

# ANNUAL REPORT 2019

THAI UNION GROUP  
PUBLIC COMPANY LIMITED

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





# COMPANY PROFILE

Thai Union Group Public Company Limited  
Registration No. 0107537000891

## TYPE OF BUSINESS

Processor and exporter of frozen and canned seafood

## HEAD OFFICE

72/1 Moo 7, Sethakit 1 Road, Tarsrai Sub-District,  
Mueang Samut Sakhon District,  
Samut Sakhon Province 74000  
Tel.: +66 (0) 3481-6500 (Automatic 7 lines)  
Fax: +66 (0) 3481-6886

## BANGKOK OFFICE

979/12 M Floor, S.M. Tower,  
Phaholyothin Road, Phaya Thai,  
Phaya Thai, Bangkok 10400  
Tel.: +66 (0) 2298-0024, 2298-0537 - 41  
Fax: +66 (0) 2298-0548, 2298-0550

## INVESTOR RELATIONS DEPARTMENT

Tel.: +66 (0) 2298-0024  
Fax: +66 (0) 2298-0342  
Email: [ir@thaiunion.com](mailto:ir@thaiunion.com)

## CORPORATE COMMUNICATIONS DEPARTMENT

Tel.: +66 (0) 2298-0024  
Fax: +66 (0) 2298-0024 ext. 4449  
Email: [tu\\_corporate@thaiunion.com](mailto:tu_corporate@thaiunion.com)

## WEBSITE

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

Listed on the Stock Exchange of Thailand  
Since 22 November 1994

As of 31 December 2019  
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





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# MESSAGE FROM OUR CHAIRMAN

When I first arrived in Thailand, my single aim was to be able to provide for my family. As we reach the end of another 10 years for Thai Union Group, I can say that I am immensely proud of what we have achieved from such humble beginnings.

Our 2019 annual report caps the last decade and brings us into a new era for Thai Union. This milestone gives us the opportunity to reflect on the progress we have made over the last 10 years and we can be incredibly proud of the journey that we have been on, and of our achievements. We have made great strides in the first decade of the 21<sup>st</sup> Century.

Over the last 10 years, we have grown as a Group. We have become even more international, expanding our reach into Europe, further developing our U.S. business, and also firmly establishing Thai Union in China and other emerging markets. In 2019, we continued to build on this, as well as demonstrate solid fundamentals in our business. Financially, we have furthered our solid foundations to take us into the future and I am very proud of how we have continued to navigate the many challenges presented by an industry such as ours, particularly as the last 10 years have seen a vastly changing global economic environment.

To stay on this path, however, we must continue to be a Group that embraces change, and is prepared to lead. We are at the forefront of sustainability in the global seafood industry and now, as we enter this new decade, we are placing increased emphasis on innovation with the new products and developments that our Global Innovation Center (GIC) will produce to keep us at the forefront of the industry and respond to changing consumers demands. The GIC is working on new areas, which include alternative proteins and on creating new products and packaging solutions that respond to the needs of consumers.

This spirit of advancement is what defines Thai Union and it is what will take us into the next phase of our growth, alongside continuing to demonstrate strong financials. There will be more challenges to come but I know that we are well placed to face them, and continue to succeed.

As someone who also came to Thailand to build a life for my family, our sustainability efforts, particularly around how we have taken a leading position in international human rights in the entire seafood supply chain, have been especially pleasing to me. Placing sustainability at the heart of our Group has meant that we can all be proud of being One Thai Union and that consumers can be sure that we are providing them with products that are sourced, processed and delivered with the highest sense of ethics.

In any industry it is not enough to just be talented, you must have good morals and ethics to build the future. I am proud of the healthy, nutritious products that we provide to our customers, and the commitment to ethical, responsible operations that all of our staff maintain. We have been able to achieve this while also ensuring that we are a financially-sound Group, which is looking to the future.

Since the very beginning of our journey as Thai Union, we have received great support from our staff, customers, consumers and our shareholders, as well as a great number of other key and valued stakeholders. I am extremely grateful for your support and am greatly looking forward to continuing this journey with you all. This decade has ended and I am looking forward to the next 10 years together.

MR. KRAISORN CHANSIRI  
CHAIRMAN



**“IN ANY INDUSTRY IT IS NOT ENOUGH TO JUST BE TALENTED, YOU MUST HAVE GOOD MORALS AND ETHICS TO BUILD THE FUTURE. I AM PROUD OF THE HEALTHY, NUTRITIOUS PRODUCTS THAT WE PROVIDE TO OUR CUSTOMERS, AND THE COMMITMENT TO ETHICAL, RESPONSIBLE OPERATIONS THAT ALL OF OUR STAFF MAINTAIN. THIS DECADE HAS ENDED AND I AM LOOKING FORWARD TO THE NEXT 10 YEARS FOR THAI UNION AND ALL OUR STAFF.”**





# MESSAGE FROM OUR PRESIDENT AND CEO

We have performed well financially over the last year. Our Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) reached record levels as we achieved THB 12 billion, up 9.2 percent year-on-year. Our normalized net profit was up 0.5 percent year-on-year to THB 5,218 million and we were able to pay a 2019 dividend of THB 0.47, an increase of 17.5 percent from the previous year.

This has been in no small way thanks to the continued global growth of the Group, as well as solidifying our core businesses. In 2019, we increased our stake to 65 percent in Thammachart Seafood Retail Co., Ltd. (TSR), which provides professional management services to Thai retailers for their seafood counters, handling fresh and frozen products at 195 locations in Thailand. We also made a strategic investment in Aegir Seafood Company, one of the leading producers of cod liver in Iceland, to support the growth of the cod liver business for our King Oscar brand. In China, we signed an agreement with Shanghai Win-Chain Supply Management Co., Ltd. to become strategic partners in supplying Thai Union's seafood products in the Chinese market, both online and offline.

But the seafood industry does not stand still, so we need to be continually looking for new ways to build and grow our business. To this end, we have been focusing on how the industry is evolving and have embraced innovation as critical to the future of

Thai Union. In 2019, we had the honor of hosting Her Royal Highness Princess Maha Chakri Sirindhorn, who opened our new Global Innovation Center (GIC). The GIC will play a critical role in pioneering research and technology development, as well as nurturing new food-tech startups through its SPACE-F collaboration with the National Innovation Agency and Mahidol University's Faculty of Science. SPACE-F is the first global food-tech startup incubator and accelerator in Thailand, providing a global food maker and co-innovating space as well as a comprehensive mentoring program.

Over the last decade we have also placed ever-greater emphasis on sustainability through our global sustainability strategy, SeaChange®, which addresses pressing needs in the Thai fishing industry and the seafood industry around the world. I was extremely proud of this strategy being rewarded in 2018, as we were ranked number one in the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI) and even more pleased when we repeated this achievement again in 2019. Additionally, we were top of the inaugural Seafood Stewardship Index (SSI) in 2019. This year, we also released our first Sourcing Transparency report with WWF and launched more Fishery Improvement Projects (FIPs) to keep supporting fisheries in their goal to achieve Marine Stewardship Council (MSC) standards.

**“BUT THE SEAFOOD INDUSTRY DOES NOT STAND STILL, SO WE NEED TO BE CONTINUALLY LOOKING FOR NEW WAYS TO BUILD AND GROW OUR BUSINESS. TO THIS END, WE HAVE BEEN FOCUSING ON HOW THE INDUSTRY IS EVOLVING AND HAVE EMBRACED INNOVATION AS CRITICAL TO THE FUTURE OF THAI UNION”**

At the same time, we also recognize the role that the oceans and seafood play in both helping fight climate change and providing healthy, nutritious diets for consumers. That is why we are making a commitment to "Healthy Living, Healthy Oceans" around the world.

Thai Union is a Group, which means we all work together, towards the same goals. Every one of us has a role to play in this, from our staff right through to our shareholders and other stakeholders, and not least the consumers that buy and enjoy our products. I am grateful to everyone that has shown their support and worked on all our achievements. Going forward, we will be taking innovation and sustainability and commercial success as three key pillars of our business and I am confident that we will see even more success, together.

MR. THIRAPHONG CHANSIRI  
PRESIDENT AND CEO, THAI UNION GROUP

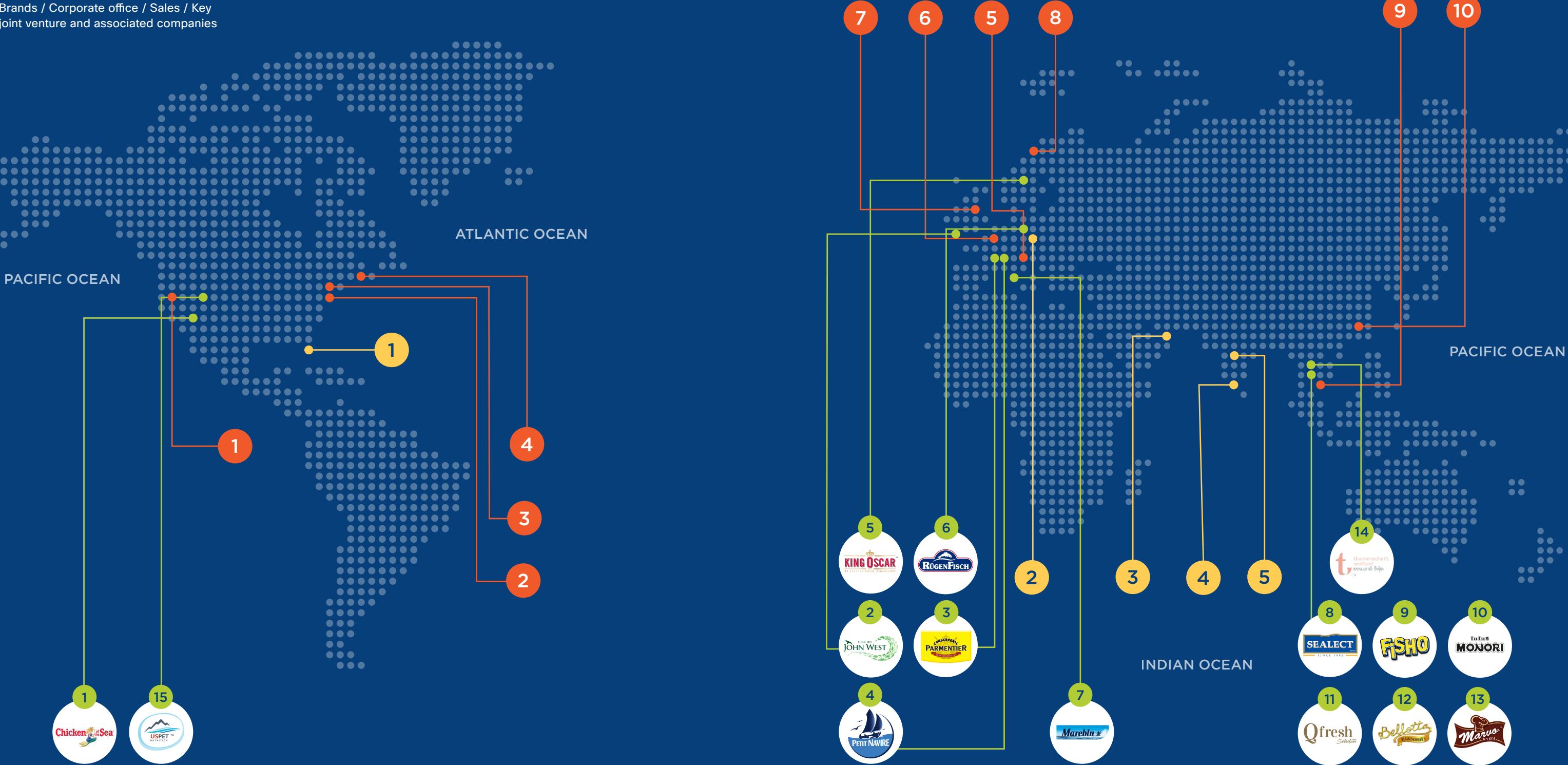






# THAI UNION'S FOOTPRINT

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



## LEGEND



### BRANDS

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



### CORPORATE OFFICE / SALES

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



### STRATEGIC PARTNERSHIP/ KEY JOINT VENTURE

- |   |                                       |
|---|---------------------------------------|
| 1 | Red Lobster, USA                      |
| 2 | TUMD Luxembourg, S.a.r.l., Luxembourg |
| 3 | Seafood International Two FZCO, UAE   |
| 4 | Avanti Frozen Foods, India            |
| 5 | Avanti Feeds Ltd., India              |





# THAI UNION'S FOOTPRINT

Production location / Innovation center / R&D center



## LEGEND



### PRODUCTION LOCATION

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



### INNOVATION CENTER R&D CENTER

- |                      |
|----------------------|
| 1 Douarnenez, France |
| 2 Bangkok, Thailand  |





# THAI UNION STRATEGY

## 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

We are committed to "Healthy Living, Healthy Oceans." With a focus on health and wellbeing across our group's portfolio, we will strengthen the growth and profitability of our core businesses and expand into new, attractive areas. We will continue to lead the industry on sustainability while attracting and retaining talent.

### THAI UNION: "HEALTHY LIVING, HEALTHY OCEANS"

At Thai Union, protecting our oceans and providing healthy, sustainable products is absolutely central to everything we do. Consumers are increasingly looking to food as a way to manage their health and wellbeing, above and beyond simply getting enough calories. They are also increasingly looking to protect the environment by reducing their consumption of more carbon-heavy proteins. Thai Union's seafood products, which are naturally rich in protein, omega-3, collagen and vitamins and are sourced with SeaChange®, our industry-leading global sustainability strategy in mind, are well-positioned to serve this demand.

In 2019 we defined our strategic direction and aspiration, setting out a strategy to carry us through to 2025. This strategy builds on our determination to provide healthy and tasty products to consumers and on our commitment to industry-leading sustainability. In short, at Thai Union we focus on "Healthy Living, Healthy Oceans".

There are six elements in our strategy to create long-term value, which will help us fuel and sustain organic growth, shift and future-proof our Group portfolio and thereby improve and strengthen our Group's earnings profile.

### GROWING THE CORE

Firstly, we will grow and increase the value of our core business. We believe there are still substantial opportunities to grow in terms of both volume and value. We will achieve this via a three-pronged approach: tapping into existing and emerging white spaces through expanding our product ranges; customer and geography mix, by selectively entering attractive adjacent categories; and by further developing and differentiating our value proposition for all consumers and customers.



## DIVERSIFYING ALONG THE VALUE CHAIN

Secondly, we will continue to diversify our Group portfolio by expanding into attractive businesses along our value chains. We are focused on deriving more value from our co-products through our ingredients business and intend to grow this business beyond tuna oil into additional ingredients and other highly specialized products. In addition, we are going to further grow our feed business and continue to invest in research and development of sustainable and high-performing fish and shrimp feed for the growing global aquaculture market.

## EXPLORING NEW HORIZONS

In addition to the above, Thai Union will build its alternative protein business. Alternative proteins, whether from plants, insects, algae, or other sources, not only have applications across all of our businesses – feed, pet food, human food and ingredients – but also provide clear advantages in terms of sustainability compared to many traditional protein sources.

At Thai Union, we recognize that not all innovations can be developed internally, especially as the food-tech space has become increasingly dynamic. As a result, we closely engage with, and support, global food-tech startups through our role as one of the founding members of SPACE-F, Thailand's first food tech incubator/accelerator, as well as through Thai Union's Corporate Venture Capital (CVC) fund.

## FUTURE-PROOFING OUR OPERATIONS

As part of the next decade of Thai Union, we are redoubling our efforts to increase productivity and reduce our structural costs. We have put in place structured programs to drive continuous improvement across our operations with detailed plans and clear line of sight on annual reduction of conversion costs. In addition, we are investing in automation and artificial intelligence in order to further drive efficiency and to ensure that our supply chain is well positioned for the future.

## CONTINUING OUR SUSTAINABILITY LEADERSHIP

We are proud to be recognized for our efforts in sustainability, not only in our own operations, but in the industry as a whole. We were ranked number one in the world in the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI) in 2018 and 2019,

we were ranked number one in the inaugural Seafood Stewardship Index and we received the Thailand Stock Exchange's highest commendation for our market capital category. We continue to be focused on operationalizing SeaChange®, our global, industry-leading sustainability strategy, across all parts of our business. At the same time, we are driving the next stage of our sustainability strategy by expanding our work on ocean stewardship and developing our climate change response. With these efforts, we expect Thai Union to continue to be a sustainability leader.

## DEVELOPING OUR EMPLOYEES

At Thai Union, we are focused on attracting, developing and retaining talented employees. We will continue our drive to increase employee engagement across all our businesses. In addition, we are encouraging global mobility and are focused on developing our future leaders.

We will allocate our resources in a disciplined fashion in line with the above priorities. As we continue to deliver efficiencies in our core business, we are freeing up resources to provide fuel for growth, both for core product innovation, as well as for investment into new strategic growth areas.

We continue to actively manage our Group portfolio, investing in higher-growth and higher-margin businesses and are determined to fix underperforming businesses. We continue to be prepared to take decisive actions to improve or exit underperforming businesses. Any such actions are taken with full consideration and due diligence and in such a way as to minimize disruption and unlock the full potential of existing business.

While we primarily focus on investing in driving profitable growth organically, we continue to selectively look at acquisitions and partnerships to further our strategic priorities. For potential acquisitions we will focus on areas of high strategic interest, particularly in high-growth categories and regions.

With the above strategy we are balancing a focus on top-and bottom-line growth with building the foundations for the future. In a rapidly changing environment, we believe the key to Thai Union's success is to continue building on our strengths; our access to naturally healthy and nutritious seafood, and our ability to lead the industry on innovation and sustainability. Thai Union will maintain an unwavering commitment to "Healthy Living, Healthy Oceans".







# OUR BRAND PORTFOLIO

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-favored brands across North America, Europe, Asia and the Pacific has a global reach, with product developments informed by local insights and market preferences.

Through strategic mergers and acquisitions, our family of brands is expanding its market share around the world. Our commitment to innovation, sustainable growth, quality, and consistency facilitates our competitive advantages.

## NORTH AMERICA



### CHICKEN OF THE SEA® AND CHICKEN OF THE SEA FROZEN FOODS

In 1914, Chicken of the Sea® began as a California-based fish canning company. Over the decades, its iconic mermaid image and reputation for quality have made it a household name. More than a century later, Chicken of the Sea® is synonymous with health, nutrition, and convenience; with a variety of products that, in addition to tuna, include sardines, shrimp, lobster, salmon and crab. Ensuring a healthy supply of seafood for future generations is imperative to Chicken of the Sea®. The Company has pioneered responsible sourcing initiatives including the Dolphin-Safe Policy, Shark Finning Ban, and a partnership with Marine Stewardship Council (MSC) and the International Seafood Sustainability Foundation (ISSF).



### GENOVA

In 1992, Thai Union's Genova brand of tuna was launched for customers seeking a high-quality, great tasting product. Genova uses wild-caught, hand-selected, premium yellowfin and albacore tuna, with its quality embodied in its slogan, "Simply Fulfilling." The growth of the premium tuna market is outpacing mainstream tuna products, and Genova is taking advantage of consumer trends by building awareness and expanding its distribution channels.

## EUROPE



### JOHN WEST

Since 1857, John West has distinguished itself with its rich heritage and ongoing commitment to serving the highest-quality seafood products. The John West brand's commitment to quality is matched by its emphasis on product and packaging innovation. In 1952, John West introduced its canned tuna for the very first time – a product that would soon become a staple in kitchens everywhere. In 2014, John West and Thai Union Europe committed to improving the sustainability of its seafood. The changes made, which now extend across all of Thai Union's global business, include implementing fishery improvement projects, meeting the standards of the MSC, improving management of fish aggregating devices in tuna fisheries, and protecting workers' rights with a code of conduct for all supply chain vessels.



### PETIT NAVIRE

Founded in 1932, Petit Navire has established itself as the most famous French tuna brand. In 1982, its first television campaign etched the brand in French consumers' minds with the slogan "Le bon goût du large" ("The good taste of the sea"). Petit Navire has seen continuous operational growth throughout its history, and is a model of modernity for the entire industry.



### PARMENTIER

Since 1883, Parmentier has perfected the craft of canning to offer gourmets real moments of pleasure. Parmentier's sardines are carefully selected and prepared with quality ingredients, creating tasty recipes that stand the test of time. Preserving its heritage of quality, Parmentier sardines are only fished during the ideal season; typically, between June and December. Parmentier selects only the best fish, carefully controls its curing process, and prepares them by hand.



## EUROPE (CONTINUED)

**KING OSCAR**



### KING OSCAR

The King Oscar brand was born from a royal's love of fine sardines. In 1902, King Oscar II, ruler of Norway and Sweden, granted special royal permission to the Christian Bjelland Company – one of Norway's leading seafood canning companies – to use his name and portrait on their Norwegian sardines. Since its founding, King Oscar has offered discerning consumers the finest premium seafood, sourced from the pristine waters of the Norwegian Sea. King Oscar is the number one premium sardine brand in the USA, Norway, and Australia, while its mackerel line is number one in Poland. King Oscar's cod liver and mackerel lines are focused on premium, niche, and healthy sectors.

**Mareblu**



### MAREBLU

Mareblu, founded in the early 1970s, has developed as a strong, profitable, and attractive alternative to leading competitors in Italy. Thanks to its focus on quality and innovation, Mareblu is known as the only tuna brand in Italy produced where the tuna is caught; with the slogan, "Il tonno lavorato sul luogo di pesca." This fully integrated process results in a product of the highest standards in taste, quality, and nutrition.

**RÜGENFISCH**



### RÜGEN FISCH

Since 1949, Rügen Fisch has grown its business to become the leading seafood company in Germany, representing a powerful line 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 1982, Thai Union established the SEALECT brand to introduce Thailand to canned tuna produced at a global standard. SEALECT has established itself as the leading tuna brand in Thailand, while also exporting to some surrounding countries. SEALECT continues to diversify its line of products, all of which represent quality and value for money. SEALECT's mission is to help consumers get the most out of seafood through new varieties, nutritional information, and recipes.

**FISHO**



### FISHO

Created in 1996, FISHO was Thai Union's first snack brand for the Thai market, created from a perfect blend of premium-quality fish and richly-flavored seasonings. FISHO, with a mission to provide healthy snack foods in a wide variety, is available in strips, sheets, and sticks. It's popular among teens and young adults, who can enjoy its taste while knowing they're snacking guilt-free.

**KING OSCAR**



### KING OSCAR CHINA

In 2016, Thai Union introduced its premium brand King Oscar to China. The brand was launched in the frozen category, giving Chinese consumers an opportunity to enjoy the world's finest seafood. To maintain the highest quality, the brand fully controls the production process, from sourcing the seafood to final packaging and assuring food safety. Meticulous processing ensures that every bite offers the freshest experience and is full of various nutrients. Through all major online and offline retailers, King Oscar Frozen currently markets its range of shrimp, salmon, tuna, whitefish and other value-added products in the major cities in China.



## ASIA-PACIFIC (CONTINUED)

**KING OSCAR**



### 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.

**Qfresh**  
*Selection*



### QFRESH

Qfresh offers “Fresh Quality” through a wide selection of culinary selections that are ready-to-cook and ready-to-eat, including Chinese-style dim sum. Qfresh products are sustainably sourced and then stored to preserve their nutritional content and savory flavors. Qfresh consumers enjoy seafood that is affordable, convenient, and nutritious. Qfresh focuses on production and storage innovation, as well as modern delivery methods, to ensure it delivers to the highest standards of freshness, original flavor, and safety.

**MONORI**



### MONORI

Thai Union Group's Monori sea-snack products are one of the Company's first seafood snacks. They're fun, flavorful, and nutritious—made from the finest seafood ingredients, and cooked until perfectly crunchy. Monori snacks are a healthier alternative to many other snacks. Like all of Thai Union's businesses, Monori is committed to selectively sourcing its ingredients for the highest quality and the best taste.

