: (33) 2-98-64-72-71
 Type of Business: Manufacturer of smoked salmon
 Registered Capital: EUR 3,267,678.50 at EUR 15.25 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: Common share 100.00 percent 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: PLN 4,500,000 at PLN 100 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: 100.00 percent or 45,000 shares
 (Invested by Européenne de la Mer SAS)

EDINBURGH SALMON COMPANY (ESCO)

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: GBP 200,000 at GBP 1 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: Common share 100.00 percent or 200,000 shares
 (Invested by Européenne de la Mer SAS)

KING OSCAR AS

Office: Nostegaten 58, N5011 Bergen, Norway
 Tel: (47) 482-93-000
 Type of Business: Manufacturer and distributor of canned seafood
 Registered Capital: NOK 55,100,000 at NOK 1,000 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: Common share 100.00 percent or 55,100 shares
 (Invested by Thai Union Norway AS)
 Website: www.kingoscar.com

THAI UNION POLAND SP Z.O.O.

Office: Strzebielinko 22, 84-250 Gniewino, Poland
 Tel: (48) 586-706-519
 Fax: (48) 586-706-506
 Type of Business: Manufacturer and distributor of canned seafood
 Registered Capital: PLN 50,005,000 at PLN 50 par value
 Date of Investment: October 2014
 Type/%Holding/No. of Shares: Common share 100.00 percent or 1,000,100 shares
 (Invested by Thai Union European 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: Manufacturer 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)
 Website: www.ruegenfisch.de

HAWESTA-FEINKOST HANS WESTPHAL GMBH & CO. KG

Office : Mecklenburger Str. 140-142, 23568 Lübeck, Germany
 Tel : +49(0)451 69 35 - 155
 Fax : +49(0)451 69 35 - 155
 Type of Business: Manufacturer 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)
 Website: www.hawesta.de

THAI UNION TRADING EUROPE B.V.

Office : Herculesplein 207A, 3584 AA Utrecht, Netherlands
 Tel : 3 (130) 710-0955
 Type of Business: Distributor of seafood products
 Registered Capital: EUR 10
 Date of Investment: March 2017
 Type/%Holding/No. of Shares: 100.00 percent
 (Invested by Thai Union European Seafood 1 S.A.)

THAI UNION CANADA

Office : 4104 Main Street, Tracadie, NB E1X 1B8, Canada
 Factory 78 Rue du Quai, Val Comeau, NB E1X 4L1, Canada
 Tel: 1 (506) 395-3292
 Fax: 1 (506) 395-3849
 Type of Business: Processor and distributor of lobster
 Registered Capital: CAD 17,523,875
 Date of Investment: June 2016
 Type/%Holding/No. of Shares: 80.00 percent
 (Invested by Thai Union European 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 (0) 3449-0330, 3449-0009
Fax:	66 (0) 3449-0008
Type of Business:	Manufacturer and exporter of crab sticks
Registered Capital:	THB 150,000,000 at THB 100 par value
Date of Investment:	June 1990 (Additional investment in March 2004)
Type/% Holding/No. of Shares:	Common share 25.00 percent or 375,000 shares

BIZ DIMENSION CO., LTD.

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

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:	Manufacture and exporter of animal feeds and shrimp products
Registered Capital:	INR 90,830,420 at INR 2 par value
Date of Investment:	October 2008
Type/% Holding/No. of Shares:	Common share 25.12 percent or 11,410,210 shares
Website:	www.avantifeeds.com

AVANTI FROZEN FOOD PRIVATE LIMITED

Office:	G2, Concorde Apartments, 6-3-658, Somaji Guda, Hyderabad 500 082, Telangana, India
Tel:	91-40-2331-0260/261
Fax:	91-40-2331-1604
Type of Business:	Manufacturer and exporter of shrimp products
Registered Capital:	INR 101,000,000 at INR 10 par value
Date of Investment:	July 2016
Type/% Holding/No. of Shares:	Common shares 55.07 percent 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 (0) 3442-3686
Fax: 66 (0) 3442-3688
Type of Business: Manufacturer and exporter of by-products from seafood
Registered Capital: THB 90,000,000 at THB 10,000 par value
Date of Investment: March 2009
Type/% Holding/No. of Shares: Common share 48.83 percent or 4,407 shares
(Invested by Thai Union Manufacturing Co., Ltd.)

SEAFOOD INTERNATIONAL TWO FZCO

Office : PO Box 263845, Dobai, United Arab Emirates
Tel : 971 (4) 8808318
Type of Business: Distributor of food products
Registered Capital: AED 100,000 at AED 1 par value
Date of Investment: March 2016
Type/%Holding/No. of Shares: 40.00 percent or 40,000 shares

LDH (LA DORIA) LIMITED

Office: LDH House, Parsons Green, St.Ives, Cambridgeshire, PE27 4AA, United Kingdom
Tel : +44 1480 308800
Fax : +44 1480 308899
Type of Business : Distributor of food products
Registered Capital : GBP 1,000,000 at GBP 1 par value
Date of Investment : 2006
Type/%Holding/No. of Shares: 20.00 per cent or 200,000 shares
(Invested by John West Foods Limited)

RED LOBSTER GROUP

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
2,400,000 preferred units
Date of Investment: October 2016
Type/%Holding/No. of Shares: Common unit 25.00 percent or 2,500,000 units
Preferred unit 24.00 percent or 2,400,000 units
(Invested by Thai Union Investment North America LLC)

JOINT VENTURE COMPANY

MORESBY INTERNATIONAL HOLDINGS, INC. (MIH)

Office:	Morgan & Morgan Building Pasea Estate Road Town, Tortotal British Virgin Islands
Business:	Holding Company in fishing business
Registered Capital:	USD 9,327,699
Date of Investment:	October 2009
Type/% Holding/No. of Shares:	Common share 33.67 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 (0) 3441-7261-3
Fax:	66 (0) 3441-7264
Type of Business:	Distributor of shrimp feed
Registered Capital:	THB 1,130,000,000 at THB 10 par value
Date of Investment:	December 2012
Type/% Holding/No. of Shares:	Common share 51.00 percent 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 (0) 3441-7261-3
Fax:	66 (0) 3441-7264
Factory:	42 Moo 14, Kokkloy Sub-district, Takuatung District, Phangnga Province 82140
Tel:	66 (0) 7658-4000 - 27
Fax:	66 (0) 7658-4028 - 9
Type of Business:	Breeding and distributing postlarvae shrimp and nauplii
Registered Capital:	THB 425,000,000 at THB 10 par value
Date of Investment:	April 2006 (Additional investment in November 2007, April 2011, January 2013 and August 2017)
Type/% Holding/No. of Shares:	Common share 100.00 percent or 42,499,950 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 (0) 3441-7261-3
Fax: 66 (0) 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 percent 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 (0) 3441-7261-3
Fax: 66 (0) 3441-7264
Farm: 173 Moo 4, Bangsak Sub-district, Kantang District, Trang 92110
2/2 Moo 5, Bangsak Sub-district, Kantang District, Trang 92110
127 Moo 1, Trakob Sub-district, Chaiya District, Suratthani Province 84110
Type of Business: Shrimp Farm
Registered Capital: THB 270,000,000 at THB 10 par value
Date of Investment: June 2012
Type/% Holding/No. of Shares: Common share 94.44 percent or 25,499,999 shares (Invested by TMAC Co., Ltd.)

SEAFOOD INTERNATIONAL HOLDCO

Office: Cayman Corporate Centre, 27 Hospital Road, George Town Grand Cayman KY1-9009, Cayman Islands
Type of Business: Holding Company
Registered Capital: USD 10,000 at USD 1 par value
Date of Investment: November 2016
Type/% Holding/No. of Shares: 41.00 percent (Invested by Thai Union Germany GmbH)



INDUSTRY OVERVIEW

AN INCREASE IN GLOBAL FISH AND SEAFOOD SUPPLY DUE TO AQUACULTURE GROWTH

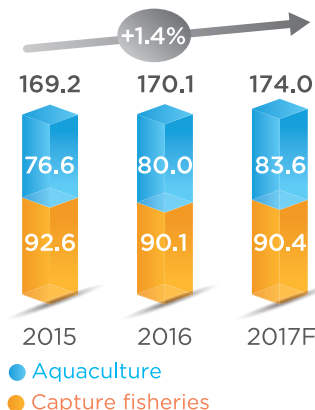
The constant and sustainable supply of fish is of utmost importance for Thai Union's business. Global fish and seafood production has increased at a CAGR of 1.4 percent in the past three years, reaching 174 million tons in 2017. This was largely the result of growth in aquaculture, which accounts for 48 percent of total fish production, according to the Food and Agricultural Organization of the United Nations. The global aquaculture market increased by 4.5 percent on average during 2015-2017, and is expected to grow at the same rate over the next decade. Moreover, the total volume of wild caught fish continues to stay flat.

From a global consumer perspective, the demand for fish and seafood is highest among all proteins. In 2017, global per capita fish consumption rose to over 20 kilograms a year, and is forecast to increase

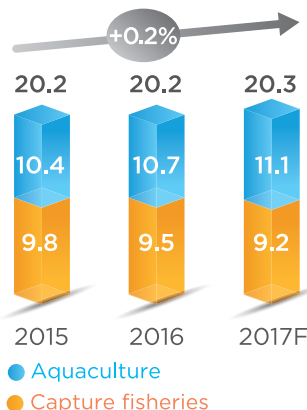


another 7 percent to 21.8 kilograms by 2025. The projected growth is largely driven by APAC countries e.g. Indonesia, Malaysia and China, where the consumption of seafood is considerably higher than the global average. Capture fisheries are expected to be unable to support this strong demand, and therefore aquaculture production will play an increasingly significant role.

World Fish Production
(million tons)



Per Capita Fish Consumption
(kg/year)



POSITIVE OUTLOOK FOR THE GLOBAL PROCESSED FISH AND SEAFOOD MARKET

Over the past three years, the global processed fish and seafood market has continued to grow steadily at CAGR 2.1 percent (2015-17) and reached a combined value of USD 78.6 billion in 2017, according to Euromonitor. The global processed fish and seafood market is expected to expand by 2.8 percent in 2018, a slightly faster growth rate than last year, due to the global economic recovery, consumption growth and an increase in aquaculture production.

MARKET BY REGION

Asia Pacific (APAC) and Europe dominated the global processed fish and seafood market, accounting for 43 and 36 percent of the total market share in 2017 respectively. North America is the world's third largest fish and seafood market, with the majority of suppliers coming from APAC and Latin America. With APAC and Europe showing signs of maturity, growth in 2018 is expected to be much slower than Emerging Markets in Latin America, the Middle East and Africa (e.g. Argentina, Egypt, Morocco, Nigeria and UAE).

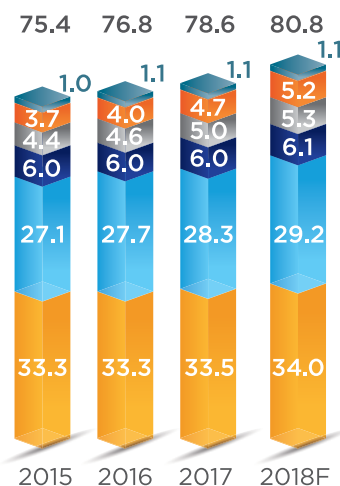
The Middle East and Africa is the fastest growing region with a CAGR of 13.0 percent (2015-17), and is forecast to reach USD 5.2 billion in 2018. This growth arises from consumers purchasing more premium seafood as a result of rising disposable income, urbanization, evolving consumption habits and health concerns.

MARKET BY SEGMENT

Chilled fish and seafood accounted for the majority of the global processed fish and seafood market in 2017, representing 48 percent of the total market. As the global population becomes increasingly health conscious with an increased demand for quality food, the chilled fish and seafood category is expected to continue to lead the market, with an increase of 1.4 percent forecast for 2018. APAC is the largest region for consumption of chilled fish and seafood (especially Japan, China and South Korea) because of consumers' preference for these categories.

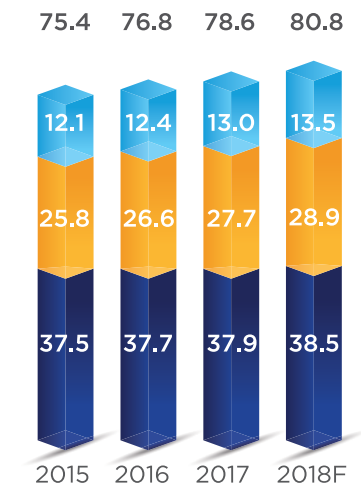
However, ambient, and frozen fish and seafood categories are expected to grow more than the chilled segment, about 4.1 and 3.9 percent respectively, in 2018. This is driven by the growth of Emerging Markets in the Middle East, Africa and Latin America. Consumers in these markets prefer to buy ambient seafood because it is more convenient, low-priced and has a longer shelf life than other types of seafood products.

Processed Fish and Seafood
Market Value by Region
(USD billion)



	CAGR 2015-17	YOY 2017-18F
● Australasia	1.7%	1.5%
● Middle East and Africa	13.0%	10.5%
● Latin America	7.0%	5.1%
● North America	-0.1%	2.4%
● Europe	2.3%	2.9%
● Asia Pacific	0.4%	1.3%

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



	CAGR 2015-17	YOY 2017-18F
● Frozen	3.3%	3.9%
● Ambient	3.7%	4.1%
● Chilled	0.6%	1.4%

Source: Euromonitor

COMPETITIVE LANDSCAPE AND PRICING TRENDS OF OUR MAIN RESOURCES: TUNA, SHRIMP AND SALMON

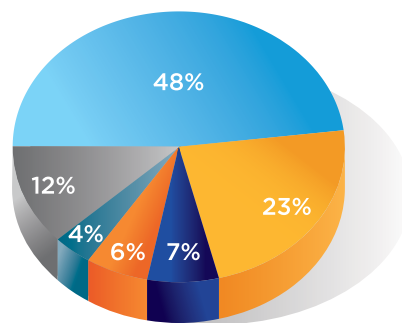
According to the FAO, tuna, shrimp and salmon remain the most popular traded species of seafood, accounting for 42 percent of the total value share. They also represented over 70 percent of Thai Union's revenue in 2017, and therefore we continue to closely monitor global pricing trends for each species.

TUNA

Skipjack tuna is the most common species used for processed and canned tuna. According to the FAO, about 48 percent of tuna produced was skipjack, followed by yellowfin, bigeye, frigate and bullet, albacore and other species.

Global Tuna Production by Species, both Wild and Farmed in 2015

● Skipjack ● Frigate and bullet
● Yellowfin ● Albacore
● Bigeye ● Others



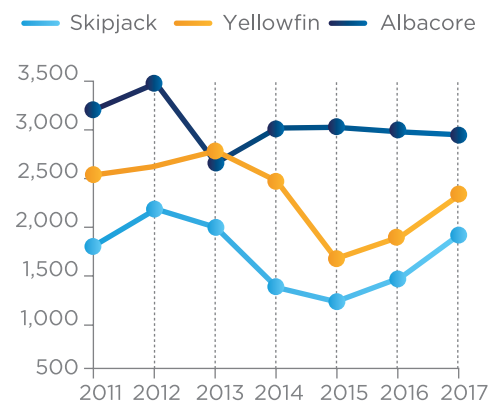
Source: FAO Globefish Highlights 2017

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.

Over the course of 2017, the average price of skipjack tuna was about USD 1,860 per ton, which was 30 percent higher than the previous year. During October, the price of skipjack reached USD 2,300 per ton, which was the highest price since 2012 due to the poor catch situation, strict quota management and increased demand from canneries. This resulted in a decline in exporting canned tuna from Thailand to the U.S. and the EU. However, Ecuador and the Philippines have seen an increase in exporting canned tuna and cooked loins because they can take advantage of duty-free status in European markets.

Average Tuna Price by Species during 2011 - 2017 in USD per Ton (Bangkok Landings, WPO)



Source: Thai Union Group

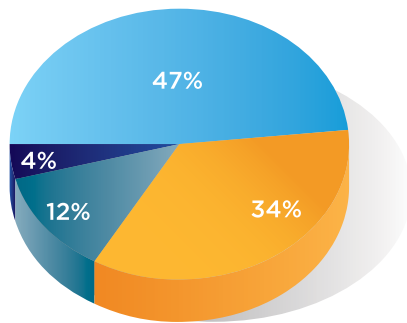
SHRIMP

In terms of global shrimp production, the most common species used are whiteleg shrimp (47 percent) which are mostly farmed in Ecuador, India, Thailand, China and Argentina. China continued to be the largest shrimp producer, but largely for the domestic market. India and Ecuador were the top two exporters in the global market, with a growing number of shrimp farming sites in 2017. India exported largely to the U.S. with an increase of 59 percent during the first half of the year because of a reduction in the anti-dumping duty from two percent to less than one percent. Meanwhile, shrimp exports from Southeast Asia suffered from unfavourable weather, especially in Vietnam and Indonesia.



Global Shrimp Production by Species, both Wild and Farmed in 2015

Whiteleg shrimp Giant tiger prawn
Others Akia paste shrimp



Source: FAO Globefish Highlights 2017

The export of raw shrimp from Thailand also decreased due to high competition from India, but there was an increase in value-added shrimp, particularly to Japan, with about 12 percent growth, compared to last year. In 2017, the average price of whiteleg shrimp in Thailand was THB 183 per kilogram (60 pieces per kilogram), up 2.6 percent from the previous year. As Thailand continued to recover from the EMS (Early Mortality Syndrome) epidemic that occurred in 2013-2014, prices increased slightly due to high demand and low overall supply.

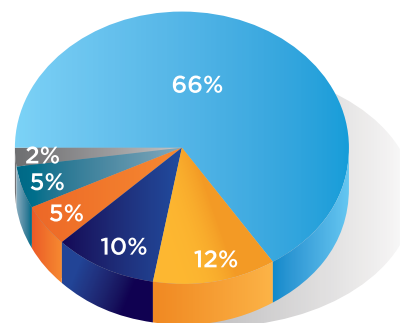
SALMON

The supply of salmon continues to be primarily through aquaculture with the main species being Atlantic salmon, accounting for 66 percent of global salmon production. Norway and Chile are the top two producers of salmon worldwide, whereas the EU, Japan, the U.S. and other developing economies are the main importers of salmon.

After the unprecedented high price of salmon reached 76 Norwegian Krone (NOK) per kilogram in December 2016, the farmed salmon price in 2017 was slightly lower at an average of NOK 60 per kilogram. During the second half of 2017, the salmon price

Global Salmon Production by Species, both Wild and Farmed in 2015

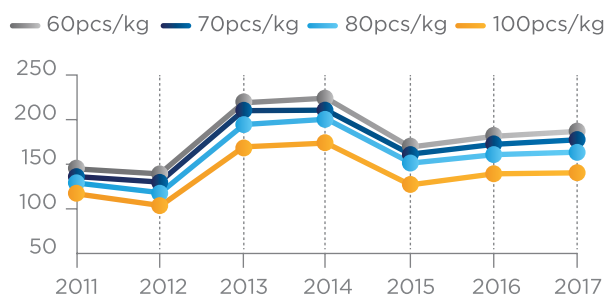
Atlantic Chum Sockeye
Pink Coho Others



Source: FAO Globefish Highlights 2017

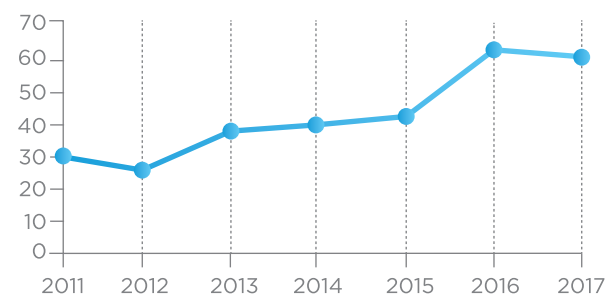
declined to NOK 52 per kilogram because of a supply surge from Norway. Exports of salmon from Norway exceeded one million tons in 2017 after recovering from an outbreak of sea lice in the previous year. While Chilean salmon recovered from algae bloom mortalities last year, Chile's salmon production still faced challenges from legislative restraints of limiting production and flight suspensions to the U.S. due to hurricanes. As a result, Chile's salmon exports decreased by 11.5 percent during the first half of 2017, compared to the same period a year earlier.

Average Whiteleg Shrimp Price by Size during 2011 - 2017 in Thailand (THB/kg)



Source: Thai Union Group

Average Salmon Price during 2011 - 2017 in Norway (NOK/kg)



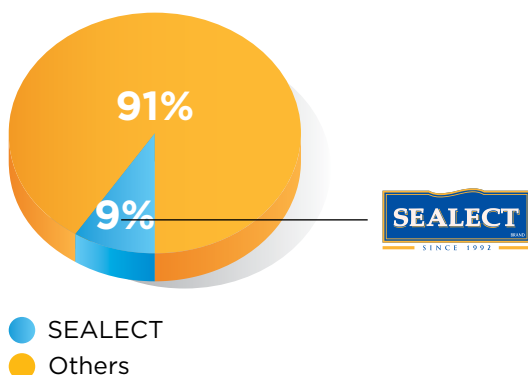
Source: Fish Pool ASA



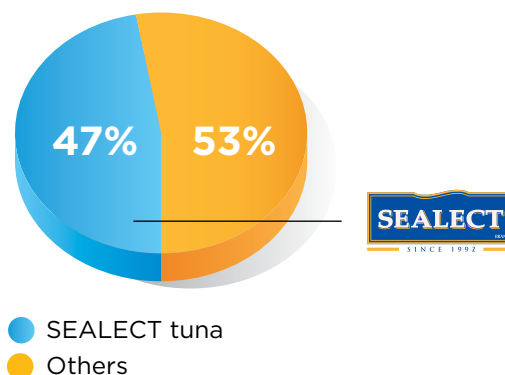
SELECTED BRAND SHARE IN 2017

THAILAND

Market share value of "SEALECT"
in Thailand (canned fish market)

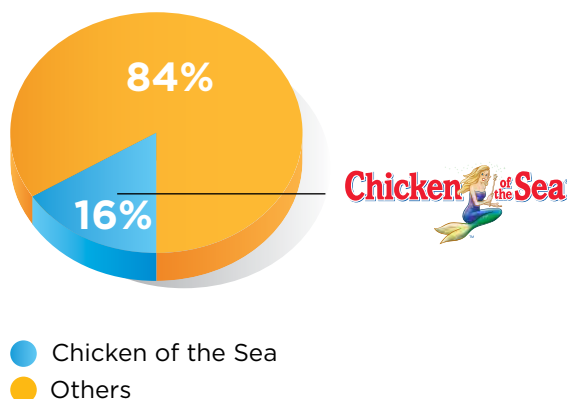


Market share value of "SEALECT"
in Thailand (canned tuna market)

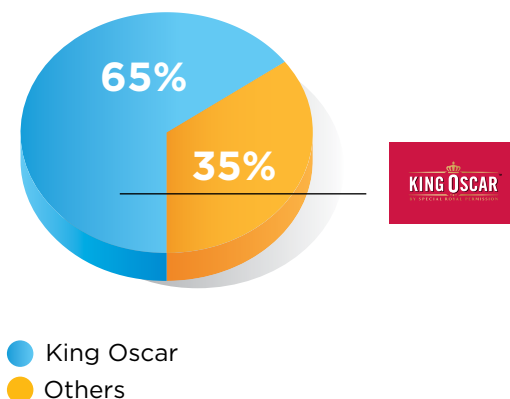


USA

Market share value of
"Chicken of the Sea" in the U.S.



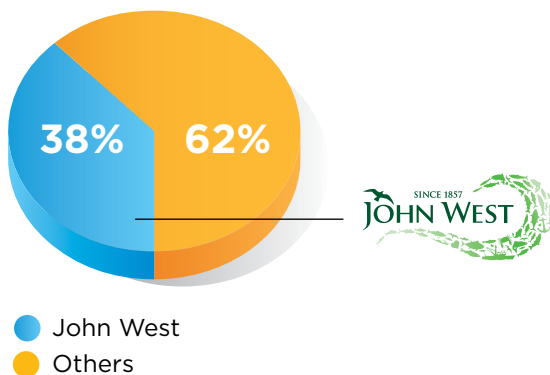
Market share value of "King Oscar"
in the U.S. (premium sardines)



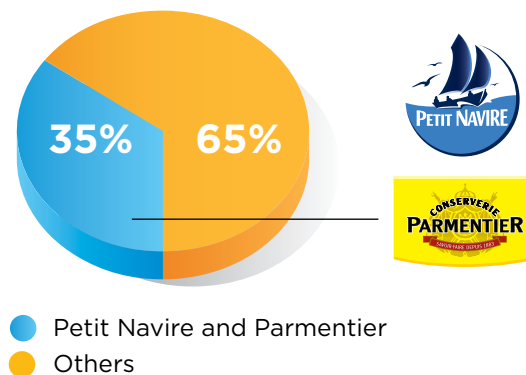
Source: AC Nielsen and IRI

EUROPE

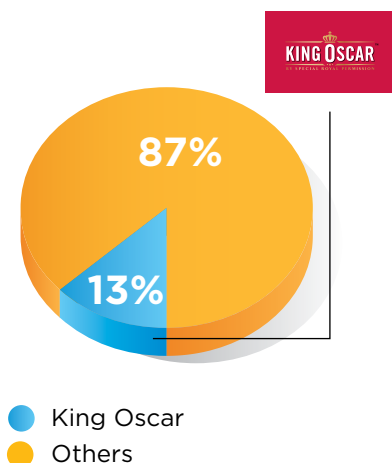
Market share value of
“John West” in the U.K.



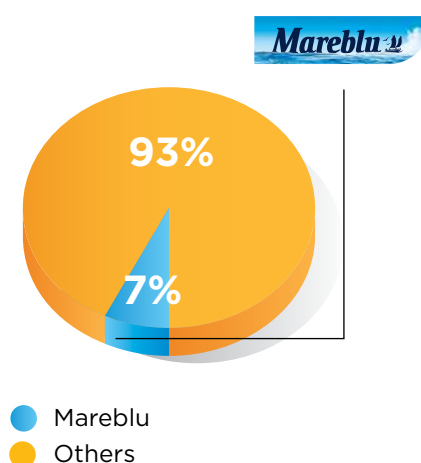
Market share value of “Petit Navire”
and “Parmentier” in France



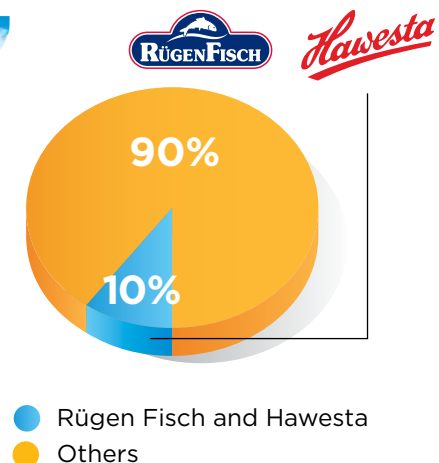
Market share value of
“King Oscar” in Norway



Market share value of
“Mareblu” in Italy



Market share value of
“Rügen Fisch”
and “Hawesta” in Germany





SUSTAINABILITY AT THAI UNION



CHANGING SEAFOOD FOR GOOD

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

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 (UN) Sustainable Development Goals (SDGs) and is guided by our commitment to the UN Global Compact.



sea
CHANGE

Sustainable seas, now and for future generations	Workers are safe, legally employed and empowered	Legal and licensed vessels, operating responsibly	
			
SAFE AND LEGAL LABOR	RESPONSIBLE OPERATIONS	RESPONSIBLE SOURCING	PEOPLE AND COMMUNITIES
Providing safe, legal and freely-chosen employment in our own facilities and in supply chains is critically important to Thai Union.	The way we operate must be environmentally responsible and show a duty of care for our workers.	Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.	At Thai Union we take responsibility for improving the lives of those living and working in the regions in which we operate.
Fair Labor Goals and Roadmap	Responsible Operations Goals and Roadmap	Responsible Sourcing Goals and Roadmap	People and Communities Goals and Roadmap

SeaChange® is an integrated plan of initiatives, organized into four programs, to drive meaningful improvements across the entire global seafood industry.

Good Governance	Transparency	Partnerships and Collaboration
<p>SeaChange® has the support of the entire Thai Union organization, from top to bottom and across all our markets. We have put together a strong team of experts who provide robust leadership, backed up by policies and processes, to ensure SeaChange® fundamentally changes the way the global seafood industry operates.</p>	<p>We recognize how important openness is in building stakeholder trust. We are committed to being fully transparent in our communications with our stakeholders, customers and the entire industry. We share our learnings and provide regular updates on our progress.</p>	<p>We are proud to be working with some of the leading organizations on the issues affecting the industry today. We actively seek out civil society, government and industry partners to contribute their expertise and insights to our programs.</p>

UN GLOBAL COMPACT AND UN SUSTAINABLE DEVELOPMENT GOALS



Thai Union is a member of the UN Global Compact and 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.

Human Rights

Thai Union will support and respect the protection of internationally proclaimed human rights; and

1

Make sure that they are not complicit in human rights abuses.

2

Labor Standards

Thai Union will uphold the freedom of association and the effective recognition of the right to collective bargaining;

3

The elimination of all forms of forced and compulsory labor;

4

The effective abolition of child labor; and

5

The elimination of discrimination in respect of employment and occupation.

6

UN GLOBAL COMPACT LOCAL NETWORK

In 2017, Thai Union continued our support to establish the UN Global Compact Local Network in Thailand. Starting in January, Thai Union shared our perspective and work regarding the United Nations Guiding

Principles (UNGPs) on Business and Human Rights with government agencies, private sectors and NGOs to help support the National Action Plan on Business and Human Rights, organized by the National Human Rights Commissioner.

In June, Thai Union shared our perspective on why business should pay attention to human rights with CSR Club and the Thai Listed Companies Association. In November, we supported the ASEAN Intergovernmental Commission on Human Rights Training on Business and Human Rights at the Stock Exchange of Thailand by presenting a case study on Thai Union and our work under the UN Global Compact.

Environment

Thai Union will support a precautionary approach to environmental challenges;

7

Undertake initiatives to promote greater environmental responsibility; and

8

Encourage the development and diffusion of environmentally friendly technologies.

9

Anti-Corruption

Thai Union will work against corruption in all its forms, including extortion and bribery.

10

KEY PERFORMANCE ACHIEVEMENT



In 2017, we continued to roll out our Business Ethics and Labor Code of Conduct to 100 percent of first tier, contracted and critical suppliers.

In 2018, we will focus on the rollout of our Vessel Code of Conduct to our wild-caught fish suppliers, focusing first on the tuna industry.

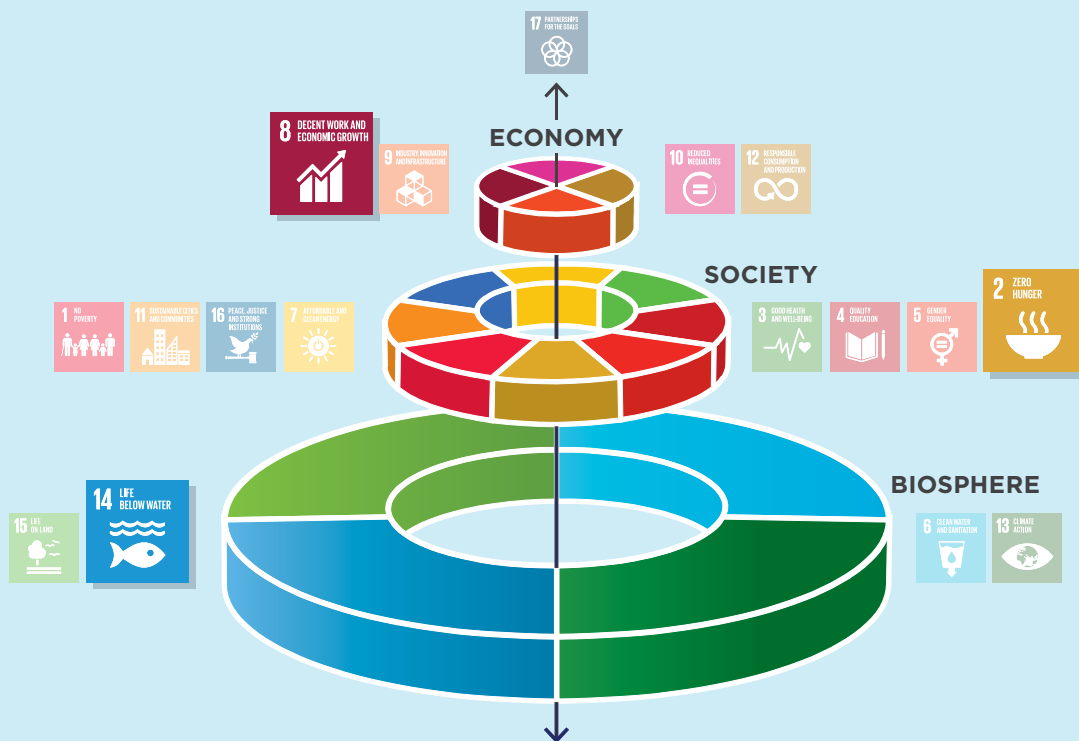


Image credit: Stockholm Resilience Centre

SEACHANGE® AND THE UN SUSTAINABLE DEVELOPMENT GOALS

In line with SeaChange®, Thai Union is focused on three of the UN Sustainable Development Goals (SDGs), contributing to broader societal change in areas where we can have direct influence. However, our work contributes to all 17 SDGs in a number of ways. We have chosen to focus on how our work contributes to the biosphere, society and the economy, but also how we can form partnerships to the global contribution toward 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.



THAI UNION SDGs ADVOCACY

Sustainability can only be achieved through collaboration and shared goals, and we see the value that work around the SDGs

can bring. Thai Union, which previously joined leaders from the largest seafood businesses around the world in the **Keystone Dialogues** to bring science and industry leaders closer together through the Seafood Business for Ocean Stewardship initiative, presented their groundbreaking initiative at the UN Oceans Summit meeting in New York in June 2017 to support SDG 14 and SDG 17 to promote collaboration. The initiative, based on research conducted by the Stockholm Resilience Centre, aims to demonstrate leadership on sustainable seafood production and supporting a healthy ocean and actively contributes to SDG 14 to conserve and sustainably use the oceans, seas and marine resources. Additionally, the ocean stewardship pledge commits signatories to improve operations as well as challenge the rest of the seafood industry to follow, all with the goal of helping the world achieve the SDGs.

In January 2017, Thai Union was part of a campaign by NGOs, businesses and the UN Global Compact Network UK to encourage the UK Government to support the UN SDGs. The letter was delivered to the Prime Minister of the UK in advance of the World Economic Forum meetings in Davos.



RESEARCH AND INNOVATION AT THAI UNION



Thai Union is committed to being the seafood industry's leading agent of change. The Global Innovation Incubator (Gii), a hub for groundbreaking research and innovation, plays a critical role in this as we grow our business and work towards becoming the world's most trusted seafood leader.

The Gii's main R&D facility, located in central Bangkok, conducts research related to fundamental studies of our raw materials, new processing technology, and utilization of rest-raw materials to create added value. A key component of the Gii's activities involves translational research to bring new innovations to the market. The center is capable of engaging in a wide variety of projects where the main focus is on:

- Enhancing product quality, nutritional value and consumer satisfaction
- Accelerating sustainability through smarter utilization of fishery resources, optimization of processes and technology, and value creation of byproducts
- Creating new corporate revenue streams from research and development tailored for new business growth

"THE GREATEST CHALLENGES OFFER THE GREATEST OPPORTUNITIES. SEEKING TO BE AN AGENT OF CHANGE IN THE INDUSTRY, OUR OWN RESEARCH TOGETHER WITH OUR EXPANDING GLOBAL INNOVATION NETWORKS ENABLE US TO CONSTANTLY PUSH THE BOUNDARIES TO DELIVER THE BEST MANUFACTURING SOLUTIONS AND PRODUCTS TO OUR CONSUMERS."

The Gii is driven by an exploration of outside-the-box ideas and a culture of challenging assumptions. All the Gii's activities are built around four foundational pillars: **Science and Research, Technology and Development, Innovation Support and Industrialization.**

COLLABORATION FOR INNOVATION

The Gii leverages public-private partnerships with industry, government, and academia. In an evolving partnership with several major universities in Thailand,

including Mahidol University, Kasetsart University, Chulalongkorn University, King Mongkut University of Technology Thonburi, and Suranaree University of Technology, the Gii utilizes knowledge transfer between academia and industry.

In 2017, the Gii collaboration network was extended further with several leading research organizations in Europe such as Nofima in Norway and well-established global companies to push the limits of innovation. These partnerships promote the growth of knowledge within the Gii, offer universities industry exposure, allow the shared use of infrastructure and equipment, and build valuable intellectual property for all involved.

RESEARCH

In 2017, the first phase of a six-year program with the Thai Board of Investment (BOI) was completed. This first phase delivered results that can echo across the whole value chain, and have resulted

in several scientific papers, technology disclosures, patents, and novel product concepts.

Fundamental scientific work, such as developing DNA-based methods for tuna speciation, contribute to the effort to combat food fraud. Likewise, investigations into calcium from tuna rest-raw materials demonstrate good bioavailability and positive impact on bone growth for improved health and wellness.

In operations, our collaborative R&D partnerships in process research have resulted in the implementation of new automated processing technologies to our factories that will revolutionize the tuna industry.

INNOVATION LAUNCH

The translation of Gii's work in science and technology has led to two major product innovations launched by Thai Union, demonstrating our commitment to being the leader in the seafood industry.



PROJECT "TRANSFORMER" DELIVERED A NEW, GREAT-TASTING TUNA SAUSAGE PERFECT FOR TODAY'S CONSUMERS WHO ARE LOOKING FOR A HEALTHIER ALTERNATIVE TO TRADITIONAL SAUSAGES. THIS INNOVATIVE PRODUCT IS NUTRIENT RICH, LOW IN FAT, PACKED WITH PROTEIN, CONTAINS OMEGA-3, AND HIGH IN VITAMIN B12 AND SELENIUM. ALL INGREDIENTS ARE NATURAL, WITHOUT ANY ADDED PRESERVATIVES. THIS PRODUCT ADVOCATES THAI UNION'S GOAL OF GIVING HEALTH AND WELLNESS BENEFITS FOR OUR CONSUMERS, MAKING IT A FAMILY FRIENDLY MEAL OPTION SUITABLE TO EAT ALL DAY.



PROJECT "SUPERNOVA" DELIVERED THE FIRST EVER SLICEABLE TUNA. IT TAKES ADVANTAGE OF INNOVATIVE PROCESSING TECHNOLOGY THAT OFFERS A FRESH PRODUCT AND NEW WAY OF CONSUMING TUNA. IT IS ALL-NATURAL, FRESH TASTING, AND CONVENIENT. IT'S ALSO A HEALTHIER OPTION FOR CONSUMERS AND THE PERFECT TUNA IN THE CHILLED DELI-CASE, SANDWICHES, CHARCUTERIE, DELI COLD PLATTERS AND BEYOND.



SUPERNOVA received the 'InnoCube' at the International Innovation Awards 2017, together with the InnoMark, a global certification for innovation.



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 2017, the Committee convened 21 meetings as follows:

1. **Mr. Sakdi Kiewkarnkha,**
Independent Director and Chairman of the Audit Committee, attended 21 meetings.
2. **Dr. Thamnoon Ananthothai,**
Independent Director and Audit Committee Member, attended 15 meetings.
3. **Mr. Nart Liuchareon,**
Independent Director and Audit Committee Member, attended 20 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 2017 as follows:

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 and IT Audit Manager, to the satisfaction of the Committee. The Committee concluded that the disclosure of the financial statements is 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.

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.

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.

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 controls are effective and the external auditor also reported that the internal controls for accounting and finance are 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.

REVIEW OF RELATED PARTY TRANSACTIONS, COMPLIANCE WITH STOCK AND EXCHANGE LAWS, STOCK EXCHANGE OF THAILAND (SET)'S REGULATIONS AND RELATED LAWS

- In 2017, 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.

COMPANY AND ITS SUBSIDIARIES VISIT

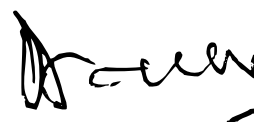
- The Committee visited the company and eight of its domestic subsidiaries and five overseas subsidiaries. With each company, the Committee convened the meeting with the management and reviewed their operations; internal control system; risk management system; environmental management system; problems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

THE COMMITTEE WAS ABLE TO CONDUCT ITS DUTIES ACCORDING TO THE AUDIT COMMITTEE CHARTER AND REQUEST 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 the General Manager – Audit Unit, who is responsible for internal control operations of the company and its subsidiaries.

APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2018.

- The Committee is satisfied with the external auditor performance in the past year. Furthermore, after the Committee already reviewed the qualifications and independence of the 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 proposed to the Board of Directors for consideration and approval, and was approved at 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 2018. In the absence of the above-named auditors, Pricewaterhouse Coopers ABAS Limited is authorized to identify one other Certified Public Accountant within Pricewaterhouse Coopers ABAS Limited to carry out the work.



Mr. Sakdi Kiewkarnkha
Chairman of Audit Committee



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

Thai Union Group PCL. has appointed the Nomination and Remuneration Committee, which comprises of two Directors and they 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

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. In 2017, the Remuneration and Nomination Committee convened two times, and each time a quorum was met with the following resolutions:

1. Following good corporate governance, the Company granted the rights to allow a shareholders' proposal of decent persons they think fit to become director candidates, as well as a proposal of a meeting agenda for the 2017 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 31, 2016 and February 1, 2017, there were eventually neither qualified director candidates nor a meeting agenda proposed by shareholders through the entire 93 days entry period.

2. Reviewed the qualifications of those who will be members on the Board of Directors as the term of the existing four ended. The four Directors were proposed to rejoin the membership of the Board of Directors. The reappointment decision was proposed to the Board of Directors to receive approval at the shareholders' meeting.
3. Proposed the compensation for the Company's directors and committees based on their responsibilities and the Committee compensation reference conducted by the Thai Institute of Directors (IOD). The Committee also revealed the compensation of the directors, committees and executives in the annual report following good corporate governance principles.
4. Evaluated and reviewed the performance of the Company's directors following the Company's good corporate governance policy.

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 2017 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: 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 2016 and will be prepared and audited by the Auditor within 60 days of the date of the balance sheet on December 31, 2016. The company has scheduled a board meeting to consider and approve the results of operations on February 21, 2017, which will take at least 14 days to close and compile the shareholders' list which the company has scheduled on March 9, 2017 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 15, 2017. As the company has set the date for the Annual General Meeting on April 5, 2017, 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>

PRINCIPLES/GOOD CORPORATE GOVERNANCE OF THE STOCK EXCHANGE OF THAILAND	THE COMPANY'S EXPLANATION
<p>Board Responsibilities: The Chairman of the company should be an independent director.</p>	<p>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.</p> <p>However, the Nomination and Remuneration Committee had considered, then gave their opinion that he has extensive experience and vision, and can ensure that all directors are expected to participate in a corporate culture that promotes ethical and good governance. All this can be proven by the work of the past 30 years, during which the company has grown from a company with registered market value of THB 20 billion to THB 100 billion. The company has been steadily growing until now.</p>
<p>An independent director should not remain in the position of Director of the company for more than 9 years.</p>	<p>Although Mr. Sakdi Kiewkarnkha has been an independent director of the company for 17 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 held those roles at the company for not too long, thus the Board believes that checks and balances will be properly implemented.</p>
<p>Each of the company's directors should regularly attend meetings (at least 75 percent of all meetings).</p>	<p>Since one member of the Board of Directors has been appointed by our business alliance of more than 25 years, Mitsubishi Corporation, represented by Mr. Kiyotaka Kikuchi, who resides 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 meetings.</p>
<p>The board should have at least one woman as an independent director.</p>	<p>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.</p>
<p>The board should appoint Corporate Governance Committee.</p>	<p>The company is studying and considering this accordingly.</p>
<p>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.</p>	<p>The company is studying and considering this accordingly.</p>

THE BOARD OF DIRECTORS

It is the duty of the Board of Directors to supervise the company's operations to be conducted in accordance with the laws, the objectives and the regulations of the company, the corporate governance policy and the resolutions of the Board of Directors' meetings, the company's vision, the goals, the business policy, and the 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.

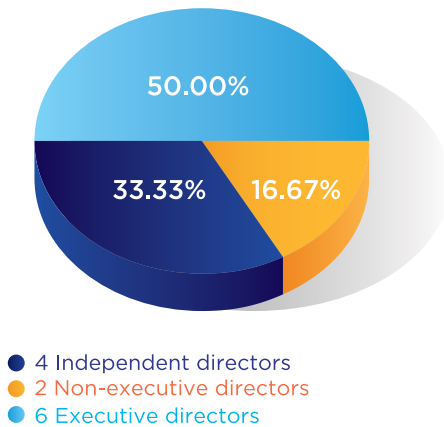
THE COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is comprised of directors who are knowledgeable, experienced and competent in the various aspect the business. As at December 31, 2017, the Board of Directors was comprised of 12 members.

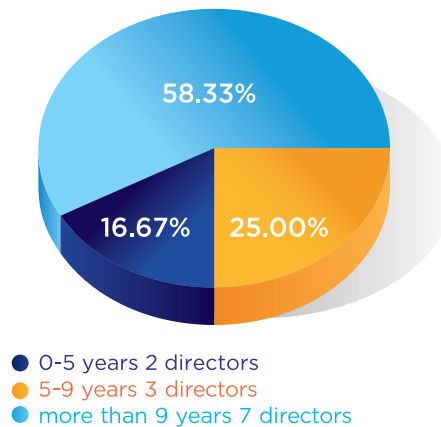
NAME OF DIRECTOR	POSITION	DATE FIRST APPOINTED
1. Mr. Kraisorn Chansiri	Chairman	17 March 1988
2. Mr. Cheng Niruttinanon	Executive Chairman	8 April 1999
3. Mr. Thiraphong Chansiri	President & CEO	1 January 1990
4. Mr. Chuan Tangchansiri	Executive Director	17 March 1988
5. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit	5 January 1998
6. Mr. Chan Shue Chung	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

Note: Ms. Paralee Sukhatungka fulfills the role of Company Secretary

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 one third 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 one third 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 -> Corporate Information

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 oversee 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. Monitors the implementation of the strategy, goals and policies to comply with the company's objectives.
5. Oversee the management's performance to ensure effectiveness.
6. Hold at least five Board meetings per year.
7. 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.
8. Monitor operating results and the financial status of the company and its subsidiaries.
9. 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.
10. 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.
11. Set up the company's internal control system, internal audit system, and an effective risk management system.
12. Propose the appointment of an auditor and set the level of compensation as proposed by the Audit Committee.
13. Propose the list of directors to be replaced and their replacement to the general shareholders' meeting.
14. Propose the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.
15. Examine and approve matters proposed by the management committee and related to connected transactions, potential conflict of interests, purchase and sale 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, debt obligations, and guarantees.
17. Approve the appointment and set the scope of work and compensation for the company's sub-committees.
18. Set the number of other companies in which the President & CEO may hold the position of Director.
19. Set and approve a written corporate governance policy for the company and review the policy and compliance to the policy regularly, at least annually.
20. Set and monitor a written code of business conduct and anti-corruption policy so that all directors, executives and employees understand business ethical standards and the guidelines of the company.
21. Approve the appointment of the company's secretary.
22. 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 nominating the director, who has knowledge, capability, work experience, integrity, ethics and dedicates the necessary time for the company to share the skill and experience in business and working for the company. The objective is for 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 a 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 an 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 the 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 the 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 three-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 DIRECTOR

1. Not hold shares more than 0.05 percent of total voting stocks of Thai Union 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 a board member of its parent company or an executive director, employee, staff, advisor who receives the salary of a controlling person of Thai Union, 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 2017

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	21/21 (100 percent)
2. Dr. Thamnoon Ananthothai	Member	Independent Director	15/21 (71.4 percent)
3. Mr. Nart Liuchareon	Member	Independent Director	20/21 (95.2 percent)

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, risk management and data & network security together with 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 Audit Committee Charter and 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 company's anti-corruption procedures to ensure the effective

compliance with the governance bodies' guidelines starting from assessing the risks, strengthen internal control system, auditing, as well as reviewing the self-assessment form regarding anti-corruption measures as assessed by the Audit Unit, and to ensure that the company has exercised the anti-corruption systems as reported in the self-assessment form guided by the Thai Institute of Directors (IOD).

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 deemed 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 the 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 92

THE NOMINATION AND REMUNERATION COMMITTEE

Membership and meeting attendance 2017

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

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.

ROLE AND RESPONSIBILITIES

1. 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.
2. Consider the criteria for succession for high-ranking executives.
3. Consider and propose financial and non-

financial compensation for the members of the Board of Directors and sub-committees.

4. Propose compensation for the company's directors to the Board of Directors for consideration and subsequent approval by the shareholders.
5. Propose compensation for members of the sub-committees to the Board of Directors for approval.
6. Propose compensation for the company's President and Managing Directors to the Board of Directors for approval.
7. 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.
8. 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.

9. Prepare a report on the Committee's performance to be submitted to the Board of Directors at least twice a year.

10. 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 94

THE RISK MANAGEMENT COMMITTEE

Membership and meeting attendance 2017

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Kirati Assakul	Chairman	Independent Director	4/4 (100 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	2/4 (50 percent)
3. Dr. Thamnoon Ananthothai	Member	Independent Director	1/4 (25 percent)
4. Mr. Thiraphong Chansiri	Member	Executive Director	2/4 (50 percent)
5. Mr. Chan Shue Chung	Member	Executive Director	4/4 (100 percent)

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.

ROLE AND RESPONSIBILITIES

1. Establish the risk management policy and framework.
2. Continuously monitor and develop the risk management framework and risk management process of TU and its subsidiaries, aligned with international guidelines.
3. Oversee the continuous activities of assessment, analysis and review of TU and its subsidiaries' significant risks, under normal and crisis condition.
4. Consider and provide comment on TU's risk appetite and risk assessment criteria.
5. Acknowledge and provide comment on the adequacy and appropriateness of risk assessment results and mitigations.
6. Oversee the implementation of risk management, aligned with the risk management framework.
7. Regularly report TU's significant risks, mitigations and improvement to the Board of Directors.
8. Encourage risk management culture and cooperation in TU and its subsidiaries.
9. Oversee and support risk management function to be aligned with TU's policies and objectives.
10. Communicate and share the information of significant risks and mitigations with Audit Committee at least yearly.
11. Provide comments and recommendations on the use of

external advisor regarding risk management framework, scope and implementation.

12. In case of workload over resources of Risk Management Department, provide comments and recommendations on the use of external service provider in assisting risk management function.
13. 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 Risk Management Committee have been disclosed in the Risk Management Committee Report on page 130

TREASURY COMMITTEE ("TC")

The Board of Directors no.1/2014 on 24 February, 2014 approved setting up the Treasury Committee, which will have direct responsibilities for oversight of the risk management policy and procedures. This includes providing advice and authorizing the treasury execution team to minimize such financial risks to acceptable levels due to the fact that the main Thai operations for Thai Union Group has been gradually exposed to increased foreign exchange risks and interest rate risks from the expanding business. Therefore, the impact from foreign exchange and interest rate movements 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 Frozen and Related Unit, and (4) Group CFO. 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.

ROLE 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 tolerance, approve policy and procedures and monitor and enforce compliance with the policy and procedures.

1. 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.
2. Oversight of the risk management policy and processes adopted by the company, approve and authorize the policy.
3. Delegation of these Policy Limits to the Execution Team.
4. Ensuring compliance with the terms of policy.
5. Minimum annual review of policy limits.

SUSTAINABLE DEVELOPMENT COMMITTEE

The Board of Directors no.4/2014 on 13 August, 2014 approved setting up the Sustainable Development Committee of which Mr. Thiraphong Chansiri is the Chairman, Mr. Cheng Niruttinanon is the Committee's consultant and the chief executive administrators of the main business are the committee whose duties will be planning policies of the sustainability of 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 Thailand 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, creating a clear separation 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. Oversee 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. Oversee and follow up on the performance of the Board of Directors and other sub-committees to achieve the company's objectives.
7. Decide 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 the 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 an amount 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, 2017, 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 Frozen and Related Unit
2. Mr. Chan Shue Chung	Group Director, Human Resources
3. Mr. Suthidej Amornkasemwong	Managing Director, Fish Business
4. Mr. Preerasak Boonmechote	Managing Director, Shrimp Business
5. Mr. Joerg Ayrle	Group CFO
6. Mr. Faisal Shafait Sheikh	Managing Director, Emerging Market
7. Mr. Yongyut Setthawiwat	General Manager, Group Finance
8. Mr. Ludovic Regis Henri Garnier	Head of Group Accounting and Controlling

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 Frozen and Related Unit. Thus, the Board of Directors has appointed the Managing Director of Group 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 Frozen and Related Unit.

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.

There were six meetings in 2017.

NAME OF DIRECTOR	2017 AGM (92%)	BOARD MEETING			
		2016	%	2017	%
1. Mr. Kraisorn Chansiri	Attend	8/8	100.00	6/6	100.00
2. Mr. Cheng Niruttinanon	Attend	7/8	87.50	4/6	66.67
3. Mr. Chuan Tangchansiri	Attend	8/8	100.00	6/6	100.00
4. Mr. Thiraphong Chansiri	Attend	8/8	100.00	6/6	100.00
5. Mr. Rittirong Boonmechote	Attend	8/8	100.00	6/6	100.00
6. Mr. Kiyotaka Kikuchi (Appointed 7 Nov 2016)	Absent	1/3	33.33	3/6	50.00
7. Mr. Ravinder Singh Grewal Sarbjit S	Attend	8/8	100.00	6/6	100.00
8. Mr. Chan Shue Chung	Attend	8/8	100.00	6/6	100.00
9. Mr. Sakdi Kiewkarnkha *	Attend	8/8	100.00	6/6	100.00
10. Dr. Thamnoon Ananthothai *	Attend	8/8	100.00	5/6	83.33
11. Mr. Kirati Assakul *	Attend	7/8	87.50	4/6	66.67
12. Mr. Nart Liuchareon *	Attend	6/8	75.00	6/6	100.00

*Independent Directors

Remark: Mr. Kiyotaka Kikuchi, who resides 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 2017, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar, "National Director Conference (NDC) 2017 "Steering Governance in a changing world" and The Audit Committee's Role in Compliance and Ethical Culture Oversight, including Mr. Nart Liuchareon, an independent director, attended a training seminar, Advance Audit Committee Program (AACP)"

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			25/2017
National Director Conference (NDC)						2016 2017			
Audit Committee Forum (ACF)						2016			2016
A discussion on a corporation's preparedness for cybersecurity threats in the digital transformation Era						2016			
The Audit Committee's Role in Compliance and Ethical Culture Oversight						2017			
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. Chan Shue Chung, 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 93 percent
- Director Evaluation with an average score at 90 percent
- Committee Evaluation with an average score at 92 percent
- CEO Evaluation with an average score at 95 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, 51, who holds a Master's Degree from the Faculty of Commerce and Accountancy, Thammasat University and attended the training of the 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
compliant@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 2017, the company had arranged the Annual General Meeting of Shareholders (AGM) on 5 April, 2017 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 2017 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 93 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 2017 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 1 March, 2017 - 35 days prior to the Annual General Meeting of Shareholders.
- The company authorized the 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 16 days prior to the date of the 2017 Annual General Meeting of Shareholders.
- 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, 2017 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 2017, there were a total of 1,237 shareholders who attended and proxies whose aggregate shares totaled 3,177,186,355 shares, equivalent to 66.58 percent of the total issued and paid-up shares.

- Chairman of the Board chaired the 2017 Annual General Meeting of Shareholders, in which there were 11 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 – Group Finance, the General Manager – Group Accounting and Control, the Manager – Investor Relations, and independent auditors from PricewaterhouseCoopers ABAS Limited, 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 PricewaterhouseCoopers ABAS Limited 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 eight shareholders who made queries and presented opinions for the 2017 Annual General Meeting of Shareholders.

- 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 2017 Annual General Meeting of Shareholders (AGM) on www.thaiunion.com 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, 2017, or 13 days following the date of the 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, 4392

The hosting of the shareholders' meeting with great emphasis on equitable voting rights has earned the company an excellent performance in the 2017 annual evaluation of the Annual General Meeting of Shareholders conducted by the Thai Investors Association.

EQUITABLE TREATMENT OF SHAREHOLDERS

The company perceives the importance of the rights of shareholders, is well aware of its responsibility to ensure equitable treatment of shareholders and therefore has 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 2017 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand's communication systems and forwarded to the investor relations section on the corporate website 93 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 2017 Annual General Meeting of Shareholders, there were 198 shareholders who authorized Mr. Sakdi Kiewkarnkha, Chairman of the Audit Committee, there were 189 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 2017 Annual General Meeting of Shareholders in the investor relations section on www.thaiunion.com 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. 2535 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 shares 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 mechanisms, which encourages those management to trade their securities only in response to the stock market situations and in

good faith. Furthermore, the Board and management members are made aware of legal punishment and penalty pursuant to the Securities and Exchange Act B.E. 2535 and relevant regulations.