## ASIA-PACIFIC (CONTINUED)



### BELLOTTA AND MARVO

Bellotta and Marvo pet food brands offer a wide range of formats and flavors, with quality ingredients selected from Thai Union's own supply. The brands' appetizing meals are meticulously prepared and provide full nutritional benefits for beloved furry family members.

## STRATEGIC PARTNERSHIP

**RED LOBSTER**  
FRESH FISH • LIVE LOBSTER



### RED LOBSTER

Red Lobster, the world's largest seafood restaurant company, has grown to become an iconic casual dining brand since its first location opened in Florida in 1968. Red Lobster has more than 700 locations in the U.S., Canada, and around the world. In 2016, Thai Union made a strategic investment in Red Lobster after supplying the brand for more than 20 years.



### THAMMACHART SEAFOOD

Thammachart Seafood delivers only the freshest and the best seafood to its customers, working closely with suppliers to ensure our seafood is traceable back to the source. The Company supplies live, fresh, frozen and value-add products, as well as managing managing more than 195 seafood counters in Thailand. Its sales have grown each year since 2008. In 2018, Thai Union entered a strategic partnership with Thammachart Seafood by acquiring shares in the Company. In 2019, Thai Union increased its stake in Thammachart Seafood to 65 percent. The partnership has expanded Thai Union's business portfolio into seafood counter service, food service and F&B concepts totalling 18 outlets, which include The Dock Seafood Bar, The Lobster Lab, Seafood Mahanakorn and the management of Ocean Bar.





# FINANCIAL HIGHLIGHTS

FINANCIAL DATA (BILLION BAHT)	YEAR		
	2019	2018	2017
Sales	126.3	133.3	134.9
Gross Profit	20.1	18.9	19.3
EBITDA	10.2	9.5	11.6
Total Assets	141.9	141.9	146.1
Total Liabilities	90.1	95.4	98.0
Shareholders' Equity	51.8	46.5	48.1
Net Cash from Operating Activities	11.8	12.9	6.8
Net Debt (Interest-bearing debt net of cash and cash equivalents)	55.2	62.9	66.4
Annual Dividend	2.2	1.9	3.1
PER SHARE DATA (BAHT)	YEAR		
	2019	2018	2017
Basic Earnings per Share	0.80	0.68	1.25
Diluted Earnings per Share	0.80	0.68	1.25
Dividend per Share	0.47	0.40	0.66
Par Value	0.25	0.25	0.25
Book Value per Average Share attributable to owners of the parent	10.15	9.06	9.28



# 5-YEAR COMPARATIVE FINANCIAL STATISTICS



## Remarks:

- 2015 & 2016 are not restated with reclassification of The Edinburgh Salmon Company Ltd. (ESCO) to discontinued operations
- Impacts from anti-trust litigation:
  - 2018: EBITDA 1.4 Billion Baht & Net Profit attributable to owners of the parent 1.4 Billion Baht
  - 2019: EBITDA 1.9 Billion Baht & Net Profit attributable to owners of the parent 1.4 Billion Baht





# 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 Frozen Products PCL 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). In 2015, the entire group was renamed Thai Union Group, MW Brands SAS was changed to Thai Union Europe and Thai Union International Inc. was changed to Thai Union North America Inc.

## 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), a 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**

Acquired a 40 percent equity stake of Avanti Feeds Limited's shrimp processing unit Avanti Frozen Foods Private Limited.

**2016**

Acquired majority stake in Canadian lobster processor Les Pêcheries 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.

Sold TTV, a Ghana-based firming firm and divested the Company's vessels.



**2017**

Fully established Thai Union China, with offices in Shanghai and Beijing.

**2017**

Bought out the minority investors in Pakfood in Thailand as well as in YCC in Vietnam, with both now fully-owned Thai Union Subsidiaries\*.

**2018**

Acquired a 25.1 percent stake in Thammachart Seafood Retail Co., Ltd.

Acquired a 45 percent stake in TUMD Luxembourg S.a.r.l. (TUMD), which wholly-owns three Russian retail focused fish and seafood businesses.

Increased our shareholding in Thai Union Feedmill Co., Ltd, a Thai Union Group subsidiary, to 66.9 percent.

Thai Union Feedmill set up a joint venture company, a manufacturer of aqua feed, particularly shrimp feed, based in the Indonesian city of Surabaya.

Thai Union subsidiary Européenne de la Mer's closed the loss-making chilled salmon business in Scotland, The Edinburgh Salmon Company Ltd ("ESCO").

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



## 2019 – A YEAR OF EXPANSION AND IMPROVING EFFICIENCIES

For Thai Union, 2019 was a year of further expansion and also ongoing focus on improving efficiencies across all of our business units.

- We expanded our footprint in Thailand's domestic seafood retail business, increasing our stake in Thammachart Seafood Retail Co., Ltd. (TSR) to 65 percent. TSR provides professional management services to leading Thai retailers for their seafood counters, handling fresh and frozen products at 195 locations throughout Thailand.
- We made a strategic investment in Aegir Seafood Company, one of the leading producers of cod liver in Iceland. The investment will support the growth of the cod liver business for Thai Union's King Oscar brand, a Norwegian-based manufacturer of cod liver, sardines and mackerel.
- We signed an agreement with Shanghai Win-Chain Supply Chain Management Co., Ltd. to become strategic partners in supplying Thai Union's seafood products in the Chinese market, both online and offline.
- We announced the foundation of a corporate venture fund as part of our continuous investment in innovation, with an initial commitment of USD 30 million for investments in innovative companies that are developing breakthrough technologies in food-tech. Our first investment was in Flying Spark, an alternative protein start-up.
- Thai Union Group subsidiary, John West Foods Ltd. was found not guilty of doing business directly connected to illegal, unreported and unregulated fishing, ending lengthy legal proceedings brought at the instigation of the UK Marine Management Organisation.
- Thai Union subsidiary Chicken of the Sea® reached a settlement with the majority of plaintiffs in an ongoing antitrust litigation in the U.S.

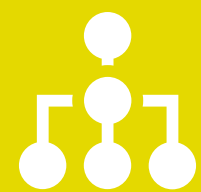
## SUSTAINABILITY EFFORTS

Sustainability is at the heart of Thai Union's business and in 2019 we continued to be a global leader in bringing positive change to the seafood industry. We were incredibly proud to have been rated number one in the world in the Food Products Industry Index in the 2019 Dow Jones Sustainability Indices (DJSI) for the second consecutive year. SeaChange®, our global sustainability strategy, successfully drove the score with an industry best-in-class 100<sup>th</sup> percentile ranking for total sustainability score.

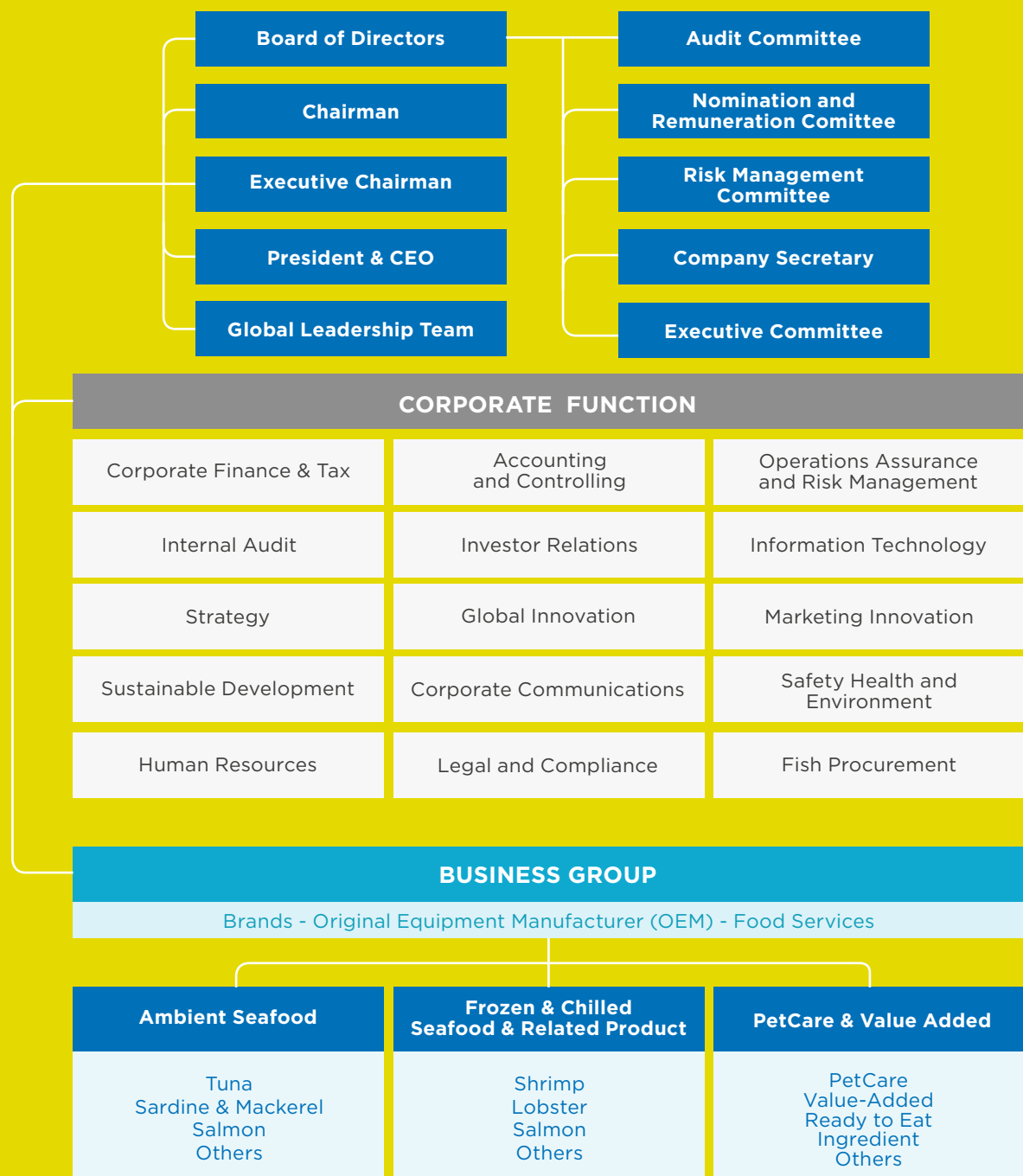
Other key initiatives and activities:

- Thai Union and WWF-UK were recognized as leaders in "Sustainability Supply Chains" at the edie Sustainability Leaders Award.
- We co-hosted a health and safety training workshop for fishers in Thailand with the International Transport Workers' Federation (ITF).
- Thai Union and its partner WWF released its first Sourcing Transparency: Wild Caught Fish and Shellfish report, a key part of our commitment to transparency in our operations and sustainability journey.
- Thai Union and WWF-UK released the fourth annual partnership report on their European partnership.
- Chicken of the Sea® introduced its Responsible Aquaculture Commitment, which will drive efforts to bring full traceability and sustainability to its aquaculture supply chains.
- Thai Union partnered with Calysta to offer the world's first commercially farmed shrimp fed with sustainable alternative protein. The sustainable FeedKind® protein contains a unique carbon signature that can help the food industry provide traceability and integrity to its supply chain.
- Thai Union CEO Thiraphong Chansiri joined other divers and the Global Ghost Gear Initiative (GGGI) in Thailand to launch the #GhostGearReborn campaign on World Oceans Day, as part of our commitment to ensuring the seas are sustainable, now and for future generations.
- Thai Union sponsored the SeaWeb Seafood Summit, bringing together seafood industry representatives to share ideas on creating a more sustainable future for seafood.
- Thai Union was joint host of the annual Seafood Business for Ocean Stewardship (SeaBOS) Dialogue in Phuket.
- Launched a new Combating Food Fraud and Food Defense Strategy to protect our food supply chain from intentional contamination through a series of robust programs.
- Dr. Darian McBain, Global Director of Corporate Affairs and Sustainability was recognized as one of Asia's Top Sustainability Superwomen.
- Dr. Darian McBain, Global Director of Corporate Affairs and Sustainability received the 2019 Freedom Award at the Anti-Slavery Australia Freedom Awards.
- Thai Union was ranked No. 1 on the inaugural Seafood Stewardship Index, which assessed the contribution of the world's 30 largest seafood companies to the United Nations (UN) Sustainable Development Goals (SDGs).
- Received the Stock Exchange of Thailand's Best Sustainability Excellence Award 2019 and was named to the SET's 2019 Thailand Sustainability Investment Index.





# ORGANIZATION CHART







# BOARD OF DIRECTORS



**NATIONALITY:** Thai

**AGE:** 85 years

(born on 13 May 1935)

## EDUCATION:

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

## 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

## MR. KRAISORN CHANSIRI

### POSITION: CHAIRMAN

**STARTING DATE:** 17 MARCH 1988

**NUMBER OF YEARS IN POSITION:** 32 YEARS

## POSITIONS IN OTHER LISTED COMPANIES:

None

## POSITIONS IN OTHER ORGANIZATIONS:

- 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, Bangkhae 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)
- 2014 – Present: Director, Thai Union High-Tech Pearl Cultivation Co., Ltd.

## POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

## TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.



## MR. CHENG NIRUTTINANON

### POSITION: CHAIRMAN OF EXECUTIVE DIRECTOR

**STARTING DATE:** 8 APRIL 1999

**NUMBER OF YEARS IN POSITION:** 21 YEARS

## POSITIONS IN OTHER LISTED COMPANIES:

None

## POSITIONS IN OTHER ORGANIZATIONS:

- 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)
- 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)
- 2001 – Present: Managing Partner, Hunhong Kanchang Registered Ordinary Partnership

## POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

## TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

None

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.





## MR. CHUAN TANGCHANSIRI

### POSITION: EXECUTIVE DIRECTOR

**STARTING DATE: 17 MARCH 1988**

**NUMBER OF YEARS IN POSITION: 32 YEARS**

#### POSITIONS IN OTHER LISTED COMPANIES:

None

#### POSITIONS IN OTHER ORGANIZATIONS:

- 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.
- 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

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

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

#### NATIONALITY: Thai

#### AGE: 75 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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.



## MR. THIRAPHONG CHANSIRI

### POSITION: PRESIDENT AND CEO

**STARTING DATE: 1 JANUARY 1990**

**NUMBER OF YEARS IN POSITION: 30 YEARS**

#### POSITIONS IN OTHER LISTED COMPANIES:

- 2014 – Present: Director, Minor International PCL.

#### POSITIONS IN OTHER ORGANIZATIONS:

- 1996 – Present: Chairman, Thai Union Seafood 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)
- 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.
- 2012 – Present: Director, Chaowpraya Cold Storage Co., Ltd.
- 2010 – Present: Director, Takzin 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.

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

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

#### NATIONALITY: Thai

#### AGE: 55 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:

- 509,065,212 shares\*, equivalent to 10.67% of paid-up capital
- Personal: 399,736,164 shares
  - Spouse: 109,329,048 shares
  - Children not yet of legal age: -none- shares

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.





## MR. RITTIRONG BOONMECHOTE

**POSITION: PRESIDENT - GLOBAL FROZEN AND RELATED UNITS**

**STARTING DATE: 5 JANUARY 1998**

**NUMBER OF YEARS IN POSITION: 22 YEARS**

**POSITIONS IN OTHER LISTED COMPANIES:**  
None

**POSITIONS IN OTHER ORGANIZATIONS:**

- 2000 – Present: Chairman of Executive Director, Thai Union Feedmill Co., Ltd.
- 1996 – Present: President, Thai Union Seafood 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.
- 2016 – Present: Executive Director, Thai Union China Co., Ltd. (China)
- 2017 – Present: Executive Director, RBC Asset Co., Ltd.
- 2018 – Present: Executive Director, Thammachart Seafood Retail 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)

**POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:**  
None

**TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:**

- TLCA Executive Development Program (EDP2/2009), Thai Institute of Director Association
- Director Accreditation Program (DAP84/2010) organized, Thai Institute of Director Association
- Leader Program no.25/2560, Capital Market Academy
- Advanced Master of Management Program (AMM) no.1, Graduate School of Public Administration (GSPA)

**NATIONALITY: Thai**

**AGE: 58 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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.



## MR. NORIO SAIGUSA

**POSITION: DIRECTOR**

**STARTING DATE: 5 APRIL 2019**

**NUMBER OF YEARS IN POSITION: 1 YEAR**

**POSITIONS IN OTHER LISTED COMPANIES:**  
None

**POSITIONS IN OTHER ORGANIZATIONS:**

- 2019 – Present: Executive Vice President and Group CEO, Food Industry Group, Mitsubishi Corporation

**WORK EXPERIENCE**

- 2017 – 2019: Senior Vice President, Mitsubishi Corporation President, Mitsubishi Company (Thailand), Ltd., Bangkok Division COO, Living Essential Resources Div., Mitsubishi Corporation
- 2016 – 2017: General Manager for Strategy Planning, Global Strategy, Investment, Risk Management, Living Essential Resources Div., Mitsubishi Corporation
- 2014 – 2015: Deputy Division COO, Living Essential Resources Div., Mitsubishi Corporation

**POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:**  
None

**TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:**  
None

**NATIONALITY: Japanese**

**AGE: 58 years**

(born on 19 July 1962)

**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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.





## MR. RAVINDER SINGH GREWAL SARBJIT S

### POSITION: DIRECTOR

**STARTING DATE: 15 NOVEMBER 2010**

**NUMBER OF YEARS IN POSITION: 9 YEARS**

**POSITIONS IN OTHER LISTED COMPANIES:**

None

**POSITIONS IN OTHER ORGANIZATIONS:**

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

**POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:**

None

**WORK EXPERIENCE**

- 2011 – 2014: Director, Wellard Group Holdings Pty Ltd (Australia)
- 2010 – 2011: Alt Director, Straits Metal Limited (Australia)
- 2010 – 2013: Alt Director, Otto Marine Limited (Singapore)
- 2007 – 2013: Director, Scomi Oilfield Limited (Bermuda)
- 2007 – 2013: Director, Shangri-La Hotels (Malaysia) Berhad (Malaysia)
- 2007 – 2007: Alt Director, Scomi Oilfields Ltd (BVI)
- 2005 – 2011: Director, Sei Woo Technologies Ltd (Singapore)

**TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:**

- Certified Public Accounts, Australian Society

**NATIONALITY: Malaysian**

**AGE: 51 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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.



## MR. SHUE CHUNG CHAN

### POSITION: EXECUTIVE DIRECTOR

**STARTING DATE: 30 APRIL 2001**

**NUMBER OF YEARS IN POSITION: 19 YEARS**

**POSITIONS IN OTHER LISTED COMPANIES:**

None

**POSITIONS IN OTHER ORGANIZATIONS:**

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

**POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:**

None

**TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:**

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

**NATIONALITY: Chinese**

**AGE: 44 years**

(born on 29 October 1975)

**EDUCATION:**

- Master of Business Administration, Bangkok University
- 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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.





## MR. SAKDI KIEWKARNKHA

### POSITION: INDEPENDENT DIRECTOR

**STARTING DATE: 22 AUGUST 2000**

**NUMBER OF YEARS IN POSITION: 19 YEARS**

#### POSITIONS IN OTHER LISTED COMPANIES:

- 2016 – Present: Advisor to the Board of Director, Dusit Thani PCL.

#### POSITIONS IN OTHER ORGANIZATIONS:

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

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

#### 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.

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

- Certified Public Accountants No. 0156 from 1962
- Attorney of Law No.2913401 from 1986
- The Role of Chairman Program organized (RCP 4/2001), Thai Institute of Directors Association
- Directors Certification Program organized (DCP 13/2001), Thai Institute of Directors Association
- Director Certification Program Refresher Course organized (RE DCP 2/2006), Thai Institute of Directors Association
- Handling Conflicts of Interest: What the Board should do? organized (4/2008), Thai Institute of Directors Association
- The Role of Compensation Committee organized (RCC 9/2009), Thai Institute of Directors Association
- Executive Program, Stanford University & University of Singapore
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- How to Develop a Risk Management Plan organized (HRP 2/2012), Thai Institute of Directors Association
- 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 organized (DCPU 1/2014), Thai Institute of Directors Association
- Advanced Audit Committee Program organized (AACP 20/2015), Thai Institute of Directors Association
- 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
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, SET
- Dealing with Cyber Risk in the Boardroom, Thai Institute of Directors Association
- Enterprise Risk Management Integrating with Strategy and Performance, Federation of Accounting Professions

#### NATIONALITY: Thai

#### AGE: 85 years

(born on 21 February 1935)

#### EDUCATION:

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

#### SHAREHOLDINGS:

50,000 shares\*, equivalent to 0.00% of paid-up capital

- Personal: 50,000 shares
- Spouse: -none- shares
- Children not yet of legal age: -none- shares

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.





**NATIONALITY:** Thai

**AGE:** 63 years

(born on 4 May 1957)

#### EDUCATION:

- Ph.D. International Management, Walden University, USA
- Master of Business Administration (Management), University of Sarasota, USA
- Bachelor of Business Administration (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

## DR. THAMNOON ANANTHOTHAI

### POSITION: INDEPENDENT DIRECTOR

**STARTING DATE:** 22 MARCH 2010

**NUMBER OF YEARS IN POSITION:** 10 YEARS

#### POSITIONS IN OTHER LISTED COMPANIES:

- 2007 – Present: Vice Chairman and Chairman of Audit Committee, IFS Capital (Thailand) PCL.
- 2007 – Present: Vice Chairman and Chairman of Audit Committee, Better World Green PCL.
- 2016 – Present: Independent Director and Audit Committee, After you PCL.

#### POSITIONS IN OTHER ORGANIZATIONS:

- 2004 – Present: Executive Director, Merchant Partners Securities PCL.
- 2013 – Present: Executive Director, Merchant Partners Co., Ltd.
- 2014 – Present: Executive Director, Merchant Partners Asset Management Limited
- 2015 – Present: Director, The Princess Mother's Medical Volunteer Foundation
- 2019 – Present: Advisor, Internet-Based Business Group Co., Ltd.
- 2019 – Present: Subcommittee on Capital Markets Digital Strategy, The Securities and Exchange Commission, Thailand

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

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.

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

- Audit Committee Program organized (ACP 10/2004), Thai Institute of Directors Association
- Directors Accreditation Program organized (DAP 48/2005), Thai Institute of Directors Association
- Directors Certification Program organized (DCP 70/2006), Thai Institute of Directors Association
- The Role of Chairman Program organized (RCP 14/2006), Thai Institute of Directors Association
- Corporate Governance for Capital Market Intermediaries, Thai Institute of Directors Association (12/2016)
- Understanding the Fundamental of Financial Statement organized (UFS 7/2007), Thai Institute of Directors Association
- A.C.A Certificate, American Accreditation Council for Accountancy USA

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.



**NATIONALITY:** Thai

**AGE:** 62 years

(born on 20 June 1958)

#### EDUCATION:

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

#### 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

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.

## MR. KIRATI ASSAKUL

### POSITION: INDEPENDENT DIRECTOR

**STARTING DATE:** 22 MARCH 2010

**NUMBER OF YEARS IN POSITION:** 10 YEARS

#### POSITIONS IN OTHER LISTED COMPANIES:

- 1993 – 2016: Chairman of the Boards, Ocean Glass PCL. (Including 2 Companies)
- 2016 – Present: Director, Ocean Glass PCL. (Including 2 Companies)

#### POSITIONS IN OTHER ORGANIZATIONS:

- 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.

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

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





**NATIONALITY:** Thai  
**AGE:** 61 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

#### SHAREHOLDINGS:

- none- shares\*, equivalent to - of paid-up capital
- Personal: -none- shares
  - Spouse: -none- shares
  - Children not yet of legal age: -none- shares

\* Number of shares held and % shareholding as of 30 December 2019 of the total of 4,771,815,496 shares.

## MR. NART LIUCHAREON

### POSITION: INDEPENDENT DIRECTOR

**STARTING DATE:** 3 APRIL 2015

**NUMBER OF YEARS IN POSITION:** 5 YEARS

**POSITIONS IN OTHER LISTED COMPANIES:**  
 None

#### POSITIONS IN OTHER ORGANIZATIONS:

- 1992 - Present: Executive Director and CEO, CDG Group (Including 9 Companies)
- 2000 - Present: Executive Director and CEO, G-ABLE Group (Including 8 Companies)
- 1985 - 1998: Marketing director, Control Data (Thailand) Ltd.

#### POSITIONS IN OTHER ORGANIZATIONS THAT HAVE CONFLICTS TO THE COMPANY:

None

#### WORK EXPERIENCE

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

#### TRAINING/SEMINAR COURSE RELATED TO DIRECTORSHIP:

- Leader Program no. 12/2010, Capital Market Academy
- Director Accreditation Program organized (DAP 120/2015), Thai Institute of Directors Association
- Audit Committee Forum "New Auditor's Report : What's In It for You?", Thai Institute of Directors Association
- Advanced Audit Committee Program organized (AACP 25/2017), Thai Institute of Directors Association



# AUDIT COMMITTEE AND SUB-COMMITTEES

## AUDIT COMMITTEE

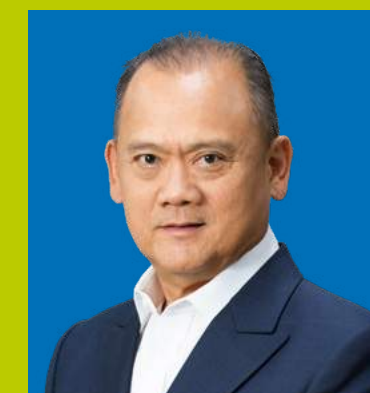
Audit Committee consists of independent directors as follows:



**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. Shue Chung Chan** .....Member of Risk Management Sub-Committee  
**Dr. Darian McBain** .....Member of Risk Management Sub-Committee  
**Mr. Patrick Bertalanffy** .....Member of Risk Management Sub-Committee





# GLOBAL LEADERSHIP TEAM



**Mr. Cheng Niruttinanon**  
Executive Chairman



**Mr. Thiraphong Chansiri**  
President and CEO



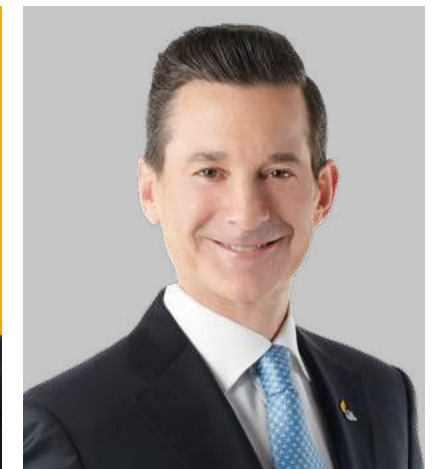
**Mr. Rittirong Boonmechote**  
President, Global Frozen  
and Related Unit



**Mr. Paul Reenan**  
Regional President,  
Thai Union Europe



**Mr. Valentin Ramirez**  
President and CEO,  
Thai Union U.S. Ambient  
Operation



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



**Mr. Joerg Ayrlle**  
Group CFO



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



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



**Dr. Darian McBain**  
Group Director, Corporate  
Affairs and Sustainability



**Mr. Patrick Bertalanffy**  
Group Director, Strategy



**Mr. Roy Chan**  
Managing Director - Thai Union  
Manufacturing Head Office





# MANAGEMENT TEAM



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



**Ms. Supathra Kuratana**  
Group Director,  
Global Commercial Innovation



**Mr. Leonardus Coolen**  
Managing Director,  
Thai Union Ingredients



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



**Mr. Ludovic Garnier**  
Head of Group Accounting  
and Controlling



**Mr. Pichitchai Wongpiya**  
President, Global PetCare  
Business Unit



**Mr. David Sankowicz**  
Head of Group Legal and  
Compliance



**Mr. Kevin Bixler**  
Group Director,  
Fish Procurement



**Mr. Rajiv Kakar**  
Group IT Director



**Mr. Setakul Chotichoey**  
Acting Group Director, Safety  
Health and Environment







# 2019 AWARDS AND RECOGNITIONS

## EXECUTIVES:

- Multiple awards in the Global Banking & Finance Awards® 2019 by Global Banking & Finance Review Magazine:**
  - Best CEO (Thailand), Mr. Thiraphong Chansiri, President and CEO
  - Best CFO (Thailand), Mr. Joerg Ayrlle, Group CFO
- Asia's Best CEO (Investor Relations) at the 9<sup>th</sup> Asian Excellence Awards by Corporate Governance Asia:**
  - Mr. Thiraphong Chansiri, President and CEO

## CORPORATE:

- Best Managed Companies for the Decade Since 2010 in Asiamoney's 30 Years of Corporate Governance Awards by Asiamoney Magazine**

The award was given to the most impressive companies across Asia-Pacific for the past three decades, with Thai Union named the best company in the decade since 2010.
- Most Outstanding Company in Thailand: Consumer Staples Sector in Asiamoney Asia's Outstanding Companies Poll 2019**

This recognition is underpinned by significant and actionable feedback from over 800 investors, which resulted in over 2,382 votes for publicly listed companies across 12 Asian markets.

- No. 1 Best Crisis Management in IR Magazine Awards - South East Asia 2019 by IR Magazine**

IR Magazine is a renowned media publication originally launched by The Economist Group. Its awards have been the definitive hallmark of IR excellence and best practice for over 20 years.

- Shortlisted as a finalist for multiple awards in the 9<sup>th</sup> Annual Best Corporate-Institutional Investor Awards by Alpha Southeast Asia Magazine**

- Best Senior Management IR Support (Thailand): Top 3
- Strongest Adherence to Corporate Governance (Thailand): Top 3

- Top 5 finalist in the Agro & Food Industry at the DRIVE Award 2019 by MBA Chula Alumni Association**

Thai Union was recognized for its outstanding good governance, innovation and sustainability efforts and was one of five companies to receive the award. The DRIVE Award was launched in 2017 by the Faculty of Commerce and Accountancy at Chulalongkorn University, to give recognition to companies that achieve excellence across various aspects of business and contribute to Thailand's economy and development.

- Shortlisted as a finalist in multiple categories at the StrategicRISK Asia-Pacific Risk Management Awards 2019:**

- Risk Programme of the Year
- StrategicRISK Award

The awards celebrate innovation and excellence in risk management. A panel of risk expert judges from across the Asia Pacific region recognize organizations and individuals who demonstrate measurable results to introduce or improve their risk management strategies.

## INVESTOR RELATIONS:

- Outstanding Investor Relations Award at the SET Awards 2019 by the Stock Exchange of Thailand (SET)**

Thai Union was recognized in the category of listed companies with market capitalization of between THB 30 billion - THB 100 billion, for its outstanding performance in engaging with investor relations activities.

- No. 1 Best Overall Investor Relations (Mid-Cap) in IR Magazine Awards - South East Asia 2019 by IR Magazine**

IR Magazine is a renowned media publication originally launched by The Economist Group. Its awards have been the definitive hallmark of IR excellence and best practice for over 20 years.

- No. 1 Most Improved Investor Relations in Thailand in 9<sup>th</sup> Annual Best Corporate-Institutional Investor Awards by Alpha Southeast Asia Magazine**

The Investor Relations team's efforts have been well-recognized among leading consumer staple companies in South East Asia.

- No. 1 Best Investor Relations Company in Thailand at the 9<sup>th</sup> Asian Excellence Awards by Corporate Governance Asia**

The award recognized companies with strong management acumen, financial performance, corporate social responsibility, environmental practices and investor relations.





## SUSTAINABILITY:

### 1. Rated No. 1 Company in the World in the Food Products Industry Index by the 2019 Dow Jones Sustainability Indices (DJSI) for the second consecutive year

In economic, environmental and social terms, Thai Union was rated number one out of all the companies producing food listed in the DJSI. Further, Thai Union was the only seafood company—and only food company—to reach that height for 2019. Thai Union's sustainability strategy, SeaChange®, successfully drove the score with industry best-in-class 100<sup>th</sup> percentile rankings for Codes of Business Conduct, Health & Nutrition, Materiality, Supply Chain Management, Environmental Reporting, Genetically Modified Organisms, Water Related Risks, Human Rights and Talent Attraction & Retention. This marked the sixth consecutive year Thai Union has been named to the DJSI.

### 2. Best Sustainability Excellence Award at the SET Awards 2019 by the Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand (SET) presented Thai Union with the award in the category of Thai-listed companies with market capitalization of THB 30 billion – THB 100 billion for its outstanding performance in sustainability. Thai Union was also named to the SET's 2019 Thailand Sustainability Investment Index (THSI).

### 3. Ranked No. 1 Company in the Seafood Stewardship Index by World Benchmarking Alliance (WBA)

Thai Union topped the benchmark in three areas, including Governance and management of stewardship practices; Ecosystems; and Local communities. The inaugural Seafood Stewardship Index (SSI) assessed the contribution of the world's 30 largest seafood companies to the sustainable management of the oceans and coastal ecosystems and the United Nations Sustainable Development Goals (SDGs).

### 4. Inclusion in the FTSE4Good Emerging Index for the fourth consecutive year

The FTSE4Good Emerging Index, which is an extension of the FTSE4Good Index Series, helps investors integrate environmental, social and governance (ESG) factors into their investment decisions and serves as a framework for corporate engagement and stewardship. The indices 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.

### 5. Marine Stewardship Council's (MSC) 2019 UK Canned Brand of the Year Award: John West

Thai Union's John West brand was named winner of the Marine Stewardship Council's (MSC) 2019 UK Canned Brand of the Year Award for the third consecutive year. The annual MSC awards celebrate those safeguarding seafood supplies for current and future generations.

### 6. Leader in Sustainable Supply Chains at the edie Sustainability Leaders Awards 2019: Thai Union and WWF-UK

A panel of expert judges presented Thai Union and WWF-UK with the award to celebrate best-practice excellence across the spectrum of sustainable business; from the best efficiency programs through to product innovation, from stakeholder engagement and CSR initiatives to the people making it happen.

### 7. Seafood Champion Award at the SeaWeb Seafood Summit 2019

• Dr. Darian McBain, Global Director, Corporate Affairs and Sustainability

### 8. Asia's Top Sustainability Superwomen 2019 by CSRWorks International

• Dr. Darian McBain, Global Director, Corporate Affairs and Sustainability

### 9. Freedom Award 2019 by Anti-Slavery Australia Freedom Awards

• Dr. Darian McBain, Global Director, Corporate Affairs and Sustainability

### 10. Individual Leader of the Year (Bronze Prize) at the Global Good Awards UK 2019

• Dr. Darian McBain, Global Director, Corporate Affairs and Sustainability

### 11. Shortlisted as a finalist for Leader of the Year at the BusinessGreen Leaders Awards 2019

• Dr. Darian McBain, Global Director, Corporate Affairs and Sustainability

### 12. Shortlisted as a finalist in the Community Partnership category for Coastal East Africa Project at the Global Good Awards UK 2019: John West and WWF

John West and WWF were recognized for the pivotal work the two organizations have achieved through their partnership, helping to ensure sustainability of artisanal fisheries through supporting local communities in Tanzania, Kenya, and Mozambique. The annual Global Good Awards recognize and reward organizations and individuals who are driving change across all aspects of purpose-driven sustainability and social impact.

## INNOVATION:

### 1. No. 1 Best Supermarket Products of the Year in the Best Tuna category in the PEOPLE Food Awards 2019: Chicken of the Sea Infusions™, Basil flavor

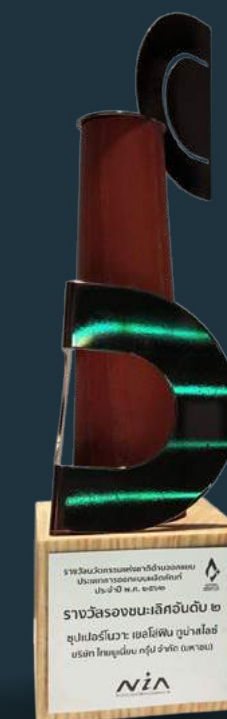
Chicken of the Sea Infusions™, Basil, won the Best Tuna category in the PEOPLE Food Awards 2019: The Best Supermarket Products of the Year. The editors at PEOPLE reviewed more than 1,200 different items to create their PEOPLE Food Awards 2019, which highlights the "most delicious new grocery products."

### 2. Innovation Excellence Award at the Thailand Corporate Excellence Awards 2019 by Thailand Management Association (TMA)

Thai Union received the award for its outstanding work in innovation. The awards were given to Thai companies that contribute to the country's economy, development and competitiveness.

### 3. Shortlisted as a finalist in the Product Design category at the Innovation Thailand Expo 2019 by National Innovation Agency (NIA): Yellowfin Tuna Slices

Thai Union's Yellowfin Tuna Slices, the world's first pre-sliced, pre-seasoned tuna made from whole yellowfin tuna loins, received the runner-up award.







# QUALITY AND FOOD SAFETY

## 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, wholesome, 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, international standards, laws and regulatory requirements. The Quality Management System begins with the control of processes for externally provided materials. 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, integrity, 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 quality product that can be delivered to market with little or no alteration.**

To ensure the safety, quality and integrity 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 Department of Medical Science, Ministry of Public Health, Thailand. The laboratory was awarded as the most outstanding laboratory in year 2010 by the Ministry of Agriculture and Cooperatives' National Bureau of Agricultural Commodity and Food Standards.

We continuously strive for excellence in food safety, food integrity, environmental protection, and energy management system which are reflected in numerous national and international accreditations including: GMP, HACCP, BRC, ISO 9001: Quality Management System, ISO 14001: Environmental Management System, ISO 50001: Energy Management System, OHSAS 18001: Occupational Health and Safety Management System, Kosher, Halal, and Best Aquaculture Practices (BAP).

Our products include information for consumers to ensure that they are consumed safely. The products meet the the highest level of quality as we implemented a Combating Food Fraud and Food Defense Strategy to protect our food supply chains from any risk of intentional and unintentional contaminations.

## 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).
- Certified with TIS 18001: Occupational Health and Safety Management System by SGS



**"OUR COMMITMENT TO CONSUMERS PRODUCT QUALITY AND SAFETY FOR OUR CONSUMERS IS THAI UNION'S TOP PRIORITY, FORMING THE FOUNDATION OF ALL WE DO."**

- Accredited with ISO/IEC 17025: Testing and Calibration Laboratory by Department of Medical Sciences, Ministry of Public Health and by the National Bureau of Agricultural Commodity and Food Standards (ACFS), Ministry of Agriculture and Cooperatives, Thailand.
- Accredited with BRC Global Standard for Food Safety by the JAS-ANZ.
- MSC Chain of Custody from Marine Stewardship Council by ASI
- Accredited with Best Aquaculture Practices (BAP) from the Aquaculture Certification Council, Inc. (ACC) by ANSI.
- Complied with U.S. Food and Drug Administration (FDA) requirements, audited by USFDA agency in charge of inspecting the quality of imported food.
- Complied with the Canadian Food Inspection Agency (CFIA), a Canadian agency in charge of monitoring quality of imported food.
- Accredited with Good Manufacturing Practices (GMP) for food manufacturing operations by the Department of Fisheries and Department of Livestock Development, Ministry of Agriculture and Cooperatives, Thailand.
- Accredited with Hazard Analysis Critical Control Points (HACCP) by the Department of Fisheries, Ministry of Agriculture and Cooperatives, Thailand.
- Accredited with Halal standard by the Central Islamic Committee of Thailand.
- Accredited with Kosher Certificate by the Union of Orthodox Jewish Congregations of America for tuna and sardine plants.





# SAFETY, HEALTH AND ENVIRONMENT

## SAFETY AND OCCUPATIONAL HEALTH

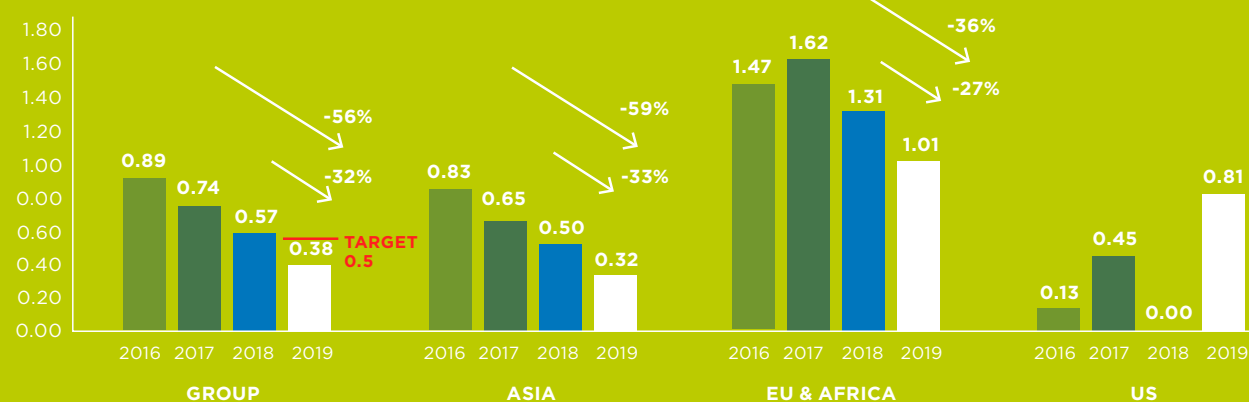
A key priority for Thai Union is building a safe workplace for our staff and contractors. In 2019, we reduced our Lost Time Injury Frequency Rate (LTIFR)<sup>1</sup> by 32 percent from 2018 to a figure of 0.38. With this we have already exceeded our 2020 target of 0.5. In 2019 we also maintained a zero occupational illness frequency rate for employees<sup>2</sup>, with no employee fatalities<sup>3</sup> in 2019.

A key focus of 2019 was strengthening accident reduction initiatives. To achieve this, we analysed accidents and their causes and ranked them on a monthly basis. Using this regularly updated data, we were able to adjust our focus and concentrate on

the areas which needed attention. We also improved communication between management and employees to identify and complete accident prevention measures. This has increased the effectiveness of our accident reduction.

Despite our focus on Safety, Health and Environment, on 1 June 2019 there was a fire at the Thai Union Ingredients Tuna Oil Refinery in Rostock, Germany. The plant was not in operation at the time of the fire and there were no staff onsite, and so there were no injuries reported. Damage was quickly assessed and clean-up and salvage operations were launched within a short time after the incident. Construction of the new plant is underway and is expected to be completed in Q4 2020.

EMPLOYEE LOST TIME INJURY FREQUENCY RATE (LTIFR) PER 200,000 HOURS WORKED



<sup>1</sup>Data covers offices and factories in Thailand, Vietnam, France, Portugal, Poland, Norway, Ghana, Seychelles, and United States of America

<sup>2</sup>Data covers factories in Thailand, Vietnam, and United States of America

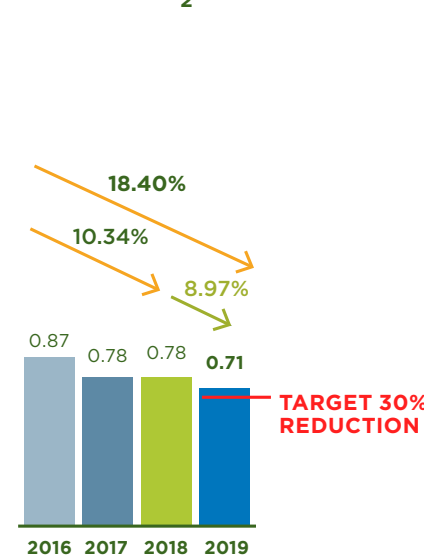
<sup>3</sup>Data covers factories in Thailand, Vietnam, and United States of America

## ENVIRONMENTAL PROTECTION<sup>4</sup>

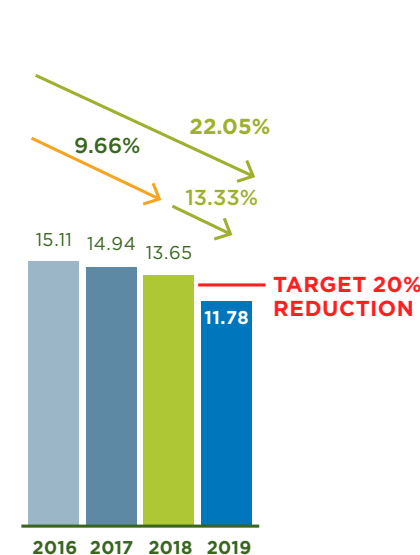
Thai Union is committed to protecting the environment by minimizing our consumption of natural resources, reducing adverse impact on the environment. In 2019, we exceeded our 2020 targets for water consumption reduction and waste to landfill reduction. We have reduced our water and waste to landfill by 22.05 percent and 56.05 percent respectively, compared with 2016 levels.

We are making progress towards our greenhouse gas intensity reduction target. In 2019, we reduced our greenhouse gas intensity emissions by 18.64 percent, or about 88,103 tons CO<sub>2</sub> equivalent. These environmental reduction programs have realised a cost saving for Thai Union of more than USD 24 million.

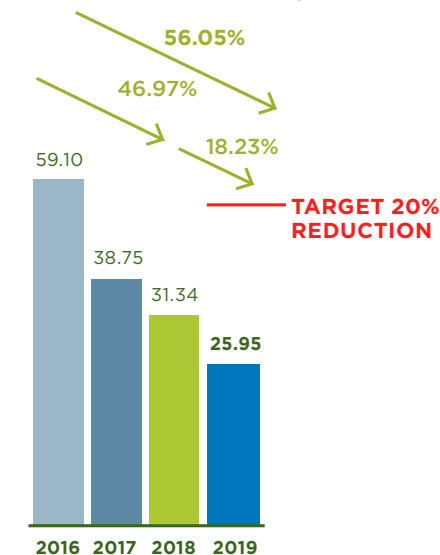
GHG (Ton CO<sub>2</sub>/Ton FG)



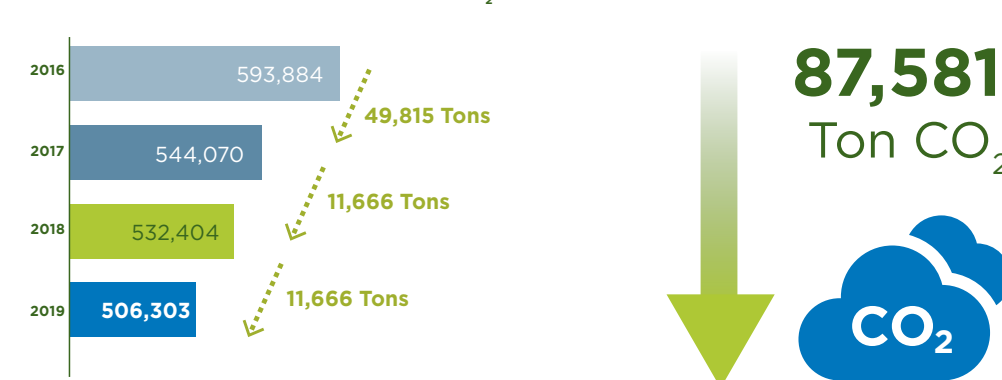
Water (m<sup>3</sup>/Ton FG)



Waste To Landfill (Kg/Ton FG)



Absolute Greenhouse Gas Emission (Ton CO<sub>2</sub>/Year)



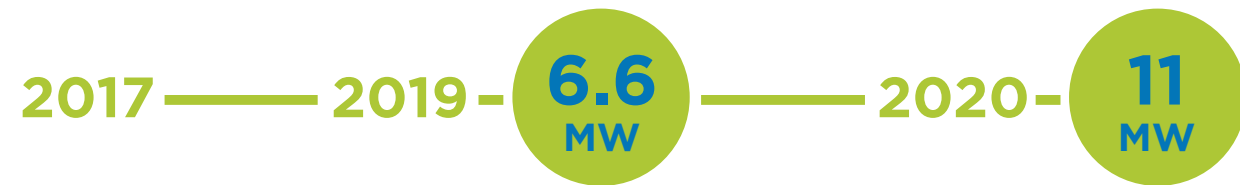
87,581  
Ton CO<sub>2</sub>



<sup>4</sup>Data covers factories in Thailand, Vietnam, France, Portugal, Poland, Ghana, Seychelles, and United States of America



## THAI UNION SUN SEEKER PROJECT



Environmental initiatives in 2019 placed a strong focus on reducing energy consumption as well as on utilizing renewable energy. Key initiatives included:

- **Increasing the energy efficiency of our steam system**, by sourcing high-quality coal, improving our steam pipeline, reducing vent pipe size, and reducing steam pressure. Combined, these activities have the potential to reduce our coal consumption by approximately 6 percent compared to 2016. In 2019 we also established guidelines for optimizing our steam system
- **Reducing electricity consumption in refrigeration system** through improved energy management in cold storage and installing inverter compressor fans which are capable of reducing electricity consumption by approximately 3.3 percent compared to 2016
- **Renewable Energy** Our Sun Seeker Project to install solar rooftops in our factories has continued in 2019. Since 2017, we have achieved a total solar capacity of 6.6 MW, producing 9,300,000 kWh per year. This has resulted in greenhouse gas reduction of approximately 5,200 tons CO<sub>2</sub> equivalent per year. The Sun Seeker Project will continue in 2020







# OUR CORE PRODUCT CATEGORIES

## 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 a 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 2019, sales of this category amounted to THB 55.2 billion, representing 44 percent of the Group's total sales and were led by the tuna products, which remain the largest product category for Thai Union Group. About 56 percent of these sales came from our own brands, while private label or contract manufacturing sales and Food Services 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 frozen and chilled 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 where 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.