- The Board assigns the Company Secretary to oversee and follow up items with potential conflicts of interest 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 conflicts of interest 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. 2/2552 of Capital Market Committee Governing Required Vested Interests Disclosure by Listed Company Directors, Management Members and Connected Persons. With regards to this issue, the Section 89/14 of the Securities and Exchange Act B.E. 2535, as subsequently amended under the authority of the Securities and Exchange Act (No. 4) B.E. 2551, stipulates that the Board and management members must report to the company their vested interests in the company's and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the company and to enable the company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflicts of interest 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 rights 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 an employee 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. Furthermore, the company has joined with the Social Security Office to hold a training course on the philosophy of the sufficiency economy and saving for retirement for employees. 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 at a rate of one time per year, annual bonus, provident fund that is available to employees at all levels through contributions from 2.5 percent to 10 percent of salary depending on the length of employment. In 2017, the company contributed a total of THB 41.72 million to the provident fund for employees.
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 2017 at the amount of THB 71.78 million, and in 2017 the company paid a total of THB 8.14 million for employee retirement.

HUMAN CAPITAL DEVELOPMENT

The policy of the 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 classroom training, coaching, giving feedback and applying real on-the-job training: On-the-job training 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 assess the Global Talent Development Program's impact and track talent development progress.

Details of staff and management training in 2017 are as follows:

Total hours of training: 154,559 hours.
Average number of hours per employee per person: 11.97 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 benefits and satisfaction.
- The company determines the price of goods and services at an 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 politely, hospitably and honestly, pays attention to every customer with fairness and 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 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 disclosing 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 hearing 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 secrets by dishonest means, thereby having no trading disputes with any competitor.

CORPORATE SOCIAL RESPONSIBILITY

The company supports corporate responsibility for the environment in society and the community and for natural resources conservation. In turning its nature-care spirit into action, extensive corporate support is given to communities around the plants 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 10 consecutive years with accumulated blood donated to the Thai Red Cross Society. Other company-sponsored CSR initiatives in action through 2017 are further described under the Sustainable Development heading on page 86 - 89 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 received the Collective Action Coalition Certificate from Thailand's Private Sector Collective Action Coalition Against Corruption on 12 February, 2018. 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

1. Board members, management and employees must not demand, accept, or offer any gift or hospitality, either in the form of money, gifts, goods and services to, from or for business partners, agents, creditors, third parties or the company's competitors if doing so can be perceived as bribery or as personal or undue advantage of business partners, agents, creditors, and third parties.
2. Any offers or receipt of gifts and hospitality as per customs and traditions shall 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, 2017, 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 700,000 baht (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	3,087,692.00
2. Mr. Cheng Niruttinanon	Executive Chairman	1,513,846.00
3. Mr. Thiraphong Chansiri	President & CEO	1,623,846.00
4. Mr. Chuan Tangchansiri	Executive Director	1,543,846.00
5. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit	1,543,846.00
6. Mr. Chan Shue Chung	Executive Director	1,623,846.00
7. Mr. Kiyotaka Kikuchi (Start 7 Nov 16)	Non-Executive Director	1,498,846.00
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	1,543,846.00
9. Mr. Sakdi Kiewkarnkha	Independent Director	2,383,846.00
10. Dr. Thamnoon Ananthothai	Independent Director	2,188,846.00
11. Mr. Kirati Assakul	Independent Director	1,753,846.00
12. Mr. Nart Liuchareon	Independent Director	1,843,846.00
		22,149,998.00

Unit: Baht

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 2017 in comparison with its counterparts in 2016 is set forth below:

	2016		2017	
	Board of Directors	Management Team	Board of Directors	Management Team
Number (Person)	12	10	12	11
Monthly Retainer/Meeting Allowance	7.52	-	7.15	-
Director's Bonus	15.00	-	15.00	-
Salary/Annual Bonus	-	99.79	-	141.81
Provident Fund Matching Contribution	-	5.44	-	6.42
Total	22.52	105.23	22.15	148.23

Unit: Million Baht

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 Ayrlle
Group CFO
3. Mr. Bunlung Waiyanont
Investor Relations Manager

The communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2017 were as follows:

- Approximately 43 company visits by investors and stock analysts
- 44 conference calls
- 5 analysts' meetings
- Participated in 4 Opportunity Day's by the SET
- 5 plant visits by stock analysts and investors
- 2 plant visits by minor shareholders
- 13 overseas investor conferences
- 8 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 notes, 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
- 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 prices, 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 several awards as follows:

- Multiple awards in FinanceAsia's 2017 Best Managed Companies Poll:
 - #1 Best Managed Company in Thailand
 - #1 Best CEO in Thailand, Mr. Thiraphong Chansiri
 - #1 Best CFO in Thailand, Mr. Joerg Ayrlle
- No.1 ranking among ASEAN corporations in Consumer/Staples sector by 2017 All-Asia (ex-Japan) Executive Team rankings by Institutional Investor:
 - Best CEO, Mr. Thiraphong Chansiri and
 - Best CFO, Mr. Joerg Ayrlle
- Multiple awards from FinanceAsia's 2017 Best Managed Companies Poll:
 - #1 Best at Investor Relations in Thailand
 - #1 Most committed to corporate governance in Thailand
- Stock Exchange of Thailand Award 2017 for Outstanding Investor Relations. Thai Union's Investor Relations team has delivered efficient, responsive and accurate IR services to the investment community, thus winning the Outstanding

Investor Relations Awards for a company with market capitalization above THB 100,000 million.

- IR Magazine Awards – South East Asia 2017 for Best Investor Relations in Consumer Staples Sector. Thai Union's Investor Relations effort has been well-recognized among leading consumer staple companies in South East Asia.
- Institutional Investor's Thailand Most Honored Company. This recognition is underpinned by significant and actionable feedback from over 3,000 investors.

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. 2535 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

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. In 2017, the committee's three-year term of office expired. Therefore, the Nomination and Remuneration Subcommittee proposed to the Board of Directors for new appointments. Eight out of nine members were re-appointed. One member was changed, with Mr. Wai Yat Paco Lee assigned to a new position and replaced by Ms. Whitney Foard Small, Head of Group Corporate Communications.

The Risk Management Committee convened four meetings during 2017. 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

- Member of Risk Management Committee
- Attended: 2/4

3. DR. THAMNOON ANANTHOTHAI

INDEPENDENT DIRECTOR

- Member of Risk Management Committee
- Attended: 1/4

4. MR. THIRAPHONG CHANSIRI

PRESIDENT & CEO

- Member of Risk Management Committee
- Attended: 2/4

5. MR. JOERG AYRLE

GROUP CFO

- Member of Risk Management Committee
- Attended: 4/4

6. MR. CHAN SHUE CHUNG

GROUP DIRECTORS, HUMAN RESOURCES

- Member of Risk Management Committee
- Attended: 4/4

7. DR. DARIAN MCBAIN

GROUP DIRECTORS, SUSTAINABILITY DEVELOPMENT

- Member of Risk Management Committee
- Attended: 4/4

8. DR. SVEN MASSEN

GROUP DIRECTORS, STRATEGY

- Member of Risk Management Committee
- Attended: 3/4

9. MS. WHITNEY FOARD SMALL

HEAD OF GROUP CORPORATE COMMUNICATIONS

- Member of Risk Management Committee
- Attended: 2/4

The Committee hereby summarized the tasks performed in 2017 as follows:

1. Endorsed for consideration of the Board of Directors the following items:

1.1 Report of the Risk Management Committee for the year 2016

1.2 The improvement of the risk management framework and manual, including:

- Required all subsidiaries to implement risk management and comply with Thai Union Group's risk management framework, process and manual.
- Reviewed and changed the risk appetite criteria to consider the likelihood of any impact on the Group's net profit and reputation.
- Reviewed the risk universe to cover all risk factors that may occur and impact Group level as well as entity level. Sorted risk factors into categories and provided clear definitions to facilitate common understanding and ease of implementation.

The improvement will increase the effectiveness of risk management and strengthen the standard of the process as well as create common risk-language. In order to support the achievement of the company's objectives and targets.

1.3 The results of the corporate risk assessment and the selection of key risk indicators for 2017

2. Considered the company's 2017 risk management objective, roadmap and key milestones.

3. Reported quarterly to the Board of Directors regarding the company and its subsidiaries in regards to the material risks status, key risk indicators status, mitigation progress and improvements.

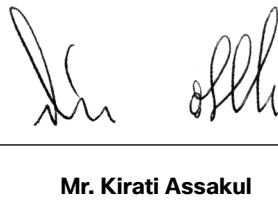
4. Oversaw risk management activities and provided advice on the adequacy of the risk assessment and sufficiency of risk mitigations.

5. Considered and provided comments on the material risks which concern industry competition, non-tariff trade barriers around environmental sustainability and fair and legal labor, post-merger integration, the fluctuation of tuna prices and the demand-supply trend, competitive innovation, inventory management, laws & regulations, the foreign exchange rate and international and local tax changes.

6. Considered and provided comments on the risk assessment and mitigation of emerging risks in 2017, which are information technology risks related to cyber threats and the Data Recovery Plan (DRP) to ensure business continuity, risks from the change of new U.S. administration policies, risks from a new Royal Decree on Managing the Work of Aliens B.E. 2560 (2017) and the risk of corporate reputation and the company monitoring system.

7. Oversaw risk assessment workshops of Thai Union Group at corporate level and entity level and eight subsidiaries, which were 1. Thai Union Manufacturing Co., Ltd; 2. Songkla Canning PCL; 3. Thai Union Feedmill Co., Ltd; 4. Thai Union Seafood Co., Ltd; 5. Pakfood Public Co., Ltd; 6. Thai Union EU Seafood 1 S.A.; 7. Tri-Union Seafoods, LLC; 8. Tri-Union Frozen Products, Inc.

8. Communicated and shared with the Audit Committee information and management decisions on risks.



Mr. Kirati Assakul
Chairman of the Risk Management Committee



RISK MANAGEMENT AND RISK FACTORS

The company considers effective risk management to be integral to our business operations. We encourage employees to have a positive attitude to risk and to understand the risks that are inherent in our business. As well as having the right tools and processes, effective risk taking requires the right culture and behaviors across our businesses. Our risk management culture and processes meet world-class standards. This was demonstrated in 2017 when Thai Union Group was listed to the Dow Jones Sustainability Index (DJSI) for Emerging Markets for the fourth year in a row and, under the topic of Risk and Crisis Management, scored a record breaking 98 out of 100 points.

RISK MANAGEMENT CULTURE

The company demonstrates the desire to embed risk culture through all levels of the business. Starting from the company's leadership, the Board of Directors (BoD) promotes and enforces that consistent and effective risk management becomes part of the organizational culture. The policy, framework, guidelines and structure on risk management demonstrate formal communication. Risk management is embedded in our business decisions, with no compromise even if it presents higher costs or more operational challenges. The concrete actions can be seen in our sustainability commitment, Business Ethics and Labor Code of Conduct, and internal control effectiveness.

In addition to leadership, employees are encouraged to have a positive attitude towards proper risk management from their first day with the company. This is consistently reinforced throughout their time with the organization, such as through the new joiner program, risk management training, activities and internal news updates. They are also motivated towards proper risk management through incentives, for example, the company's recognition program and performance evaluation.

RISK MANAGEMENT FRAMEWORK

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 framework is designed to identify, assess, manage, monitor and communicate systematically and consistently in order to minimize their probability and potential impact to company business.

Thai Union Group processes risk management by self-assessment, plus a dual approach. A top-down self-assessment workshop is performed at Group level once a year, plus monitoring and reporting the risk status to the management, Risk Management Committee and Board of Directors every quarter. For all material risks, the company will identify Group risk owners who have in-depth knowledge and the business experience to monitor the risks, identify mitigation controls, report the status of the risks and mitigation plans to management and the Risk Management Committee. A bottom-up self-assessment occurs in parallel at every level at our subsidiaries. Materiality risks will be managed by subsidiary-level risk owners. However, if the risk level is high and could impact at a Group level, or if Group-level intervention is required, the responsibility for mitigating actions will generally be determined by the Group-level executive. This promotes risk culture at all levels but also provides a channel to raise business risks to the Group level.

RISK APPETITE

Risk appetite is an important factor to consider when Thai Union Group sets strategies and determines the direction of risk management. It is set with regard to

financial and reputation impact together with risk likelihood. Risks are defined in four risk levels: High, Medium-High, Medium-Low, and Low. High and Medium-High are considered to exceed the risk appetite and require the immediate development of additional mitigation plans.

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 the non-tariff trade barrier risks.

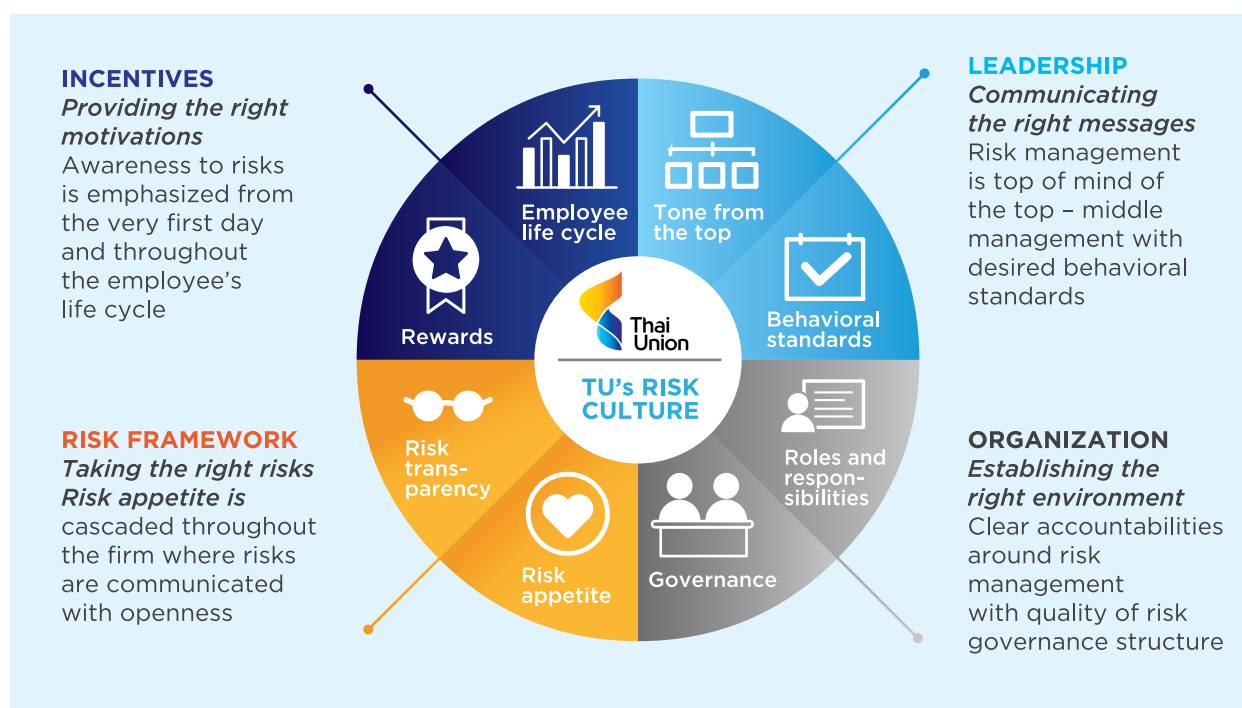
RISK MANAGEMENT ORGANIZATION

Risk management structure, roles and responsibilities are clearly established. The Board of Directors (BoD) has overall responsibility to ensure risk management is appropriately and effectively implemented. The Risk Management Committee oversees risk management implementation, holds regular meetings and regularly reports the company's significant risks, mitigations and improvements to the BoD. 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 processes according to guidance. Management and employees are responsible for managing risks in their areas of responsibility.

The company also established the Group Treasury Committee to oversee financial risk management. In addition, the Group's policies covering foreign exchange risk, interest rate risk, commodity price risk, credit risk, liquidity risk, capital management and good governance practices are available for operational references. The framework parameters and the acceptable risks are used as the key communication and control tools for management and the Treasury team globally.










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 and effectively throughout the organization



RISK FACTORS

Thai Union Group is a global seafood processing company and its operating and financial results are subject to a variety of risks inherent in the seafood industry. The company can prepare for many of the risks to mitigate any impact and/or minimize likelihood, however many of them are not within our control and could materially impact the company's operations, financial position or reputation.

The table below summarizes the major risk factors in 2017, which are similar to 2016. The symbols represent management's assessment of how these risks are expected to develop compared with the previous year.

RISK FACTOR	RESIDUAL RISK LEVEL	CHANGE (COMPARED WITH 2016)
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



Risk has been assessed to decrease



STRATEGIC RISK



RISK



MANAGEMENT

FISH AND SEAFOOD COMPETITIVE LANDSCAPE

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.

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 U.S., where processed seafood consumption was stagnant during 2016-2017. In terms of product segment, Thai Union has faced high competition in the shrimp market from India and the tuna market from Ecuador. Producers from those two markets have the advantage of low import duties in the U.S. and EU respectively.

This has compelled Thai Union to adapt to these changes and build differentiated capabilities to create a competitive advantage and mitigate the risk


Being in a competitive environment, Thai Union has shown flexibility in our strategy to align with the changing industry landscape.

To achieve organic growth, we have gradually diversified our product segments by establishing a Marine Ingredients business unit to commercialize high value-added by-products. We have also expanded to other geographies by establishing an Emerging Markets unit that drives branded sales in Asia-Pacific and Middle East country markets, the fastest growing regions. In addition, we set up a Food Service unit to expand our sales channel direct to customers.

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. For the purpose of differentiation, we strongly believe in brand building, sustainability and innovation. This is where we invest most.

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 non-tariff trade barriers are posed by:</p> <ul style="list-style-type: none"> • EU - Illegal, Unregulated and Unreported (IUU) fishing yellow card issued against a number of sourcing countries including Thailand, Vietnam and Taiwan • U.S. - Trafficking in Persons (TIPs) report and State Department ratings for Human Trafficking and Forced Labor as well as the implementation of the U.S. Trade Facilitation and Enforcement Act and U.S. Seafood Import Monitoring Program and other legislation that imposes a trade barrier to imports. 	<p>As a global seafood leader, we have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. We have fully embraced our role as a leader for positive change and put sustainability at the heart of our business.</p> <p>In 2017, we continued to implement SeaChange®, our global sustainability strategy. This strategy 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. This also includes 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 key issues such as labor and sourcing.</p> <p>We engaged directly with regulators, civil society and with customers in Europe and U.S. on our sustainability position and our future direction.</p> <p>Key global achievements in 2017 included:</p> <ul style="list-style-type: none"> • Named to the Dow Jones Sustainability Index Emerging Markets for the fourth year in a row. • Named to the FTSE4Good Emerging Index for the second consecutive year. • Rolled out a stringent Business and Ethics Labor Code of Conduct, Vessel Code of Conduct and Vessel Improvement Program to our suppliers—upholding labor and human rights in the supply chain. • Committed to responsibly source our branded tuna from fisheries that are either Marine Stewardship Council (MSC) certified, or engaged in Fishery Improvement Projects (FIPs) to move them towards MSC certification. We will aim to achieve a minimum of 75% by the end of 2020. • Committed to invest USD 90 million in initiatives to increase the supply of sustainable tuna, including 11 new FIPs. • SEAL Business Sustainability Awards for Organizational Impact 2017 Winner • Asia Corporate Excellence & Sustainability Awards Top CSR Advocates Winner • Stock Exchange of Thailand 2017 Outstanding Sustainability Award • Stock Exchange of Thailand 2017 Thailand Sustainability Investment Index

STRATEGIC RISK	
 RISK	 MANAGEMENT
POST-MERGER INTEGRATION RISKS	
<p>We have 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 globe, 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>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. Our PMI tracking system is ongoing for two years after the change of control to ensure that value is captured and synergies are realized for all acquisitions. Our management perspective is to assess PMI risks in the early stages during the due diligence process with precise risk mitigation schemes and KPI dashboards being clearly defined.</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 our seafood product and manufacturing process, 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.</p> <p>In 2014, the company established the Global Innovation Incubator (Gii), a world-class research and development facility, and in 2017 the company had more than 100 scientists who were purely dedicated to research, developing new ideas, company had more than 100 scientists who are purely dedicated to research, develop new ideas, deploy unconventional investigation of seafood to:</p> <ul style="list-style-type: none"> 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. <p>In 2017, two key projects were successfully developed and launched to the market: patented sliceable tuna that are now available in the U.S. market and tuna sausage for consumers in Thailand and one key project is on developing: highly refined tuna oil with Omega 3 DHA.</p> <p>The company targets innovation contributing 10 percent of Thai Union's total sales, projected to reach USD 8 billion in 2020.</p>

OPERATIONAL RISK



RISK



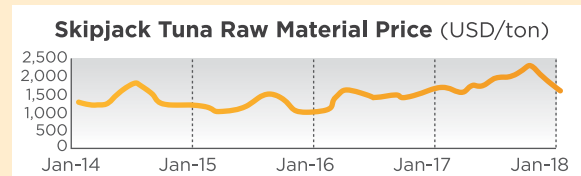
MANAGEMENT

RAW MATERIAL PRICE RISK

TUNA

Global tuna prices approached their highest level in five years, with further increases anticipated. However, the biggest concern is supply, not price. Tuna supplies are at their most critical level since 2012 due to poor catching conditions and the lack of supply in the Eastern Pacific and Indian Ocean, while further aggravated by the fish aggregating device (FAD) closure in the Western Pacific Ocean.

In 2018, it is likely that supply will be slightly better due to more normal ocean temperatures and some better signs of catching in the Western Pacific. Prices are likely to remain at the higher end of the five-year average.

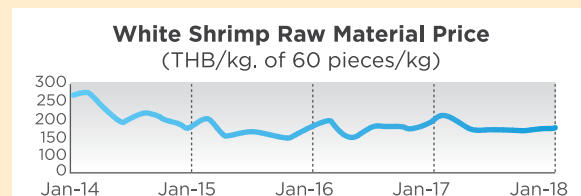


SHRIMP

Thai Union's frozen shrimp processing facilities in Thailand primarily procure raw materials from local sources, while our U.S. based frozen seafood unit (Tri-Union Frozen Products, Inc.) has a highly-diversified supply base given the nature of its trading operations.

In 2017, Thai farm shrimp raw material supply was estimated at 280,000 – 300,000 tons, far from its peak of 550,000 tons in 2012, as a result of the long-term impact of the Early Mortality Syndrome (EMS) in 2013.

Thai shrimp raw material prices followed a lower trend, becoming slightly more competitive in the market, compared with its peers in India, Indonesia, Vietnam and Ecuador. However, there were still risks that could impact raw material prices in the Thai operations including supply disruption, demand and supply imbalance, a change in import regulations by buyer countries and price competition from other exporting countries, while our U.S. based frozen seafood unit price risks related to the supply and demand situation in major producing countries.



TUNA

In response to every changing environment and prices in the tuna raw material market, Thai Union created a Global Procurement Team. For the first time in Thai Union's history there is now a centralized function globally, with a team of leading industry experts. Leveraging our great depth of knowledge, expertise and scale to mitigate the challenges faced in our business today, this move allows for increased communication and transparency throughout the supply chain.



SHRIMP

Our Thai operations managed the raw material price risks closely through the timely procurement of raw materials based on our understanding of the seasonal pattern of the cultivation and harvest cycle, and our view of the local farming situation through our feed unit, which has good connections with farmers. We also locked in long term orders with major customers with the option of partial shipments over an extended period of time.



OPERATIONAL RISK



RISK



MANAGEMENT

RAW MATERIAL PRICE RISK

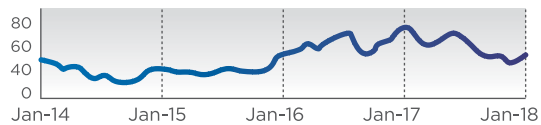
SALMON

Salmon raw material prices for our European chilled business continued to fluctuate.

In Norway, after nine months of very high RM prices in 2017, they dropped dramatically in the last three months of the year. Prices in 2018 are forecast between 51 and 55 NOK per kg.

In Scotland, the situation is different, with higher prices at the end of 2017 due to an imbalance between supply and demand. Price in 2018 are forecasted to be in high level



Salmon Raw Material Price (NOK/kg)

**SALMON**

With conditions difficult to anticipate, for farmers and processors, the first key challenge will be to resist customer pressure and limit as much as possible any decrease in prices while preserving volumes.

The second challenge will be to adapt contract coverage to benefit from low spot prices.



OPERATIONAL RISK	
 RISK	 MANAGEMENT
INVENTORY MANAGEMENT	
<p>Managing a company's inventory is an important element for Thai Union Group. In 2017, the company's inventory value was 43,360 million baht, which accounts for 30 percent of its total assets. Such a sizeable inventory is a challenge to manage, as it is stored in our entities 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.</p> <p>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.</p>	<p>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.</p> <p>The company continues the Global Inventory Management Assurance Project for three consecutive years to ensure that inventory management under each entity follows the corporate standard operating procedure (SOP) of physical stock taking which was released in 2016. The objective was to improve physical inventory management to reduce losses from fraud, damage, and to improve the quality of the inventory process.</p> <p>Additional achievements in 2017 including the company implementing the bar code scanning system for cold storage at Samut Sakorn province to expedite stock movements with real time transaction records to the Enterprise resource planning (ERP) software.</p>

LEGAL & COMPLIANCE RISK



RISK



MANAGEMENT

OVERSEAS LAWS AND REGULATIONS

Our business is subject to a wide variety of laws and regulations across all the countries. we do business, including laws and regulations around intellectual property, product liability, marketing, antitrust, trade competition, privacy, environmental, employment, anti-bribery or anti-corruption and other matters.



Rapidly changing laws, regulations and related interpretations, as well as increased enforcement actions, create challenges for our compliance and may alter the environment in which we do business. If we are unable to continue to meet these challenges and comply with all laws, regulations and related interpretations, it could negatively impact our reputation and our business results. Failure to successfully manage regulatory and legal matters and resolve such matters without significant liability or damage to our reputation may materially adversely impact our operations and financial position.

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 which includes the new Thai Trade Competition Act, effective on 5 October 2017. The company also regularly updates supervisory authorities about new laws and regulations, and keeps them informed about the Group's operations and to ensure compliance with laws and regulations.

The company has a 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.

Regarding the U.S. Department of Justice in relation to an antitrust investigation of Tri-Union Seafoods LLC (Tri-Union), a subsidiary of Thai Union Group, in 2017, the investigation is still ongoing. Positively, in September Tri-Union received conditional leniency with respect to the Investigation under the DOJ's Corporate Leniency Program. Tri-Union's conditional leniency status means that neither Tri-Union nor any cooperating executives or employees within the scope of the Investigation will face criminal fines, jail time or prosecution.

FINANCIAL RISK	
 RISK	 MANAGEMENT
INTERNATIONAL AND LOCAL TAX CHANGES	
<p>Thai Union Group operates and has trade activities in a number of countries, making tax management especially difficult.</p> <p>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. 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.</p> <p>The 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. U.S. tax reform and new tax regulations in many European countries released in 2017 had a significant impact on Group tax management. However, these should be considered as manageable compliance issues.</p> <p>In 2018, it is reasonable to foresee that new tax regulations will be released in many jurisdictions. 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 2017, the company has prepared all relevant tax documents in order to comply with new tax requirements in many jurisdictions and chose Thai Union EU Seafood1, a holding company for European investment, as a surrogate company to file Country-by-Country Reports which were prepared based on the OECD's recommendation to the tax authorities as required by local laws in many jurisdictions. Moreover, the company is working to implement standard global policies accepted by international standards to apply across the Group.</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 Reports) will be prepared and updated annually to ensure compliance with the new requirements.</p> <p>Related to U.S. tax reform, the tax department is working closely with U.S. tax advisors to assess the impact and ensure compliance with the new rules.</p>

FINANCIAL RISK



RISK



MANAGEMENT

EXCHANGE RATE

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.

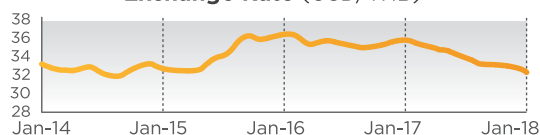
The largest exposures are denominated in USD, EUR, GBP, and JPY according to our sales distribution by markets.

In 2017, there were significant uncertainties from Brexit, France's presidential election, North Korea missile tests, and U.S. administration policies.

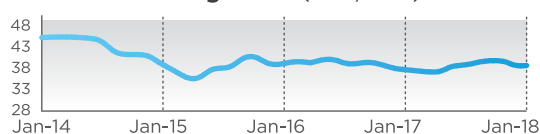
The Brexit led to currency fluctuations for the GBP against the EUR and USD and impacted John West's import costs and product pricing as well as translation effects.

The fiscal and monetary policies as well as the foreign policies of the U.S. administration had a significant impact on foreign exchange and led to a weakening of the USD against all other key currencies that the company has businesses in ie. EUR, JPY, GBP and THB.