**"FOOD HAS BECOME A KEY PART OF HEALTH AND WELLBEING. IT'S NOT JUST ABOUT GETTING ENOUGH CALORIES: IT'S ABOUT FOOD'S IMPACT ON HOW WE FEEL, LOOK AND STAY HEALTHY IN THE LONG TERM. AS WE TAKE THAI UNION INTO THE COMING DECADE, WE'RE READY TO COMMIT TO "HEALTHY LIVING, HEALTHY OCEANS".**

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 2019, sales of this category amounted to THB 52.4 billion, representing 41 percent of the Group's total. Shrimp is the most important species in this category, followed by salmon and lobster. Sales from our own brands (including industrial or non-consumer brands) accounted for about 36 percent of this category with the balance from private label and Food Services 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 and non-seafood as well as sub-materials, packaging and sales of scrap. Examples of these items are surimi-based fish snacks, 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 continued to invest in our global business unit focusing on ingredients, which was set up in 2017.

In late 2018, we launched the Thai Union Marine Nutrients tuna oil refinery in Rostock, Germany. With this plant, Thai Union became the only refiner of high-grade tuna oil with complete end-to-end supply chain and production management. In June 2019 this factory was destroyed due to an accidental fire while

the plant was not in operation. The plant is currently being rebuilt and completion is expected for Q4 2020.

Thai Union Ingredients will commercialize an exciting new B2B line of high-value ingredients identified by Thai Union's cutting-edge Global Innovation Center. 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 Thai Union Ingredients venture maximizes byproducts utilization in our processing facilities and is a key contributor to Thai Union's growth strategy.

In 2019, sales of this category amounted to THB 18.6 billion, representing 15 percent of the Group's total. PetCare contributed to the largest share. Sales from our own brands only accounted for about 7 percent of this category. In other words, almost all of the products are produced for our clients' own trademarks or distributed through their own channels. Despite 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.



## AMBIENT SEAFOOD



## FROZEN AND CHILLED SEAFOOD AND RELATED BUSINESS



## PETCARE, VALUED-ADDED AND OTHER BUSINESS



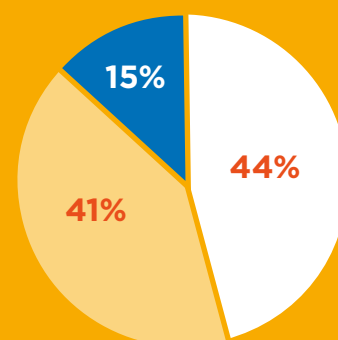




## 2019 SALES BREAKDOWN

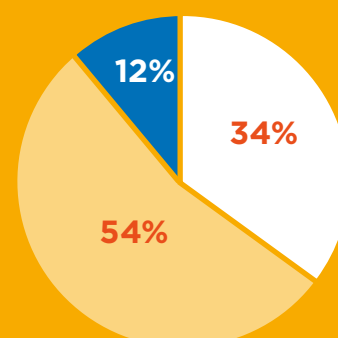
### SALES BREAKDOWN BY CATEGORY

● Ambient Seafood.....	44%
● Frozen, Chilled Seafood and Related Business.....	41%
● Pet Food, Value-Added and Other Business.....	15%
<b>TOTAL.....</b>	<b>100%</b>



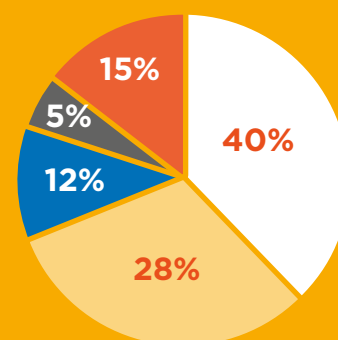
### SALES BREAKDOWN BY CHANNEL

● Branded.....	34%
● Private Label.....	54%
● Food Services.....	12%
<b>TOTAL.....</b>	<b>100%</b>



### SALES BREAKDOWN BY MARKET

● USA.....	40%
● Europe.....	28%
● Thailand.....	12%
● Japan.....	5%
● Others.....	15%
<b>TOTAL.....</b>	<b>100%</b>



## SALES STRUCTURE OF TU AND SUBSIDIARIES

Unit: Billion Baht

COMPANIES AND GROUPS OF COMPANIES			2019		2018		2017	
			SALES	%	SALES	%	SALES	%
<b>1. ASIA</b>								
Thai Union Group PCL	TU	-	13.0	10.3	13.4	10.0	13.0	9.7
Thai Union Manufacturing Co., Ltd.	TUM	99.66	18.3	14.5	19.9	14.9	19.1	14.2
Songkla Canning PCL	SC	99.55	4.9	3.9	5.8	4.4	6.2	4.6
Asian-Pacific Can Co., Ltd.	APC	99.54*	0.8	0.6	0.7	0.5	0.7	0.5
Yueh Chyang Canned Food Co., Ltd.	YCC	99.55*	0.3	0.3	0.2	0.2	0.3	0.2
Thai Union Seafood Co., Ltd.	TUS	51.00	3.0	2.4	3.1	2.3	2.5	1.9
Pakfood PCL	PPC	99.74	4.8	3.8	4.5	3.4	5.8	4.3
EHS Training and Services Co., Ltd. (formerly known as "T-Holding Co., Ltd.")	EHS	100.00	0.0	0.0	0.0	0.0	0.4	0.3
Thai Union Feedmill Co., Ltd.	TFM	66.90	4.8	3.8	4.4	3.3	4.3	3.2
Thai Union Graphic Co., Ltd.	TUG	98.00	0.1	0.1	0.1	0.1	0.2	0.1
Seafood International One FZCO	SIC1	60.00**	0.2	0.2	0.5	0.4	0.0	0.0
Thai Union Online Shop Co., Ltd.	TUO	100.00	0.0	0.0	0.0	0.0	0.0	0.0
Thai Union China Co., Ltd.	TUC	100.00	0.4	0.3	0.6	0.4	0.2	0.1
TMAC Company Limited	TMAC	100.00	0.1	0.1	-	-	-	-
Thai Union Ingredients Co., Ltd.	TUI	100.00	0.1	0.1	-	-	-	-
Thammachart Seafood Retail Co., Ltd.	TSR	65.00	0.1	0.1	-	-	-	-
<b>TOTAL ASIA</b>			<b>50.9</b>	<b>40.3</b>	<b>53.2</b>	<b>39.9</b>	<b>52.6</b>	<b>39.0</b>
<b>2. EUROPE &amp; AFRICA</b>								
Thai Union Europe One Group	TUE1	100.00*	19.8	15.7	23.1	17.3	24.9	18.5
Thai Union Trading Europe B.V.	TUTE	100.00*	2.1	1.6	2.4	1.8	0.0	0.0
Meralliance Group	MA	100.00*	4.7	3.8	5.3	3.9	5.3	3.9
King Oscar Group	KO	100.00*	1.2	1.0	1.5	1.1	2.0	1.5
Thai Union Germany GmbH	TUGe	100.00*	4.6	3.7	4.6	3.5	5.0	3.7
Thai Union Canada Inc.	TUCa	100.00*	0.3	0.2	0.2	0.2	0.3	0.2
<b>TOTAL EUROPE &amp; AFRICA</b>			<b>32.8</b>	<b>26.0</b>	<b>37.1</b>	<b>27.8</b>	<b>37.6</b>	<b>27.8</b>
<b>3. USA</b>								
Tri-Union Seafoods LLC	TRI-U	100.00*	11.2	8.9	11.7	8.8	13.3	9.9
Tri-Union Frozen Products Inc.	TUFP	100.00*	29.8	23.6	29.9	22.5	30.3	22.4
U.S. Pet Nutrition LLC	USPN	100.00*	1.5	1.2	1.4	1.0	1.2	0.9
<b>TOTAL USA</b>			<b>42.5</b>	<b>33.7</b>	<b>43.0</b>	<b>32.3</b>	<b>44.7</b>	<b>33.2</b>
<b>GRAND TOTAL</b>			<b>126.3</b>	<b>100.0</b>	<b>133.3</b>	<b>100.0</b>	<b>134.9</b>	<b>100.0</b>

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

\* Owned by Subsidiaries of TU

\*\* SIC1 was restructured to joint venture starting May 2019



# GROUP BUSINESS STRUCTURE

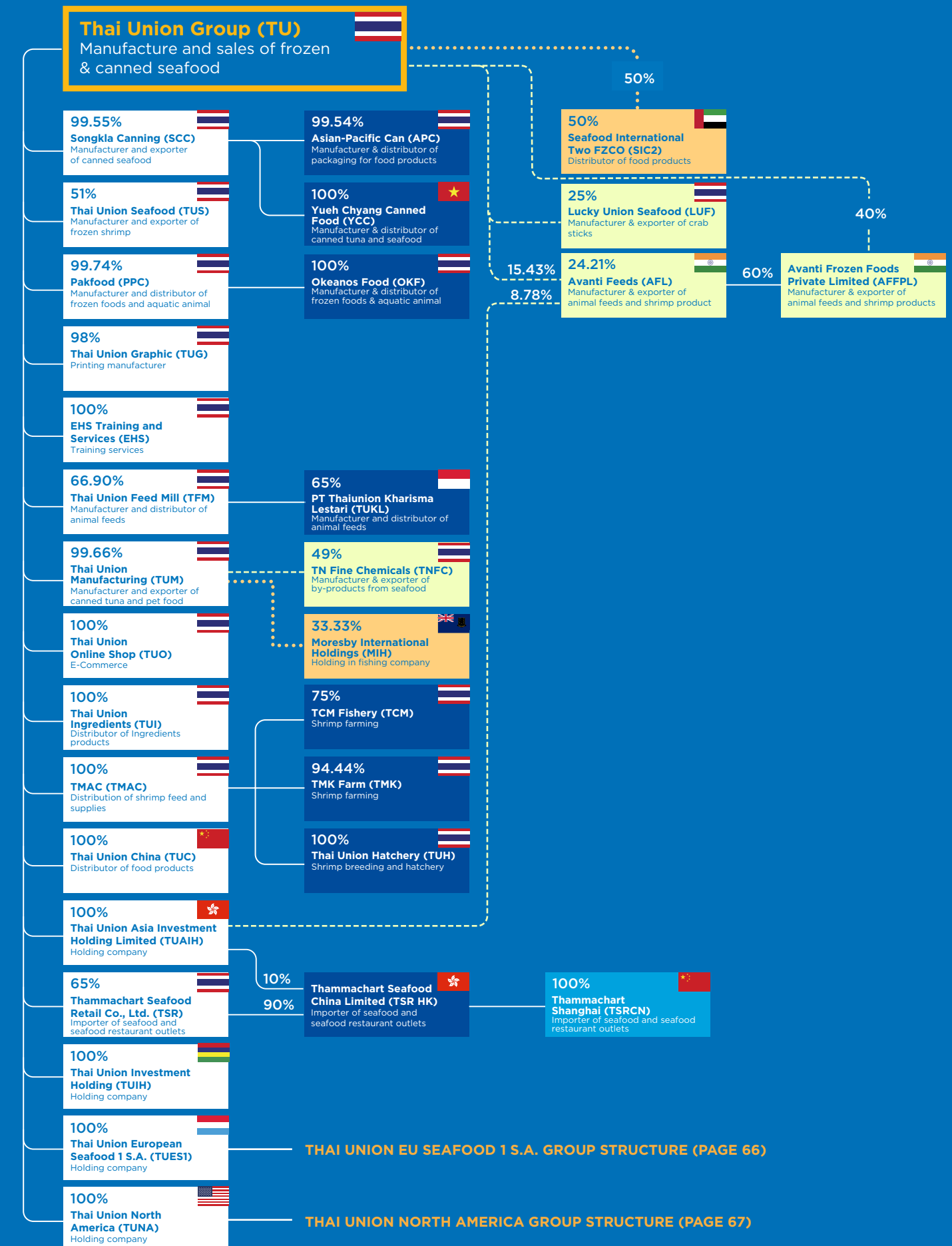


Subsidiary

Associated Companies

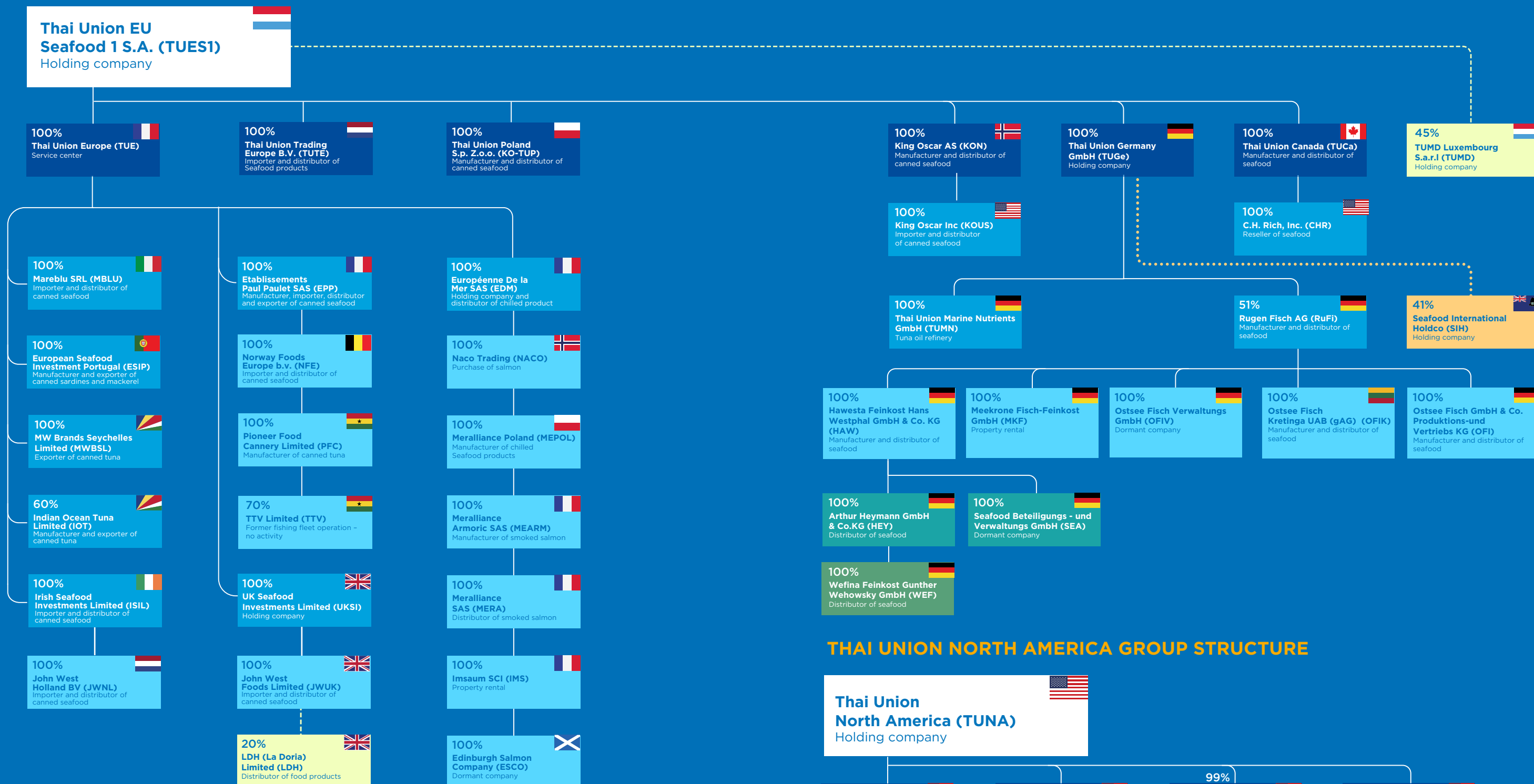
Joint Venture

Belgium	India	Mauritius	United Arab Emirates
British Virgin Islands	Ireland	Norway	United Kingdom
Canada	Italy	Portugal	United States of America
China	Lithuania	Portugal	Vietnam
France	Luxembourg	Scotland	Indonesia
Germany	Hong Kong	Seychelles	Holland
Ghana	Russia	Thailand	

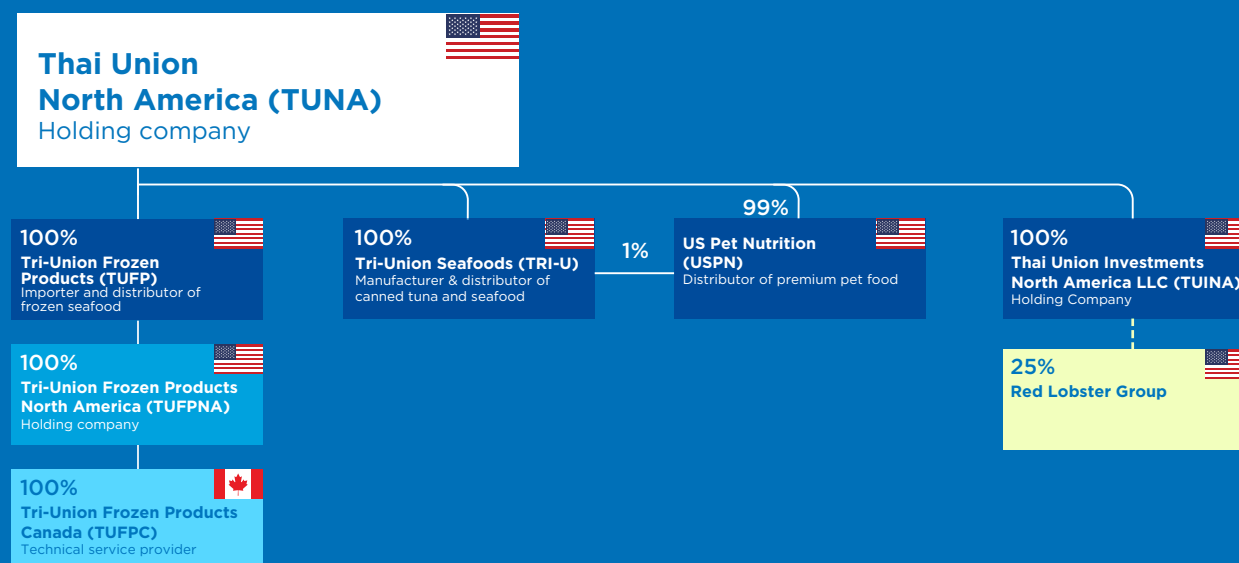




## THAI UNION EU SEAFOOD 1 S.A. GROUP STRUCTURE



## THAI UNION NORTH AMERICA GROUP STRUCTURE







## DETAILS OF THE COMPANY, ITS SUBSIDIARIES AND ASSOCIATED COMPANIES, AND JOINT VENTURES

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
1. Thai Union Group Public Company Limited	Manufacture and sales of frozen, chilled and canned seafood	1,492,953,874 Baht	1,192,953,874 Baht	4,771,815,496	
<b>SUBSIDIARY COMPANIES</b>					
<b>THAILAND</b>					
2. Thai Union Manufacturing Co., Ltd.	Manufacturer and exporter of canned tuna and pet food	300,000,000 Baht	300,000,000 Baht	30,000,000	99.66% (held by Thai Union Group Public Company Limited)
3. Songkla Canning Plc.	Manufacturer and exporter of canned seafood	360,000,000 Baht	360,000,000 Baht	36,000,000	99.55% (held by Thai Union Group Public Company Limited)
4. Thai Union Graphic Co., Ltd.	Printing manufacturer	40,000,000 Baht	40,000,000 Baht	4,000,000	98% (held by Thai Union Group Public Company Limited)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
<b>THAILAND</b>					
5. EHS Training and Services Co., Ltd.	Providing training and management services	70,000,000 Baht	70,000,000 Baht	7,000,000	100% (held by Thai Union Group Public Company Limited)
6. Thai Union Feedmill Plc.	Manufacturer and distributor of animal feeds	820,000,000 Baht	820,000,000 Baht	82,000,000	66.90% (held by Thai Union Group Public Company Limited)
7. Pakfood Plc.	Manufacturer and distributor of frozen foods and aquatic animal	329,999,790 Baht	329,999,790 Baht	32,999,979	99.74% (held by Thai Union Group Public Company Limited)
8. Thai Union Seafood Co., Ltd.	Manufacturer and exporter of frozen shrimp	300,000,000 Baht	300,000,000 Baht	30,000,000	51% (held by Thai Union Group Public Company Limited)
9. Thai Union Online Shop Co., Ltd.	E-Commerce	1,000,000 Baht	1,000,000 Baht	100,000	100% (held by Thai Union Group Public Company Limited)
10. Asian-Pacific Can Co., Ltd.	Manufacturer and distributor of packaging for food products	80,000,000 Baht	80,000,000 Baht	200	99.54% (held by Songkla Canning Plc.)
11. Okeanos Food Co., Ltd.	Manufacturer and distributor of frozen foods and aquatic animal	380,000,000 Baht	380,000,000 Baht	3,800,000	99.74% (held by Pakfood Plc.)
12. Thai Union Ingredients Co., Ltd.	Distributor of ingredients product	300,000,000 Baht	300,000,000 Baht	30,000,000	100% (held by Thai Union Group Public Company Limited)
13. Thammachart Seafood Retail Co., Ltd.	Importer of seafood and seafood restaurant outlets	6,000,000 Baht	6,000,000 Baht	60,000	65% (held by Thai Union Group Public Company Limited)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
THAILAND					
14. TMAC Co., Ltd.	Investment in breeding farms, improvement of shrimp breeding and shrimp feeding	1,130,000,000 Baht	1,130,000,000 Baht	113,000,000	100% (held by Thai Union Group Public Company Limited)
15. Thai Union Hatchery Co., Ltd.	Investment in breeding farms, improvement of shrimp breeding and shrimp feeding	510,000,000 Baht	510,000,000 Baht	51,000,000	100% (held by TMAC Co., Ltd.)
16. TCM Fishery Co., Ltd.	Shrimp farming	70,000,000 Baht	70,000,000 Baht	7,000,000	75% (held by TMAC Co., Ltd.)
17. TMK Farm Co., Ltd.	Shrimp farming	270,000,000 Baht	270,000,000 Baht	27,000,000	94.44% (held by TMAC Co., Ltd.)
ASIA					
18. Thai Union China Co., Ltd.	Distributor of food products	53,605,030 RMB	53,605,030 RMB		100% (held by Thai Union Group Public Company Limited)
19. Thai Union Asia Investment Holding Limited	Holding company	20,000 USD	20,000 USD	20,000	100% (held by Thai Union Group Public Company Limited)
20. Yueh Chyang Canned Food Co., Ltd.	Manufacturer and distributor of canned tuna and seafood	27,233,525,395 VND	27,233,525,395 VND		99.55% (held by Songkla Canning Plc.)
21. PT Thai Union Kharisma Lestari	Manufacturer and distributor of animal feeds	133,280,000,000 IDR	133,280,000,000 IDR	1,332,800	65% (held by Thai Union Feedmill Plc.)
22. Thammachart Seafood China Limited	Holding company	10,000 HKD	10,000 HKD	100	100% (90% held by Thammachart Seafood Retail Co.,Ltd. 10% held by Thai Union Asia Investment Holding Limited)
23. Thammachart Shanghai	Seafood restaurant outlets	1,500,000 CNY	1,500,000 CNY		100% (held by Thammachart Seafood China Limited)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
EUROPE					
24. Thai Union EU Seafood 1 S.A.	Holding company	212,250,690 EUR	212,250,690 EUR	212,250,690	100% (held by Thai Union Group Public Company Limited)
25. Thai Union Europe	Service center	153,468,098 EUR	153,468,098 EUR	153,468,098	100% (held by Thai Union EU Seafood 1 S.A.)
26. Thai Union Trading Europe B.V.	Distributor of seafood	10 EUR	10 EUR	10	100% (held by Thai Union EU Seafood 1 S.A.)
27. Mareblu SRL	Importer and distributor of canned seafood	10,100,000 EUR	10,100,000 EUR	200,000	100% (held by Thai Union Europe)
28. European Seafood Investment Portugal	Manufacturer and exporter of canned sardines and mackerel	50,000 EUR	50,000 EUR	10,000	100% (held by Thai Union Europe)
29. Etablissements Paul Paulet SAS	Manufacturer, importer, distributor and exporter of canned seafood	12,736,220 EUR	12,736,220 EUR	636,811	100% (held by Thai Union Europe)
30. UK Seafood Investments Limited	Holding company	100 GBP	100 GBP	100	100% (held by Thai Union Europe)
31. Irish Seafood Investments Limited	Importer and distributor of canned seafood	1,000 EUR	1,000 EUR	1,000	100% (held by Thai Union Europe)
32. John West Foods Limited	Importer and distributor of canned seafood	250,000 GBP	250,000 GBP	250,000	100% (held by UK Seafood Investments Limited)
33. John West Holland BV	Importer and distributor of canned seafood	90,000 EUR	18,000 EUR	18,000	100% (held by Irish Seafood Investments Limited)



NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
EUROPE					
34. Européenne De La Mer SAS	Holding company	31,782,446 EUR	31,782,446 EUR	31,782,446	100% (held by Thai Union Europe)
35. Meralliance Armoric SAS	Manufacturer of smoked salmon	3,434,697 EUR	3,434,697 EUR	225,226	100% (held by Européenne De La Mer SAS)
36. Meralliance SAS	Distributor of smoked salmon	500,000 EUR	500,000 EUR	50,000	100% (held by Européenne De La Mer SAS)
37. Imsaum SCI	Property rental	1,524 EUR	1,524 EUR	100	100% (held by Européenne De La Mer SAS)
38. Meralliance Poland Sp z.o.o.	Manufacturer of chilled salmon	4,500,000 PLN	4,500,000 PLN	45,000	100% (held by Européenne De La Mer SAS)
39. The Edinburgh Salmon Co., Ltd.	Dormant company	200,000 GBP	200,000 GBP	200,000	100% (held by Européenne De La Mer SAS)
40. Naco Trading AS	Distributor of salmon	110,000 NOK	110,000 NOK	220	100% (held by Européenne De La Mer SAS)
41. Thai Union Poland Sp z.o.o.	Manufacturer and distributor of canned seafood	50,005,000 PLN	50,005,000 PLN	1,000,100	100% (held by Thai Union EU Seafood 1 S.A.)
42. King Oscar AS	Manufacturer and distributor of canned seafood	35,100,000 NOK	35,100,000 NOK	55,100	100% (held by Thai Union EU Seafood 1 S.A.)
43. Norway Foods Europe NV	Importer and distributor of canned seafood	62,000 EUR	62,000 EUR	62,000	100% (held by Etablissements Paul Paulet SAS)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
EUROPE					
44. Thai Union Germany GmbH	Holding company	25,000 EUR	25,000 EUR	25,000	100% (held by Thai Union EU Seafood 1 S.A.)
45. Thai Union Marine Nutrients GmbH	Tuna oil refinery	25,000 EUR	25,000 EUR	25,000	100% (held by Thai Union Germany GmbH)
46. Rügen Fisch AG	Manufacturer and distributor of seafood	2,827,840 EUR	2,827,840 EUR	2,827,840	51% (held by Thai Union Germany GmbH)
47. Hawesta-Feinkost Hans Westphal GmbH & Co. KG	Manufacturer and distributor of seafood	4,000,000 EUR	4,000,000 EUR	4,000,000	100% (held by Rügen Fisch AG)
48. Seafood Beteiligungs - und Verwaltungs GmbH	Dormant company	25,600 EUR	25,600 EUR	25,600	100% (held by Hawesta-Feinkost Hans Westphal GmbH & Co. KG)
49. Artur Heymann GmbH & Co. KG	Distributor of seafood	1,250,000 EUR	1,250,000 EUR	1,250,000	100% (held by Hawesta-Feinkost Hans Westphal GmbH & Co. KG)
50. Wefina Feinkost Gunther Wehowsky GmbH	Distributor of seafood	153,450 EUR	153,450 EUR	153,450	100% (held by Artur Heymann GmbH & Co. KG)
51. Meerkrone Fisch-Feinkost GmbH	Property rental	25,600 EUR	25,600 EUR	25,600	100% (held by Rügen Fisch AG)
52. Ostsee Fisch Verwaltungs GmbH	Dormant company	25,565 EUR	25,565 EUR	25,565	100% (held by Rügen Fisch AG)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
EUROPE					
53. Ostsee Fisch GmbH & Co. Produktions-und Vertriebs KG	Manufacturer and distributor of seafood	4,150,000 EUR	4,150,000 EUR	4,150,000	100% (held by Rügen Fisch AG)
54. Ostsee Fisch Kretinga UAB (gAG)	Manufacturer and distributor of seafood	1,781,214 EUR	1,781,214 EUR	1,781,214	100% (held by Rügen Fisch AG)
AFRICA					
55. MW Brands Seychelles Limited	Exporter of canned tuna	84,924 EUR	84,924 EUR	100	100% (held by Thai Union Europe)
56. Indian Ocean Tuna Limited	Manufacturer and exporter of canned tuna	9,273,000 EUR	7,192,589 EUR	41,500	60% (held by Thai Union Europe)
57. Pioneer Food Cannery Limited	Manufacturer of canned tuna	28,476,740 USD	28,476,740 USD	28,476,740	100% (held by Etablissements Paul Paulet SAS)
58. TTV Limited	Dormant company	2,250,000 USD	2,250,000 USD	100	70% (held by Etablissements Paul Paulet SAS)
59. Thai Union Investment Holding Co., Ltd.	Holding company	500,001 EUR	500,001 EUR		100% (held by Thai Union Group Public Company Limited)
AMERICA					
60. King Oscar, Inc.	Importer and distributor of canned seafood	100,000 USD	50,000 USD	500	100% (held by King Oscar AS)
61. Thai Union Canada, Inc.	Manufacturer and distributor of seafood	17,523,875 CAD	17,523,875 CAD	114,577	100% (held by Thai Union EU Seafood 1 S.A.)
62. C.H. Rich, Inc.	Reseller of seafood	834,751 USD	834,751 USD	7,384	100% (held by Thai Union Canada, Inc.)

NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
AMERICA					
63. Thai Union North America, Inc.	Holding company	12,000,000 USD	329,068,225 USD	10,050,000	100% (held by Thai Union Group Public Company Limited)
64. Tri-Union Seafoods, LLC	Manufacturer and distributor of canned tuna and seafood	54,738,979 USD	54,738,979 USD		100% (held by Thai Union North America, Inc.)
65. Tri-Union Frozen Products, Inc.	Importer and distributor of frozen seafood	10 USD	29,097,898 USD	10,000	100% (held by Thai Union North America, Inc.)
66. Tri-Union Frozen Products North America, LLC	Holding company	640,000 USD	640,000 USD	1	100% (held by Tri-Union Frozen Products, Inc.)
67. Tri-Union Frozen Products Canada, ULC	Technical service provider	640,000 USD	640,000 USD	9,999	100% (held by Tri-Union Frozen Products North America, LLC)
68. US Pet Nutrition, LLC	Distributor of premium pet food	64,000,000 USD	64,000,000 USD		100% (99% held by Thai Union North America, Inc. 1% held by Tri-Union Seafoods, LLC)
69. Thai Union Investments North America, LLC	Holding company	200,000,000 USD w	200,000,000 USD		100% (held by Thai Union North America, Inc.)
ASSOCIATED COMPANIES					
THAILAND					
1. Lucky Union Foods Co., Ltd.	Manufacturer and exporter of crab sticks	150,000,000 Baht	150,000,000 Baht	1,500,000	25% (held by Thai Union Group Public Company Limited)
2. TN Fine Chemicals Co., Ltd.	Manufacturer and exporter of by-products from seafoods	90,000,000 Baht	90,000,000 Baht	9,000	49% (held by Thai Union Manufacturing Co., Ltd.)



NAME	TYPE OF BUSINESS	AUTHORIZED CAPITAL	PAID UP CAPITAL	NUMBER OF ISSUED SHARES	% OF HOLDING
<b>ASSOCIATED COMPANIES</b>					
<b>ASIA</b>					
3. Avanti Feeds Limited	Manufacturer and exporter of animal feeds and shrimp products	136,245,630 INR	136,245,630 INR	136,245,630	24.21% (15.43% held by Thai Union Group Public Company Limited and 8.78% held by Thai Union Asia Investment Holding Limited )
4. Avanti Frozen Foods Private Limited	Manufacturer and exporter of shrimp products	101,000,000 INR	101,000,000 INR	10,100,000	60% (held by Avanti Feeds Limited)
<b>EUROPE</b>					
5. LDH (La Doria) Limited	Distributor of food products	1,000,000 GBP	1,000,000 GBP	200,000	20% (held by John West Foods Limited)
6. TUMD Luxembourg S.a.r.l	Holding Company	552,583 EUR	552,583 EUR	55,258,322	45% (held by Thai Union EU Seafood 1 S.A.)
<b>AMERICA</b>					
7. Red Lobster Master Holdings. L.P.	Holding Company	Common units 230,000,000 USD Preferred units 345,000,000 USD	Common units 230,000,000 USD Preferred units 345,000,000 USD	Common units 7,600,000 Preferred units 2,400,000	25% (held by Thai Union Investments North America LLC)
<b>JOINT VENTURES</b>					
1. Seafood International Two FZCO	Distributor of food products	100,000 AED	100,000 AED	100,000	50% (held by Thai Union Group Public Company Limited)
2. Moresby International Holdings, Inc.	Holding in fishing company	9,327,699 USD	9,327,699 USD	10,000,000	33.22% (held by Thai Union Manufacturing Co., Ltd.)
3. Seafood International Holdco	Holding company	10,000 USD	10,000 USD	10,000	41% (held by Thai Union Germany GmbH)





# INDUSTRY OVERVIEW

## THE GLOBAL SEAFOOD TRADE IS PRESSURED BY ECONOMIC SLOWDOWN AND STRONGER US CURRENCY

In 2019, the decline in global catch volume was offset by a stronger increase in aquaculture harvests, driven by supply surplus in major farmed finfish such as salmon, tilapia, pangasius, seabass and seabream. Global farmed shrimp production continued to be on an upward trend. While growth of aquaculture in China is disrupting the global supply base, India and Ecuador still continued to lead global production in farmed shrimps. The weakening economy in many countries, further impacted by ongoing trade and geopolitical tensions, together with the stronger US currency in 2019, has put pressure on the global trade of seafood.

The US-China trade war negatively impacted the supply chain of major traded species, such as lobster and tilapia. However, the demand outlook for shellfish and deep-sea fish commodity products is more positive as they are less affected by trade tensions. Moreover, the geopolitical uncertainty also made consumers and investors more conservative and cautious in making business decisions.

Overall global imports of seafood saw declines in many key markets, particularly the US, EU-28 nations, Latin America and most emerging economies in Asia, except China. Import growth in Japan decelerated, but remained positive. On the exports side, many producing countries saw decreases in export revenue due to weaker prices. Even the world's largest seafood exporter, China's export revenues softened across multiple seafood commodities as a result of trade tension with the US.

## DESPITE THE CHALLENGING SEAFOOD TRADE ENVIRONMENT, THE GLOBAL PROCESSED FISH AND SEAFOOD MARKET REMAINS POSITIVE

In recent years, the global processed fish and seafood market has been growing steadily at a rate of 2 to 3 percent in value terms. Growth is expected

to accelerate slightly faster in the coming years (increasing by 3 to 4 percent).

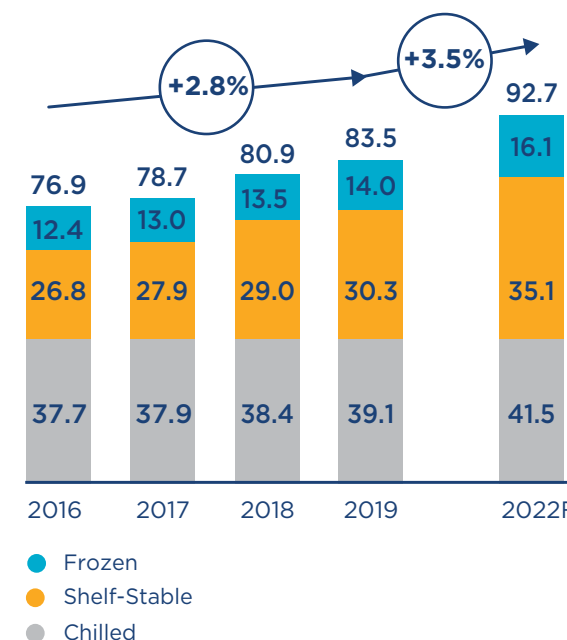
While the fish and seafood industry continues to face challenges, the overall outlook is positive. The main challenges from a consumer perspective are the higher price of seafood, when compared to other sources of protein such as chicken or pork, less familiarity with cooking fish and seafood and growing concerns around overfishing as consumers seek sustainably sourced fish and seafood. At the same time, the continued focus of consumers globally on healthy nutrition and rising disposable income is contributing to an increased demand for fish and seafood.

## PROCESSED SEAFOOD MARKET OVERVIEW BY SEGMENT

Chilled processed fish and seafood continues to drive the majority of global fish and seafood consumption, as consumers look for freshness and higher quality seafood products. Chilled seafood consumption is predominantly driven by the Japanese market, which accounts for 97 percent of total chilled seafood consumption in Asia Pacific (or over 60 percent of global chilled seafood consumption). However, despite its large size, the expected growth of the chilled category is modest at 1.2 percent, compared to the frozen and shelf-stable categories, both growing at 4.2 percent. Still, over the next few years, the chilled category will remain the largest category, with shelf-stable seafood as the second largest category, followed by frozen seafood.

While growth in shelf-stable seafood in many traditional large markets is in maturity, the Middle East and Africa posted double-digit growth. Growth in emerging markets, such as Latin America and Asia Pacific, has also outperformed the overall global market. Towards 2022, growth is expected to accelerate across all categories, particularly shelf-stable. The overall processed seafood market is expected to grow at 3.5 percent by 2022.

Processed Fish and Seafood Market Value by Segment, in RSP USD Billion



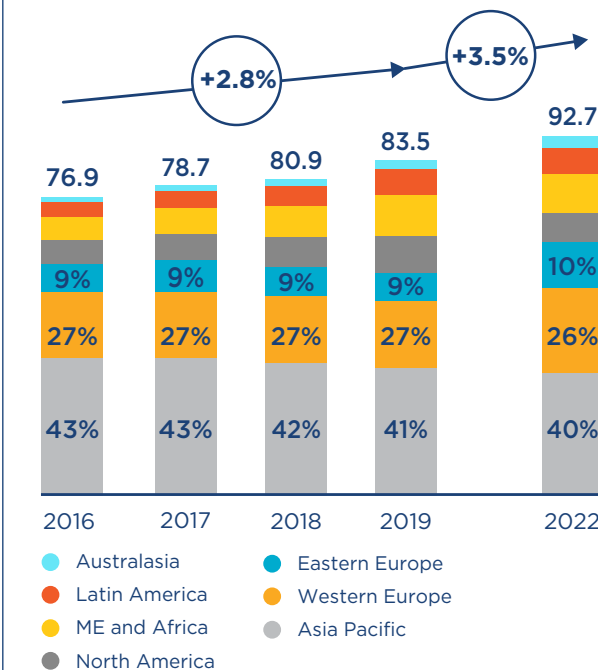
Source: Euromonitor

## PROCESSED SEAFOOD MARKET OVERVIEW BY REGION

The Asia Pacific region remained the largest market for global processed seafood consumption, followed by Western Europe. These two markets together contributed almost 70 percent of overall global consumption. Growth in these large markets, including the US market is moderate (2.5 percent and below).

While these major markets are experiencing matured growth, emerging new markets are in a much better position with robust growth of above 10 percent (Middle East and Africa), and 6 percent (Latin America), driven largely by shelf stable and frozen seafood categories.

Processed Fish and Seafood Market Value by Region, in RSP USD Billion



Source: Euromonitor





## COMPETITIVE LANDSCAPE AND PRICING TRENDS OF OUR MAIN RAW MATERIALS: TUNA, SHRIMP AND SALMON



### TUNA

From a supply perspective, tuna catches worldwide were lower than average in the third quarter of 2019, due to two scheduled fishing closures; the Fish Aggregating Device (FAD) fishing closure in Western and Central Pacific and the 2-month IATTC ‘Veda’ fishing closure in the Eastern Pacific. Despite the lower catch rate, most tuna packers maintained inventory levels high enough to continue production. Thus, skipjack prices hit a record low in 2019. Records showed that Thai imports of frozen tuna for canning declined by 17.6 percent in the first half of 2019 compared to the same period in 2018.

### NON-CANNED TUNA TRADE

The global market for non-canned tuna sustained positive trends, with a growing demand for frozen tuna loins. Japan remains the world’s largest market for non-canned tuna, followed by the US –the second most important market – and one with additional growth potential. The market preference in Japan leans towards high-priced whole bluefin tuna fillet and products with longer shelf-life. The total imports of tuna loins in Japan increased by 10.8 percent compared to 2018. The overall US market for non-canned tuna remained firm, an 18 percent growth compared to 2018. While fresh tuna imports remained stable, frozen tuna loins imports improved significantly, particularly for whole/dressed fish, followed by frozen fillet and steaks. The demand trend was mixed in

Europe, where frozen fillets proved to be more popular. Supplies from Southeast Asia were lower due to higher tariffs, but increased from Ecuador (zero tariff) and Mexico. Tuna fillet imports into Russia also increased significantly, mainly supplied by China, Vietnam and Indonesia.

### CANNED TUNA TRADE

Thailand, Ecuador and Spain remained the top three suppliers of processed and canned tuna to the global market. There was substantial growth in canned tuna trade in China in 2019, taking over the number four position from the Philippines. In 2019, Thailand posted double-digit growth in canned tuna, driven by significant increases in exports to the Middle East markets, and minor increases to the US. However, Thai exports to the EU-28 nations showed a downward trend. The majority of exports from Ecuador landed in EU-28 markets, followed by the US and Latin America region. The prominence of China’s processed tuna exports could be attributed to aggressive sales of precooked loins, particularly to the EU-28 and Thailand. China’s exports to the US declined significantly, following the rise in tariff (now 25 percent) imposed on Chinese products in the US market.

Global demand for processed and canned tuna remained positive in most of the markets, supported by lower prices of frozen skipjack. Imports in the two largest markets, the US and EU-28, were steady but with minimum growth in supplies. On the other hand,

imports in the Middle East market in 2019 were high. Consumer’s preference for higher value products continued in the Western markets. Canned tuna imports in Japan continued to be lower as domestic production increased due to lower raw material prices. Imports in Australia also declined due to a weak local currency translating into higher import prices.

### PRICES AND OUTLOOK

The 2019 average price of frozen skipjack hit a four-year low at USD 1,243 per tonne (vs. USD 1,536

per tonne in 2018, USD 1,765 per tonne in 2017 and USD 1,411 per tonne in 2016), especially in the June/ July period where prices were as low as USD 1,000 per tonne, though it bounced back to USD 1,350 per tonne in August, when catches were low in the Pacific due to fishing closures.

Lower catch rates have persisted in Western and Central Pacific, even post closure periods. We therefore expect a quick price recovery for raw materials. In 2020 we believe the average price will rebound from 2019 lows, but with a stable price. There is a positive outlook for processed and canned tuna markets worldwide.



### SHRIMP

Global farmed shrimp production increased in 2019, with India, China and Ecuador continuing to lead global production. While being the largest shrimp producer, production in India has been experiencing minimal growth compared to its competing countries, China and Ecuador. Vietnam is the fourth largest supplier of farmed shrimp, with stagnant production growth.

The majority of production in India is driven by white shrimp, accounting for 90 percent of total production. With price volatility becoming more stable, farmers are more confident in increasing pond stocking, although there were reports of some areas affected by diseases and natural causes. Production in Ecuador increased significantly by 25 percent compared to 2018. Production from Mexico is also on an upward trend.

### SHRIMP TRADE

Overall shrimp export volumes from India increased with US remaining its largest market. Growth of shrimp exports to China was extraordinary compared to the previous periods. This positivity is expected to continue in 2020. Closely following the US, China has now become the second largest importer of shrimp from India.

An increase in Ecuador shrimp exports was also driven by strong imports from China, as a result of the lift of an import ban imposed on the five largest Ecuadorian shrimp packers in September 2019.

The US remains the largest market for shrimp exports from Mexico (accounting for 81 percent of total shrimp exports), followed by China. (accounting for 11 percent of total shrimp exports).



Mexico shrimp exports to the US and China grew strongly by 14 percent and 12 percent, respectively compared to last year.

Imports of shrimp and other seafood commodities into the US from China were affected by the imposition of a 25 percent tariff on Chinese products into the US market. However, the supply gaps were filled up by other producing countries, namely Thailand, Vietnam, Indonesia and India.

## PRICES AND OUTLOOK

Although global shrimp prices remained stable in 2019, there haven't been clear signs of an export price recovery since the market crash in April 2018. The US's average import shrimp prices fell below 2018 levels. Consumer demand during high consumption period in the summer months was stabilized, supported by lower wholesale prices.



## SALMON

In 2019, global production of farmed Atlantic salmon turned out to be higher than expected. Norway reported a 4 percent growth in its harvests in the first half of 2019 (compared to the equivalent period in 2018). The market was caught by surprise when volume picked up substantially in the third quarter. Sea lice incidence in 2019 appears to have stabilized at 2018 levels. Attention is now turning towards reducing the number of escapes, as 2019 is expected to have been the worst year for farmed escapes in eight years.

Despite ongoing issues related to the rise in sea lice levels, production in Chile also experienced positive growth (9 percent higher compared to the same period in 2018). The Chilean government is actively implementing incentive schemes to encourage farmers to introduce preventive management plans to control and reduce incidents.

After an exceptionally poor year in 2018, the recovery

of salmon farming in Scotland has been strong. Production in other markets also experienced robust growth. Industry development is continuing in Iceland, Russia and Canada, driven by growing global demand for salmon and the associated upward price trend.

Production of other farmed salmonids in Norway and Chile posted positive growth. The volume of coho salmon and rainbow trout in Chile grew significantly, where both species make up around 11 percent each of the total Chilean salmonid harvest. Farmed trout harvests in Norway rose by 13 percent compared to 2018.