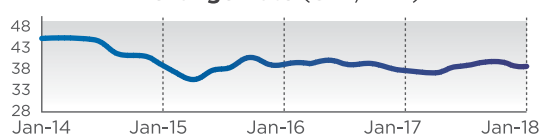
Exchange Rate (USD/THB)



Exchange Rate (EUR/THB)



Exchange Rate (GBP/THB)



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:

1. Natural hedge. The company matches the exporting revenue from product sales mostly in USD, to the main imported raw material, which is tuna, and other expenses.
2. Entering into derivative financial instruments. The company's financial risk management and treasury policy objective is to manage all financial risks including currency risk and interest risk. Execution of derivative financial instruments is mainly 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 into 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 two main categories:

- 1.2.1 For OEM business - hedging percentage is set at 60-100 percent
- 1.2.2 For Branded business - hedging percentage is set at 50-100 percent

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

FINANCIAL RISK	
 RISK	 MANAGEMENT
EXCHANGE RATE	
	<p>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.</p> <p>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.</p> <p>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.</p>



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

2017 continued to be challenging for Thai Union with key raw material prices rising significantly. Despite an unfavorable external environment, the company managed to report a record performance both in terms of revenue and net income.

Thai Union posted record high sales of THB 136.5 billion and exceeded, in terms of US dollar, the revenue mark of USD 4.0 billion for the first time. Sales growth was 1.6 percent from the previous year in Thai baht terms, and 3.9 percent in US dollar terms. The underlying sales growth was driven by both volume expansion as well as price adjustments to reflect rising raw material prices during the year.

Thai Union recorded a 2017 net profit of THB 6.0 billion, growing 14.6% from the net profit during 2016. While the company faced a challenging raw material price environment, the weak operation was offset by stringent cost control, prudent foreign exchange and tax management, and an increased income contribution from our investment in Red Lobster.

Thai Union's free cash flow during 2017 operations was positive thanks to strong EBITDA generation and tight control on capital expenditure. The company's interest-bearing debt rose to THB 67.3 billion while keeping net debt to equity stable at 1.38 times at the end of 2017.

The ambient seafood business saw gross profits decline during 2017 mostly from unanticipated rising tuna raw material cost which could largely not be passed to customers and which put pressure on our branded tuna business margins. On the other hand, the frozen, chilled and related seafood business managed to improve its gross profits from growing sales volumes during 2017. We continue our strong growth focus on PetCare and value-added items, as seen in the segment's revenue growth

amidst unfavorable of raw material prices which led to price pressure and some margin compression.

The ambient seafood business remained the largest sales contributor of Thai Union with 45 percent of 2017 total sales. The ambient seafood revenue growth was driven mainly by product price adjustment to reflect rising tuna raw material cost. Frozen, chilled seafood and related business accounted for 42 percent of the total sales. The segment's sales growth came from volume growth during the year primarily from increased domestic and export revenue in our Thailand base shrimp operations and the acquisition of Canadian-based lobster supplier Chez Nous during 2017.

During 2017, the U.S. market remained the company's largest market with a contribution of 38 percent to the revenue. Thai Union's European business has contributed 32 percent of total sales. Thailand domestic sales accounted for 10%, the sales contribution improving from 8 percent a year earlier. Besides the product repricing to reflect high raw material prices, growth in Thailand came from new product launches such as the frozen seafood brand Qfresh and our new shrimp snack Monori. Other important markets were Japan at 6 percent, while markets such as Africa and the rest of Asia made up the remaining 15 percent of Thai Union's sales. Especially our strategic initiatives in the Emerging Markets and China are showing first signs of being future growth drivers.

The following are key factors that contributed to the company's 2017 performance:

- 1. Tuna raw material price increased 31% from 2016** In 2017, the average tuna raw material price was USD 1,860 per ton, up 31 percent from the 2016 average price. The increased tuna raw material prices 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 15.5 percent during 2017, down from 17.0 percent a year earlier.

2. Salmon price stabilized during 2017

In 2017, the average salmon raw material price was at NOK 61 per kilogram, down 3.7 percent from the 2016 average price. Overall, the salmon raw material prices became more stable with reducing effects from salmon farming disruptions during 2016. As a result, Thai Union's European salmon operation has been gross margin positive throughout the year.

3. Focus on value-added shrimp production and export

During 2017, Thailand's shrimp production remain stable from 2016 level with the country's total output at approximately 300,000 tons, due to the prolonged raining and flooding in some aquaculture areas. The 2017 average Thailand shrimp price (60 pieces per kilogram) slightly increased 3.0 percent from the 2016 level to THB 183 per kilogram due to general inflation. However, Thai Union has continued to focus its emphasis on producing value-added product, resulting in improved profitability for shrimp product exported from Thailand.

4. Strategic investment in Red Lobster contributed to net profit growth

In 2016, Thai Union made a USD 575 million strategic investment in Red Lobster, the world's largest seafood restaurant chain. During 2017, the investment has added net contribution of THB 760 million to the company's net profits, mostly from the interest income from the convertible preferred units and tax credit as a result of the investment. The operational performance of Red Lobster has been below expectations and the standalone business has not been net income positive.

Red Lobster is the world's largest seafood restaurant company with annual revenue of USD 2.5 billion and operates over 750 stores globally through own-operation and franchisee.

5. Currency fluctuation

Thai Union has approximately 90 percent of sales occurring in foreign currencies, mostly in USD, Euro and to some degree in GBP. Despite currency volatility with the Thai Baht appreciating significantly against the USD, the company managed to grow revenue in Thai Baht term. Through a prudent currency hedging management, the company capitalized on the Thai Baht appreciation, which resulted in significant foreign exchange gains of THB 1,256 million during the year. The majority of these foreign exchange gains are derived from derivative contracts to de-risk our trade activities, under Thai GAAP, these gains are reported under currency gains and losses.

6. Prudent SG&A expense management

Given the difficult external environment during 2017, Thai Union focused on internal cost efficiency, active cost control and various cost efficiency initiatives implemented during the year. As a result, our 2017 SG&A expense increased only 2.3 percent year-over-year. This resulted in SG&A to sales ratio of 9.8 percent, which is stable from a year ago and below the company's SG&A to sales ratio target of 10 percent. Included in this are one-time restructuring charges associated with delayering our European headquarter organization, one-time expenses from relocating our San Diego office to Los Angeles to form a combined regional office as well as cost related to the reduction of manufacturing labor in Ghana.

7. Balance sheet leverage remains above our target range

Despite our abstinence in acquisitions, the 2017 net debt-to-equity slightly increased to 1.38 times compared to the 1.37 times at the end of 2016. The marginal increase was attributed to the increase in inventories as a result of high raw material prices as well as strategic inventory build ups at the end of the year. Overall, the ratio is still well below our debt covenant threshold of 2.0 times. Net debt was higher at THB 67.3 billion, from THB 65.9 billion in 2016.

AMBIENT SEAFOOD BUSINESS

The ambient seafood business recorded sales of THB 61,145 million, up 0.1 percent from THB 61,077 million a year ago.

While the average selling price improved 3.2 percent as the company repriced its products to reflect high tuna raw material price during the year, the volume sales declined 3.0 percent compared to 2016 to 364,721 tons. Gross profit margin of ambient seafood declined to 15.5 percent from 17.0 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 30.5 percent to USD 1,860 per metric ton from USD 1,425 per metric tons a year ago. While repricing of our tuna products supported the average selling price, part of the volume sales had been compromised during 2017, which resulted in a marginal sales growth during the year. Ongoing product price negotiation should help alleviate the impact of the high raw material price and support margin recovery into 2018.

FROZEN, CHILLED SEAFOOD AND RELATED BUSINESSES

Frozen, chilled seafood and related business recorded sales of THB 57,315 million, up 2.7 percent from THB 55,832 million a year ago, thanks to increased sales volume. 2017 sales volume increased 3.8 percent to 248,255 tons. The sales growth was driven by the acquisition of Chez Nous in Canada into our Lobster business during 2016 as well as improved seafood exports from Thailand.

Shrimp price was relatively stable from a year ago, with 2017 shrimp price (60 piece per kilogram) average at THB 183 per kilogram marginally increased by 2.6 percent from 2016 average price. The gross profit margin slightly declined to 9.2 percent from 9.4 percent a year ago. Salmon prices became more stable during 2017 with average salmon price at NOK 60.8 per kilogram, down 3.7% from 2016 average salmon price. As a result from price stability and continued product price adjustment, Thai Union's European salmon business profitability improved during 2017.

FINANCING AND INVESTMENT

During 2017, we have carried out a few important financing and investment activities as followed:

1. Thai Union secured THB 24.5 billion long-term financing for Red Lobster

Deal TU has issued the biggest-ever bond amounted to THB 12,000 million, which attracted strong support from institutional investors, and were oversubscribed 2.6 times. The tenors were 3, 5, 7 and 10 years with coupon rate ranging from 2.49% to 3.94% p.a. TU also secured THB 12,500mn in long-terms loans with Bangkok Bank PCL, Bank of Ayudhya PCL, and Siam Commercial Bank PCL were Lead Managers. In total, TU secured THB 24,500mn to secure long-term financing for our Red Lobster investment

2. Thai Union increased the shareholding in subsidiaries, Pakfood Public Company Limited (PPC) and Yueh Chyang Canned Food Company Limited (YCC)

Thai Union acquired additional shares in subsidiaries, Pakfood Public Company Limited (PPC) and Yueh Chyang Canned Food Company Limited (YCC). The company increased shares in PPC from 77.44 percent to 99.74 percent in September 2017; and shares in YCC from 82.93 percent to 99.55 percent in November 2017. The increase in shareholding of subsidiaries targets at enhancing collaboration, synergy among the company's subsidiaries, as well as allow the company to fully capitalize on the subsidiaries' operational performance.

FUTURE PROSPECT AND ACTION PLAN

In 2018, we expect a year of continued sales growth driven by three main sources: 1) organic expansion of our existing business through growing volume sales and product repricing, 2) growth in our new business divisions Emerging Markets, Foodservice and Marine Ingredients through product and process innovation and further venturing into new markets, and 3) improve business collaboration with the company's affiliates and subsidiaries. Together, they will drive our sales and support the company's strategic target to reach USD 8.0 billion by 2020 as a sum of all its consolidated businesses and strategic investments.

On the back of continued sales growth expectation into 2018, Thai Union expects its profit margin to improve in 2018 due to 1) a continued business turnaround for the European salmon business, 2) tuna business product repricing, 3) turnaround in

our North American Lobster business and 4) introduction of new innovative products. Aside from the growth in our business operations and margin expansion, the company will continue to focus on prudent cost control on all levels of the organization.

Thai Union continues to prioritize the following five key areas of operation into 2018:

1. Operational excellence

- Continue to negotiate and reprice our products to reflect actual costs
- Focus on cost productivity in plants and SG&A functions and achieve improved profitability and efficiency of existing operation

2. M&A / Post Merger Integration

- Red Lobster continues to support business growth, net income contribution and international expansion
- Improve business integration and collaboration globally
- Maintain conservative on new M&A with focus on smaller deal sizes rather than large acquisitions

3. New Businesses

- Further penetrate into Emerging Markets and utilize the company's global brand presence more effectively with focus on South East Asia, China and Middle East / Africa
- Full commercial launch of our Marine Ingredients business to utilize the company's co-product at higher value

4. Innovation

- Expand our Global Innovation Incubator (Gii) to cover our PetCare and Frozen Shrimp business and re-align Gii efforts around packaging technology, process innovation, by products valorization and the continued re-invention of the tuna category
- Successful commercialization of Gii projects, both on new products and processes initiatives

5. Sustainability

- Expand our 'SeaChange' and Tuna Commitment sustainability programs to address our commitment towards plastic packaging as well as our support to the global ghost gear initiative
- 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, construction and improvements on buildings as well as investments into our SAP based enterprise system. Due to the continual expansion of our existing business, the general financial health should improve further as positive cash flows increase.

Our dividend policy to pay at least 50 percent of our net profits, remains unchanged. We plan to continue our practice to pay a half yearly interim dividend.

Thanks to our prudent management and positive cash flow profile despite difficult environment, we have managed to report record profits and an increased dividend payment to THB 0.66 per share for operating year 2017, up from THB 0.63 per share in 2016. Thai Union has consistently paid dividend every year since the company's listing on the Stock Exchange of Thailand in 1994.

COMPARATIVE FINANCIAL RATIOS

Ratios	2015	2016	2017
1. Liquidity Ratios			
• Current Ratio (Times)	1.47	1.01	1.71
• Quick Ratio (Times)	0.48	0.29	0.47
2. Leverage Ratios			
• Gearing Ratio (Times)	1.29	2.00	2.03
• Debt to Equity (Times)*	0.81	1.39	1.40
• Net Debt to Equity (Times)*	0.75	1.37	1.38
• Times Interest Earned (Times)	5.55	5.27	4.02
3. Efficiency Activity Ratios			
• Total Assets Turnover (Times)	1.11	1.06	0.95
• Inventory Turnover (Times)	2.91	3.06	2.85
• Account Receivable Turnover (Times)	8.09	8.83	9.48
• Account Payable Turnover (Times)	11.66	10.77	9.43
• Inventory Days (Days)	124	118	126
• Account Receivable Days (Days)	44	41	38
• Account Payable Days (Days)	31	33	38
4. Profitability Ratios			
• Gross Profit Margin (%)	15.6	14.8	13.3
• EBITDA margin (%)	9.2	8.4	8.3
• Net Profit Margin (%)	4.2	3.9	4.4
• Return on Average Equity (%)	11.9	11.8	13.7
• Return on Assets (%)**	7.8	6.5	6.0
• Return on Capital Employed (%)	12.0	10.6	8.9
5. Per Share Data			
• Earning Per Share (Thai Baht)	1.11	1.10	1.26
• Dividend Per Share (Thai Baht)	0.63	0.63	0.66
• Book Value Per Share (Thai Baht)	9.60	9.06	9.32

*Debt = Interest bearing debt only

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

FINANCIAL ANALYSIS

AN OVERVIEW

2017 was the 8th consecutive year of record sales for Thai Union and the record net profits at THB 6.0 billion. Despite the business operation facing the challenge of rising tuna raw material prices, the company managed to deliver annual revenue that surpassed USD 4.0 billion for the first time.

The average tuna raw material prices increased 30.5 percent compared to the previous year to USD 1,860 per ton during 2017. Average shrimp and salmon prices were relatively stable from 2016 average price level. While Thai Union managed to pass on some price increase to customers through product repricing, the rapid rising tuna raw material price situation has put pressure on the company's overall profitability.

2017 domestic shrimp production remain stable from 2016 level with the country's total output at approximately 300,000 tons, due to the prolonged raining and flooding in some aquaculture areas. Our shrimp & related business continued to grow in term of revenue and volume sales, thanks to increased domestic shrimp exports, more focus on higher margin value-added products.

While the high raw material prices put pressures on the operating performance of the company, the stringent cost control, increased income contribution from the strategic investment in Red Lobster, and prudent foreign currency and tax management supported the record net profits of THB 6.0 billion, an increase of 14.6% compared to 2016 net profits.

SALES

2017 sales set another record at THB 136.5 billion (+1.6 percent year-over-year), surpassing USD 4.0 billion mark (+3.9 percent year-over-year), where the growth was driven by both product repricing from high raw material situation as well as organic sales volume growth through new market penetration.

The ambient seafood sales contribution was at 44.8 percent during 2017, down from 45.5 percent in the previous year, as the segment sales was stable from the previous year. The 2017 frozen, chilled seafood and

related business sales contribution improved to 42.0 percent, up from 41.5 percent in 2016, due to an increase in domestic shrimp exports and salmon product repricing. PetCare, value-added and others business segments contributed the remaining 13.2 percent of total sales (13.0 percent in 2016).

The U.S. market remains Thai Union's largest market with sales contribution of 38 percent of total sales, down from 39 percent during 2016, mainly due to the US dollar depreciated 6.9 percent against Thai Baht during 2017. Sales contribution from the European markets was at 32 percent (from 33 percent during 2016). Thai market sales contribution improved to 10 percent, up from 8 percent, due to improved sales volume and new product launches. While Japan market's contribution remained at 6 percent, unchanged from the previous year.

2017 branded sales mix slightly increase to 42% (up from 41% during 2016) leaving the private label sales contributing the remaining 58% of 2017 sales (from 59 percent during 2016). While declined in sales contribution, the private label sales continued to show growth rate of 1.0 percent compared to 2016. Contribution from sales to the Foodservice channel stayed at 12%, half in branded and half in private label.

GROSS PROFIT

2017 gross profit was at THB 18.1 billion, a decline of 9.0 percent year-over-year. The gross margin declined to 13.3 percent from 14.8 percent in 2016, driven mainly by a rise in tuna raw material prices.

The ambient seafood business showed a gross margin contraction to 15.5 percent (from 17.0 percent in 2016). 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 situation become more normalized and 2017 salmon price stable from 2016 average price level, the frozen, chilled seafood and related business gross margin was relatively stable at 9.2 percent (from 9.4 percent in 2016). The gross margin of PetCare, value-added and others business was lower year-over-year, mainly due to the high tuna raw material price and some cost reclassification.

SELLING AND ADMINISTRATIVE EXPENSE (SG&A)

2017 SG&A expenses increased by 2.3 percent year-over-year to THB 13.4 billion. Due to the continued stringent cost control, the 2017 SG&A to sales ratio was at 9.8 percent, stable from 2016 level. Thai Union managed to prudently control cost below the company's target cost ratio of 10 percent.

OPERATING PROFIT

2017 operating profit was THB 4,711 million, down from THB 6,804 million during 2016, mainly due to rising tuna raw material prices. While the SG&A cost ratio has partly offset the impact of the declining gross margin, the 2017 operating profit margin still declined 161bps year-over-year to 3.5 percent.

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

2017 other incomes increased by 89 percent year-over-year to THB 2.6 billion, mainly due to the Interest income from the investment in Red Lobster that contributed to the company's other incomes for the entire 2017 as well as strong earnings in our associated company Avanti Feeds Ltd., India.

FX GAIN/LOSS

2017 FX gain was at THB 1,256 million, up from a gain of THB 84 million in 2016. The increase in FX gains was due mainly to the significant Thai Baht appreciation of 6.9 percent against US dollar. While the Thai Baht appreciation was a challenge to Thai Union export business profitability, a prudent foreign exchange management partly support the net profit growth during 2017. Majority of the FX gains are a result of risk mitigating hedging activities for our operational trade business which is reported as FX gains under TFRS.

FINANCE COST

2017 finance cost was at THB 2,141mn, materially rose by 36.2% YoY (from THB 1,572mn during 2016). The rise was primarily driven by annualized increased debt to fund the investment into Red Lobster (acquisition was closed in October 2016). Interest-bearing debts as at end of 2017 amounted to THB 67,297mn, versus THB 65,918mn as at end of 2016. In addition, effective interest cost for 2017 was 3.21%, from 2.99% during 2016.

CORPORATE INCOME TAX

2017 income tax credit was at THB 98mn, from the tax payment of THB 583mn. The tax credit was contributable to lower-than-normal income tax expense in 2017 which primarily came from tax benefits derived from the investment into Red Lobster, new income tax regulations in France, tax effects from United States tax rate adjustment as well as the decrease in deferred tax liabilities as a result of tax rate reduction in France. Moreover, the loss-making European salmon business still provided some tax credit for the company.

NET PROFIT

2017 net profit was at THB 6,021mn, increased by 14.6% from THB 5,254mn in 2016. The increase was mainly driven by beneficial income taxes, an increase in other income contributed from Red Lobster and Avanti investments, FX gain and a stringent SG&A expenses control. Net profit margin was at 4.4 percent, up from 3.9 percent a year earlier.

ASSETS

Total assets in 2017 amounted to THB 146.3 billion, representing an increase of THB 3.9 billion from THB 142.4 billion in 2016.

- Net trade receivables were THB 16.3 billion, down 0.4 percent or THB 68 million from THB 16.4 billion in 2016, in contrast of the growing consolidated sales. Accounts receivable turnover improved to 9.48 times from 8.83 times in 2016, due to a lower average accounts receivables and continued sales growth supported by selected factoring programs. 2016 accounts receivable days declined to 38 days from 41 days in 2016.
- Net inventories increased by 9.4 percent to THB 43.4 billion from THB 39.6 billion a year ago due mainly to a higher tuna raw material price and strategic inventory buildup. As a result, 2017 inventory days increased to 126 days from 118 days a year ago.
- Asset turnover rate decreased to 0.95 times in 2017 from 1.06 times in 2016 due to a higher growth rate of total assets, mainly from the strategic investment in Red Lobster, made during late 2016. Moreover, the investments did not contribute to the consolidated sales due to the nature of investment holdings.

- Current ratio improved year-over-year at 1.71 times in 2017 from 1.01 times in 2016. Similarly, the quick ratio improved to 0.47 time from 0.29 times. The improvement of both ratios was mainly due to the short-term bridge loans were refinanced into a long-term debt instrument during 1Q17, thus significantly reduced current liabilities.
- Property plant and equipment totaled THB 25.3 billion, increased from THB 23.3 billion in 2016 partly due to the capital expenditure for both organic growth, new businesses and our IT infrastructure.

LIABILITIES

Total liabilities in 2017 amounted to THB 98.0 billion, representing an increase of THB 3.1 billion from THB 64.9 billion in 2016.

- Trade payables were THB 19.8 billion, up 13.7 percent from THB 17.4 billion in 2016. 2016 trade payables days increased to 38 days from 33 days in 2016, thanks to better management of trade terms with suppliers as well as focus on supply chain finance programs to improve overall payables. The accounts payable turnover rate improved to 9.4 times compared with 10.8 times a year ago.
- Bank overdrafts and short-term loans decreased by 59 percent to THB 15.4 billion from THB 37.0 billion in 2016 due to the debt refinancing from short-term bridge loan to long-term debt instruments in early 2017.
- Long term loans increased by 99 percent to THB 51.0 billion from THB 25.6 billion as the company refinanced its short-term debt to long-term debt instruments during 2017.
- Interest-bearing debts were THB 67.3 billion, up 2.1 percent from THB 65.9 billion a year ago. The proportion of long term debts (including the current portion) was at 77 percent of the total interesting bearing debts, due mainly to the short-term bridge loan refinancing during the year.

SHAREHOLDERS' EQUITY

- Equity attributable to shareholders of the Company in 2017 amounted to THB 44.5 billion, representing an increase of THB

1.2 billion from THB 43.2 billion in 2016 due mainly to the company continue to record net profits during the year.

- Total liabilities to equity ratio in 2017 marginally increased to 2.03 times, from 2.00 times in 2016 mainly due to an increase in working capital requirement to fund increased inventory level as a result from rising raw material price.
- With an absence of significant M&A activities during 2017, the company's net debt-to-equity ratio remain at 1.38 times at end-2017, stable from 1.37 times a year ago. This ratio is still well below the debt covenant threshold of 2.0 times, but is higher than our long term target range of 1 to 1.2 times. Net debt was at THB 67.3 billion, from THB 65.9 billion in 2016.
- Return on average capital employed in 2017 was at 8.9 percent, down from 10.6 percent in 2016, mainly due to an increase in debt funding for the Red Lobster investments. The return on average equity in 2017 increased to 13.7 percent from 11.8 percent in 2016 thanks to record net profit during the year

CASH FLOWS

In 2017, net cash receipts from operating activities were THB 6,817 million. Positive cash flow was driven mostly by profitable operation (EBITDA: THB 11,366 million) during the year despite a challenging operational outlook. A continued rise in tuna raw material prices resulted in higher inventory value and a negative net working capital of THB 2,471 million during 2017.

Net cash payments for investing activities were THB 2.4 billion (from THB 29.4 billion during 2016) due to normal capital expenditure activities and a lack of M&A investment activity during the year.

Thai Union recorded net cash payment for financing activities of THB 4,551 million, due to the debt repayment as well as dividend payment during the year.

Net decrease in cash and cash equivalents, including an exchange loss on cash and cash equivalent were THB 158mn resulting with the end-2017 cash and cash equivalent balance of THB 815mn (excluding impact from the use of Bank Overdraft)



SHAREHOLDING STRUCTURE AND MANAGEMENT

TOP 10 SHAREHOLDERS AS OF 29 DECEMBER 2017, THE SHARE REGISTER BOOK CLOSING DATE, ARE AS FOLLOWS:

SHAREHOLDERS	NUMBER OF SHARES	% SHAREHOLDING
1. CHANSIRI FAMILY	999,524,692	20.95
2. THAI NVDR CO., LTD.	354,453,383	7.43
3. MITSUBISHI CORPORATION	347,745,120	7.29
4. NIRUTTINANON FAMILY	326,704,352	6.85
5. SOCIAL SECURITY OFFICE	295,076,308	6.18
6. BUALUANG LONG-TERM	122,621,600	2.57
7. UBS AG SINGAPORE BRANCH	113,700,000	2.38
8. STATE STREET EUROPE LIMITED	109,161,088	2.29
10. BOONMECHOTE FAMILY	90,027,980	1.89
11. BUALUANG LONG-TERM 75/25	71,090,200	1.49

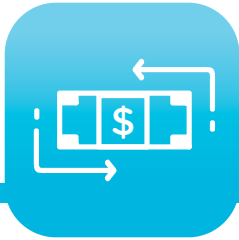
SHAREHOLDING STRUCTURE

	JURISTIC PERSONS			PRIVATE INDIVIDUALS			TOTAL		
NATIONALITY	No. of Persons	No. of Shares	%	No. of Persons	No. of Shares	%	No. of Persons	No. of Shares	%
THAI	501	1,533,312,225	53.63	14,061	1,732,892,279	90.60	14,562	3,266,204,504	68.45
FOREIGN	176	1,325,900,601	46.37	47	179,710,391	9.40	223	1,505,610,992	31.55
TOTAL	677	2,859,212,826	59.92	14,108	1,912,602,670	40.08	14,785	4,771,815,496	100.00

Remark: As of 29 December 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.

COMPARISON OF SHARES HELD BY THE BOARD INCLUDING THOSE OF THEIR SPOUSES AND CHILDREN UNDER LEGAL AGE BETWEEN 30 DECEMBER 2016 AND 29 DECEMBER 2017

BOARD OF DIRECTORS	POSITION	AS OF 30 DECEMBER 2016	AS OF 29 DECEMBER 2017
Mr. Kraisorn Chansiri	Chairman	231,134,720 4.84%	231,134,720 4.84%
Mr. Cheng Niruttinanon	Executive Chairman	265,762,276 5.57%	265,059,216 5.55%
Mr. Chuan Tangchansiri	Executive Director	38,668,000 0.81%	38,668,000 0.81%
Mr. Thiraphong Chansiri	President & CEO	493,855,472 10.35%	529,785,212 11.10%
Mr. Rittirong Boonmechote	President - Global Frozen and Related Unit	63,442,980 1.33%	63,442,980 1.33%
Mr. Kiyotaka Kikuchi	Director	- -	- -
Mr. Ravinder Singh Grewal Sarbjit S	Director	- -	- -
Mr. Chan Shue Chung	Executive Director	12,295,272 0.26%	12,295,272 0.26%
Mr. Sakdi Kiewkarnkha	Independent Director	- -	- -
Dr. Thamnoon Ananthothai	Independent Director	- -	- -
Mr. Kirati Assakul	Independent Director	53,248 0.00%	103,248 0.00%
Mr. Nart Liuchareon	Independent Director	- -	- -



CONNECTED TRANSACTIONS

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	NO. OF SHARES OWNED IN CONNECTED COMPANY		PRICE POLICY	CONNECTED TRANSACTIONS IN YEAR 2017
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 (Scrap) from TU, PPC and TUS • Purchase of example goods (Fish pouch) from TUM • Purchase of finished goods from THD • Payment for service to BZD • Sale of raw materials (Shrimp+Fish) and Shrimp bucket to TU Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for Headquarter Services to TU • Purchase of wheat flour from SC Asset or Service Transactions: <ul style="list-style-type: none"> • Payment for firefighter training to TU Short-term Rent of Immovable Property Transactions: <ul style="list-style-type: none"> • Payment for lease of land to TU for experimental farm. The rental agreement is effective for 3 years. Finance Support transactions: <ul style="list-style-type: none"> • Receive for interest of short-term loans from TU (There are no outstanding loan)
	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 <ol style="list-style-type: none"> 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 TU, TUS and PPC

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	NO. OF SHARES OWNED IN CONNECTED COMPANY		PRICE POLICY	CONNECTED TRANSACTIONS IN YEAR 2017
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 and PPC • Purchase of raw materials and finished goods from TU • Payment for printing to TUG • Purchase of finished goods from THD • Sale of finished goods to COSF, TU, PPC, TUC and TUO • Sale of raw materials (Scrap) to TFM • Sale of raw materials (Example) to SC Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for Headquarter Services to TU • Payment for export management service charge to TUM • Payment for warehousing and transportation charge to COSF • Payment for shipping and packing cost to TU • Payment for transport and storage charge to PPC • Payment for ingredients and ice to SC Asset or Service Transactions: <ul style="list-style-type: none"> • Payment for boiler heater to 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 PPC and THD • Sale of raw materials (Imported Surimi) to TU • Sale of raw materials (PF Topping) to TUM • Sale of finished goods to PPC • Sale of finished goods (raw material for pet food) to SC • Sale of finished goods to TUO Supporting Commercial Transactions: <ul style="list-style-type: none"> • Payment for packing service charge to PPC • Payment for warehousing charge to TU • Receive for transportation and cold storage charge from PPC • Receive for transportation charge from TU Asset or Service Transactions: <ul style="list-style-type: none"> • Payment for LAB service charge to TUM

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	NO. OF SHARES OWNED IN CONNECTED COMPANY		PRICE POLICY	CONNECTED TRANSACTIONS IN YEAR 2017
4. Chansiri Real Estate Co., Ltd.	Mr. Thiraphong Chansiri	Director	19,680,000	32.8%	Compare to neighboring areas	Short-term Rent of Immovable Property Transactions: <ul style="list-style-type: none"> TU, TUM, SC and TUO paid the rent and service charge 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 the Chansiri Real Estate Co., Ltd., a real estate developer. The rental agreement is effective for 3 years.
	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 and TUM Sale of raw materials to TFM 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 Transaction: <ul style="list-style-type: none"> TU paid the rent, service charges, utility charges and expenses on utilities for the office and plant area including machinery, equipment and 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 rental agreement is effective for 3 years.
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	Director	100,000	31.3%	Market Price	Supporting Commercial Transactions: <ul style="list-style-type: none"> Receive for Haulage charge from TU, TUM, SC and APC <p>Under the 2011 AGM resolution passed on April 25, 2011, related to the expense transactions per year not exceeding THB 100 million.</p>
	Mr. Kraisorn Chansiri	Director	59,200	18.5%		
	Ms. Jintana Niruttinanon (Mr. Cheng's wife)	Relative of Director	36,800	11.5%		
	Mr. Chuan Tangchansiri	Director	20,000	6.3%		
	Mr. Thiraphong Chansiri	Director	20,000	6.3%		
	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	20,000	6.3%		

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	NO. OF SHARES OWNED IN CONNECTED COMPANY		PRICE POLICY	CONNECTED TRANSACTIONS IN YEAR 2017
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, conveyor belts and production tools from TUM Receive for advance payment asset 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 April 25, 2011 related to the expense transactions per year not exceeding THB 150 million</p>
10. 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 TU and TUM Supporting commercial transactions: <ul style="list-style-type: none"> Payment for marketing service charge to TUM Asset or Service Transactions: <ul style="list-style-type: none"> Payment for LAB service charge to TU Short-term of Immovable Property Transaction: <ul style="list-style-type: none"> Payment for office rent and utilities service charge to TUM Finance Support transactions: <ul style="list-style-type: none"> Interest received from TUM
11. 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
12. Factory Storage Service Co., Ltd.	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	300,000	60.0%	Compare to neighboring areas	Short-term of Immovable Property Transaction: <ul style="list-style-type: none"> 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 labeling. The rental agreement is effective for 1 year.