Even with higher catch volume of wild salmon than the preseason forecasts, the overall wild salmon harvests in Russia was 40 percent below 2018 levels. In Alaska, an exceptionally good sockeye salmon run was offset by pink salmon catches that came in below forecasts. Combining catches from both countries, the total wild salmon harvests in 2019 was 13 percent below 2018 volume.

## MARKET DEMAND

Despite a weakening world economy, as well as trade tensions and geopolitical uncertainty, the global consumption of salmon continues to trend upwards. Farmed Atlantic salmon remains the dominant species by far in terms of market share. Demand remained strong in both traditional large markets (US, EU-28 and Japan) and new markets (Latin America and Asia). An increasing market preference for convenience, demand for freshness and growing attention on sustainability are among the top consumer trends driving market development.

Historically, Chilean coho salmon producers have been dependent on Japanese buyers, who account for 85 percent of export sales. However, Chilean producers are now exploring options to expand into EU-28 and US markets. Coho salmon proved popular among food service buyers and retail, but there are some challenges due to its seasonality. While Japanese sales consist of frozen fish, US buyers are looking for fresh coho salmon, which can only be shipped during the last four months of the year.

Pink and sockeye salmon supplies are the most plentiful. Traditionally, Alaskan pink salmon sold in the North American and European markets are in canned form. However, the trend is shifting with growing interests in fresh and frozen fillets, as well as, headed and gutted product for processing. Demand for domestically caught salmon is strong in Russia, with a variety of preserved product forms on offer. Wild catch of Sockeye salmon from Russia are mainly exported to Japan and Korea, where it is supplemented by Alaskan catches.

## SALMON TRADE - IMPORTS

Figures show that import growth rates in emerging markets (East and Southeast Asia, the Middle East, South America and Africa) are significantly exceeding those in matured/developed markets. Although global demand for salmon remains relatively strong, salmon traders across the world have inevitably become more conservative, given the uncertain political environment. Nevertheless, the effect of the US-China trade war on salmon trade has been less direct compared to other seafood commodities, as the Alaskan salmon industry is protected from US and Chinese tariffs (i.e. raw materials that are exported for processing and re-imported are duty exempted).

## SALMON TRADE - EXPORTS

The overall increase in salmon export volume in 2019 was driven by increased production of farmed Atlantic salmon. The additional volumes, combined with falling demand affected by global economic pressure and strong US dollar, have led to falling US dollar-traded prices and deceleration of export revenue growth for many producers.

Norway, the world's largest salmon exporter, experienced an increase in NOK salmon export prices, resulted from the weakening of the Norwegian Krone versus US dollar. Export growth in Norway was driven by solid demand in its core EU-28 markets. The trade relationship with China has improved with more Norwegian companies now able to access the Chinese market.

Chile's export revenue grew by 5 percent, supported by a steady demand in its key markets (US and Japan). However, demand for Chilean farmed Atlantic salmon was impacted by an economic slow-down in Brazil.

Scotland posted impressive results, a 25 percent increase in salmon export sales in the first half of 2019. However, this growth is to a certain extent a rebound from a poor production in 2018.

## PRICE AND OUTLOOK

Farmed salmon prices in the first half of 2019 were somewhat comparable to the same period in 2018. Compared to week 19 of 2018, where Norwegian export prices hit a peak of USD 9.37 per kg., higher volume this year brought prices down to USD 6.83 per kg. in the equivalent period. There was a brief recovery in the early summer, but the trend turned steeply downward in the third quarter for both Norwegian and Scottish salmon. US import prices of fresh fillets of Chilean Atlantic salmon were more stable (around 3 percent higher than the same period last year).

Overall, the growth of global farmed Atlantic salmon production in 2019 is expected to be 6.5 percent. Production of farmed Coho salmon and trout are also expected to rise significantly. Furthermore, Fish Pool forward contracts trading at NOK 60 (USD 6.39) per kg., together with end of year demand, should lift salmon prices up. Growth of Atlantic salmon supply is forecasted at 4 percent-5 percent in 2020, but the ability of the Chilean industry to bring the biological situation under control will be an important factor affecting this growth forecast.

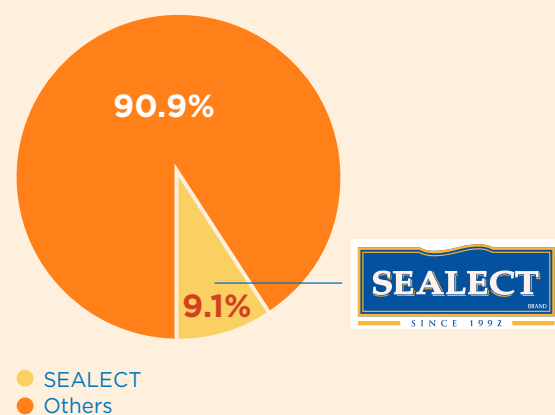




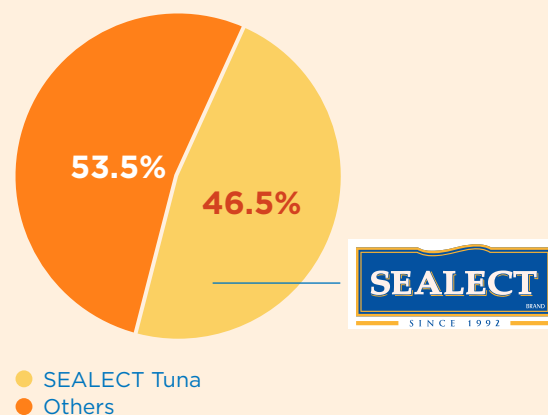
# SELECTED BRAND SHARE IN 2019

## THAILAND

MARKET SHARE (VALUE) OF "SEALECT" IN THAILAND<sup>1</sup>

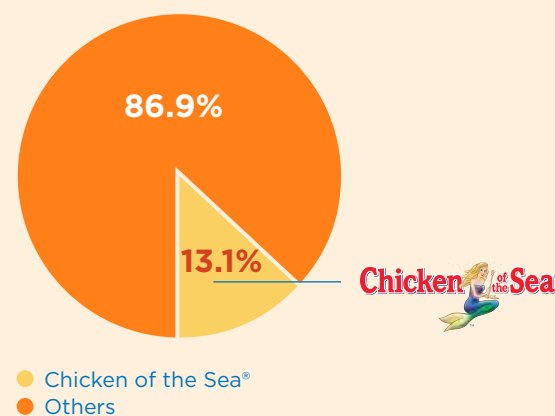


MARKET SHARE (VALUE) OF "SEALECT TUNA" IN THAILAND (CANNED TUNA MARKET)

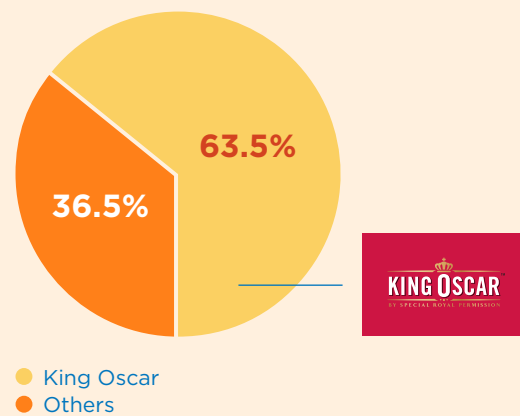


## USA

MARKET SHARE (VALUE) OF "CHICKEN OF THE SEA" IN THE U.S.<sup>1</sup>



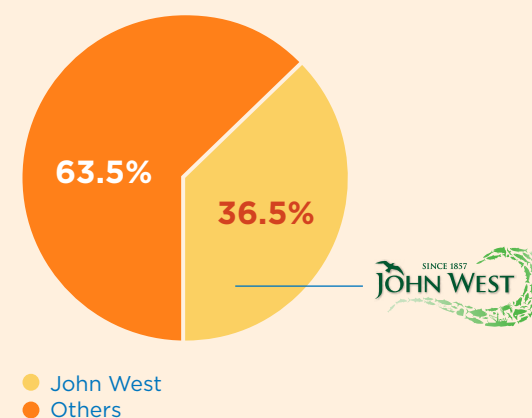
MARKET SHARE (VALUE) OF "KING OSCAR" IN THE U.S. (PREMIUM SARDINES)



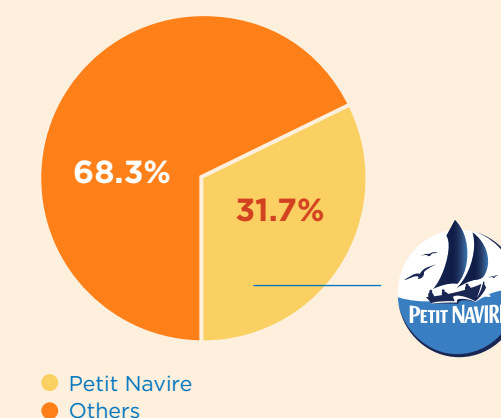
<sup>1</sup>of total canned seafood market  
Source: AC Nielsen and IRI

## EUROPE

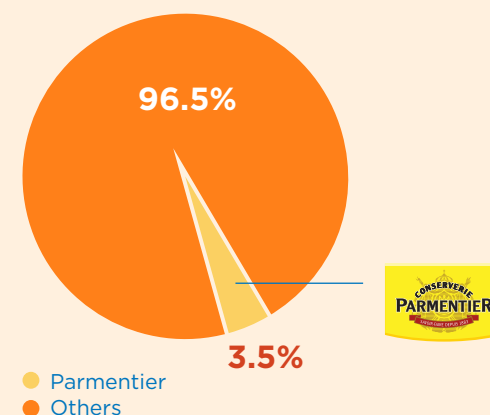
MARKET SHARE (VALUE) OF "JOHN WEST" IN THE UK<sup>1</sup>



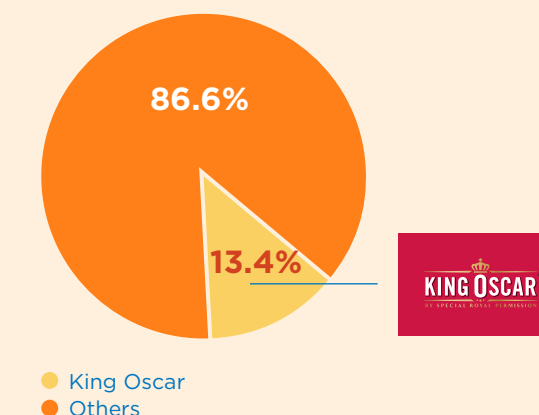
MARKET SHARE (VALUE) OF "PETIT NAVIRE" IN FRANCE<sup>1</sup>



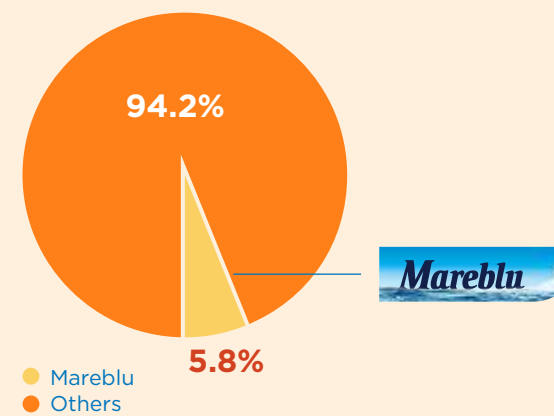
MARKET SHARE (VALUE) OF "PARMENTIER" IN FRANCE<sup>1</sup>



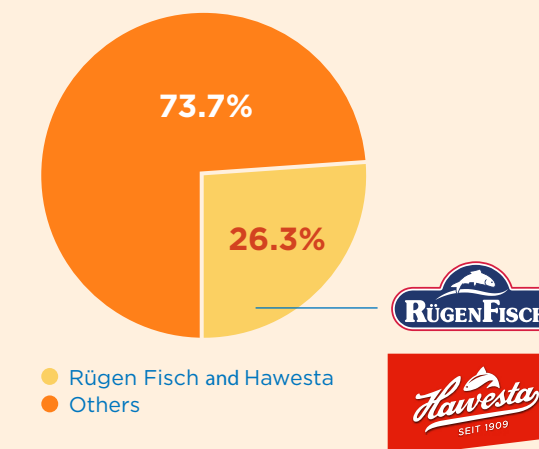
MARKET SHARE (VALUE) OF "KING OSCAR" IN NORWAY<sup>1</sup>



MARKET SHARE (VALUE) OF "MAREBLU" IN ITALY<sup>1</sup>



MARKET SHARE (VALUE) OF "RÜGEN FISCH" AND "HAWESTA" IN GERMANY<sup>1</sup>



<sup>1</sup>of total canned seafood market  
Source: AC Nielsen and IRI



# SUSTAINABILITY AT THAI UNION

Sustainable development is essential to the future of Thai Union's business and our growth; it is fundamental to being a responsible corporate citizen for both our employees and our global community. Being transparent, not only showcasing our achievements, but highlighting the areas we have identified for improvement, is fundamental to our vision of being the world's most trusted seafood leader.

We have a responsibility to set the standard for social, environmental and economic performance across our operations and into our supply chains. Recognizing this responsibility to show leadership, we heeded 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.

Thai Union is proud to have been rated number one in the world in the Food Products Industry Index in the 2019 Dow Jones Sustainability Indices (DJSI), the second consecutive year we have achieved the top ranking. SeaChange® played an integral role in our high scoring, as we achieved an industry best-in-class 100<sup>th</sup> percentile ranking for our total sustainability score.

In 2019, Thai Union was also ranked number one on the inaugural Seafood Stewardship Index (SSI), which assessed the contribution of the world's 30 largest seafood companies to the United Nations (UN) Sustainable Development Goals (SDGs).

## HEALTHY LIVING, HEALTHY OCEANS

We think of SeaChange® as a journey that covers every aspect of the seafood business, transparently. This ranges 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.

As one of the world's largest seafood companies, we recognize that we have both the responsibility and the capacity to be a leader for positive change. The oceans are the foundation of our business and healthy oceans are critical, not only for our future but for that of the planet, particularly in combating climate change. Ocean-based solutions to climate change could help reduce global greenhouse gas emissions by 21 percent by 2050. At the same time, we must also respond to the evolving needs of consumers, who are increasingly looking to swap carbon-heavy proteins for seafood while also seeking foods that are sustainable and innovative. This provides us with opportunities well-suited to not only our seafood products, but also new and exciting areas such as alternative proteins. That is why we are committing to "Healthy Living, Healthy Oceans".

## 2019 IN BRIEF

**Ranked No. 1 Company in the World in the Food Products Industry Index by the Dow Jones Sustainability Indices (DJSI) for the second consecutive year**, with SeaChange® driving the score with industry best-in-class 100<sup>th</sup> percentile ranking for total sustainability score

MEMBER OF  
**Dow Jones Sustainability Indices**  
In collaboration with SAM



**Ranked No. 1 on the inaugural Seafood Stewardship Index**



### Partnered with Calysta

to offer the world's first commercially farmed shrimp fed with sustainable alternative protein



**Opened our 4<sup>th</sup> preschool in Samut Sakhon** for the children of migrant workers



**Launched Combating Food Fraud and Food Defense Strategy globally**, to enhance existing work on traceability

**Joint host of the annual Seafood Business for Ocean Stewardship (SeaBOS) Dialogue**



**Dr. Darian McBain** recognized as one of Asia's **Top Sustainability Superwomen**



**Thai Union received the Stock Exchange of Thailand's (SET) Best Sustainability Excellence Award 2019**

for Thai-listed companies with market capitalization of THB 30 billion-THB 100 billion







# seaCHANGE

## OUR OVERARCHING OBJECTIVES



**Sustainable** seas,  
now and for future  
generations



**Workers**  
are safe, legally  
employed and  
**empowered**



**Legal** and  
licenced vessels,  
operating  
responsibly

## OUR PROGRAMS



### Safe & Legal Labor

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

**Fair Labor Goals and Roadmap**



### Responsible Operations

The way we operate must be environmentally responsible and show a duty of care for our workers.

**Responsible Operations Goals and Roadmap**



### Responsible Sourcing

Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.

**Responsible Sourcing Goals and Roadmap**



### People & Communities

At Thai Union we take responsibility for improving the lives of those living and working in the regions in which we operate.

**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.

## OUR OPERATING PRINCIPLES

### Good Governance

Robust leadership, policies and processes ensure our business is focused on delivering our sustainability objectives and is ethical across all our operations.

### Transparency

We will remain transparent in all communications with stakeholders, customers and the industry, sharing our learnings and providing regular updates on our progress.

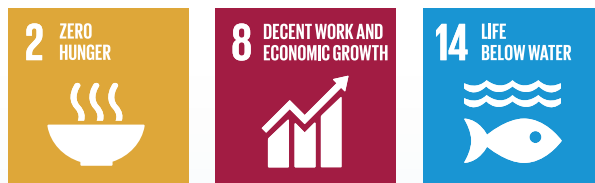
### Partnerships and Collaboration

We have and will continue to actively seek out NGOs, governments and industry partners to work with us on initiatives designed to deliver against our overarching objectives. We will continue to share our findings so the entire industry can benefit from our experience and findings.



## UN SUSTAINABLE DEVELOPMENT GOALS AND UN GLOBAL COMPACT

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 (UNGC). In line with SeaChange®, Thai Union is focused on delivering against the UN Sustainable Development Goals, with actions delivered against three in particular, contributing to broader societal change in areas where we can have direct influence, including:



The need to combat hunger and produce seafood ethically is ongoing. Technology advances mean we have many more tools at our disposal to ensure all our food is produced sustainably and that we are continuously working to maintain fish stocks for generations to come.

### 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

### 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





# INNOVATION AT THAI UNION

**“INNOVATION IS CRITICAL TO ADVANCING THAI UNION’S GROWTH TO THE NEXT LEVEL. IT PLAYS AN IMPORTANT ROLE IN SHAPING THE FUTURE OF THE COMPANY AS IT GIVES US AN UNCOMPROMISING COMPETITIVE ADVANTAGE.”**



## RESEARCH & INNOVATION

Thai Union is committed to being the seafood industry’s leading agent of change. The Global Innovation Team plays a critical role in growing and differentiating the business, whereas the Global Innovation Center (GIC) pursues pioneering research and technology development to constantly push innovation as part of our mission to be the world’s most trusted seafood leader.

In 2019, the GIC was fully established in its new Innovation Center facilities in central Bangkok, where we had the great honor to host HRH Princess Maha Chakri Sirindhorn, presiding over the opening ceremony. The core underlying themes in the design of the new facilities are Openness and Collaboration, reflected in the spacious open office design, collaboration work areas, breakout rooms, and glass walls. The center is housed in over 4,000 square meters across several floors and provides an expanded capability to engage in research related to the fundamental studies of our raw materials, new processing technologies, and the utilization of rest-raw materials to create added value. A key component of the GIC’s activities involves translational research to bring new innovations to the market. GIC projects focus 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 material side-streams
- Creating new corporate revenue streams from research and development tailored for new business growth
- Translating consumer perception and sensory preferences into differentiated products
- Optimizing and developing new technology for manufacturing processes to meet Industry 4.0

The GIC is driven by exploration of outside-the-box ideas and a culture of challenging assumptions, structured around three foundational pillars: **Science and Research, Technology and Development, and Innovation Support.**

## COLLABORATION FOR INNOVATION

The GIC leverages public-private partnerships with industry, government, and academia. We realize knowledge transfer between academia and industry through continuously evolving partnerships with several major universities in Thailand, including Mahidol University, Kasetsart University, Chulalongkorn University, King Mongkut University of Technology Thonburi, and Suranaree University of Technology.



To further advance our collaboration networks and innovation opportunities, SPACE-F was launched in 2019. SPACE-F is the first global food-tech startup incubator and accelerator in Thailand, and provides a global food maker and co-innovating space with a mentoring program. Established through cooperation between Thai Union, the National Innovation Agency, and Mahidol University’s Faculty of Science, the program has two tracks, an incubator track for initial stage startups; and an accelerator track for growth stage startups (Thai and non-Thai nationals). There are nine focus areas, including health & wellness, alternative proteins, smart manufacturing, packaging solutions, novel food & ingredients, biomaterials & chemicals, restaurant tech, food safety & quality as well as smart food services.

SPACE-F acts as a central platform, gathering resources from corporates, venture capitalists, corporate venture capitalists, universities and

government to develop and promote deep-tech and innovative food-tech startups with speed and effectiveness. Selected startups are incubated and accelerated to be new food economy warriors and scaled up to the global market. With a non-equity model, founders are able to have full ownership of their ideas and products. The first cohort of SPACE-F includes 23 startups from Germany, India, Norway, Singapore, Thailand and the U.S. SPACE-F aims to create greater platforms for nurturing deep-tech startups in the food industry and to further accelerate startups to grow seamlessly beyond Thailand.

## RESEARCH AND DEVELOPMENT

In 2019 our research continues to resonate through the value chain. It spans a range of topics such as: investigation of DNA-based methods to combat food fraud; smart technologies for raw material quality assessment; new process technology for the tuna industry; and continued exploration of rest-raw materials for value-added ingredients. Work in these themes led to several scientific manuscripts being submitted and published in international academic journals. Our processing research is moving into future-proofing our manufacturing capability, and integrating elements of AI and robotics technology in our production environment.

Aligned with the vision of "Healthy Living, Healthy Oceans", the innovation team has utilized agile project environments to develop nutritional drink shots based on marine protein, and specially-formulated foods to provide new product solutions for consumers with medical needs. The GIC continues to work in close partnership with Thai Union’s Ingredients unit to develop extraction and fractionation processes for added value ingredients, and to scale-up and commercialize these efforts including high-purity marine oil and protein hydrolysate products.





The GIC has also developed plant-based alternative seafood products for both the frozen and ambient categories to solidify our commitment to sustainability and expand consumer food choices. Offerings for the ambient category include: plant-based tuna in brine, in oil and in several flavored infusions, while plant-based fish burgers and crab cakes have been formulated for the frozen category.

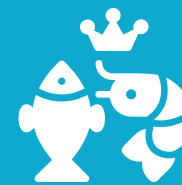
The products are made with plant protein and are intended to address the growing market for meat alternative products. These are all suitable for vegan, vegetarian and flexitarian diets alike. The ambient products are designed to be used in much the same way as canned tuna; as a salad topping, as a sandwich filler or on a canape or similar application. The frozen products; breaded fish burgers and crab cakes, have both been pre-fried and can be served after pre-heating in either a microwave or a standard oven.

## FOOD DEFENCE AND FOOD FRAUD PREVENTION

In 2019 the GIC regulatory team developed a new strategy to safeguard our food supply chains from adulteration. The Combating Food Fraud and Food Defense Strategy has incorporated a series of robust programs that further strengthen Thai Union's capability to combat food fraud and defend our supply chain. Food fraud includes the deliberate and intentional substitution, addition, tampering or misrepresentation of food, food ingredients or food packaging, along with false or misleading statements made about a product for economic gain. The new strategy will complement our existing risk-based food safety and quality management systems, as well as the work we do through SeaChange®, our global sustainability strategy, including tracing products to identify and record their provenance and progress along the supply chains.



We have also developed our Manual of Mitigation Measures to Combat Food Fraud and Intentional Adulteration, an in-depth guide on developing measures to mitigate any threats specific to each business unit. This functions as guidelines for uniform application. A number of "train the trainer" workshops have been conducted to support this new strategy in Thailand, USA and Europe. Specific training modules have been developed for awareness and of employees, as well as specific training for plan developers and key responsible staff.



# THAI UNION INGREDIENTS

In 2017, to meet a growing market demand for natural, seafood-derived ingredients for human nutrition, Thai Union invested in a global business unit focusing on producing and selling ingredients produced from fish processing co-products. Thai Union Ingredients (TUI) commercializes value-adding innovations identified by Thai Union's cutting-edge Global Innovation Center, while creating a sustainable future for the tuna industry by maximizing the valuation of the whole fish processed by Thai Union.

With the launch of TUI, Thai Union has become the only producer of high-quality refined tuna oil with complete end-to-end supply chain and production and quality ownership. Tuna oil is considered one of the best sources of omega-3 fatty acids and is especially rich in DHA, which is critical to infant brain development and human health in general.