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	NO. OF SHARES OWNED IN CONNECTED COMPANY		PRICE POLICY	CONNECTED TRANSACTIONS IN YEAR 2017
13. 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- 14,300	- 0.0%	Market Price	Commercial Transactions: • Purchase of finished goods from TU and PPC
14. Phil-Union Frozen Foods, INC.	Mr. Cheng Niruttinanon	Director	149,996	100.0%	Market Price	Commercial Transactions: • Purchase of packaging from APC • Sale of finished goods to COSF Supporting commercial transactions: • Purchase of film for packaging from PPC
15. New Century Printing and Packaging Co., Ltd.	Mr. Cheng Niruttinanon	Director	25,000	55.6%	Market Price	Commercial Transactions: • Sale of packaging to SC
16. 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
17. 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 fish feed and fingerling from TFM

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 August 20, 2008.
- For item 8, 10-11, 13 and 17, Mr. Kraisorn Chansiri, Mr. Cheng Niruttinanon, Mr. Chuan Tangchansiri, and Mr. Thiraphong Chansiri are TU directors with share ownership in the connected company less than 10 percent of its registered capital but also hold director titles in the said connected company.

In addition, the Company and 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 commission only partially from total amount of the paid premium.





REFERENCES

COMMON SHARE REGISTRAR

Thailand Securities Depository Co., Ltd.

14th Floor, The Stock Exchange of Thailand,
93 Ratchadapisek Road, Dindaeng,
Bangkok 10400
Tel: 66(0) 2009-9000
Fax: 66(0) 2009-9992

DEBENTURES REGISTRAR

2011 Debentures, 1-3 series: Kasikorn Bank PCL.
2014 Debentures, 1st batch, 1-4 series: Kasikorn Bank PCL.
2014 Debentures, 2nd batch, 1-2 series: TMB Bank PCL.
2016 Debentures, 1st batch, Bank of Ayudhya PCL.
2016 Debentures, 2nd batch, 1-3 series: Bank of Ayudhya PCL.
2017 Debentures, 1st batch, 1-4 series: Bank of Ayudhya PCL.

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



REMUNERATION FOR THE COMPANY'S INDEPENDENT AUDITOR 2017 (THAILAND ONLY)

Audit Fee

- The Company and subsidiaries paid an audit fee to the auditing firm where independent auditors are attached to, and where individuals or entities are related to the independent auditors and the auditing firm during 2017 fiscal year total 13 companies at THB 14,730,100.

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, and where individuals or entities are related to the independent auditors and auditing firm during 2017 fiscal year for the amount totalling 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, and where individuals or entities are related to the independent auditors and auditing firm during 2017 fiscal year for the amount totalling THB 1,170,000.
- Audit fee for special purpose and tax advisor during 2017 at THB 8,461,442.



STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

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 2017. The financial statements present 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 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

WHAT I HAVE AUDITED

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then end; and

- the notes to the consolidated and separate financial statements, which include 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</p>	<p>My audit procedures included,</p> <ul style="list-style-type: none"> • assessing the appropriateness of management's identification of the Group's CGUs. • involving a valuation expert to assist me in evaluating the assumptions and methodologies

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.

I focused on this area because the complexity of the assessment process and significant judgments and 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 2017, the Group had goodwill of THB 16,771 million and intangible assets of THB 14,080 million on the statement of financial position, representing approximately 11.48% and 9.64% of total assets, as detailed in Note 14 and Note 16, respectively. The Group has not recognized any impairment loss on these assets.

DISCLOSURE OF FAIR VALUE OF DERIVATIVE CONTRACTS

The Group and the Company use a number of derivative contracts to hedge against currency risk associated with ordinary business activities, as detailed in Note 38. Fair value of these financial instruments are disclosed in the notes to financial statements (Note 3.3).

The Group and the Company have a large volume of business transactions denominated in foreign currencies. As even minor changes in foreign exchange rates may have a material effect on the operation results. The Group and the Company have policies and procedures in place to monitor fluctuation of exchange rate, including relevant market data, to manage the foreign currency risk.

I focused on this area because of significant balances of derivative contracts. According to TFRS 13, Fair Value Measurement, the fair value estimation of derivative contract agreements is defined as level 2 inputs, which are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, that are likely to be quoted assets or liabilities for similar items in active markets. Additionally, adjustments may be needed to level 2 inputs for fair value assessment of derivative contracts.

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.

- challenging management and assessing 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.
- assessing and testing 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.
- analyzing 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.
- evaluating 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.

My audit procedures included,

- assessing the appropriateness of authorization of derivative contracts transactions and reviewing the accounting treatment of the various hedging transactions based on the Group and the Company's accounting policy;
- understanding the Group and the Company's internal control with regard to derivative contracts, including the internal activities to monitor compliance with the hedging policy;
- independent reviewing the measurement of fair value of derivative contracts disclosed in the notes to financial statements based on market data as a

KEY AUDIT MATTER	HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>As at 31 December 2017, the Group had derivative contracts receivables and payable of THB 2,592 million and THB 643 million, respectively, on the statement of financial position. Fair value of these derivative contracts receivables and payable disclosed in the notes to financial statements (Note 3.3) are THB 1,982 million and THB 1,859 million, respectively.</p>	<p>benchmark and assessing the reason for variance against the financial institutions' valuation result, and</p> <ul style="list-style-type: none"> obtaining the confirmations from financial institutions to assess the completeness of the outstanding derivative contracts. <p>Based on the procedures I performed, I found that the fair value of these derivative contracts were properly and adequately disclosed in the notes to financial statements.</p>

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 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 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.

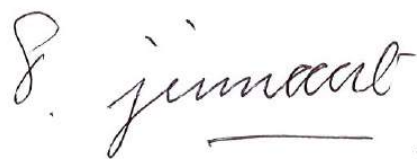
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of 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
20 February 2018

Thai Union Group Public Company Limited
Statement of Financial Position
As at 31 December 2017

		Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents	7	814,911	976,122	141,193	13,404
Short-term investments		63,560	-	-	-
Trade and other receivables, net	8, 35	16,343,842	16,412,244	4,249,503	3,962,669
Short-term loans to related parties	35	69,870	-	7,452,933	7,331,581
Inventories, net	9	43,359,928	39,626,191	5,390,770	4,769,795
Current portion of derivative contracts receivables		725,121	854,832	437,389	543,351
Other current assets	10	1,335,393	1,176,674	149,555	173,439
Assets of disposal group classified as held-for-sale	11	33,941	1,032,461	-	-
Total current assets		62,746,566	60,078,524	17,821,343	16,794,239
Non-current assets					
Restricted deposits with financial institutions		1,467	1,417	-	-
Investments in subsidiaries	12	-	-	29,337,930	27,851,936
Investments in associates	12	10,336,972	10,492,318	835,293	835,293
Investments in joint ventures	12	530,803	626,463	-	-
Other long-term investments	15	1,012,105	2,655,007	988,528	2,627,527
Long-term loans to related parties, net	35	11,274,911	12,361,592	37,872,816	40,263,658
Long-term loans to third parties, net		3,677	10,448	-	-
Property, plant and equipment, net	13	25,261,479	23,280,566	4,474,157	4,254,411
Intangible assets, net	14	16,771,420	15,935,933	1,177,318	513,554
Goodwill, net	16	14,080,065	13,646,643	-	-
Derivative contracts receivables, net		1,866,384	1,713,481	1,866,383	1,713,482
Deferred tax assets	17	1,079,837	704,258	19,809	17,709
Other non-current assets	18	1,301,879	858,813	326,224	415,963
Total non-current assets		83,520,999	82,286,939	76,898,458	78,493,533
Total assets		146,267,565	142,365,463	94,719,801	95,287,772

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 2017

		Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	15,245,774	36,905,656	5,240,280	28,638,929
Trade and other payables	20, 35	19,822,673	17,428,944	4,386,016	3,512,941
Short-term loans from related parties	35	119,300	77,000	693,499	923,957
Current portion of long-term loans from					
financial institutions, net	21	849,286	764,733	797,144	701,910
Current portion of debentures, net	22	-	2,499,835	-	2,499,835
Current portion of finance lease liabilities, net	23	47,257	82,308	7,278	12,241
Income tax payable		15,972	291,838	-	-
Current portion of derivative contracts payables		324,322	596,375	86,209	169,595
Other current liabilities		207,975	506,045	71,179	83,722
Liabilities of disposal group classified as held-for-sale	11	24,927	89,119	-	-
Total current liabilities		36,657,486	59,241,853	11,281,605	36,543,130
Non-current liabilities					
Long-term loans from financial institutions, net	21	14,711,748	963,325	14,073,831	840,941
Debentures, net	22	36,168,880	24,417,199	36,168,880	24,417,199
Finance lease liabilities, net	23	154,785	208,439	12,802	20,080
Employee benefit obligations	25	2,356,189	1,916,304	707,644	455,667
Deferred tax liabilities	17	4,592,177	4,499,820	-	-
Derivative contracts payables, net		318,356	1,037,913	318,356	1,037,913
Other non-current liabilities	24	3,080,802	2,644,674	660,329	453,216
Total non-current liabilities		61,382,937	35,687,674	51,941,842	27,225,016
Total liabilities		98,040,423	94,929,527	63,223,447	63,768,146

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 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity (continued)					
Equity					
Share capital	26				
Authorised share capital					
5,971,815,496 ordinary shares at					
a par value of Baht 0.25 per share		1,492,954	1,492,954	1,492,954	1,492,954
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
Premium on share capital		19,948,329	19,948,329	19,948,329	19,948,329
Retained earnings					
Appropriated - legal reserve	28	149,295	149,295	149,295	149,295
Unappropriated		29,220,745	26,528,035	10,239,445	10,275,437
Other components of equity		(6,051,921)	(4,575,938)	(33,669)	(46,389)
Equity attributable to owners of the parent		44,459,402	43,242,675	31,496,354	31,519,626
Non-controlling interests		3,767,740	4,193,261	-	-
Total equity		48,227,142	47,435,936	31,496,354	31,519,626
Total liabilities and equity		146,267,565	142,365,463	94,719,801	95,287,772

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 2017

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2017 Thousand Baht	31 December 2016 Thousand Baht	31 December 2017 Thousand Baht	31 December 2016 Thousand Baht
Sales	29, 35	136,535,157	134,375,112	22,411,609	20,737,423
Cost of sales	35	(118,394,553)	(114,448,218)	(20,308,103)	(18,771,118)
Gross profit		18,140,604	19,926,894	2,103,506	1,966,305
Gain on exchange rates		1,256,138	84,346	803,384	414,174
Interest income	35	1,053,045	359,543	1,722,555	1,246,735
Dividend income	35	31,408	10,327	2,198,089	3,117,994
Other income	30, 35	1,097,104	887,477	412,337	398,212
Profit before expenses		21,578,299	21,268,587	7,239,871	7,143,420
Selling expenses		(6,488,545)	(6,627,385)	(770,052)	(677,579)
Administrative expenses		(6,940,585)	(6,494,247)	(1,599,190)	(1,232,514)
Other expenses		(2)	(54,960)	(4,150)	(750,715)
Operating profit		8,149,167	8,091,995	4,866,479	4,482,612
Finance costs	31	(2,140,793)	(1,571,668)	(1,726,945)	(1,127,317)
Profit before share of profit of investments in associates and joint ventures		6,008,374	6,520,327	3,139,534	3,355,295
Share of profit of investments in associates and joint ventures	12	456,329	194,305	-	-
Profit before income tax		6,464,703	6,714,632	3,139,534	3,355,295
Income tax	33	98,934	(582,529)	(9,087)	8,701
Profit for the year from continuing operations		6,563,637	6,132,103	3,130,447	3,363,996
Loss for the year from discontinued operation	11	(71,409)	(271,953)	-	-
Profit for the year		6,492,228	5,860,150	3,130,447	3,363,996
Profit attributable to:					
Owners of the parent					
From continuing operations		6,092,146	5,526,385	3,130,447	3,363,996
From discontinued operation		(71,409)	(271,953)	-	-
		6,020,737	5,254,432	3,130,447	3,363,996
Non-controlling interests		471,491	605,718	-	-
Profit for the year		6,492,228	5,860,150	3,130,447	3,363,996
Earnings per share for profit attributable to the owners of the parent					
Earnings per share (Baht)	34				
Basic earnings per share					
From continuing operations		1.28	1.16	0.66	0.70
From discontinued operation		(0.02)	(0.06)	-	-
Total basic earnings per share		1.26	1.10	0.66	0.70

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 2017

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the year	6,492,228	5,860,150	3,130,447	3,363,996
Other comprehensive income (expenses):				
Items that will not be reclassified subsequently to profit or loss				
- Actuarial gain (loss), net of income tax	(330,084)	20,025	(160,195)	-
- Increase (Decrease) in other reserves	(270,172)	56,443	-	-
Total items that will not be reclassified subsequently to profit or loss	(600,256)	76,468	(160,195)	-
Items that will be reclassified subsequently to profit or loss				
- Exchange differences on translation, net of income tax	(779,492)	(923,709)	-	-
- Change in fair value of available-for-sale investments, net of income tax	178,705	(46,770)	178,693	(46,389)
- Reclassification from disposal of available-for-sale investments, net of income tax	(165,973)	-	(165,973)	-
Total items that will be reclassified subsequently to profit or loss	(766,760)	(970,479)	12,720	(46,389)
Other comprehensive income (expenses) for the year, net of income tax	(1,367,016)	(894,011)	(147,475)	(46,389)
Total comprehensive income for the year	5,125,212	4,966,139	2,982,972	3,317,607
Total comprehensive income attributable to:				
Owners of the parent	4,664,011	4,429,049	2,982,972	3,317,607
Non-controlling interests	461,201	537,090	-	-
Total comprehensive income for the year	5,125,212	4,966,139	2,982,972	3,317,607

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 2017

Separate financial statements							
Note	Retained earnings		Other components of equity			Total equity Thousand Baht	
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Appropriated - Legal reserve Thousand Baht	Unappropriated Thousand Baht	Changes in value of		Total other components of equity Thousand Baht
					available-for-sale investments Thousand Baht		
Opening balance as at 1 January 2016							
	1,192,954	19,948,329	149,295	9,917,685	-	-	31,208,263
Dividend payment	-	-	-	(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							
	1,192,954	19,948,329	149,295	10,275,437	(46,389)	(46,389)	31,519,626
Opening balance as at 1 January 2017							
Dividend payment	1,192,954	19,948,329	149,295	10,275,437	(46,389)	(46,389)	31,519,626
Total comprehensive income for the year	-	-	-	(3,006,244)	-	-	(3,006,244)
	-	-	-	2,970,252	12,720	12,720	2,982,972
Closing balance as at 31 December 2017							
	1,192,954	19,948,329	149,295	10,239,445	(33,669)	(33,669)	31,496,354

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

		Consolidated financial information		Separate financial information	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Profit before income tax					
From continuing operations		6,464,703	6,714,632	3,139,534	3,355,295
From discontinued operation	11.5	(71,411)	(271,943)	-	-
Total		6,393,292	6,442,689	3,139,534	3,355,295
Adjustment items	36	4,144,045	4,642,512	(1,324,318)	(2,099,872)
Changes in operating assets and liabilities	36	(2,862,024)	(1,608,720)	165,411	(614,263)
Income tax paid	36	(857,544)	(1,706,592)	(12,221)	39,624
Net cash receipts from operating activities		6,817,769	7,769,889	1,968,406	680,784
Cash flows from investing activities					
Decrease (Increase) in restricted deposits with financial institutions		(50)	8,481	-	-
Net cash payment for short-term investments		(63,560)	-	-	-
Proceeds from disposals of assets of disposal group classified as held-for-sale		768,186	-	-	-
Purchases of property, plant and equipment		(4,940,699)	(3,737,433)	(580,022)	(503,233)
Purchases of intangible assets		(730,331)	(383,652)	(695,640)	(320,076)
Proceeds from disposals of property, plant and equipment and intangible assets		166,012	188,157	18,853	13,156
Cash payment for business combinations, net of cash acquired	12	-	(1,932,307)	-	-
Cash payment for investments in subsidiaries		-	-	(1,506,694)	(18,246,920)
Cash payment for investments in associates	12	(26,947)	(8,787,895)	-	(679,719)
Cash payment for investments in joint ventures	12	(93,270)	(137,700)	-	-
Cash payment for other long-term investments		(932)	(2,674,164)	(500)	(2,673,918)
Proceeds from sale of investments in joint ventures		-	36,657	-	-
Proceeds from sale of other long-term investments		1,822,546	10,828	1,818,192	-
Proceeds from reduced share capital of subsidiary		-	-	-	8,232,585
Net cash receipts from (payments for) short-term loans to related parties and third parties		(69,870)	31,850	(763,950)	(4,550,184)
Cash receipts from long-term loans to related parties and third parties	35	6,552	9,539	1,649,270	14,230,572
Cash payments from long-term loans to related parties and third parties	35	-	(12,174,947)	(109,710)	(34,043,181)
Interest received		568,147	8,310	1,482,663	894,251
Dividend received		169,902	134,490	2,198,089	3,117,994
Net cash receipts (payments) from investing activities		(2,424,314)	(29,399,786)	3,510,551	(34,528,673)

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 2017

	Notes	Consolidated financial information		Separate financial information	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from financing activities					
Net cash receipts from (payments for) short-term loans from financial institutions		(21,587,856)	17,424,297	(23,407,687)	24,969,047
Net cash receipts from (payments for) short-term loans from related parties		42,300	16,100	(227,585)	1,307,423
Cash receipts from long-term loans from financial institutions	21	14,885,593	14,883	14,269,000	-
Repayments for long-term loans from financial institutions	21	(781,114)	(1,567,209)	(671,200)	(1,334,800)
Deferred financial costs paid	21	(83,429)	-	(83,429)	-
Cash receipts from debenture issuance	22	12,000,000	12,642,843	12,000,000	12,642,843
Repayments for debenture issuance	22	(2,500,000)	(1,950,000)	(2,500,000)	(1,950,000)
Debenture issuance costs paid	22	(22,144)	(20,554)	(22,144)	(20,554)
Interest paid and other finance costs paid		(2,076,514)	(1,268,247)	(1,689,530)	(827,397)
Cash paid for finance lease liabilities		(96,977)	(64,515)	(12,241)	(14,958)
Cash paid for non-controlling interests from change in investment in subsidiary	12	(932,752)	(2,050,013)	-	-
Receipts from non-controlling interests for additional share capital in a subsidiary	12	-	89,428	-	-
Dividends paid to the owners of the parent		(3,006,355)	(2,982,062)	(3,006,355)	(3,002,479)
Dividends paid to non-controlling interests		(392,387)	(483,656)	-	-
Net cash receipts (payments) for financing activities		(4,551,635)	19,801,295	(5,351,171)	31,769,125
Net increase (decrease) in cash and cash equivalents		(158,180)	(1,828,602)	127,786	(2,078,764)
Cash and cash equivalents - opening balance	7	730,859	2,590,306	13,404	2,092,174
Exchange gain (loss) on cash and cash equivalents		(84)	(30,845)	3	(6)
Cash and cash equivalents - closing balance	7	572,595	730,859	141,193	13,404
Non-cash items					
Payable balances from purchase of property, plant and equipment (included in trade and other payables)	20	558,815	392,992	149,241	114,664
Acquisition of property, plant and equipment under finance lease contracts		7,056	60,867	-	29,522
Increase in investment in a subsidiary by converting loan receivables to investment	12.1	-	-	503,117	-

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 2017

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 Tarsrai, Amphur Muang, Samutsakorn. The Company has 13 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 and chilled 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 20 February 2018.

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 and separate financial statements are disclosed in Note 4.

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.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.2 Revised financial reporting standards and interpretations (continued)

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017:

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 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 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 asset is not appropriate 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.

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 (revised 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. 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 change is 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 applied by the investment entity associate or joint venture, or to unwind the fair value measurement and perform a consolidation at the level of the investment entity associate or joint venture.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (continued)

2.2 Revised financial reporting standards and interpretations (continued)

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017:
(continued)

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. This standard has no impact to the Group.

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 do not have significant impact to the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 and the Group has not yet early adopted these revised standards

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. These include changes arising from cash and non-cash transactions.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

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

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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 except business combination under common control. 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 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 loss 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 has been disclosed in Note 12.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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, it shall cease to consolidate its subsidiaries. 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 their 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 has been disclosed in Note 12.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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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.

In the separate financial statements, investments in joint ventures 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 joint ventures has been disclosed in Note 12.

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.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (continued)

2.4 Foreign currency translation (continued)

(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.

2.5 Cash and cash equivalents

In the statements of cash flows, 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 or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown in current liabilities.

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 costs, 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.

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For the year ended 31 December 2017

2 Accounting policies (continued)**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 recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

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.

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2 Accounting policies (continued)

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 assets' 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.

2.10 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 accumulated impairment losses. 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.

Thai Union Group Public Company Limited
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2 Accounting policies (continued)

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, not exceeding 10 years. During the year ended 31 December 2017, 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 - 20 years.

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.

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2 Accounting policies (continued)**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.

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.

2.14 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.

Thai Union Group Public Company Limited
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2 Accounting policies (continued)**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 substantially 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.

2.17 Employee benefits

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

A defined contribution plan or provident fund 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.

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2 Accounting policies (continued)

2.17 Employee benefits (continued)

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.

2.20 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 management service is recognised as revenue when the service is rendered. Revenue from rendering other 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.

Thai Union Group Public Company Limited
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2 Accounting policies (continued)**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.

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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.

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Notes to the Consolidated and Separate Financial Statements
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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 2017	Consolidated financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	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	Million Baht	Million Baht	(% p.a.)
Financial assets									
Cash and cash equivalents	-	-	-	181	-	-	634	815	0.01 - 2.50
Trade and other receivables	-	-	-	-	-	-	15,858	15,858	-
Restricted bank deposits	-	1	-	-	-	-	-	1	0.80
Long-term loans to related and third parties	-	-	11,275	-	-	-	4	11,279	8.00
	-	1	11,275	181	-	-	16,496	27,953	
Financial liabilities									
Bank overdrafts and short-term loans from financial institutions	11,823	-	-	3,194	-	-	229	15,246	0.60 - 4.25
Trade and other payables	-	-	-	-	-	-	18,268	18,268	-
Short-term loans from related parties	119	-	-	-	-	-	-	119	1.30 - 1.50
Long-term loans from financial institutions	43	14	371	797	14,320	-	16	15,561	1.15 - 5.75
Debentures	-	20,680	15,489	-	-	-	-	36,169	2.03 - 5.18
Finance lease liabilities	47	120	34	-	-	-	1	202	0.03 - 6.00
	12,032	20,814	15,894	3,991	14,320	-	18,514	85,565	
As at 31 December 2016	Consolidated financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	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	Million Baht	Million Baht	(% p.a.)
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
	66	-	12,365	181	1	-	16,563	29,176	
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
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
	16,791	15,381	9,291	23,538	877	-	15,575	81,453	

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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 2017	Separate financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	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	Million Baht	Million Baht	(% p.a.)
Financial assets									
Cash and cash equivalents	-	-	-	108	-	-	33	141	0.10 - 0.40
Trade and other receivables	435	-	-	31	-	-	3,695	4,161	1.30 - 6.16
Short-term loans to subsidiaries	94	-	-	7,359	-	-	-	7,453	1.30 - 2.55
Long-term loans to subsidiaries	-	21,179	-	-	13,104	3,590	-	37,873	2.32 - 6.16
	<u>529</u>	<u>21,179</u>	<u>-</u>	<u>7,498</u>	<u>13,104</u>	<u>3,590</u>	<u>3,728</u>	<u>49,628</u>	
Financial liabilities									
Bank overdrafts and short-term loans from financial institutions	4,152	-	-	1,088	-	-	-	5,240	0.60 - 1.97
Trade and other payables	-	-	-	-	-	-	4,350	4,350	-
Short-term loans from subsidiaries	38	-	-	653	-	-	2	693	0.25 - 1.50
Long-term loans from financial institutions	-	-	-	797	14,074	-	-	14,871	1.68 - 2.33
Debentures	-	20,680	15,489	-	-	-	-	36,169	2.03 - 5.18
Finance lease liabilities	7	13	-	-	-	-	-	20	2.12 - 2.81
	<u>4,197</u>	<u>20,693</u>	<u>15,489</u>	<u>2,538</u>	<u>14,074</u>	<u>-</u>	<u>4,352</u>	<u>61,343</u>	
As at 31 December 2016	Separate financial statements								
	Fixed interest rates			Floating interest rates			Non-interest bearing	Total	Interest rate
	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	Million Baht	Million Baht	(% p.a.)
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
	<u>314</u>	<u>24,078</u>	<u>-</u>	<u>7,264</u>	<u>12,715</u>	<u>3,471</u>	<u>3,599</u>	<u>51,441</u>	
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
	<u>11,985</u>	<u>15,203</u>	<u>9,234</u>	<u>20,775</u>	<u>841</u>	<u>-</u>	<u>3,499</u>	<u>61,537</u>	

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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. Unrealised gains or losses that result from the translation are recognised 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 amortised 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 38.

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3 Financial risk management (continued)

3.3 Fair value estimation

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2017 and 2016.

As at 31 December 2017	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	1,006,784	-	-	1,006,784
Equity instrument (Note 15)				
Assets for which fair value are disclosed				
Investment in associate (Note 12.2)	13,749,170	-	-	13,749,170
Derivatives				
Foreign currency forward contracts	-	854,011	-	854,011
Cross-currency and interest rate swap agreements	-	1,888,653	-	1,888,653
Interest rate swap agreements	-	20,615	-	20,615
Liabilities for which fair value are disclosed				
Debentures	-	37,443,940	-	37,443,940
Derivatives				
Foreign currency forward contracts	-	236,576	-	236,576
Option agreements	-	19,325	-	19,325
Cross-currency and interest rate swap agreements	-	530,698	-	530,698
Interest rate swap agreements	-	9,943	-	9,943
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 (Note 15)	2,650,641	-	-	2,650,641
Assets for which fair value are disclosed				
Investment in associate (Note 12.2)	2,772,861	-	-	2,772,861
Derivatives				
Foreign currency forward contracts	-	1,056,699	-	1,056,699
Option agreements	-	2,280	-	2,280
Cross-currency and interest rate swap agreements	-	1,011,668	-	1,011,668
Liabilities for which fair value are disclosed				
Debentures	-	27,346,473	-	27,346,473
Derivatives				
Foreign currency forward contracts	-	441,925	-	441,925
Option agreements	-	3	-	3
Cross-currency and interest rate swap agreements	-	684,065	-	684,065
Interest rate swap agreements	-	180,992	-	180,992

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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 2017 and 2016 (continued).

As at 31 December 2017	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 Equity instrument (Note 15)	987,028	-	-	987,028
Assets for which fair value are disclosed				
Investment in associate (Note 12.2)	13,749,170	-	-	13,749,170
Derivatives				
Foreign currency forward contracts	-	563,955	-	563,955
Cross-currency and interest rate swap agreements	-	1,888,653	-	1,888,653
Liabilities for which fair value are disclosed				
Debentures	-	37,443,940	-	37,443,940
Derivatives				
Foreign currency forward contracts	-	63,122	-	63,122
Option agreements	-	306	-	306
Cross-currency and interest rate swap agreements	-	530,698	-	530,698
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 Equity instrument (Note 15)	2,626,527	-	-	2,626,527
Assets for which fair value are disclosed				
Investment in associate (Note 12.2)	2,772,861	-	-	2,772,861
Derivatives				
Foreign currency forward contracts	-	807,526	-	807,526
Option agreements	-	1,155	-	1,155
Cross-currency and interest rate swap agreements	-	1,011,668	-	1,011,668
Liabilities for which fair value are disclosed				
Debentures	-	27,346,473	-	27,346,473
Derivatives				
Foreign currency forward contracts	-	132,285	-	132,285
Option agreements	-	3	-	3
Cross-currency and interest rate swap agreements	-	684,065	-	684,065

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3 Financial risk management (continued)

3.3 Fair value estimation (continued)

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.

(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.

(c) Financial instruments in level 3

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 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 and value-in-use calculations. These calculations require the use of estimates (Note 14 and 16).

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4 Critical accounting estimates and judgements**(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 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 25.

5 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.

6 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.

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6 Segment information (continued)

The following tables present revenue and gross profit information regarding the Group's operating segments for the year ended 31 December 2017 and 2016.

	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 2017						
External customers	62,341,316	56,119,296	18,074,545	136,535,157	-	136,535,157
Inter-segment	12,706,456	7,792,729	4,451,190	24,950,375	(24,950,375)	-
Total revenue	75,047,772	63,912,025	22,525,735	161,485,532	(24,950,375)	136,535,157
Results						
Segment gross profit	9,725,358	4,990,947	3,392,505	18,108,810	31,794	18,140,604
Selling and administrative expenses						(13,429,130)
Other expenses						(2)
Operating profit (not including other income)						4,711,472
Finance costs						(2,140,793)
Share of profits from investments in associates and joint ventures						456,329
Other income						3,437,695
Profit before income tax						6,464,703
Income tax						98,934
Profit for the year from continuing operations						6,563,637
Loss for the year from discontinued operation						(71,409)
Profit for the year						6,492,228

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6 Segment information (continued)

The following tables present revenue and gross profit information regarding the Group's operating segments for the year ended 31 December 2017 and 2016 (continued).

	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						(1,571,668)
Share of profits from investments in associates and joint ventures						194,305
Other income						1,341,693
Profit before income tax						6,714,632
Income tax						(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

Geographic information

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

For the year ended 31 December	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Revenue from external customers		
Thailand	13,009,900	11,088,194
The United States of America	51,696,214	53,009,905
Japan	8,457,831	8,544,810
European countries	43,185,051	43,722,243
Others	20,186,161	18,009,960
Total	136,535,157	134,375,112

Major customer

During the year ended 31 December 2017 and 2016, the Group had no customer with revenues of 10% or more of the Group's revenue.

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7 Cash and cash equivalents

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Cash on hand	6,160	6,443	971	887
Current and savings accounts	808,093	933,127	140,222	12,517
Fixed deposits due within 3 months	658	36,552	-	-
Total cash and cash equivalents	814,911	976,122	141,193	13,404
<u>Less</u> Bank overdrafts (Note 19)	(242,316)	(245,263)	-	-
Total cash and cash equivalents per statement of cash flows	572,595	730,859	141,193	13,404

The effective interest rate on fixed deposits due within 3 months was between 0.18% per annum and 0.80% per annum (2016: between 0.20% per annum and 0.80% per annum).

8 Trade and other receivables, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Trade receivables	14,354,063	15,231,996	3,405,912	3,417,501
<u>Less</u> Allowance for doubtful accounts	(356,605)	(433,857)	(106,741)	(30,237)
Trade receivables, net	13,997,458	14,798,139	3,299,171	3,387,264
Accrued interest income				
- related parties (Note 35)	656,590	225,256	466,796	233,514
Accrued interest income				
- third parties	146,986	-	146,986	-
Other receivables - related parties	10,325	53,905	56,104	116,992
Other receivables - third parties	637,413	439,130	72	-
Prepaid expenses	443,868	496,223	65,581	52,508
Tax coupons	41,846	89,312	22,852	78,196
Accrued income	83,385	75,334	74,323	16,670
Advance payments	325,971	234,945	117,618	77,525
Total trade and other receivables, net	16,343,842	16,412,244	4,249,503	3,962,669

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8 Trade and other receivables, net (continued)

Outstanding trade receivables can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
<u>Trade receivables - third parties</u>				
Not yet due	10,390,867	11,274,903	981,571	880,214
Up to 3 months	3,244,121	2,922,769	304,666	488,172
3-6 months	144,409	336,541	21,988	64,208
6-12 months	99,201	61,011	31,420	2,794
Over 12 months	264,613	418,399	31,125	27,576
	14,143,211	15,013,623	1,370,770	1,462,964
<u>Less</u> Allowance for doubtful accounts	(350,480)	(433,857)	(46,765)	(30,237)
	13,792,731	14,579,766	1,324,005	1,432,727
<u>Trade receivables - related parties</u> (Note 35)				
Not yet due	188,307	67,143	1,414,749	1,610,120
Up to 3 months	16,852	151,230	555,194	339,709
3-6 months	5,693	-	65,199	4,708
	210,852	218,373	2,035,142	1,954,537
<u>Less</u> Allowance for doubtful accounts	(6,125)	-	(59,976)	-
	204,727	218,373	1,975,166	1,954,537
Trade receivables, net	13,997,458	14,798,139	3,299,171	3,387,264

9 Inventories, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Finished goods, net	22,893,520	23,806,750	2,289,415	1,867,952
Work in process, net	382,168	320,393	-	-
Raw materials, net	12,070,020	9,633,381	2,011,870	1,979,711
Ingredients and packaging, net	1,887,915	1,534,831	118,174	146,802
Goods in transits	5,418,818	3,594,584	952,484	752,629
Spare parts and supplies, net	707,487	736,252	18,827	22,701
Total inventories, net	43,359,928	39,626,191	5,390,770	4,769,795

As at 31 December 2017, the Group and the Company provided allowance for net realisable value in the consolidated and separate financial statements in the amount of Baht 1,075.39 million and Baht 50.85 million, respectively (2016: Baht 901.59 million and Baht 57.43 million, respectively).

As at 31 December 2017, the Group have pledged certain inventories of Baht 577.60 million with the financial institutions to secure their credit facilities (2016: Baht 539.94 million) (Note 19).

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10 Other current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Prepaid income tax	571,342	277,519	72,246	67,611
Unamortised discount on derivative contracts	121,655	124,995	50,730	40,180
Value added tax refundable	491,762	522,852	26,458	31,135
Other current assets	150,634	251,308	121	34,513
Total other current assets	1,335,393	1,176,674	149,555	173,439

11 Non-current assets and liabilities 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 completed the divestiture of the fishing fleets on 2 August 2017.

The assets and liabilities classified as disposal group held-for-sale as at 31 December 2017 are mainly other assets and other liabilities.

Financial information relating to fishing fleet business operations for the year ended 31 December 2017 and 2016 is set out below.

11.1 Statement of cash flow for discontinued operation

The results of cash flows for the year ended 31 December 2017 and 2016 are as follow:

For the year ended 31 December	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Cash flows from operating activities	69,573	(265,007)
Cash flows from investing activities	676,830	211,667
Cash flows from financing activities	(4,307)	59,119
Net cash flow	742,096	5,779

11.2 Assets of disposal group classified as held-for-sale

As at 31 December	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Property, plant and equipment	-	931,910
Inventory	-	59,216
Others	33,941	41,335
Total assets of disposal group classified as held-for-sale	33,941	1,032,461

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11 Non-current assets and liabilities classified as held-for-sale and discontinued operation (continued)

11.3 Liabilities of disposal group classified as held-for-sale

As at 31 December	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Trade and other payable	24,927	73,658
Provision	-	14,745
Others	-	716
Total liabilities of disposal group classified as held-for-sale	24,927	89,119

In accordance with TFRS 5, as at 31 December 2017, the Group has provided allowance for impairment on the assets held-for-sale of Baht 64.38 million (2016: Baht 52.93 million). The fair value is measured based on expected sales price less cost to sell for the vessels and spare parts.

11.4 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	
	2017 Thousand Baht	2016 Thousand Baht
Exchange differences on translation	4,184	(866)

11.5 Cumulative income or expenses recognised in profit and loss relating to disposal group classified as held-for-sale

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	
	2017 Thousand Baht	2016 Thousand Baht
Sales	123,857	210,142
Gross profit	24,460	(213,315)
Selling and administrative expenses	(3,557)	(6,687)
Allowance for impairment	(15,581)	(52,934)
Operating profit (loss)	5,322	(272,936)
Finance costs	(3,812)	(672)
Other income (expenses)	(72,921)	1,665
Loss before income tax	(71,411)	(271,943)
Income tax	2	(10)
Loss after income tax	(71,409)	(271,953)

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12 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Subsidiaries	-	-	29,337,930	27,851,936
Associates	10,336,972	10,492,318	835,293	835,293
Joint ventures	530,803	626,463	-	-
Total investments in subsidiaries, associates and joint ventures	10,867,775	11,118,781	30,173,223	28,687,229

The amounts recognised in the statement of income are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Associates	629,930	287,396	-	-
Joint ventures	(173,601)	(93,091)	-	-
Total share of profit of investments in associates and joint ventures	456,329	194,305	-	-

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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
			Million	Million	%	%	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Thai Union Manufacturing Co., Ltd (TUM)	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	1,076,322	986,628
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	2,006,664	716,783	358,386
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	156,060	18,360
T-Holding Co., Ltd.	Distributor of food products	Thailand	Baht 70	Baht 70	90.00	90.00	10.00	10.00	-	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	130,050	107,100
(TFM)												
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 343.5	100.00	100.00	-	-	11,741,316	11,741,316	-	-
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Mauritius	EUR 0.5	EUR 0.5	100.00	100.00	-	-	20,046	20,046	-	1,308,989
Pakfood Plc.	Manufacturer and distributor of frozen foods & aquatic animal products	Thailand	Baht 330	Baht 330	99.74	77.44	0.26	22.56	2,111,932	1,331,470	-	255,542
Seafood International One FZCO	Distributor of food products	United Arab Emirates	AED 0.1	AED 0.1	60.00	60.00	40.00	40.00	575	575	-	-
Thai Union China Co., Ltd.	Distributor of food products	China	USD 8	USD 8	100.00	100.00	-	-	259,547	36,433	-	-
Thai Union Online Shop Co., Ltd.	E-Commerce	Thailand	Baht 1	Baht 1	100.00	100.00	-	-	1,000	1,000	-	-
Thai Union European Seafood I S.A. (TUESI)	Holding company	Luxembourg	EUR 212	EUR 212	100.00	100.00	-	-	10,008,108	9,504,991	-	-
Thai Union Asia Investment Holding Limited	Holding company	Hong Kong	-	-	100.00	-	-	-	-	-	-	-
Total									29,337,930	27,851,936	2,079,215	3,035,005

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 Investments in subsidiaries (continued)

The movements of investments in subsidiaries during the year are as follows:

For the year ended 31 December	Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Opening net book value	27,851,936	18,562,950
Additions, net	1,506,694	19,808,674
Disposals	-	(1,610,998)
Allowance for impairment	(20,700)	-
Capital reduction from subsidiaries	-	(8,908,690)
Closing net book value	29,337,930	27,851,936

During the year, Thai Union China Co., Ltd. called for paid-up capital of totalling USD 6.55 million or equivalent to Baht 223.12 million.

In the second quarter of 2017, the Company and Thai Union European Seafood 1 SA entered into the Contribution Agreement to perform a contribution in kind of the amount of Euro 13.50 million, equivalent to Baht 503.12 million by converting its loan receivables to investment.

In the fourth quarter of 2017, the Company purchased the additional shares from the current shareholders of Pakfood Food Plc. The additional investment increased shareholding of the Company from 77.44% to 99.74%, for a purchase price totalling Baht 780.46 million.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held.

Summarised financial information on subsidiaries with material non-controlling interests

The total non-controlling interests for the year ended 31 December 2017 is as follows:

	Thai union Feedmill Co., Ltd. Thousand Baht	Rugen Fisch Group Thousand Baht	Total Thousand Baht
Total non-controlling interests	942,203	1,912,080	2,854,283
Profit attributable to non-controlling interests for the year	216,156	63,435	279,591
Dividend paid to non-controlling interests during the year	124,950	42,272	167,222

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 statements of financial position

As at 31 December	Thai union Feedmill Co., Ltd.		Rugen Fisch Group		Total	
	2017	2016	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current						
Assets	935,883	948,265	1,364,092	1,565,229	2,299,975	2,513,494
Liabilities	(482,471)	(902,766)	(989,118)	(1,224,022)	(1,471,589)	(2,126,788)
Total current net assets	453,412	45,499	374,974	341,207	828,386	386,706
Non-current						
Assets	1,576,594	1,791,018	881,685	827,069	2,458,279	2,618,087
Liabilities	(107,142)	(83,044)	(3,966)	(20,830)	(111,108)	(103,874)
Total non-current net assets	1,469,452	1,707,974	877,719	806,239	2,347,171	2,514,213
Net assets	1,922,864	1,753,473	1,252,693	1,147,446	3,175,557	2,900,919

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 statements of comprehensive income

For the year ended 31 December	Thai union Feedmill Co., Ltd.		Rugen Fisch Group		Total	
	2017	2016	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue	4,320,226	4,080,483	5,046,558	5,311,259	9,366,784	9,391,742
Profit before income tax	457,972	516,566	188,849	204,689	646,821	721,255
Income tax	(16,837)	(16,792)	(59,390)	(62,193)	(76,227)	(78,985)
Post-tax profit from continuing operations	441,135	499,774	129,459	142,496	570,594	642,270
Other comprehensive income	(16,743)	-	38,519	(45,919)	21,776	(45,919)
Total comprehensive income	424,392	499,774	167,978	96,577	592,370	596,351
Profit attributable to non-controlling interests	216,156	244,889	63,435	69,823	279,591	314,712
Dividends paid to non-controlling interests	124,950	102,900	42,272	110,928	167,222	213,828

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 statements of cash flows

	Thai Union Feedmill Co., Ltd.		Rugen Fisch Group		Total	
	2017	2016	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the year ended 31 December						
Cash flow from operating activities						
Cash generated from operations	800,714	564,215	545,940	76,071	1,346,654	640,286
Income tax paid	(16,473)	(20,841)	(127,708)	(52,947)	(144,181)	(73,788)
Net cash generated from operating activities	784,241	543,374	418,232	23,124	1,202,473	566,498
Net cash generated from (used in) investing activities	(108,541)	(301,246)	(116,173)	239,880	(224,714)	(61,366)
Net cash used in financing activities	(695,166)	(230,097)	(321,819)	(191,348)	(1,016,985)	(421,445)
Net increase (decrease) in cash and cash equivalents	(19,466)	12,031	(19,760)	71,656	(39,226)	83,687
Cash and cash equivalents at beginning of the year	27,829	15,784	69,312	-	97,141	15,784
Exchange gains (losses) on cash and cash equivalents	(63)	14	58	(2,344)	(5)	(2,330)
Cash and cash equivalents at end of the year	8,300	27,829	49,610	69,312	57,910	97,141

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
<u>Held by subsidiaries</u>				
Thai Union Investments North America LLC (100% held by TUNA)	Holding company	USA	100.00	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	100.00
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
Asian-Pacific Can Co., Ltd. (99% held by Songkla Canning Plc.)	Manufacturer & distributor of packaging for food products	Thailand	99.54	99.54
Yueh Chyang Canned Food Co., Ltd. (100% held by Songkla Canning Plc.)	Manufacturer & distributor of canned tuna and seafood	Vietnam	99.55	82.93
Thai Union France Holding 2 SAS (TUFH) (2016: 100% held by TUES1)	Holding company (Merged in September 2017)	France	-	100.00
Thai Union Europe (TUE) (100% held by TUES1, 2016: 100% held by TUFH)	Headquarters activity	France	100.00	100.00
MW Brands Seychelles Limited (100% held by TUE)	Exporter of canned tuna	Seychelles	100.00	100.00
Etablissements Paul Paulet SAS (EPP) (100% held by TUE)	Manufacturer, importer, distributor and exporter of canned seafood	France	100.00	100.00

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
Held by subsidiaries (continued)				
European Seafood Investment Portugal (ESIP) (100% held by TUE, 2016: 74% held by TUE and 26% held by TUFH)	Manufacturer and exporter of canned sardines and mackerel	Portugal	100.00	100.00
Pioneer Food Cannery Limited (100% held by EPP)	Manufacturer of canned tuna	Ghana	100.00	100.00
Mareblu SRL (100% held by TUE, 2016: 74% held by TUE and 26% held by TUFH)	Importer and distributor of canned seafood	Italy	100.00	100.00
UK Seafood Investments Limited (100% held by TUE)	Holding company	United Kingdom	100.00	100.00
Indian Ocean Tuna Limited (60% held by TUE)	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 TUE)	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 EPP)	Fishing fleet operation	Ghana	50.00	50.00
Chaophraya Coldstorage Co., Ltd. (100% held by Pakfood Plc.)	Property rental	Thailand	99.74	77.44

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
<u>Held by subsidiaries</u> (continued)				
Okeanos Food Co., Ltd. (100% held by Pakfood Plc.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	99.74	77.44
Takzin Samut Co., Ltd. (100% held by Pakfood Plc.)	Dormant company	Thailand	99.74	77.44
Europeenne De La Mer SAS (EDM) (100% held by TUE, 2016: 100% held by TUFH)	Holding company	France	100.00	100.00
Merallaiance Armoric SAS (100% held by EDM)	Manufacturer of smoked salmon	France	100.00	100.00
Imsaum SCI (100% held by EDM)	Property rental	France	100.00	100.00
Meralliance SAS (100% held by EDM)	Distributor of smoked salmon	France	100.00	100.00
Meralliance Logistic (100% held by EDM)	Logistic company	France	100.00	100.00
Meralliance Poland (100% held by EDM)	Manufacturer of smoked salmon	Poland	100.00	100.00
Armoric Norway (2016: 100% held by EDM)	Holding company (Merged in April 2017)	Norway	-	100.00
Naco Trading (100% held by EDM, 2016: 100% held by Armoric Norway)	Distributor of salmon	Norway	100.00	100.00
Esco (100% held by EDM)	Manufacturer and distributor of smoked salmon	Scotland	100.00	100.00

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
<u>Held by subsidiaries</u> (continued)				
Thai Union Norway AS (100% held by TUES1)	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 n.v. (100% held by King Oscar AS)	Importer and distributor of canned seafood	Belgium	100.00	100.00
Thai Union Poland Sp. Z.o.o. (100% held by TUES1)	Manufacturer and distributor of canned seafood	Poland	100.00	100.00
Tri-Union Frozen Products North America, LLC (TUFPA) (100% held by TUFPA)	Holding company	USA	100.00	100.00
Tri-Union Frozen Products Canada, ULC (100% held by TUFPA)	Technical service provider	Canada	100.00	100.00
Thai Union Germany GmbH (TUGe) (100% held by TUES1)	Holding company	Germany	100.00	100.00
Thai Union Marine Nutrients GmbH (100% held by TUGe)	Tuna oil refinery	Germany	100.00	100.00
Rugen Fisch AG (51% held by TUGe)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Sassnitz Fisch GmbH (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Hawesta-Feinkost Hans Westphal GmbH & Co. KG (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	51.00

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
<u>Held by subsidiaries</u> (continued)				
Seafood Beteiligungs - und Verwaltungs GmbH (100% held by Hawesta-Feinkost Hans Westphal GmbH)	Dormant company	Germany	51.00	51.00
Artur Heymann GmbH & Co.KG (100% held by Hawesta-Feinkost Hans Westphal GmbH)	Distributor of seafood	Germany	51.00	51.00
Wefina Feinkost Gunther Wehowsky GmbH (100% held by Artur Heymann GmbH & Co.KG)	Distributor of seafood	Germany	51.00	51.00
Meekrone Fisch-Feinkost GmbH (100% held by Rugen Fisch AG)	Property rental	Germany	51.00	51.00
Rugener Fischspezialitäten GmbH (2016: 100% held by Rugen Fisch AG)	Dormant company (Merged in August 2017)	Germany	-	51.00
F&M Fish & Meat Vertriebs GmbH (2016: 100% held by Rugen Fisch AG)	Dormant company (Merged in August 2017)	Germany	-	51.00
Ostsee Fisch Verwaltungs GmbH (100% held by Rugen Fisch AG)	Dormant company	Germany	51.00	51.00
Ostsee Fisch GmbH & Co. Produktions - und Vertriebs KG (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Lysell GmbH & Co.KG (2016: 100% held by Rugen Fisch AG)	Distributor of seafood (Merged in August 2017)	Germany	-	51.00
Lysell Verwaltungs GmbH (2016: 100% held by Lysell GmbH & Co.KG)	Dormant company (Merged in August 2017)	Germany	-	51.00

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12 Investments in subsidiaries, associates and joint ventures (continued)

12.1 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 2017 %	31 December 2016 %
Held by subsidiaries (continued)				
Lysell Marken GmbH & Co.KG (2016: 100% held by Rugen Fisch AG)	Dormant company (Merged in August 2017)	Germany	-	51.00
Rugen Fisch Verwaltungs GmbH (2016: 100% held by Rugen Fisch AG)	Dormant company (Merged in August 2017)	Germany	-	51.00
Ostsee Fisch Kretinga UAB (gAG) (100% held by Rugen Fisch AG)	Manufacturer and distributor of seafood	Lithuania	51.00	51.00
Thai Union Canada Inc. (TUCa) (80% held by TUES1)	Manufacturer and distributor of seafood	Canada	80.00	80.00
C.H. Rich, Inc. (100% held by TUCa)	Reseller of seafood	USA	80.00	80.00
Thai Union Trading Europe B.V. (100% held by TUES1)	Distributor of seafood	Netherlands	100.00	-

During the year, 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 increased shareholding of the Group from 82.93% to 99.55%, for a purchase price totalling Baht 152.29 million.

In March 2017, Thai Union Trading Europe B.V. which is a wholly-owned subsidiary of Thai Union European Seafood 1 S.A. was established.

In April 2017, Armoric Norway was merged with Europeenne De La Mer SAS. The merger was effectuated by means of the transfer of all assets and liabilities. There is no effect to the consolidated financial statements from the merger.

In August 2017, companies under Rugen Fisch AG were merged within their group. The mergers were effectuated by means of the transfers of all assets and liabilities. There is no effect to the consolidated financial statements from the merger. The companies that were merged with Rugen Fish AG are F&M Fish & Meat Vertriebs GmbH, Rugener Fischspezialitäten GmbH and Rugen Fisch Verwaltungs GmbH. The companies that were merged with Ostsee Fisch GmbH & Co. Produktions-und Vertriebs KG are Lysell Marken GmbH & Co.KG, Lysell GmbH & Co. KG and Lysell Verwaltungs GmbH.

In September 2017, Thai Union France Holding 2 SAS was merged with Thai Union Europe. The merger was effectuated by means of the transfer of all assets and liabilities. There is no effect to the consolidated financial statements from the merger.

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12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net book value	10,492,318	1,468,369	835,293	155,574
Addition	26,947	8,787,895	-	679,719
Share of profit	629,930	287,396	-	-
Reclassification	84,280	-	-	-
Dividend distribution tax	(11,087)	(8,393)	-	-
Dividends received	(138,494)	(124,163)	-	-
Translation adjustment	(746,922)	81,214	-	-
Closing net book value	10,336,972	10,492,318	835,293	835,293

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 Investments in associates (continued)

Details of investments 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 2017 (%)	31 December 2016 (%)	31 December 2017 Thousand Baht	31 December 2016 Thousand Baht	31 December 2017 Thousand Baht	31 December 2016 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	394,416	378,690
Biz Dimension Co., Ltd.	E-Commerce under website	Thailand	20.00	20.00	1,010	1,010	26,378	22,152
Avanti Feeds Limited (Listed company in India)	Manufacturer & exporter of animal feeds and shrimp products	India	25.12	25.12	117,064	117,064	1,190,518	665,804
Seafood International Two FZCO	Distributor of food products	United Arab Emirates	40.00	40.00	384	384	-	(25,714)
Avanti Frozen Foods Private Limited ⁽¹⁾ (60% held by Avanti Feeds Limited)	Manufacturer and exporter of shrimp products	India	55.07	55.07	679,335	679,335	830,552	719,147
					835,293	835,293	2,441,864	1,760,079
Investments in associates, directly held by subsidiaries								
TTN 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	76,453	70,910
LLDH (La Doria) Limited (20% held by John West Foods Limited)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	521,934	466,694
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	25.00	8,135,123	8,108,176	7,296,721	8,194,635
					8,275,133	8,248,186	7,895,108	8,732,239
					9,110,426	9,083,479	10,336,972	10,492,318

⁽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.

Thai Union Group Public Company Limited
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12 Investments in subsidiaries, associates and joint ventures (continued)**12.2 Investments in associates (continued)**

Set out below are the associates of the Group as at 31 December 2017, which, in the opinion of the directors, are material to the Group.

Nature of investments in associates in 2017 and 2016:

Company's name	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2017	2016		
Avanti Feeds Limited	India	25.12	25.12	Note 1	Equity
Red Lobster Group	USA	25.00	25.00	Note 2	Equity

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 2017, the fair value of the Group interest in Avanti Feeds Limited, which listed on the National Stock Exchange of India, was Baht 13,749.17 million (2016: Baht 2,772.86 million) and the carrying amount of the Group's interest was Baht 1,190.52 million (2016: Baht 665.80 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 a strategic partnership for the Group's growth in a food service business.

There are no contingent liabilities relating to the Group's interests in the associates.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 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 statements of financial position

As at 31 December	Avanti Feeds Limited		Red Lobster Group		Total	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 ^(v) Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Assets						
Current assets	6,024,009	3,381,855	14,082,200	15,707,319	20,106,209	19,089,174
Non-current assets	1,722,030	1,446,866	13,693,297	12,933,700	15,415,327	14,380,566
Total assets	7,746,039	4,828,721	27,775,497	28,641,019	35,521,536	33,469,740
Liabilities						
Current liabilities	(1,964,986)	(1,259,048)	(9,154,697)	(9,939,480)	(11,119,683)	(11,198,528)
Non-current liabilities	(227,910)	(172,266)	(17,755,483)	(16,863,863)	(17,983,393)	(17,036,129)
Total liabilities	(2,192,896)	(1,431,314)	(26,910,180)	(26,803,343)	(29,103,076)	(28,234,657)
Net assets	5,553,143	3,397,407	865,317	1,837,676	6,418,460	5,235,083
Less: Non-controlling interest of associates	(584,307)	(500,472)	-	-	(584,307)	(500,472)
Elimination entries	(229,513)	(246,442)	-	-	(229,513)	(246,442)
Net assets	4,739,323	2,650,493	865,317	1,837,676	5,604,640	4,488,169

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 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 statements of comprehensive income

For the year ended 31 December	Avanti Feeds Limited		Red Lobster Group		Total	
	2017	2016	2017	2016 ⁽¹⁾	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue	16,839,230	13,092,095	80,597,560	18,926,043	97,436,790	32,018,138
Profit (loss) before income tax	3,687,664	1,275,834	(657,950)	(475,078)	3,029,714	800,756
Income tax	(1,262,704)	(438,345)	(127,584)	1,482	(1,390,288)	(436,863)
Post-tax profit (loss) from continuing operations	2,424,960	837,489	(785,534)	(473,596)	1,639,426	363,893
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (expenses)	2,424,960	837,489	(785,534)	(473,596)	1,639,426	363,893
Dividends received from associates	54,483	41,244	-	-	54,483	41,244

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.