Thai Union's tuna crude oil is extracted in Bangkok from raw tuna heads—the best source of the highest-quality tuna oil—supplied straight from its tuna processing plants. The extraction plant is located next to Thai Union's processing facilities in Samut Sakhon, Thailand, so the raw, uncooked material can be processed immediately and prepared for shipment to Thai Union's refinery in Germany.

In 2020, Thai Union will start up its tuna oil refinery in Rostock, Germany, that has been rebuilt after the fire in 2019. In this tuna oil refinery, 50-100 tons of tuna fish oil can be refined every week. Apart from being in a tech-driven region, the refinery is geographically well-positioned in proximity to most of its customers.

The TUI refinery aims to supply 5,000 metric tons of refined tuna oil annually. The oil will be used primarily by manufacturers of nutrient-dense products including infant formula, dietary supplements, clinical nutrition, and functional foods. TUI is currently exploring opportunities to expand its business into other nutrients production, such as a wide range of protein products and bone calcium.



By having control over the entire production chain, the Company can focus on quality and sustainability "from dock to door" while employing traceability. Traceability combats illegal, unreported, and unregulated fishing; ensures operational compliance on vessels to manage bycatch; and stamps out illegal or forced labor. Since Thai Union also owns the fish from which the oil is extracted, it can secure the required volumes for its customers—unlike refined-tuna-oil-producing competitors that need to source crude oil on the market.





# 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 2019, the Committee convened 21 meetings as follows:

1. **Mr. Sakdi Kiewkarnkha**, Independent Director and Chairman of the Audit Committee, attended 19 meetings.
2. **Dr. Thamnoon Ananthothai**, Independent Director and Audit Committee Member, attended 21 meetings.
3. **Mr. Nart Liuchareon**, Independent Director and Audit Committee Member, attended 21 meetings.

The Committee, appointed by the Company Board of Directors, independently performed its duties in compliance with the Audit Committee Charter which has been reviewed in conformance with current business situation and approved by the Board of Directors on an annual basis. The Committee hereby summarizes the tasks performed in 2019 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) which is in conformance with the International Financial Reporting Standards (IFRS). 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 exclusively with the external auditor team on one occasion without the presence of company management to consult them about audit plans, freedom of execution. 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; IT management; minutes of board meetings; internal audit performance and Audit Committee secretary review. The Committee agreed that corporate governance is satisfactory.

## RISK MANAGEMENT REVIEW

- The Company has Group Operations Assurance and Risk Management coordinating and responsible for 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 on a quarterly basis, 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, INTERNAL AUDIT REVIEW AND IT AUDIT

- The Committee has examined the internal control system evaluation by regularly perusing the work plan and internal audit reports, both internal audit and IT audit. 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 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 CONNECTED TRANSACTIONS: ACQUISITION AND DISPOSITION TRANSACTIONS AND TRANSACTIONS WHICH MIGHT RESULT IN CONFLICT OF INTERESTS

- The Audit Committee reviewed the connected transactions and transactions which might result in conflict of interest, as well as information regarding the relevant directors. These transactions and information were reviewed and disclosed to the Stock Exchange of Thailand in a timely manner.

## COMPANY AND ITS SUBSIDIARIES VISIT

- The Committee visited the Company and five of its domestic subsidiaries and four overseas subsidiaries. With each company, the Committee convened a 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 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 2020.

- The Committee is satisfied with the external auditor performance in the past year. Furthermore, after the Committee 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. Pongthavee Ratanakoses, Certified Public Accountant Registration No. 7795, and / or Mr. Chanchai Chaiprasit, Certified Public Accountant Registration No. 3760, and / or Ms. Amornrat Pearmpoonvatanasuk, Certified Public Accountant Registration No. 4599, from Pricewaterhouse Coopers ABAS Limited as the external auditor(s) of the Company and subsidiaries for 2020. 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 Public Company Limited has appointed the Nomination and Remuneration Committee, which comprises two 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 2019, 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 2019 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 11 September 2018 and 25 January 2019, there were eventually neither qualified director candidates nor a meeting agenda proposed by shareholders through the entire 137 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. Reviewed the principles of good corporate governance for listed companies and to provide feedback on the Company's guidelines and practices of the directors as well as corporate governance criteria.
5. 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 adding value to the investments for shareholders in the long term.

The Company's corporate governance in 2019 was rated "excellent" for the fourth consecutive year in the Corporate Governance Report of Thai Listed Companies 2019 produced by the Thai Institute of Directors Association (IOD) and the Company received

a full score on the assessment of the Annual General Meeting of Shareholders by Thai Investors Association.

### 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. In addition, the Company reviewed the policy to comply with legal, economic and social change and inform directors, executives and employees to acknowledge and abide as part of the work.

The Board of Directors has verified the performance in accordance with the Guidelines of Corporate Governance Code ("CG Code") for listed companies 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

Equitable Treatment of Shareholders:  
The delivery of the invitation to shareholders 21 days prior to the Annual General Meeting of Shareholders

#### THE COMPANY'S EXPLANATION

Due to the preparation of the annual report, we had to wait for the results of operations for 2018 to be prepared and audited by the Auditor within 60 days of the date of the balance sheet. On 7 March 2019 the Company scheduled a board meeting to consider and approve the results of operations on 20 February 2019 which takes at least 14 days to close and compile the shareholders' list. It then took about eight days after the closing date to distribute the meeting invitation letter due to waiting for the list of shareholders' registrar and postal process on 21 March 2019. As the Company set the date for the Annual General Meeting on 5 April 2019 this affected sending the invitation letter to shareholders at least 21 days prior to the meeting date.



PRINCIPLES/GOOD CORPORATE GOVERNANCE OF THE STOCK EXCHANGE OF THAILAND	THE COMPANY'S EXPLANATION
	<p>However, the Company publicized the Invitation to the 2019 Annual General Meeting of Shareholders along with the documents in sufficient and accurate detail on <a href="http://www.thaiunion.com">www.thaiunion.com</a> from 4 March 2019 – 32 days prior to the Annual General Meeting of Shareholders.</p> <p>Moreover, the Company understands that the Company had the option to 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 resulted in a large number of SET listed companies holding their meetings after Songkran, then the Company looked to set the meeting earlier in order to have more shareholders attend.</p>
Board Responsibilities: The Chairman of the Company should be an independent director.	<p>The Chairman of the Company is Mr. Kraisorn Chansiri, who founded the Company and holds the position of major shareholder, resulting in not qualifying as an independent director.</p> <p>However, the Nomination and Remuneration Committee considered, then gave their opinion that he has long experience and vision, and is able to ensure that all directors participate in a corporate culture that promotes ethical and good governance. He is therefore able to control the meetings in a manner beneficial to the organization. This experience is demonstrated by the effort of the past 30 years, when the Company has grown from a registered market value of 20 billion to 70 billion baht and has shown steady growth.</p>
An independent director should not remain in the position of Director of the Company for more than nine years.	<p>Although Mr. Sakdi Kiewkarnkha has been an independent director of the Company for 19 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 become non-independent. In addition, there are three other independent directors that have not held their positions for a long time. Therefore, the Board believe that checks and balances will be properly implemented.</p>

PRINCIPLES/GOOD CORPORATE GOVERNANCE OF THE STOCK EXCHANGE OF THAILAND	THE COMPANY'S EXPLANATION
Each of the Company's directors should regularly attend meetings (at least 75 percent of all meetings).	<p>Since one member of the Board of Directors has been appointed through our business alliance of more than 25 years, Mitsubishi Corporation, represented by Mr. Norio Saigusa, who resides in Japan, it is unavoidable that he would not be able to attend meetings as scheduled. Nevertheless, the Company sent the meeting agendas along with supporting documents to all directors and made opportunities for directors to submit questions and comments directly to the Group Chief Financial Officer of the Company before the meeting days.</p>
The board should have at least one woman as an independent director.	<p>The Company has a policy of diversifying the structure of the Board, professionally and in terms of skills, specializations, and gender. 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>
The board should appoint a Corporate Governance Committee	<p>The Company is studying and considering accordingly.</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>The Company is studying and considering accordingly.</p>

To comply with the principles of Corporate Governance Code (CG Code) for listed companies of the Securities and Exchange Commission as well as the business leadership concept, and delineated as the Board's roles and responsibilities for the Company's long-term sustainable value creation. In this regard, the value created should not only be good for the Company but also for its shareholders, stakeholders, the capital market and the society at large. This report sets out the guidelines for the directors with 8 principles as follows;

Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board

Principle 2 : Define Objectives that Promote Sustainable Value Creation

Principle 3 : Strengthen Board Effectiveness

Principle 4 : Ensure Effective CEO and People Management

Principle 5 : Nurture Innovation and Responsible Business

Principle 6 : Strengthen Effective Risk Management and Internal Control

Principle 7 : Ensure Disclosure and Financial Integrity

Principle 8 : Ensure Engagement and Communication with Shareholders

## PRINCIPLE 1 : ESTABLISH CLEAR LEADERSHIP ROLE AND RESPONSIBILITIES OF THE BOARD

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.

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 and Responsibilities of the Board of Directors are as follows:

- 1) Manage the Company in accordance with the objectives, regulations, and decisions set by the shareholders' meetings, and oversees the Company's business operations.
- 2) Set vision, mission and the Company's goal.
- 3) Review and approve vision and mission every five years.
- 4) Set targets and business policies to be implemented by the management.
- 5) Monitor the implementation of the strategy, goals and policies to comply with the Company's objectives.
- 6) Oversee the management's performance to ensure effectiveness.
- 7) Hold at least five Board meetings per year.
- 8) 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.
- 9) Monitor operating results and the financial status of the Company and its subsidiaries.
- 10) 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.
- 11) 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.
- 12) Set up the Company's internal control system, internal audit system, and an effective risk management system.
- 13) Propose the appointment of auditor and set the level of compensation as proposed by the Audit Committee.
- 14) Propose the list of directors to be replaced and their replacement to the general shareholders' meeting.
- 15) Propose the rate of meeting allowances, compensation to directors and members of subcommittees to the general shareholders' meeting.

- 16) Examine and approve matters proposed by the management committee and related to connected transactions, potential conflict of interests, purchase and sales of assets and other matters as specified in the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 17) Examine and approve the Company's transactions involving legally-binding contractual obligations, debts obligations, and guarantees.
- 18) Approve the appointment and set the scope of work and compensation for the Company's sub-committees.
- 19) Set the number of other companies in which President & CEO may hold position of Director.
- 20) Set and approve a written corporate governance policy for the Company and review the policy and compliance to the policy regularly, at least annually.
- 21) Set and monitor a written code of business conduct and anti-corruption policy that all directors, executives and employees understand business ethical standards and guideline of the Company.
- 22) Approve the appointment of the Company's secretary.
- 23) 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.

## PRINCIPLE 2 : DEFINE OBJECTIVES THAT PROMOTE SUSTAINABLE VALUE CREATION

The Board together sets the objectives and main goal including running business policies of company groups. In consideration of situations under in each environment relating to the Company's visions and missions. To analyze the environment within the organization in order to know the strengths and weaknesses, get the competitive positions and analyze the environment beyond organization, for example economic, society and environment factors, legal issues and market competition. To determine and understand the changes beyond the organization both an opportunity and obstacle for the organization including the support of innovation and technology to add the value and bring into the sustainable growth.

Analysis of changes of all these factors may affect the business and stakeholders so the board supports cultivating values to consider good corporate governance for always practices. The cooperation of all employees to help developing the organization continuously and aware of the importance of sustainable organization.

In addition, the board formulates strategies, policies, plans and budgets of the organization which assigned and followed by the management to do the practices effectively.

## VISION

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

## 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.

## GOAL

We are committed to "Healthy Living, Healthy Oceans." With a focus on health and wellbeing across our group's portfolio, we will strengthen the growth and profitability of our core businesses and expand into new, attractive areas. We will continue to lead the industry on sustainability while attracting and retaining talent.

## BIG 6 VALUES

Passionate	- Ambitious for growth, Retains winning spirit, Seeks to be the best/ expert
Humble	- Believes in continuous improvement, Avoids arrogance, Listens attentively and actively
Respectful	- Treats others as you would be treated, Embraces differences and diversity, Is conscious of other's opinions and time
Responsible	- Takes ownership, is accountable, Follows through on commitments, Considers long-term context
Collaborative	- Identifies goals common to all members, Integrates diverse skills for best outcomes, Encourages and recognises contributions
Innovative	- Is constantly curious, Willing to examine and adopt new ideas, Thinks out of the box

## PRINCIPLE 3 : STRENGTHEN BOARD EFFECTIVENESS

The Board understands the roles and their own responsibility by dividing clearly between the Board and management, ensuring the Chairman and CEO are not the same persons. The Board defines the roles and control to supervise the operation of the management for practices ethically and according to effective policies, as well as not having conflicts of interest between stakeholders through the consistent complete and accurate disclosure of company information.



### 3.1 STRUCTURE OF THE BOARD AND PROPORTION OF INDEPENDENT DIRECTORS

The Board of Directors consists of experienced and knowledgeable directors in various fields e.g. Engineering, Business Management, Accounting and Finance, Engineering, Law, and Information Technology. All of whom have attended the Direct Accreditation Program of the Thai Institute of Directors Association (IOD).

The structure of the Board of the Company in 2019 consists of five committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Directors
4. Nomination and Remuneration Committee
5. Risk Management Committee

The Company has clearly established and separated the authority of each committee. The consideration of any important issues must be approved by each committee which has specific responsibilities before being proposed to the Board of Directors for consideration or acknowledgement so as to balance the power and ensure transparency and fairness to all related parties.

### PROPORTION OF INDEPENDENT DIRECTORS ON THE BOARD

BOARD OF DIRECTORS	PERSONS	PROPORTION
Executive Directors	6	50.00
Independent Directors	4	33.33
Non-executive Directors	2	16.67

### LENGTH OF DIRECTORS' TENURE

PERIOD OF TENURE	PERSONS	PROPORTION
0 - 5 years	2	16.67
More than 9 years	10	83.33

### INDEPENDENT DIRECTOR

Under the Corporate Governance Policy, at least one-third of board members and not less than three persons, must be independent directors with a 3-year term of office. These directors should be qualified and independent in line with the same qualification criteria described in the Notification Governing Qualifications and Responsibilities of Audit Committee established by the Stock Exchange of Thailand. In addition, a person qualified to serve as independent director must be able to perform duties to preserve the best interests of all shareholders in an equitable manner without conflicts of interest and be available in Board meetings to give independent and unbiased opinions and judgments.

### QUALIFICATION OF INDEPENDENT DIRECTOR

- 1) Not hold shares more than 0.05% of total voting stocks of TU including stocks held by connected persons of the independent director, as well as nominees.

- 2) Not be nor have been a major shareholder.
- 3) Not be nor have been a board member of its parent company or an executive director, employee, staff, advisor who receives the salary of a controlling person of TU, its parent company, its subsidiaries or its associated companies.
- 4) Not be any professional advisor.
- 5) Not have nor have had a business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment.
- 6) Not be appointed as a representative of the Company's or its major shareholder's board members or a shareholder who is related to the Company's major shareholders.
- 7) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

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

### 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.

### 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 of business. As at December 31, 2019, the Board of Directors was comprised of 12 members.

NAME OF DIRECTOR	POSITION	STARTING DATE
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. Shue Chung Chan	Executive Director	30 April 2001
7. Mr. Norio Saigusa	Non-Executive Director	5 April 2019
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

Mrs. Paralee Sukhatungka, Company Secretary

### 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.

### SUBCOMMITTEES

The Board of Directors set up five subcommittees, that consist of the set of directors and the set of directors

working with the management team, to prescreen the issues before bringing the important ones to the consideration of the Board of Directors as follows:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Risk Management Committee
- 4) Executive Committee (ExCom)
- 5) Sustainable Development Committee

## THE AUDIT COMMITTEE

Membership and meeting attendance 2019

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Sakdi Kiewkarnkha	Chairman	Independent Director	13/14 (92.9 percent)
2. Dr. Thamnoon Ananthothai	Member	Independent Director	14/14 (100.0 percent)
3. Mr. Nart Liuchareon	Member	Independent Director	14/14 (100.0 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 once 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 Stock Exchange of Thailand.

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, information systems including cyber security, 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 anticorruption measures as assessed by Audit Unit, and to ensure that the Company has exercised the Anti-corruption systems as reported in the self-assessment form guided by 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 deem appropriate, at the Company's expense.

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

## RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

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

Details of the operations of the Audit Committee have been disclosed in the Audit Committee Report on page 96.



## THE NOMINATION AND REMUNERATION COMMITTEE

Membership and meeting attendance 2019

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 set up the Nomination and Remuneration Committee from 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 98.

## THE RISK MANAGEMENT COMMITTEE

Membership and meeting attendance 2019

NAME	POSITION	STATUS	MEETING ATTENDED
1. Mr. Kirati Assakul	Chairman	Independent Director	4/4 (100.0 percent)
2. Mr. Sakdi Kiewkarnkha	Member	Independent Director	4/4 (100.0 percent)
3. Dr. Thamnoon Ananthothai	Member	Independent Director	3/4 (75.0 percent)
4. Mr. Thiraphong Chansiri	Member	Executive Director	4/4 (100.0 percent)
5. Mr. Shue Chung Chan	Member	Executive Director	4/4 (100.0 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 company and its subsidiaries, aligned with international guidelines.
3. Oversee the continuous activities of assessment, analysis and review of the Company and its subsidiaries' significant risks, under normal and crisis condition
4. Consider and provide comment on the Company'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 the Company's significant risks, mitigations and improvement to the Board of Directors.
8. Encourage risk management culture and cooperation in the Company and its subsidiaries.
9. Oversee and support risk management function to be aligned with the Company'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 tasks related to the consideration of risk management assigned by the Board of Directors.

Details of the operations of the Risk Management Committee have been disclosed in the Risk Management Committee Report on page 136.

## GROUP EXECUTIVE COMMITTEE ("ExCom")

In 2019, the Board of Directors approved the setting up of the Group Executive Committee ("ExCom") to act on behalf of the board. ExCom consist of Executive Chairman, CEO, President of Global Frozen and Related Unit, and Group CFO. They shall approve the acquisition or disposal of the assets without the submission of the Board of Directors within the limit of not more than USD 100 Million. As a listed company in the Stock Exchange of Thailand, it is an obligation of the Company to notify the SET on an acquisition or divestment of capital investment or M&A transactions if the deal size is equal to or greater than the criteria as provided in SEC regulation. In general, it would be at 15 percent of Net Tangible Asset of the Company or the Consolidated Company. In this regard, if considering the financial statement of FY2019 which is the latest audited financial statement, the 15 percent of Net Tangible Asset is equivalent to USD 85 Million. Since the ExCom LIMIT should be changed annually and automatically as per the annual financial statement to reflect the growing size of the Company,

## SUSTAINABLE DEVELOPMENT COMMITTEE

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

## SEPARATION OF ROLES AND DUTIES OF THE BOARD OF DIRECTORS

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

## SEPARATION BETWEEN CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

## ROLE AND RESPONSIBILITIES OF CHAIRMAN OF THE BOARD OF DIRECTORS:

1. The Chairman of the Board of Directors meeting has to preside over the meeting, except if they are absent or cannot perform their duties.
2. Consider the agendas of the Board of Directors meeting.
3. Oversees policy advocacy and strategic performing manner of the Company's management but shall not practice in the daily operation.
4. Monitor the meeting effectively according to company policy and encourage all directors to express their opinions independently.
5. Support and encourage the Board of Directors' duties, responsibilities and the principles of good corporate governance.
6. Oversees and follows up on the performance of the Board of Directors and other sub-committees to achieve the Company's objectives.
7. Decides in the case that the Board of Directors meeting votes are equal.

## ROLE AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is designated by the Board of Directors as authorized person to manage, includes policy-making, decision-making and corporate decision-making include the following:

- 1) Administering the Company's business and day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
- 2) Arrange to prepare the Company's business policies, business plans and budget to be proposed to the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors.
- 3) Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.

- 4) Authorized to act on the Company's behalf to enter into contractual arrangements as prescribed in the Company's policy and procedures regarding the operational approval authority.
- 5) Ensure good governance, compliance with the law, ethical standards and anti-corruption policy.
- 6) Maintain good relationship with the stakeholders.
- 7) Communicate effectively in positive image with public, shareholders, customers and stakeholders.
- 8) Manage the Company's HR operation to issue / amend / add / update rules and regulations and personnel policies and procedures.
- 9) Be authorized to sub-authorize and/or delegate other persons to perform specific duties on his behalf. Such sub-authorization and/or delegation shall be within the scope of authorization or delegation in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest, may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

Therefore, the Chief Executive Officer is also required to hold a position of director of no more than three companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties.

## EXECUTIVE DIRECTORS

### AUTHORITY OF EXECUTIVE DIRECTORS

1. Implement the Company's policy, which obliges to laws, conditions, regulations, and rules of the Company, except for those issues subject to the consent of shareholders.
2. Set, propose and devise business policy and strategy to the Board of Directors.

3. Set business plan, business management authority, annual budget estimation, and budget allocation to the Board of Directors for review and approval, as well as follow the business plan and strategy in accordance with the corporate policy and business guidelines to propose to the Board of Directors.
4. Handle general business administration, set up organization and management structures to cover all aspects of personnel recruitment, training, employment, and employment termination.
5. Approve credit facility requests made to financial institutions, including giving collateral or making any payment for normal business transactions, e.g. payment made for branch expansion investment or any regular business operations. The approval of the said credit facility must involve not over THB 200 million or equivalent in value, or the value as approved by the Board of Directors. However, the credit facility value allowed for approval may be subject to change as deemed appropriate depending on the consideration of the Board of Directors.
6. Appoint or dismiss any employee holding a position lower than managing director.
7. Perform other duties as assigned by the Board of Directors.

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

## 3.2 CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors has the duties to oversee policy advocacy and strategic performing manner of the Company's management but shall not practice in the daily operation, monitor the meeting effectively according to company policy and encourage all directors to express their opinions independently, support and encourage the Board of Directors' duties,

responsibilities and the principles of good corporate governance, and decide in the case that the Board of Directors meeting votes are equal.

## 3.3 THE NOMINATION OF DIRECTORS AND TERMS OF THE DIRECTORS

### NOMINATION PROCESS

The Nomination and Remuneration Committee is responsible for nominating the director, who has knowledge, capability, work experience, integrity, ethics and dedicate the necessary time for the Company to share their skill and experience in business and working for the Company. The objective is for the Board's composition to meet business directions and not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge to their performance in the Company.

The Nomination and Remuneration Committee shall propose the lists from director pool or professional search firm to the Board for a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act. as follows;

- Directors may be re-elected after the expiration of the term of office except when the director position becomes vacant not by rotation, the Nomination and Remuneration Committee will nominate a suitable candidate and propose to the Board of Directors' Meeting in order to appoint a substitute director to fill the vacant position as required by the Articles of Association. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure.
- In every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisible, the number of retiring directors is to be closest to the one-third ratio. The Nomination and Remuneration Committee will nominate candidates for consideration of the Board of Directors before being proposed to the Annual General Meeting of Shareholders for election to replace the directors who retire by rotation according to criteria and procedures set forth below.

1. Each shareholder has a right to vote in proportion to share volume owned; the principle of "one share, one vote" is applied.



2. Each shareholder is required to cast the entire vote owned in one for one or more candidates but cannot split the vote into portions.
3. Candidates shall be entitled to directorship based on votes received. A candidate with maximum votes is first entitled to directorship and followed by the other candidate with less votes, respectively. As a rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to the statutory expiration of their office term provided (a) three quarters of majority votes of all shareholder's present at a meeting is recorded; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned by all shareholders present at the meeting. such a 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.

In 2019, in the Annual General Meeting of Shareholders on 5 April 2019, there were four directors who retired by rotation, namely,

1. Mr. Cheng Niruttinanon
2. Mr. Sakdi Kiewkarnkha (Independent director)
3. Mr. Shue Chung Chan
4. Mr. Kiyotaka Kikuchi

In the Annual General Meeting of Shareholders 2019, the resolution was passed by the majority of votes of all the votes of the shareholders attending the meeting and having the right to vote to reappoint all the four directors for another term of office.