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 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 Group		Total	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 ⁽¹⁾ Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Opening net assets as at 1 January	2,650,493	2,097,313	1,837,676	-	4,488,169	2,097,313
Acquisition during the year	-	-	-	2,265,641 ⁽²⁾	-	2,265,641
Profit (loss) for the year	2,424,960	837,489	(785,534)	(473,595)	1,639,426	363,894
Dividends	(261,027)	(197,601)	-	-	(261,027)	(197,601)
Exchange differences on transaction	(75,103)	(86,708)	(186,825)	45,630	(261,928)	(41,078)
Closing net assets as at 31 December	4,739,323	2,650,493	865,317	1,837,676	5,604,640	4,488,169
Shareholding percentage	25.12%	25.12%	25.00%	25.00%		
Interest in associates	1,190,518	665,804	216,329	459,419	1,406,847	1,125,223
Goodwill	-	-	7,080,392	7,735,216	7,080,392	7,735,216
Carrying value	1,190,518	665,804	7,296,721	8,194,635	8,487,239	8,860,439

⁽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

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.2 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	2017 Thousand Baht	2016 Thousand Baht
Aggregate carrying amount of individually immaterial associates	1,849,733	1,631,879
Aggregate amounts of the Group's share of:		
Profit for the year from continuing operations	217,164	195,417
Total comprehensive income for the year	217,164	195,417

12.3 Investments in joint ventures

The movements of investments in joint ventures during the year are as follows:

For the year ended 31 December	Consolidated financial statements	
	2017 Thousand Baht	2016 Thousand Baht
Opening net book value	626,463	621,923
Additions	93,270	137,700
Share of loss	(173,601)	(93,091)
Disposal of joint ventures	-	(59,335)
Translation adjustment	(15,329)	19,266
Closing net book value	530,803	626,463

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.3 Investments in joint ventures (continued)

Details of investment in joint ventures are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Consolidated financial statements	
			31 December 2017	31 December 2016	31 December 2017	31 December 2016	Carrying amounts based on equity method	
			%	%	Thousand Baht	Thousand Baht	Thousand Baht	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	576,300	371,311	499,982
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	170,655	136,535	100,220	126,481
Seafood International Holdco (Joint venture of TUGe and other parties in the portion of 41:59)	Holding company	Cayman Islands	41.00	41.00	59,150	-	59,272	-
Total					806,105	712,835	530,803	626,463

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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12 Investments in subsidiaries, associates and joint ventures (continued)

12.3 Investments in joint ventures (continued)

Set out below is the joint venture of the Group as at 31 December 2017, which, in the opinion of the directors, are material to the Group.

Nature of investment in joint ventures in 2017 and 2016:

Name of entity	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2017	2016		
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.	
	2017 Thousand Baht	2016 Thousand Baht
Current assets		
Cash and cash equivalents	3,255	25,527
Other current assets (excluding cash)	19,269	31,104
Total current assets	22,524	56,631
Non-current assets	576,090	650,463
Total assets	598,614	707,094
Current liabilities		
Other current liabilities (including trade payables)	(182,173)	(23,532)
Total current liabilities	(182,173)	(23,532)
Non-current liabilities		
Other liabilities	(4,943)	(5,198)
Total non-current liabilities	(4,943)	(5,198)
Total liabilities	(187,116)	(28,730)
Net assets	411,498	678,364
<u>Less:</u> Non-controlling interests of joint ventures	<u>1,508</u>	<u>(13,061)</u>
Net assets	413,006	665,303

Thai Union Group Public Company Limited
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For the year ended 31 December 2017
12 Investments in subsidiaries, associates and joint ventures (continued)
12.3 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	
	2017 Thousand Baht	2016 Thousand Baht
Revenue	80,233	195,516
Depreciation and amortisation	(42,513)	(41,897)
Impairment of assets	(68,045)	-
Interest income	119	1,348
Interest expenses	(2,343)	(613)
Loss for the year from operations	(252,297)	(127,706)
Income tax	-	(2,664)
Post-tax loss	(252,297)	(130,370)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(252,297)	(130,370)

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	
	2017 Thousand Baht	2016 Thousand Baht
Opening net assets as at 1 January	665,303	525,673
Increase in share capital	-	270,000
Loss for the year from operations	(252,297)	(130,370)
Closing net assets as at 31 December	413,006	665,303
Interest in joint ventures (51.00%)	210,633	339,304
Goodwill	160,678	160,678
Carrying value	371,311	499,982

Thai Union Group Public Company Limited
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For the year ended 31 December 2017

12 Investments in subsidiaries, associates and joint ventures (continued)

12.3 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	2017	2016
	Thousand Baht	Thousand Baht
Aggregate carrying amount of individually immaterial joint ventures	159,492	126,481
Aggregate amounts of the joint ventures' share of:		
Loss for the year from continuing operations	(44,929)	(26,602)
Total comprehensive expense for the year	(44,929)	(26,602)

Thai Union Group Public Company Limited
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13 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 2016							
Cost	2,330,415	11,752,835	25,106,650	1,059,511	868,723	3,462,224	44,580,358
Less 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
Acquisition of subsidiary	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
Less 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

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net (continued)

	Separate financial statements						
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2016							
Cost	791,245	2,677,676	3,251,304	137,558	160,128	368,032	7,385,943
Less 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
Less 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

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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13 Property, plant and equipment, net (continued)

	Separate financial statements						
	Land and 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 2017							
Cost	791,245	2,757,281	3,347,875	200,676	160,627	610,609	7,868,313
Less 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
For the year ended 31 December 2017							
Opening net book amount	791,245	1,733,125	951,547	97,376	70,509	610,609	4,254,411
Additions	-	2,524	45,411	24,261	3,359	539,043	614,598
Disposals, net book value	-	-	(2,878)	-	(781)	(19,343)	(23,002)
Transfer in (out)	89,106	82,679	58,987	12,170	8,457	(251,399)	-
Depreciation charge	-	(118,915)	(208,892)	(30,582)	(13,461)	-	(371,850)
Closing net book amount	880,351	1,699,413	844,175	103,225	68,083	878,910	4,474,157
As at 31 December 2017							
Cost	880,351	2,817,778	3,388,873	235,977	165,265	878,910	8,367,154
Less Accumulated depreciation	-	(1,118,365)	(2,544,698)	(132,752)	(97,182)	-	(3,892,997)
Net book amount	880,351	1,699,413	844,175	103,225	68,083	878,910	4,474,157

Thai Union Group Public Company Limited
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13 Property, plant and equipment, net

Depreciation expense of Baht 2,528 million (2016: Baht 2,731 million) has been charged in “cost of sales”, Baht 2,304 million (2016: Baht 2,529 million), in “selling expense” Baht 4 million (2016: Baht 8 million) and in “administrative expense” Baht 220 million (2016: Baht 194 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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost - capitalised finance leases	665,756	734,120	33,824	70,894
<u>Less</u> Accumulated depreciation	<u>(337,597)</u>	<u>(294,960)</u>	<u>(15,549)</u>	<u>(19,478)</u>
Net book amount	<u>328,159</u>	<u>439,160</u>	<u>18,275</u>	<u>51,416</u>

As at 31 December 2017, property, plant and equipment of overseas subsidiaries totalled Baht 275.69 million (2016: Baht 381.87 million) were pledged with financial institutions to secure their credit facilities and short-term and long-term loans from financial institutions (Note 19 and 21).

Borrowing costs of Baht 37.33 million (2016: 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 1.91% per annum (2016: 1.92% per annum) was used representing the actual borrowing costs of the loans used to finance the projects.

Thai Union Group Public Company Limited
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14 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	Computer software in progress 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
Less 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
Acquisition of subsidiary	2,169	1,476,165	541,785	2,311	40,734	-	-	-	2,063,164
Additions	26	275	14,230	37,943	-	-	228,261	102,918	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	228,344	102,918	15,935,933
As at 31 December 2016									
Cost	303,584	14,467,109	1,316,775	1,386,909	39,878	39,775	228,344	102,918	17,885,292
Less 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	228,344	102,918	15,935,933

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14 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	Computer software in progress Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
As at 1 January 2017									
Cost	303,584	14,467,109	1,316,775	1,386,909	39,878	39,775	228,344	102,918	17,885,292
Less 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	228,344	102,918	15,935,933
For the year ended 31 December 2017									
Opening net book amount	183,798	13,968,116	970,570	439,611	35,890	6,686	228,344	102,918	15,935,933
Additions	-	234	-	12,132	-	-	639,782	78,183	730,331
Disposals, net book value	(29)	-	-	(165)	-	-	-	-	(194)
Write-off, net book value	(7,203)	-	-	(597)	-	-	-	-	(7,800)
Reclassification	-	-	-	(53,184)	1,278	(3)	68,724	-	16,815
Transfer in (out)	-	-	-	339,291	-	-	(339,291)	-	-
Amortisation charge	(8,382)	(1,079)	(85,915)	(127,528)	(8,106)	(1,955)	-	-	(232,965)
Impairment loss	-	(11,361)	-	-	-	-	-	-	(11,361)
Translation adjustment	(955)	331,151	21,676	(9,573)	(717)	281	(1,202)	-	340,661
Closing net book amount	167,229	14,287,061	906,331	599,987	28,345	5,009	596,357	181,101	16,771,420
As at 31 December 2017									
Cost	274,273	14,771,411	1,329,938	1,618,229	40,307	39,922	596,357	181,101	18,851,538
Less Accumulated amortisation	(107,044)	(305,821)	(423,607)	(1,018,242)	(11,962)	(34,913)	-	-	(1,901,589)
Allowance for impairment	-	(178,529)	-	-	-	-	-	-	(178,529)
Net book amount	167,229	14,287,061	906,331	599,987	28,345	5,009	596,357	181,101	16,771,420

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14 Intangible assets, net (continued)

	Separate financial statements			
	Computer software Thousand Baht	Computer software in progress Thousand Baht	Product development in progress Thousand Baht	Total 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	216,778	102,918	320,076
Reclassification	175	-	-	175
Amortisation charge	(12,875)	-	-	(12,875)
Closing net book amount	193,858	216,778	102,918	513,554
As at 31 December 2016				
Cost	220,997	216,778	102,918	540,693
Less Accumulated amortisation	(27,139)	-	-	(27,139)
Net book amount	193,858	216,778	102,918	513,554
For the year ended 31 December 2017				
Opening net book amount	193,858	216,778	102,918	513,554
Additions	1,531	615,925	78,183	695,640
Reclassification	(68,924)	68,925	-	-
Transfer in (out)	309,960	(309,960)	-	-
Amortisation charge	(31,876)	-	-	(31,876)
Closing net book amount	404,549	591,668	181,101	1,177,318
As at 31 December 2017				
Cost	463,564	591,668	181,101	1,236,333
Less Accumulated amortisation	(59,015)	-	-	(59,015)
Net book amount	404,549	591,668	181,101	1,177,318

Computer software and product development in progress include internally generated capitalised development costs and other costs.

Amortisation of Baht 233 million (2016: Baht 252 million) is included in “cost of goods sold” Baht 11 million (2016: Baht 13 million), in “selling expense” Baht 93 million (2016: Baht 93 million) and in “administrative expense” Baht 129 million (2016: Baht 146 million).

As at 31 December 2017 and 2016, the Group had no intangible assets pledged for credit facilities.

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14 Intangible assets, net (continued)

Impairment tests for trademarks

The Group's trademarks results 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 and value-in-use calculations. The relief-from-royalty 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. The value-in-use calculation is determined by discounting future cash flow. The key assumptions used in the estimation of value in use were growth rate and discount rate.

For each of the brand with significant carrying amount using relief-from-royalty, the key assumptions are royalty rate and discount rate use in the calculation are as follow:

Brand	John West	Petit Navire	King Oscar
Royalty rate	3.2%	12.0%	2.6%
Discount rate	9.0%	7.9%	7.6%

For the brand using value-in-use calculation, the key assumptions are growth rate and discount rate use in the calculation are as follow:

Brand	Chicken of the Sea
Growth rate	1.5%
Discount rate	7.2%

15 Other long-term investments

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Available-for-sale investments, net	1,006,784	2,650,641	987,028	2,626,527
General investments	5,321	4,366	1,500	1,000
Net book amount	1,012,105	2,655,007	988,528	2,627,527

The movements of available-for-sale investments during the year can be analysed as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Opening net book value	2,650,641	30,766	2,626,527	-
Additions	-	2,672,918	-	2,672,918
Reclassification	-	(268)	-	-
Disposals, net	(1,656,612)	(6,059)	(1,652,219)	-
Change in fair value of investments	12,732	(46,716)	12,720	(46,391)
Translation adjustment	23	-	-	-
Net book amount	1,006,784	2,650,641	987,028	2,626,527

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16 Goodwill

	Consolidated financial statements
	Thousand Baht
As at 1 January 2016	
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	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
For the year ended 31 December 2017	
Opening net book amount	13,646,643
Translation adjustment	433,422
Closing net book amount	14,080,065
As at 31 December 2017	
Cost	14,080,065
<u>Less</u> Allowance for impairment	-
Net book amount	14,080,065

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16 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.

A segment-level summary of the goodwill allocation is presented below.

	Consolidated financial statements		
	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
As at 31 December 2016			
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	12,313,988	1,332,655	13,646,643
As at 31 December 2017			
Asia continents	42,358	-	42,358
Europe continents	12,680,359	825,694	13,506,053
US continents	32,748	498,906	531,654
Goodwill allocation	12,755,465	1,324,600	14,080,065

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. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

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	7.3%	7.1%	7.2%

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.

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17 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	497,502	431,641	100	8,928
Deferred tax asset to be recovered after more than 12 months	992,673	980,329	23,159	11,794
	1,490,175	1,411,970	23,259	20,722
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(99,256)	(26,426)	-	-
Deferred tax liabilities to be settled after more than 12 months	(4,903,259)	(5,181,095)	(3,450)	(3,013)
	(5,002,515)	(5,207,521)	(3,450)	(3,013)
Deferred tax assets (liabilities), net	(3,512,340)	(3,795,551)	19,809	17,709

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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Deferred tax assets included in assets of disposal group classified as held-for-sale	-	11	-	-
Deferred tax assets, net	1,079,837	704,258	19,809	17,709
Deferred tax liabilities, net	(4,592,177)	(4,499,820)	-	-
Deferred tax assets (liabilities), net	(3,512,340)	(3,795,551)	19,809	17,709

The gross movement of deferred income taxes is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
As at 1 January	(3,795,551)	(4,225,260)	17,709	20,756
Acquisition of subsidiary	-	(612,748)	-	-
Credited/(charged) to profit or loss	401,055	878,522	(1,501)	(3,047)
Charged to other comprehensive income	2,795	(6,528)	3,601	-
Disposal of subsidiary	-	(354)	-	-
Translation adjustment	(120,639)	170,817	-	-
As at 31 December	(3,512,340)	(3,795,551)	19,809	17,709

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17 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 2016 Thousand Baht	Acquisition of subsidiary Thousand Baht	Credited/(charged) to		Disposal of subsidiary Thousand Baht	Translation adjustment Thousand Baht	As at 31 December 2016 Thousand Baht
			Profit and loss Thousand Baht	Other comprehensive income Thousand Baht			
Deferred tax assets							
Allowance for doubtful accounts	46,501	-	13,552	-	-	(139)	59,914
Allowance for net realisable value of inventories and inventory costs	454,878	-	103,320	-	-	(10,236)	547,962
Allowance for impairment and depreciation of property, plant and equipment	8,261	-	2,627	-	(354)	153	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)	(354)	(17,926)	1,411,970

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17 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated financial statements					
	Charged/(credited) to			As at		
	As at 1 January 2016 Thousand Baht	Acquisition of subsidiary Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Disposal of subsidiary Thousand Baht	Translation adjustment Thousand Baht
						As at 31 December 2016 Thousand Baht
Deferred tax liabilities						
Depreciation of property, plant and equipment	(413,106)	(27,113)	4,409	-	-	4,350
Amortisation of intangible assets	(4,396,679)	(580,665)	336,166	-	-	184,599
Derivative contracts	(31,455)	-	30,184	-	-	(1,709)
Investment in associates	(81,980)	-	(34,028)	(1,328)	-	-
Finance lease liabilities	(6,436)	-	(2,807)	-	-	366
Inventory costs	(153,237)	-	26,041	-	-	5,686
Others	(63,282)	(4,970)	4,022	-	-	(4,549)
Total	(5,146,175)	(612,748)	363,987	(1,328)	-	188,743
Deferred tax assets (liabilities), net	(4,225,260)	(612,748)	878,522	(6,528)	(354)	170,817
						(3,795,551)

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17 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 2017 Thousand Baht	Credited/(charged) to		Disposal of subsidiary Thousand Baht	Translation adjustment Thousand Baht	As at 31 December 2017 Thousand Baht
		Acquisition of subsidiary Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht		
Deferred tax assets						
Allowance for doubtful accounts	59,914	-	(29,607)	-	(1,300)	29,007
Allowance for net realisable value of inventories and inventory costs	547,962	-	(53,469)	-	(18,725)	475,768
Allowance for impairment and depreciation of property, plant and equipment	10,687	-	(8,432)	-	(926)	1,329
Amortisation of intangible assets	183,112	-	18,819	-	6,092	208,023
Derivative contracts	3,253	-	27,206	-	288	30,747
Investment in associate	141,656	-	75,448	-	(12,360)	204,744
Employee benefit obligations	97,587	-	13,113	(3,987)	(1,938)	104,775
Provisions and liabilities	161,341	-	51,538	-	(13,089)	199,790
Tax loss carried forward	137,368	-	269	-	834	138,471
Others	69,090	-	29,061	-	(630)	97,521
Total	1,411,970	-	123,946	(3,987)	(41,754)	1,490,175

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17 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated financial statements					
	Charged/(credited) to			As at		
	As at 1 January 2017 Thousand Baht	Acquisition of subsidiary Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Disposal of subsidiary Thousand Baht	Translation adjustment Thousand Baht
Deferred tax liabilities						As at 31 December 2017 Thousand Baht
Depreciation of property, plant and equipment	(431,460)	-	(9,202)	-	-	9,996
Amortisation of intangible assets	(4,456,579)	-	420,425	-	-	(91,926)
Derivative contracts	(2,980)	-	(12,788)	-	-	(1,064)
Investment in associates	(117,336)	-	(127,305)	6,782	-	-
Finance lease liabilities	(8,877)	-	(2,266)	-	-	(358)
Inventory costs	(121,510)	-	(13,468)	-	-	(4,432)
Others	(68,779)	-	21,713	-	-	8,899
Total	(5,207,521)	-	277,109	6,782	-	(78,885)
Deferred tax assets (liabilities), net	(3,795,551)	-	401,055	2,795	-	(120,639)
						(3,512,340)

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17 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Charged/(credited) to				Charged/(credited) to				Separate financial statements			
	As at 1 January Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	As at 31 December 2016 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	As at 31 December 2017 Thousand Baht	As at 31 December 2017 Thousand Baht	Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	As at 31 December 2017 Thousand Baht	As at 31 December 2017 Thousand Baht
Deferred tax assets												
Allowance for doubtful accounts	5,789	(115)	-	5,674	(174)	-	5,500					
Allowance for net realisable value of inventories	3,885	(871)	-	3,014	(2,914)	-	100					
Allowance for impairment of property, plant and equipment	7,252	(7,252)	-	-	-	-	-					
Employee benefit obligations	6,786	4,918	-	11,704	1,839	3,601	17,144					
Others	-	330	-	330	185	-	515					
Total	23,712	(2,990)	-	20,722	(1,064)	3,601	23,259					
Deferred tax liabilities												
Depreciation of property, plant and equipment	(2,909)	(88)	-	(2,997)	(102)	-	(3,099)					
Others	(47)	31	-	(16)	(335)	-	(351)					
Total	(2,956)	(57)	-	(3,013)	(437)	-	(3,450)					
Deferred tax assets (liabilities), net	20,756	(3,047)	-	17,709	(1,501)	3,601	19,809					

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17 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 570 million (2016: Baht 448 million) in respect of losses amounting to Baht 2,688 million (2016: Baht 1,670 million) that can be carried forward against future taxable income. Losses amounting to Baht 1,235 million (2016: Baht 253 million) expired in 2018 to 2024 (2016: 2017 to 2021).

18 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Unamortised discount on derivative contracts	290,839	364,592	290,839	364,592
Advance payment for purchase of construction and equipment	390,180	115,957	-	-
Deposit and guarantee	433,955	308,826	35,385	31,238
Other non-current assets	186,905	69,438	-	20,133
Total other non-current assets	1,301,879	858,813	326,224	415,963

19 Bank overdrafts and short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Bank overdrafts	242,316	245,263	-	-
Short-term loans	5,318,163	29,570,611	2,467,258	26,523,983
Trust receipts and packing credits	9,685,295	7,089,782	2,773,022	2,114,946
Total bank overdrafts and short-term loans from financial institutions	15,245,774	36,905,656	5,240,280	28,638,929

As at 31 December 2017, the Group's bank overdrafts bear interest rate at the range of 1.25% per annum (2016: 1.25% per annum). The Group's and the Company's short-term loans, trust receipts and packing credits bear interest rate at the range of 0.60% per annum to 4.25% per annum and at the range of 0.60% per annum to 1.97% per annum, respectively (2016: 1.30% per annum to 4.25% per annum and 0.55% per annum to 2.18% per annum, respectively).

The credit facilities were secured by the Group's property, plant and equipment and inventories.

During the first quarter of the year 2017, the Company entered into term loan facility agreements with financial institutions (Note 21) and issued debentures (Note 22) for refinancing the short-term loans from a financial institution.

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20 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Trade payable - third parties	13,329,181	11,424,731	2,811,590	2,243,223
Trade payable - related parties (Note 35)	284,285	73,501	527,646	569,182
Accrued expenses and other payables - third parties	5,277,197	5,106,143	825,912	524,962
Accrued expenses and other payables - related parties	47,834	58,860	30,163	24,566
Dividend payable	17,061	14,549	5,060	5,171
Deposits and unearned revenue	308,300	358,168	36,404	31,173
Construction and equipment purchase payable - third parties	550,831	387,092	148,882	114,316
Construction and equipment purchase payable - related parties	7,984	5,900	359	348
Total trade and other payables	19,822,673	17,428,944	4,386,016	3,512,941

21 Long-term loans from financial institutions, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current portion of long-term loans from financial institutions	849,286	764,733	797,144	701,910
Non-current portion of long-term loans from financial institutions, net	14,711,748	963,325	14,073,831	840,941
Total long-term loans from financial Institutions, net	15,561,034	1,728,058	14,870,975	1,542,851

The movements of long-term loans from financial institutions during the year can be analysed as follows:

For the year ended 31 December 2017	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance	1,728,058	1,542,851
Additions	14,885,593	14,269,000
Amortisation of financial fees	15,385	15,385
Repayments	(781,114)	(671,200)
Financing fees payments	(83,429)	(83,429)
Gain on foreign exchange rates	(201,256)	(201,632)
Translation adjustment	(2,203)	-
Closing balance	15,561,034	14,870,975

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21 Long-term loans from financial institutions, net (continued)

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 utilisation date and bears interest of THBFIX plus a certain margin per annum.

In March 2017, the Company entered into a term loan facility agreement of up to USD 50 million with a financial institution in Thailand in order to apply the proceeds for refinancing the existing loans. The loan has maturity date of four and a half years from the first utilisation date and bears interest of LIBOR plus a certain margin per annum.

In August 2017, an overseas subsidiary entered into a term loan facility agreement of up to USD 2 million with a financial institution in Overseas in order to apply the proceeds for refinancing the existing loans. The loan has maturity date of three years from the first utilisation date and bears interest of LIBOR plus a certain margin per annum.

In November 2017, an overseas subsidiary entered into a term loan facility agreement of up to USD 8 million with a financial institution in Overseas in order to apply the proceeds for refinancing the existing loans. The loan has maturity date of seven years from the first utilisation date and bears interest of LIBOR plus a certain margin per annum.

As at 31 December 2017, 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 67.08 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.

Borrowing facilities

The Group had the following unused overdraft lines from financial institutions and other credit facilities:

As at 31 December	Consolidated financial statements	
	2017	2016
Baht	Baht 33,750 million	Baht 33,185 million
US Dollar	USD 316 million	USD 286 million
Euro	EUR 27 million	EUR 27 million

22 Debentures, net

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.

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22 Debentures, net (continued)

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 totalling Baht 10,000 million. Such debentures were offered to the institutional investors and large investors.

In January 2017, the Company issued the Thai Baht debentures which are unsubordinated and unsecured totalling 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 Company's debentures which are unsecured debentures with no trustee, issued with a registered certificate and unsubordinated, are summarised below:

Debentures	Interest rate (% per annum)	Terms	Due date	Number of debentures Thousand units	Consolidated and Separate financial information	
					As at 31 December 2017 Million Baht	As at 31 December 2016 Million Baht
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
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	2,464	2,700
Debentures #2/2016 (1)	2.03	3 years	20 July 2019	6,000	6,000	6,000
Debentures #2/2016 (2)	2.32	5 years	20 July 2021	2,000	2,000	2,000
Debentures #2/2016 (3)	2.79	7 years	20 July 2023	2,000	2,000	2,000
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 debentures - face value					36,214	26,950
Less Unamortised issuance costs					(45)	(33)
Total debentures, net					36,169	26,917
Less Current portion of debentures, net					-	(2,500)
Non-current portion of debentures, net					36,169	24,417

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 consolidated net income of the year is prohibited.

The movement of debenture during the year can be analysed as follows:

For the year ended 31 December 2017	Consolidated and separate financial statements
	Thousand Baht
Opening balance	26,917,034
Debenture issuance	12,000,000
Repayment	(2,500,000)
Issuance costs	(22,144)
Unrealised gain on foreign exchange rate:	(236,648)
Amortisation of issuance costs	10,638
Closing balance	36,168,880

Thai Union Group Public Company Limited
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22 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Debentures, net	36,168,880	26,917,034	37,443,940	27,346,473

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 1.63% - 3.38 % per annum (2016: 1.71% - 3.82% per annum) and are within level 2 of the fair value hierarchy (Note 3.3).

23 Finance lease liabilities, net

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current portion of finance lease liabilities	47,257	82,308	7,278	12,241
Non-current portion of finance lease liabilities	154,785	208,439	12,802	20,080
Total finance lease liabilities, net	202,042	290,747	20,080	32,321

The minimum lease payments recognised as finance lease liabilities are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than one year	54,196	90,485	7,970	13,310
Later than 1 year but not later than 5 years	132,119	169,378	13,384	21,353
Later than 5 years	35,417	57,108	-	-
	221,732	316,971	21,354	34,663
<u>Less</u> Future finance charges on finance leases	(19,690)	(26,224)	(1,274)	(2,342)
Present value of finance lease liabilities	202,042	290,747	20,080	32,321

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23 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than one year	47,257	82,308	7,278	12,241
Later than 1 year but not later than 5 years	120,394	153,902	12,802	20,080
Later than 5 years	34,391	54,537	-	-
	<u>202,042</u>	<u>290,747</u>	<u>20,080</u>	<u>32,321</u>

24 Other non-current liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Option over non-controlling interests of an oversea subsidiary	2,024,879	1,907,890	-	-
Unamortized premium on derivative contracts	615,340	434,437	615,340	434,437
Other non-current liabilities	440,583	302,347	44,989	18,779
Total other non-current liabilities	<u>3,080,802</u>	<u>2,644,674</u>	<u>660,329</u>	<u>453,216</u>

In 2016, the Group acquired 51% equity stake in Rugen Fisch AG. The Group also holds a call option and the other shareholders who are a non-controlling interests 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 reserve in the statement of changes in equity.

25 Employee benefit obligations

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Liability in the statement of financial position				
- Retirement benefits	<u>2,356,189</u>	<u>1,916,304</u>	<u>707,644</u>	<u>455,667</u>
Profit or loss charge included in the statement of income				
- Retirement benefits	<u>180,459</u>	<u>246,417</u>	<u>74,474</u>	<u>66,270</u>
Remeasurement for - Retirement benefits	<u>326,097</u>	<u>(24,436)</u>	<u>163,796</u>	<u>-</u>

Thai Union Group Public Company Limited
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25 Employee benefit obligations (continued)

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.

The movement in the defined benefit obligations during the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
As at 1 January	1,916,304	1,801,199	455,667	397,041
Current service cost	200,137	167,895	60,676	54,720
Past service cost	(94,687)	-	-	-
Interest cost	75,009	78,522	13,798	11,550
	<u>180,459</u>	<u>246,417</u>	<u>74,474</u>	<u>66,270</u>
Remeasurements:				
(Gain)/Loss from change in demographic assumptions	(28,683)	(11,289)	(73,207)	-
(Gain)/Loss from change in financial assumptions	59,170	(4,783)	72,025	-
Experience (Gain)/Loss	295,610	(8,364)	164,978	-
	<u>326,097</u>	<u>(24,436)</u>	<u>163,796</u>	<u>-</u>
Benefit payments	(58,237)	(90,938)	(8,147)	(7,644)
Transferred to disposal group classified as held-for-sale	-	(14,745)	-	-
Reclassification	-	9,204	21,854	-
Translation adjustment	(8,434)	(10,397)	-	-
As at 31 December	<u>2,356,189</u>	<u>1,916,304</u>	<u>707,644</u>	<u>455,667</u>

The Group and the Company expect to pay Baht 226 million and Baht 117 million, respectively, of retirement benefits during the next year. (2016: Baht 46.08 million and Baht 4.25 million, respectively).

As at 31 December 2017, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 13 years and 13 years, respectively (2016: 16 years and 16 years, respectively).

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For the year ended 31 December 2017
25 Employee benefit obligations (continued)
Retirement benefits plans (continued)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate (%)	1.0 - 15.0	1.0 - 24.0	1.4 - 3.9	3.1
Salary growth rate (%)	1.5 - 15.0	1.5 - 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%	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	(215,068)	(162,948)	251,365	192,012
Salary growth rate	213,209	185,946	(212,051)	(161,443)

	Separate financial statements			
	Impact on defined benefit obligation			
	Increase in assumption by 1%		Decrease in assumption by 1%	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	(58,321)	(46,659)	67,458	55,230
Salary growth rate	64,125	53,216	(56,771)	(46,011)

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.

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26 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 2016	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
Issue of shares	-	-	-	-
As at 31 December 2017	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 (2016: 5,971,815,496 shares) with a par value of Baht 0.25 per share (2016: Baht 0.25 per share). There are 4,771,815,496 shares (2016: 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.

27 Dividends

At the Annual General Meeting of the Shareholders of the Company held on 5 April 2017, the shareholders passed a resolution to approve the dividend payment of Baht 3,006 million from its net profit from operations of the year 2016. However, by the resolution of the meeting of the Company's Board of Directors held on 8 August 2016, the Company paid out the interim dividend payment of Baht 0.32 per share from the six-month net profit from operations ended 30 June 2016 to the Company's shareholders totalling Baht 1,527 million on 2 September 2016. The remaining dividend of Baht 0.31 per share or totalling Baht 1,479 million was paid on 20 April 2017.

On 7 August 2017, the Board of Directors' meeting of the Company passed a resolution to approve the 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 4 September 2017.

At the Annual General Meeting of the Shareholders of the Company held on 5 April 2016, the shareholders passed a resolution to approve the dividend payment of Baht 3,006 million from its net profit from operations 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 net profit from operations 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 or totalling Baht 1,479 million was paid on 21 April 2016.

Thai Union Group Public Company Limited
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28 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	149,295	149,295	149,295	149,295
Appropriate during the year	-	-	-	-
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.

29 Sales

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales	136,535,157	134,375,112	22,185,198	20,520,535
Management fee	-	-	226,411	216,888
Total sales and services	136,535,157	134,375,112	22,411,609	20,737,423

30 Other income

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Claims for goods	50,060	44,067	9,185	12,749
Tax coupon	167,959	138,359	18,163	13,485
Management fee	82,279	23,292	14,111	3,000
Amortised premium/discount on derivatives contracts	95,163	225,152	69,494	256,275
Other income	701,643	456,607	301,384	112,703
Total other income	1,097,104	887,477	412,337	398,212

31 Finance costs

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Amortisation of financing costs	26,172	11,354	26,172	11,354
Interest expenses	1,843,128	1,304,684	1,675,876	1,104,507
Other finance costs	271,493	255,630	24,897	11,456
Total finance costs	2,140,793	1,571,668	1,726,945	1,127,317

Thai Union Group Public Company Limited
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32 Expense by nature

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Changes in finished goods and work in process	(115,559)	(4,650,113)	(422,151)	(520,095)
Raw material and consumables used and purchased finished goods	109,553,935	102,326,599	16,539,195	13,925,500
Employee expenses	13,944,424	12,664,722	2,859,102	2,796,262
Depreciation on property, plant and equipment (Note 13)	2,527,849	2,731,475	371,850	386,639
(Reversal) impairment of assets	12,576	(134,822)	-	-
Amortisation of intangible assets (Note 14)	232,965	251,516	31,876	12,875
Operating lease expenses	694,098	723,630	210,907	141,187
Research and development expenses	93,956	83,089	10,627	32,796

33 Income tax

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Current tax:				
Current tax on profit for the year	381,661	1,554,028	1,833	527
Adjustments in respect of prior year	(79,542)	(92,967)	5,753	(12,275)
Total current tax	302,119	1,461,061	7,586	(11,748)
Deferred income tax:				
Decrease (increase) in deferred tax assets (Note 17)	(123,946)	(514,535)	1,064	2,990
Increase (decrease) in deferred tax liabilities (Note 17)	(277,109)	(363,987)	437	57
Total deferred income tax	(401,055)	(878,522)	1,501	3,047
Total income tax expenses (revenue)	(98,936)	582,539	9,087	(8,701)
Income tax expenses (revenue) attributable to:				
- From continuing operations	(98,934)	582,529	9,087	(8,701)
- From discontinued operation (Note 11.5)	(2)	10	-	-
Total income tax expenses (revenue)	(98,936)	582,539	9,087	(8,701)

Thai Union Group Public Company Limited
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33 Income tax (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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Profit before tax from continuing operations	6,464,703	6,714,632	3,139,534	3,355,295
Loss before tax from discontinued operation (Note 11.5)	(71,411)	(271,943)	-	-
Total profit before tax	6,393,292	6,442,689	3,139,534	3,355,295
Tax calculated at tax rates of 10 - 38% (2016: 10 - 38%)	1,220,332	1,279,319	627,907	671,059
Tax effect of:				
Income not subject to tax	(984,846)	(767,111)	(769,894)	(801,411)
Additional expenses deductible for tax purpose	(577,639)	(130,611)	-	(555)
Expenses not deductible for tax purpose	191,641	478,555	24,910	456
Utilisation of previously unrecognised tax losses	(20,555)	(44,514)	-	-
Recognition of deferred tax assets from previously unrecognised tax losses and temporary differences	(33,004)	(2,080)	-	-
Deferred tax relating to the reversal of temporary differences	34,293	-	-	-
Tax losses and temporary differences for which no deferred tax asset was recognised	323,780	304,381	119,692	135,002
Adjustments in respect of prior year	(79,542)	(92,967)	5,753	(12,275)
Impact on change in tax rate	(152,764)	(466,512)	-	-
Others	(20,632)	24,079	719	(977)
Tax charge (revenue)	(98,936)	582,539	9,087	(8,701)

The Group's weighted average applicable tax rate was -1.55% (2016: 9.04%). The change in estimated average tax rate of the Group is due to additional tax benefits from acquisition of associates and the decrease in corporate income tax of foreign subsidiaries.

The Company's weighted average applicable tax rate was 0.29% (2016: -0.26%).

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33 Income tax (continued)

The tax charge relating to components of other comprehensive income is as follows:

For the year ended 31 December	Consolidated financial statements					
	2017			2016		
	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	(326,097)	(3,987)	(330,084)	25,171	(5,146)	20,025
Other reserves	(270,172)	-	(270,172)	56,443	-	56,443
Change in fair values of available-for-sale investments	12,732	-	12,732	(46,716)	(54)	(46,770)
Translation adjustment	(786,274)	6,782	(779,492)	(922,381)	(1,328)	(923,709)
Other comprehensive income (expenses)	(1,369,811)	2,795	(1,367,016)	(887,483)	(6,528)	(894,011)
For the year ended 31 December	Separate financial statements					
	2017			2016		
	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	(163,796)	3,601	(160,195)	-	-	-
Change in fair values of available-for-sale investments	12,720	-	12,720	(46,389)	-	(46,389)
Other comprehensive income (expenses)	(151,076)	3,601	(147,475)	(46,389)	-	(46,389)

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 information		Separate financial information	
	2017	2016	2017	2016
Net profit attributable to the owners of the parent (Thousand Baht)				
- From continuing operations	6,092,146	5,526,385	3,130,447	3,363,996
- From discontinued operation	(71,409)	(271,953)	-	-
Net profit attributable to the owners of the parent (Thousand Baht)	<u>6,020,737</u>	<u>5,254,432</u>	<u>3,130,447</u>	<u>3,363,996</u>
Weighted average number of ordinary shares outstanding (Thousand shares)	<u>4,771,815</u>	<u>4,771,815</u>	<u>4,771,815</u>	<u>4,771,815</u>
Basic earnings per share (Baht per share)	1.26	1.10	0.66	0.70

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

Thai Union Group Public Company Limited
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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 20.95% 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 12.

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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales				
Subsidiaries	-	-	9,370,739	8,313,430
Associates and joint ventures	3,304,058	1,049,652	18,805	8,611
Other related companies	960,740	888,784	504,933	503,302
	<u>4,264,798</u>	<u>1,938,436</u>	<u>9,894,477</u>	<u>8,825,343</u>
Interest income				
Subsidiaries	-	-	1,611,747	1,109,786
Associates and joint ventures	937,683	221,893	-	-
	<u>937,683</u>	<u>221,893</u>	<u>1,611,747</u>	<u>1,109,786</u>
Dividend income				
Subsidiaries	-	-	2,079,215	3,035,005
Associates and joint ventures	-	-	87,483	72,694
	<u>-</u>	<u>-</u>	<u>2,166,698</u>	<u>3,107,699</u>
Other income				
Subsidiaries	-	-	222,390	111,265
Associates and joint ventures	179,769	48,306	6,449	399
Other related companies	390	502	256	502
	<u>180,159</u>	<u>48,808</u>	<u>229,095</u>	<u>112,166</u>

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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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Purchase of goods and services				
Subsidiaries	-	-	2,182,126	2,110,486
Associates and joint ventures	801,320	1,033,886	333,925	214,125
Other related companies	1,645,895	1,322,675	100,351	103,594
	<u>2,447,215</u>	<u>2,356,561</u>	<u>2,616,402</u>	<u>2,428,205</u>
Purchase of fixed assets				
Subsidiaries	-	-	4,207	1,975
Associates and joint ventures	-	26	-	26
Other related companies	161,334	96,660	18,899	17,874
	<u>161,334</u>	<u>96,686</u>	<u>23,106</u>	<u>19,875</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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables - related parties				
Subsidiaries	-	-	1,933,552	1,912,119
Associates and joint ventures	139,793	174,279	3,355	1,279
Other related companies	64,934	44,094	38,259	41,139
	<u>204,727</u>	<u>218,373</u>	<u>1,975,166</u>	<u>1,954,537</u>
Accrued interest income - related parties				
Subsidiaries	-	-	466,796	233,514
Associates and joint ventures	656,590	225,256	-	-
	<u>656,590</u>	<u>225,256</u>	<u>466,796</u>	<u>233,514</u>
Trade payables - related parties				
Subsidiaries	-	-	495,736	561,951
Associates and joint ventures	227,433	26,713	31,910	5,900
Other related companies	56,852	46,788	-	1,331
	<u>284,285</u>	<u>73,501</u>	<u>527,646</u>	<u>569,182</u>

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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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Short-term loans to related parties				
Subsidiaries	-	-	7,452,933	7,331,581
Associates and joint ventures	69,870	-	-	-
	<u>69,870</u>	<u>-</u>	<u>7,452,933</u>	<u>7,331,581</u>
Long-term loans to related parties				
Long-term loans				
Subsidiaries	-	-	37,872,816	40,263,658
Associates and joint ventures	11,274,911	12,361,592	-	-
	<u>11,274,911</u>	<u>12,361,592</u>	<u>37,872,816</u>	<u>40,263,658</u>

The movements of long-term loans to related parties during the year can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
As at 1 January	12,361,592	-	40,263,658	20,996,673
Additions	-	12,174,947	109,710	34,043,181
Repayments	-	-	(1,649,270)	(14,230,572)
Gain (loss) on exchange rates	-	186,645	(851,282)	(545,624)
Translation adjustment	(1,086,681)	-	-	-
As at 31 December	<u>11,274,911</u>	<u>12,361,592</u>	<u>37,872,816</u>	<u>40,263,658</u>
As at 31 December				
	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Short-term loans from related parties				
Subsidiaries	-	-	693,499	923,957
Associates and joint ventures	119,300	77,000	-	-
	<u>119,300</u>	<u>77,000</u>	<u>693,499</u>	<u>923,957</u>

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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	
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	884,734	864,020	140,989	109,359
Post-employment benefits	28,056	22,270	9,959	9,396
Other long-term benefits	31,342	16,553	14,344	5,610
	<u>944,132</u>	<u>902,843</u>	<u>165,292</u>	<u>124,365</u>

Thai Union Group Public Company Limited
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36 Cash flows from operating activities

Reconciliation of net profit for the year to cash flows from operating activities:

For the year ended 31 December	Notes	Consolidated financial information		Separate financial information	
		2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Profit before income tax:					
From continuing operations		6,464,703	6,714,632	3,139,534	3,355,295
From discontinued operation	11.5	(71,411)	(271,943)	-	-
Total		<u>6,393,292</u>	<u>6,442,689</u>	<u>3,139,534</u>	<u>3,355,295</u>
Adjustment items:					
Depreciation expenses	13	2,527,849	2,731,475	371,850	386,639
Amortisation expenses	14	232,965	251,516	31,876	12,875
Amortisation of discount/ premium from derivative contracts		(95,172)	(225,152)	(69,494)	(256,275)
(Reversal of) Allowance for doubtful accounts		(69,150)	(11,749)	76,504	1,291
(Reversal of) Allowance for diminution in value of inventories		174,788	(257,872)	(6,584)	(64,190)
(Reversal of) Allowance for loss on impairment of assets	13, 14	12,576	(134,882)	-	-
Allowance for loss on impairment of investment in a subsidiary	12	-	-	20,700	-
Allowance for loss on impairment of assets disposals group classified as held-for-sale		15,581	52,935	-	-
Employee benefit obligations	25	180,459	246,417	74,474	66,270
Loss on disposals of assets of disposals group classified as held-for-sale		185,871	-	-	-
(Gain) loss on sale of investments		(165,934)	48,649	(165,973)	49,244
Loss from capital reduction from subsidiaries		-	-	-	676,105
(Gain) Loss on disposals and write-offs of property, plant and equipment and intangible assets, net		17,541	17,237	4,149	(9,781)
Share of profit from investments in associates and joint ventures	12	(456,329)	(194,305)	-	-
(Gain) loss on exchange rates		526,660	916,445	531,879	275,362
Dividend income		(31,408)	(10,327)	(2,198,089)	(3,117,994)
Finance costs		2,140,793	1,571,668	1,726,945	1,127,317
Interest income		(1,053,045)	(359,543)	(1,722,555)	(1,246,735)
Total		<u>4,144,045</u>	<u>4,642,512</u>	<u>(1,324,318)</u>	<u>(2,099,872)</u>

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36 Cash flows from operating activities (continued)

Reconciliation of net profit for the period to cash flows from operating activities (continued):

For the year ended 31 December	Consolidated financial information		Separate financial information	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Changes in operating assets and liabilities:				
(Increase) Decrease in trade and other receivables	150,999	195,235	(10,936)	(228,226)
Increase in inventories	(4,823,684)	(4,159,662)	(614,391)	(1,259,204)
(Increase) Decrease in other current assets	180,094	(108,827)	39,577	(17,390)
(Increase) Decrease in other non-current assets	(264,197)	(202,121)	15,987	(38,754)
Increase in trade and other payables	2,201,694	2,938,483	722,017	977,625
Increase (Decrease) in other current liabilities	(282,610)	(287,172)	(4,905)	(34,533)
Increase (Decrease) in other non-current liabilities	47,360	106,282	26,209	(6,138)
Cash paid for employee benefit obligations	(71,680)	(90,938)	(8,147)	(7,643)
Total	(2,862,024)	(1,608,720)	165,411	(614,263)
Profit before income tax	6,393,292	6,442,689	3,139,534	3,355,295
Adjustment items	4,144,045	4,642,512	(1,324,318)	(2,099,872)
Changes in operating assets and liabilities	(2,862,024)	(1,608,720)	165,411	(614,263)
Cash flows receipts from operations	7,675,313	9,476,481	1,980,627	641,160
Income tax paid	(857,544)	(1,706,592)	(12,221)	39,624
Net cash receipts from operating activities	6,817,769	7,769,889	1,968,406	680,784

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37 Commitments and contingent liabilities
37.1 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	
	2017	2016	2017	2016
Factory, building and warehouse construction agreements	Baht 167 million USD 1 million EUR 3 million	Baht 517 million USD 1 million EUR 4 million	- - -	- - -
Purchase of machinery and equipment agreements	Baht 168 million USD 1 million EUR 3 million -	Baht 77 million USD 1 million EUR 3 million JPY 7 million	Baht 2 million - - -	Baht 16 million - - -

37.2 Guarantees

- As at 31 December 2017, there were outstanding bank guarantees of Baht 31 million (2016: Baht 41 million) issued on behalf of the Company in the normal course of business.
 - As at 31 December 2017, there were outstanding bank guarantees of Baht 91 million, USD 2 million, EUR 3 million, NOK 6 million, and PLN 1 million (2016: Baht 95 million, USD 5 million, EUR 2 million, NOK 10 million and PLN 1 million) issued on behalf of the subsidiaries in the normal course of business.
 - As at 31 December 2017, there was an outstanding letter of guarantee of USD 13 million (2016: USD 13 million) issued on behalf of a subsidiary to a financial institution to secure credit facilities of a subsidiary of the Group's joint venture.
 - As at 31 December 2017, there were outstanding bank guarantees of EUR 22 million, CAD 8 million, and CNY 6 million (2016: EUR 12 million and CAD 6 million) issued on behalf of the Company to secure credit facilities of its subsidiaries.
 - As at 31 December 2017, there were outstanding bank guarantees of Baht 61 million (2016: Baht 61 million) issued on behalf of a subsidiary to secure credit facilities of the Group's joint venture.
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37 Commitments and contingent liabilities (continued)

37.3 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Not later than 1 year				
- THB	168,770	204,225	107,967	93,850
- USD	2,554	2,573	173	130
- EUR	3,443	4,131	-	-
- NOK	750	-	-	-
- CAD	4	-	-	-
Later than 1 year but not later than 5 years				
- THB	367,998	363,531	289,623	292,285
- USD	7,761	3,854	326	-
- EUR	5,216	7,597	-	-
- CAD	13	-	-	-
Later than 5 years				
- THB	68,683	130,923	64,921	123,666
- USD	3,364	275	-	-
- EUR	62	87	-	-
	<u>628,618</u>	<u>717,196</u>	<u>463,010</u>	<u>509,931</u>

37.4 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. Nevertheless, Tri-U is in discussions with some of its larger customers to discuss their complaints.

John West Foods Limited (JWF)

On 2 January 2018, JWF has been notified of the intention of the UK Crown Prosecution Service to prosecute JWF for alleged offences of conducting business directly connected to IUU fishing imported from Ghana for the period between 2012 and 2014. A first hearing of JWF before the Magistrates Court in Tyne & Wear occurred on 26 January 2018. JWF is contesting these actions and is presently unable to predict their probable outcome of these matters.

In addition, there are certain entities under Thai Union Europe Group which are under review by their tax authorities. The subsidiaries has been cooperating with their local tax authorities. The result has not been finalised. However, the management does not expect any significant impact to the Group.

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38 Financial instruments

Fair value of financial derivatives are set out as below:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
Assets				
Foreign currency forward contracts	854,011	1,056,699	563,755	807,516
Option contracts	-	2,280	-	1,155
Interest rate swap contracts	20,615	-	-	-
Cross currency and interest rate swap contracts	1,888,653	1,011,668	1,888,653	1,011,668
	<u>2,763,279</u>	<u>2,070,647</u>	<u>2,452,608</u>	<u>1,820,349</u>
Liabilities				
Foreign currency forward contracts	236,576	441,925	63,112	132,285
Option contracts	19,325	3	306	3
Interest rate swap contracts	9,943	180,992	-	-
Cross currency and interest rate swap contracts	530,698	684,065	530,698	684,065
	<u>796,542</u>	<u>1,306,985</u>	<u>594,116</u>	<u>816,353</u>
Assets (Liabilities), net	<u>1,966,737</u>	<u>763,662</u>	<u>1,858,492</u>	<u>1,003,996</u>

38.1 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	
	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2016 Thousand Baht
EUR	499,976	572,277	144,271	92,514	39.03	37.76
USD	1,136,368	998,354	528,251	306,612	32.68	35.83
JPY	109,278	23,615	398,670	64,084	0.29	0.31
NOK	6,038	38,595	33,900	84,928	3.96	4.16
GBP	69,384	10,571	48,332	3,568	43.99	44.04
SEK	2,214	2,032	4,526	3,161	3.96	3.94
PLN	249,457	268,552	129,569	134,087	9.34	8.53
CZK	6,235	2,218	2,272	2,365	1.53	1.39
GHS	3,820	13,853	2,363	-	5.44	4.53
CNY	17,918	2,560	9,051	2,831	5.01	5.15

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38 Financial instruments (continued)

38.1 Foreign currency forward contracts and option contracts (continued)

The Group and the Company had outstanding forward contracts as summarised below.

As at 31 December 2017							
	Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date	
				Bought amount	Sold amount		
<u>The Company</u>							
USD		27	321	32.58 – 33.29 Baht against USD	32.38 – 34.10 Baht against USD	January 2018 - April 2019	
JPY		-	370	-	0.31 Baht against JPY	September 2018	
EUR		-	271	-	38.96 - 48.45 Baht against EUR	March 2018 - December 2022	
GBP		-	20	-	43.73 - 44.24 Baht against GBP	June 2018 - December 2018	
<u>Subsidiaries</u>							
USD		28	326	32.42 -33.17 Baht against USD	32.28 - 34.96 Baht against USD	January 2018 - September 2018	
JPY		-	12	-	0.29 Baht against JPY	December 2018	
EUR		-	1	-	38.29 - 39.13 Baht against EUR	March 2018 - July 2018	
AUD		-	17	-	24.49 - 26.15 Baht against AUD	June 2018 - December 2018	
USD		40	-	0.82 - 0.84 EUR against USD	-	January 2018 - January 2019	
USD		39	-	0.74 - 0.76 GBP against USD	-	January 2018 - December 2018	
USD		-	22	-	3.58 - 3.65 PLN against USD	January 2018 - December 2018	
EUR		56	-	0.73 - 0.92 GBP against EUR	-	January 2018 - December 2018	
EUR		-	1	-	9.46 - 9.57 NOK against EUR	January 2018 - December 2018	
NOK		477	-	0.10 - 0.11 EUR against NOK	-	January 2018 - January 2019	
NOK		1	-	0.09 GBP against NOK	-	January 2018 - December 2018	
PLN		2	-	0.24 EUR against PLN	-	January 2018 - December 2018	
PLN		9	-	0.28 USD against PLN	-	May 2018 - August 2018	

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38 Financial instruments (continued)

38.1 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 2016					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
The Company					
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
Subsidiaries					
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 – December 2017
NOK	12	-	0.09 GBP against NOK	-	January 2017 – January 2018
GBP	2	-	1.30 EUR against GBP	-	January 2017 – January 2018
PLN	2	-	0.23 EUR against PLN	-	January 2017 – June 2017
JPY	-	120	-	3.82 – 3.89 PLN against 100 JPY	January 2017 – December 2017

As at 31 December 2017, the Group had outstanding option contracts with special conditions with financial institutions under which they had obligations to sell amounts of USD 17 million at rates of Baht 33.23 – 33.92 per USD 1 (as at 31 December 2016: sell amounts of USD 12 million at rates of Baht 35.04 – 35.72 per USD 1) and to buy amounts of NOK 54 million at rates of EUR 0.11 per NOK 1, respectively. These agreements will expire within January 2019.

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38 Financial instruments (continued)

38.2 Interest rate swap contracts

The details of outstanding interest rate swap contracts as at 31 December 2017 and 31 December 2016 are as follows:

The Company

The Company had no outstanding interest rate swap contracts as at 31 December 2017 and 31 December 2016.

Subsidiaries

As at 31 December 2017				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	EUR 22 million	Floating rate 3-month EURIBOR	Fixed rate 0.37%	October 2021
2	EUR 50 million	Floating rate 3-month EURIBOR	Fixed rate 0.18%	December 2022
3	EUR 100 million	Floating rate 3-month EURIBOR	Fixed rate 0.18%	December 2022
4	EUR 22 million	Floating rate 3-month EURIBOR	Fixed rate 0.10%	December 2022
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

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38 Financial instruments (continued)

38.3 Cross currency and interest rate swap contracts

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2017 and 2016 are as follows:

The Company

As at 31 December 2017					
	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 614 million	Floating rate 3-month THBFIX minus 0.06%	USD 20 million	Fixed rate 1.54%	June 2018
2	USD 14 million	Floating rate USDLIBOR plus 0.92%	Baht 442 million	Fixed rate 4.00%	July 2018
3	Baht 4,106 million	Fixed rate 2.32%	EUR 97 million	-	December 2019
4	Baht 2,428 million	Floating rate 3-month THBFIX plus 3.56%	USD 70 million	Fixed rate 5.10%	October 2020
5	Baht 2,433 million	Floating rate 3-month THBFIX plus 3.50%	USD 70 million	Fixed rate 5.10%	October 2020
6	Baht 2,780 million	Floating rate 3-month THBFIX plus 3.50%	USD 80 million	Fixed rate 5.10%	October 2020
7	Baht 3,475 million	Floating rate 6-month THBFIX plus 3.50%	USD 100 million	Fixed rate 5.10%	October 2020
8	Baht 1,911 million	Floating rate 6-month THBFIX plus 3.49%	USD 55 million	Fixed rate 5.10%	October 2020
9	USD 50 million	Floating rate 3-month USDLIBOR plus 1.00%	Baht 1,769 million	Floating rate 6-month THBFIX plus 0.80%	September 2021
10	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
11	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
12	Baht 80 million	Floating rate 6-month THBFIX plus 1.33%	EUR 2 million	Floating rate 3-month EURIBOR plus 1.38%	October 2021
13	EUR 29 million	Floating rate 3-month EURIBOR plus 2.10%	PLN 125 million	Floating rate 3-month WIBOR plus 3.38%	October 2021
14	Baht 1,134 million	Fixed rate 0.70%	EUR 29 million	Fixed rate 0.73%	October 2021
15	Baht 976 million	Floating rate 6-month THBFIX plus 1.80%	USD 30 million	Fixed rate 3.70%	June 2022
16	Baht 737 million	Fixed rate 2.88%	USD 23 million	Fixed rate 3.30%	June 2022
17	Baht 573 million	Fixed rate 2.88%	USD 18 million	Fixed rate 3.30%	June 2022
18	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
19	Baht 656 million	Fixed rate 4.53%	EUR 17 million	Floating rate 3-month EURIBOR plus 3.15%	January 2023
20	Baht 233 million	Fixed rate 3.69%	EUR 6 million	Floating rate 3-month EURIBOR plus 3.15%	January 2023

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38 Financial instruments (continued)

38.3 Cross currency and interest rate swap contracts (continued)

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2017 and 2016 are as follows (continued):

The Company (continued)

As at 31 December 2017					
	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Termination date
	Principal amount	Interest rate	Principal amount	Interest rate	
21	Baht 505 million	Fixed rate 3.30%	USD 14 million	Fixed rate 3.96%	June 2025
22	Baht 1,452 million	Fixed rate 3.05%	USD 40 million	Fixed rate 3.98%	June 2025
23	Baht 426 million	Fixed rate 3.68%	USD 13 million	Fixed rate 3.96%	June 2025
24	Baht 488 million	Fixed rate 4.00%	USD 15 million	Fixed rate 3.96%	January 2026
25	USD 75 million	Fixed rate 3.66%	Baht 2,529 million	-	April 2026

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

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38 Financial instruments (continued)

38.3 Cross currency and interest rate swap agreements (continued)

The details of outstanding cross currency and interest rate swap contracts as at 31 December 2017 and 2016 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	
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
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

Thai Union Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

39 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. 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	
	2017	2016	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic sales	3,709,801	2,972,150	1,832,226	1,912,212	5,542,027	4,884,362
Export sales	16,077,247	15,168,879	565,924	467,294	16,643,171	15,636,173
Total revenue from sales	<u>19,787,048</u>	<u>18,141,029</u>	<u>2,398,150</u>	<u>2,379,506</u>	<u>22,185,198</u>	<u>20,520,535</u>

40 Events after the reporting period

Dividend

On 20 February 2018, 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 2018, to pay a dividend of Baht 3,149 million from its net operating profit for the year 2017. However, by the resolution of the Company’s Board of Directors held on 7 August 2017, the Company paid out the interim dividend of Baht 0.32 per share from operating profit for the six-month period ended 30 June 2017, to the Company’s shareholders totaling Baht 1,527 million on 4 September 2017. The remaining dividend of Baht 0.34 per share or totaling Baht 1,622 million will be paid on 23 April 2018.



Thai Union Group Public Company Limited

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