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.

## TERMS OF THE DIRECTORS

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

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

## 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.

The regulations of the Company have been disclosed on the Company's website: [www.thaiunion.com](http://www.thaiunion.com) at Investor Relations -> Corporate Information

## 3.4 REMUNERATION FOR DIRECTORS

- 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.
- 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 resident in Thailand only).

NAME OF DIRECTOR	POSITION	MONTHLY RETAINER, MEETING ALLOWANCE, AND DIRECTOR'S BONUS
1. Mr. Kraisorn Chansiri	Chairman	2,248,250.00
2. Mr. Cheng Niruttinanon	Executive Chairman	1,109,125.00
3. Mr. Thiraphong Chansiri	President & CEO	1,204,125.00
4. Mr. Chuan Tangchansiri	Executive Director	1,124,125.00
5. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit	1,124,125.00
6. Mr. Shue Chung Chan	Executive Director	1,204,125.00
7. Mr. Kiyotaka Kikuchi (Jan-Mar 2019)	Non-Executive Director	809,125.00
Mr. Norio Saigusa (Apr-Dec 2019)	Non-Executive Director	240,000.00
8. Mr. Ravinder Singh Grewal Sarbjit S	Non-Executive Director	1,124,125.00
9. Mr. Sakdi Kiewkarnkha	Independent Director	1,949,125.00
10. Dr. Thamnoon Ananthothai	Independent Director	1,784,125.00
11. Mr. Kirati Assakul	Independent Director	1,364,125.00
12. Mr. Nart Liuchareon	Independent Director	1,424,125.00
		<b>16,708,625.00</b>

The Company considers the total amount of annual remuneration paid to the Board of Directors 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 members in 2019 in comparison with its counterparts in 2018 is set forth below:

UNIT : MILLION BAHT	DIRECTORS' REMUNERATION	
	2018	2019
Number (Person)	12	12
Monthly Retainer/Meeting Allowance	6.91	7.17
Director's Bonus	15.75	9.54
<b>Total</b>	<b>22.66</b>	<b>16.71</b>

### 3.5 SUFFICIENT TIME ALLOCATION OF DIRECTORS

#### 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. Over the years, the Board of Directors has shown that they are able to dedicate their time for the performance of their duty. The Company has continuously and regularly received useful guidance, advice and recommendations on the business operation of the Company.

NAME OF DIRECTOR	OTHER LISTED COMPANY	SUBSIDIARIES OF OTHER LISTED COMPANY
1. Mr. Kraisorn Chansiri	-	-
2. Mr. Cheng Niruttinanon	-	-
3. Mr. Thiraphong Chansiri	1	-
4. Mr. Chuan Tangchansiri	-	-
5. Mr. Rittirong Boonmechote	-	-
6. Mr. Shue Chung Chan	-	-
7. Mr. Norio Saigusa (Start 5 Apr 19)	-	-
8. Mr. Ravinder Singh Grewal Sarbjit S	-	-
9. Mr. Sakdi Kiewkarnkha	-	-
10. Dr. Thamnoon Ananthothai	2	-
11. Mr. Kirati Assakul	1	-
12. Mr. Nart Liuchareon	-	-

#### POLICY ON THE POSITION OF THE CHIEF EXECUTIVE OFFICER IN OTHER COMPANIES

The Board has a policy that the Chief Executive Officer is also required to hold a position of executive director of no more than three companies in non-affiliated companies, by holding such positions must not affect the performance of the CEO duties.

In order to enable the Chief Executive Officer to dedicate his time to the performance of his duties as the Chief Executive Officer for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Chief Executive Officer must not serve as a Chief Executive Officer in other listed companies.

#### BOARD MEETINGS SCHEDULES

The Board of Directors has set a standard for a general meeting to be conducted at least five times a year in February, May, August, November and December and informs the dates of the meetings in November every year so that the directors can attend all meetings and may set additional schedule, if necessary.

The Corporate Secretary will send out the tentative meeting schedule in advance so that the directors are informed and be able to plan for the meeting. In 2019, there were six meetings on the following dates:-

BOARD MEETING	MEETING DATE
BOD 1/2019	20 February 2019
BOD 2/2019	26 March 2019
BOD 3/2019	7 May 2019
BOD 4/2019	6 August 2019
BOD 5/2019	5 November 2019
BOD 6/2019	25 December 2019

#### 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 and while they shall vote in the meeting. 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 2019.

NAME OF DIRECTOR	2019 AGM (92%)	BOARD MEETING			
		2018	%	2019	%
1. Mr. Kraisorn Chansiri	Attend	3/5	60.00	6/6	100.00
2. Mr. Cheng Niruttinanon	Attend	4/5	80.00	5/6	83.33
3. Mr. Chuan Tangchansiri	Attend	5/5	100.00	6/6	100.00
4. Mr. Thiraphong Chansiri	Attend	5/5	100.00	6/6	100.00
5. Mr. Rittirong Boonmechote	Attend	5/5	100.00	6/6	100.00
6. Mr. Shue Chung Chan	Attend	5/5	100.00	6/6	100.00
7. Mr. Norio Saigusa (Apr-Dec 2019)	Absent	-	-	1/6	16.67
Mr. Kiyotaka Kikuchi (Jan-Mar 2019)	Absent	0/5	0.00	-	-
8. Mr. Ravinder Singh Grewal Sarbjit S	Attend	5/5	100.00	6/6	100.00
11. Mr. Sakdi Kiewkarnkha *	Attend	5/5	100.00	5/6	83.33
12. Dr. Thamnoon Ananthothai *	Attend	5/5	100.00	6/6	100.00
13. Mr. Kirati Assakul *	Attend	4/5	80.00	6/6	100.00
14. Mr. Nart Liuchareon *	Attend	5/5	100.00	6/6	100.00

\*Independent Directors

Remark: Mr. Norio Saigusa and Mr. Kiyotaka Kikuchi, who reside outside the Kingdom of Thailand.

## MEETING OF THE NON-EXECUTIVE DIRECTORS

The Board of Directors encouraged the non-executive directors to hold meetings without the presence of executive directors so that the non-executive directors could independently debate and discuss issues with respect to management in their interest without involvement of the management party. The Board of Directors scheduled the meeting of the non-executive directors twice times in 2019 in which all of the four Company's non-executive directors attended the meeting.

## 3.6 GOVERNANCE FRAMEWORK AND PRACTICES OF SUBSIDIARY AND ASSOCIATED COMPANIES

The Board of Directors is responsible for overseeing the policies and operations of subsidiaries and associated companies that the Company has invested significantly and compliance with our main business plan. In addition, the Board must control the operations of the Company and subsidiaries to comply with the

regulations of SET with details summarized as follows:

1. Appoint their representative to be the director or executive of subsidiaries and associated companies in order to monitor the operation of such companies to be in line with the Company's policy.
2. Monitor the operation of subsidiaries or associated companies and sets guidelines to control the operation of such companies.
3. Control the business operation of subsidiaries or associated companies to meet the policy, goals, operation plan, strategy and budget, that are approved by the Board.
4. Approve the budget, transactions of acquisition or disposition of assets, borrowing from financial institutions, lending, capital increase and decrease or business closure that may significantly affect subsidiaries or associated companies' operations.
5. The Audit Committee shall review accuracy and reliability of financial reports, internal control system, internal auditing works, related party transactions, compliance with related law and regulations as well as monitoring

and controlling of subsidiaries and associated companies' operations.

6. The Risk Management Committee shall consider the policy and risk management guidelines of subsidiaries and associated companies.

## 3.7 SELF-EVALUATION OF THE DIRECTORS AND THE EVALUATION OF THE BOARD OF DIRECTORS, SUBCOMMITTEES AND CHIEF EXECUTIVE OFFICER

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 Directors. The Board of Directors has assigned the Nomination and Remuneration Committee to implement the evaluation process.

1. 60% and Lower - Below Standard
2. 61 - 80% - Fair
3. 81 - 90% - Good
4. Over 90% - Very Good

The evaluation has been categorized in the following topics:

Directors Self-Assessment

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

Board of Directors Performance Assessment

- 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

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 Strategies

- 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 92 percent
- Director Evaluation with an average score at 94 percent
- Committee Evaluation with an average score at 95 percent
- CEO Evaluation with an average score at 94 percent

## 3.8 BOARD ORIENTATION AND CONTINUOUS DEVELOPMENT OF DIRECTORS

### ORIENTATION OF NEW DIRECTORS

The Company has supplied a manual for new directors to be informed of the information of the Company, the objectives, the Articles of Association, the organization structure, the rules and regulations and important policies, the operations of the Company, which are necessary to facilitate the new directors to perform their duties as a director immediately and express their opinions in the meetings.

In 2019 there was no appointment of new directors so orientation of new directors was not organized

The Board of Directors give importance to capacity development of directors and encourage the directors to attend training courses or seminars that are beneficial for their performance. All directors are welcome to constantly improve their knowledge through training in order to effectively carry out corporate governance of the Company. In 2019, Mr. Sakdi Kiewkarnkha, an independent director, attended a training seminar, "COSO ERM 2017 Enterprise Risk Management Integrating with Strategy and Performance, by the Stock Exchange of Thailand.

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	DIRECTOR								
	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			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			
Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance						2018 2019			
Dealing with Cyber Risk in the Boardroom						2018			
Preparing for Cash Flow Statements, Ministry of Commerce						2016			
Senior Executive Program: Capital Market Academy	12/2011			25/2017					
Advanced Master of Management Program (Class 1): NIDA				2018					

Name of directors\*

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

As for the capacity building of executives who are staffs of the Company, the details will be included in "Human Capital Development" on page 124.

### 3.9 ACCESS TO NECESSARY INFORMATION

#### CONFLICTS OF INTEREST

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 in compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the Company a report on his interest or a related person's interest in relation to management of the Company.

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 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, 53, who holds a Master's Degree from the Faculty of Commerce and Accountancy, Thammasat University and attended the training of Company Secretary Program and Anti-Corruption - The Practical Guide 2016, conducted by the Thai Institute of Directors (IOD). Mrs. Paralee will provide support and assistance to the activities of the Board of Directors for the right direction of corporate governance with more accuracy, transparency and efficiency. The assignments under her roles and responsibilities are as follows:

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

## PRINCIPLE 4 : ENSURE EFFECTIVE CEO AND PEOPLE MANAGEMENT

The Board of Directors gives importance to personnel who will be in top executive positions, which are important management positions such as Chief Executive Officer including other positions equivalent to the Managing Director of subsidiary companies by considering knowledge, ability, experience that is consistent with the strategy and goals of the Company. Therefore, the Board of Directors must oversee the recruitment of such personnel appropriately.

## MANAGEMENT TEAM

As at 31 December 2019, the Company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons;



NAME	POSITION
1. Mr. Thiraphong Chansiri	Chief Executive Officer
2. Mr. Rittirong Boonmechote	President of Global Frozen and Related Unit
3. Mr. Shue Chung Chan	Group Director, Human Resources
4. Mr. Joerg Ayrlle	Group CFO
5. Dr. Darian McBain	Group Director, Corporate Affairs and Sustainability
6. Dr. Tunyawat Kasemsuwan	Group Director, Global Innovation
7. Mr. Leonardus Coolen	Managing Director, Thai Union Ingredients
8. Mr. Sanjeev Pant	Managing Director, Emerging Markets
9. Mr. Patrick Bertalanffy	Group Director, Strategy Business Development
10. Ms. Arunrat Surattanajindaporn	Assistant General Manager, Group Accounting and Control

4.1 SUCCESSION PLANNING FOR TOP EXECUTIVE POSITIONS

The Board of Directors has recognized the importance of succession planning in the top executive administration of the organization, particularly for organizing the leadership position as Chief Executive Officer (CEO) and President of Global Frozen and Related Unit. Including the top administration position of the Company in each region, which is an important part to be successful in the organization. By implementing a Human Resources Department coordinator to consider criteria and succession planning both foreign and domestic would keep the confidence high for stakeholders.

The Company has a policy to review the critical positions in the organization, the direct affect to business profits and corporate goals. The procedure is to considerate the positions systematically each year so that it will be used in succession planning both long and short term.

Human Resources Department will coordinate the succession plan by arranging a joint meeting between key management and top HR management, both to strengthen business potential and reduce operation risks.

The succession planning for Thai Union is divided into two categories as follows:

1. Succession planning for critical position to insure success for the business is to plan for a successor depending on the readiness of the position, which is divided into three groups as follows:

a. Short term: Ready Now or ready within one year

b. Mid-term: Ready within 2-3 years

c. Long term: Taking more than 3 years to be ready
2. Succession for Emergency Plan: Preparation of an emergency successor candidate in 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 the name of the responsible appointee.

Succession planning in this category will have Group Corporate, Regional and Business Categories. In addition, the Company has a development readiness plan for an individual successor by analyzing their knowledge, abilities and skill development requirements. The successor should be ready to take over immediately whenever the Company needs. Such a development plan will be reviewed every year with the direct leadership of the successor and the committees who are selected by the Company in each position level.

4.2 COMPENSATION STRUCTURE AND PERFORMANCE EVALUATION  
COMPENSATION STRUCTURE

Preparation process for succession planning of the position will be parallel with the Talent Review Process and Individual Development Plan. Human Resources in cooperation with the management of each department will jointly evaluate an employee's potential and Individuality. They will develop a clear plan, especially for the successor. Moreover, any employees who have a high potential will provide analysis in capabilities in order to advance the development plan, including employees being informed of career goals and employees expectations throughout monitoring and evaluation of their development frequently.

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 innovation and premiumization of product portfolio, acceleration reputational benefits and commercialization of sustainability initiatives, and developing new business in Tuna Oil and beyond

3. Improve Productivity through culture of continuous improvement, SG&A optimization and cash management

4. Work on Business Fundamentals - upholding and role model Thai Union's core values, driving talent management and increase employee engagement, and developing a compelling long-term strategy and allocating resources to strategic and highest value opportunities.

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.

PERFORMANCE EVALUATION

Assessment of Business and Individuals goals are managed under Performance Management Process (PMP) for Senior Managers and Managers at Thai Union. This process is set across organization in order to achieve the same direction of Thai Union's vision and yearly enterprise objectives with the 3 main objectives:

- Align individual goals with enterprise objectives and key initiatives to deliver the budget

• Monitor progress and action plan on individual goals

• Reward individual contribution

Enterprise Objectives are cascaded to each Business Unit and Group Corporate function. These Business / Functional objectives are supported by a list of initiatives led by Business Leaders and Head of Group Function. The main and most critical initiatives are translated into Individual Business Goals during the goals setting step of PMP, early January, and included behaviors and development goals to ensure managers embed the six values of Thai Union.

After sign-off, these goals are reviewed during the year and, finally assessed by Top Management to evaluate the Individual Performance of each Senior Manager.

Self-assessment and calibration are used to fuel the end-year review in order to pay for performance.

REMUNERATION FOR MANAGEMENT

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 bonus money at the rate of 25-30 percent of annual salary.

The remuneration paid to the management members in 2019 in comparison with its counterparts in 2018 is set forth below:

UNIT : MILLION BAHT	MANAGEMENT'S REMUNERATION	
	2018	2019
Number (Person)	9	9
Salary/Annual Bonus	145.17	131.18
Provident Fund Matching Contribution	5.64	3.76
<b>Total</b>	<b>150.81</b>	<b>134.94</b>

## PRINCIPLE 5 : NURTURE INNOVATION AND RESPONSIBLE BUSINESS

The Board perceives the importance of the sustainability, that will set the standard for economic responsibility, social and environmental 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 the Company align key decisions and practices. Aiming to take a leading role in supporting the seafood industry's sustainability objectives, the Company committed the global sustainability strategy which can be classified into four areas as below.

1. Responsible sourcing - Providing safe, legal and freely-chosen employment in our own facilities and in supply chains is critically important to Thai Union.
2. Safe and legal labor - Traceability is the key to improving the transparency and operational practices of the entire seafood supply chain.
3. Responsible operations for environment - The way we operate must be environmentally responsible and show a duty of care for our workers.
4. People and Communities - At Thai Union we take responsibility for improving the lives of those living and working in the regions in which we operate.

### 5.1 PROMOTE INNOVATION AND RESPONSIBLE FOR THE STAKEHOLDERS

The Board understands the importance of promoting innovation. The Company is committed to being the seafood industry's leading agent of change. Innovation is a strategic cornerstone of Thai Union. This will help drive sustainable growth and play an important role in shaping the future of the Company. The Global Innovation Center (GIC) is a world-class R&D facility

to develop new products, packaging and processing, and thus add more value to the Company's seafood business. The GIC's main R&D facility, located in central Bangkok, conducts research related to fundamental studies of raw materials, new processing technology, and utilization of rest-raw materials to create added value. The main focus is on 1) enhancing product quality, nutritional value and consumer satisfaction; 2) accelerating sustainability through smarter utilization of fishery resources, optimization of processes and technology, and value creation of products, and 3) creating new corporate revenue streams from research and development tailored for new business growth.

The GIC leverages public and private partnerships with industrial entrepreneurs, government, and academia by innovating together and coordinating knowledge between academia and industrial entrepreneurs for the goal of the innovation to benefit the public.

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.

### 5.2 RESPONSIBLE OPERATIONS FOR SOCIETY AND ENVIRONMENT

The Board 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, financial stability and implementation to further the Company's objectives, goals, and strategies in

support of sustainable value creation. Therefore, the board is urging management to adopt responsible operations with high ethical, environment and society standards. Also to adhere 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.

## RESPONSIBILITIES TO 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.

## RESPONSIBILITIES TO EMPLOYEES, STAFF, AND WORKERS

The Company treats employees equitably and fairly with no discrimination against nationality origin, religion, gender, marital status, language, or workforce rank, not associating with forced labor, child labor, human trafficking, and not supporting bribery or any form of corruption.

The Company has employee's compensation management policy to retain capable employees who are attracted towards the organization and focus on performance-based compensation in consideration of fairness within the organization, throughout the competitiveness in the labor market, as well as cultural, rules and regulations to be consistent with the mission and values of the organization. The Company sets the appropriate compensation comparable to compensation paid in the same industry by considering knowledge, experience and performance of individual employees, combined with parity within the Company's evaluation based on responsibility, task complexity, work experience and skills. In addition, the Company has set the compensation management policy based on the employee's performance and operation's performance as motivation for performances.

## COMPENSATION TO EMPLOYEES, STAFF, AND WORKERS

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 the readiness of every department in the Company by coordinating with the topflight institutes to make activities for employees before retirement as follows;

1. Training with Samut Sakhon Community College for various occupational curriculum according to expertise and interests of the employees, such as Thai culinary arts baking and handicraft courses.
2. Training with the Sustainable Agriculture Foundation for growing vegetables without chemicals or in city areas.
3. Make a physical and mental health curriculum with Samutsakhon and Vichavej hospital to take care of employees; moreover retired employees will be congratulated by the executive administrators and give a gift to recognize their hard work and long-time dedication to work.

Compensation of employees is as follows:

1. Compensation relating to the short-term business performance including salaries, which have increased the rate of one time per year, annual bonus, provident fund that is available to employees at all levels by contributions from 2.5 percent to 10 percent of salary depending on the length of employment. In 2019, the Company made contributions to the provident fund for employees totalling THB 50.29 million.
2. Compensation relating to the long-term business performance, including of retirement paid to the conditions set forth in the Employee Handbook. the Company has set aside money for retirement for 2019 at the amount of THB 110.31 million and in 2019, the Company has paid money for employee retirement totaling THB 37.68 million.



## HUMAN CAPITAL DEVELOPMENT

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

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

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

Details of staff and management training in 2019 for Leadership, Industrial standard, Professional skill and On the job training as follows:

Total hours of training: 133,804 hours.  
Average number of hours per employee per person: 12 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.

## RESPONSIBILITIES TO CUSTOMERS

The Company's policy is to uphold the following responsibilities to customers:

- The Company has produced quality food under Food Safety and traceability under standardized manufacturing process technology and appropriate technology, including the development of new products and processes to ensure customer benefit and satisfaction.
- The Company determines the price of goods and services at appropriate level of detail and quality of customers' products and services demand.
- The Company runs as reasonable cost as possible while maintaining quality of service standards, according to the Company's customer requirements.
- The Company delivers high quality products and services to meet or exceed customer expectations and on-time delivery adhering to commitments given to customers.
- The Company treats customers with politeness, hospitable and honesty, pays attention to every customer with fairness, equality without bias.
- The Company complies with the contract terms or conditions, and if not viable, will inform customers in advance and find a solution to prevent irreversible damage to the stakeholders.
- The Company provides information regarding the instructions on the product features and specifications of goods and services, as well as how to use. The Company also keeps customers informed about the products and other services so there is no misunderstanding about the quality or condition of any products or services.
- The Company focuses on maintaining the confidentiality of customer information, not disclose customer's confidentiality or use for their own benefit.
- The Company also sets aside a special unit or appoints persons in charge of handling customer complaints and responding to those complaints without delay.
- The Company will not receive bribes from customers.

## RESPONSIBILITIES TO BUSINESS PARTNERS

The Company treats suppliers equitably and fairly in line with commercial conditions, is open to hear their opinions and suggestions to forge stronger business relations and places much attention on their commercial confidentiality.

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

Routine engagements have been channeled to various business functions such as marketing teams versus customers, procurement teams versus trading partners and suppliers, human resources versus employees, government relations and administrative functions versus government and local communities, finance teams versus financial markets and institutes, investor relations versus capital markets and investors, corporate communication versus media and public sectors, etc. In addition, some new key initiatives have been launched during the year, namely, deploying sustainability features and capabilities to innovate as new sources of 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.

## RESPONSIBILITIES TO 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.

## RESPONSIBILITIES TO COMPETITORS

The Company competes with competitors under fair commercial competition, with business ethics and in compliance with applicable legislation. The Company does not seek information such as its competitors' trade secret by dishonest means and not destroy the reputation of a competitor in wrong way or find false information, thereby having no trading disputes with any competitor.

## RESPONSIBILITIES TO THE COMMUNITY AND SOCIETY

The Company realizes the responsibility to its community and society, especially for improving the lives of those living and working in the regions where it operates. The Company has worked together with private sector peers, local government, international organizations and civil society, for example: Educating children of migrant workers, providing nutritional information to local communities, Famine and disaster relief programs yearly, as part of our commitment to support the United Nations Sustainable Development Goal (SDG) to end hunger.

Operational activities;

- Preschools for children of our migrant and local workers in Samutsakorn province
- Asean economic community language learning center for interpreting and coordination in communication with the migrant workers.
- Pracharath project: Aiming to improve the lives of the local community as well as boost the education standards of children across Samutsakhon, Samutsongkhram, Phetchaburi, and PrachuapKhirikhan provinces consistent with the leadership project for CONNEXT ED in order to minimize inequality in society, development of people's potential, and increase competitiveness for students in public schools under the Office of the Basic Education Commission. Pracharath project of love and unity for Samutsakorn province supporting local businesses and helps to put them on better commercial footing also to help drive the Thai economy at a grassroots level, allowing small business operators to generate more income for the local community such as agriculture, agriproduct processing, and community tourism.
- Providing nutritional information and nutritional training to local communities.

## RESPONSIBILITIES TO THE ENVIRONMENT

The Company realizes all its responsibilities to keep the environment while managing any negative impact on the environment from all aspects of the Company's operations. Sustainable objectives are goals of the Company as it has the vision to be the world's most sustainable seafood leader and set the standard for environmental protection across operations into our supply chains. SeaChange® is the Company's sustainability strategy with measurable commitments to deliver real, lasting changes in the way it operates. SeaChange® aims to drive a positive transformation throughout the global seafood industry. It covers every aspect of the seafood business on how to look after and maintain the oceans and how it manages its waste.

The core of its strategy is to promote sustainability and the ability to fully track its seafood from catch to consumption with full track ability in place. The Company will be able to identify, investigate and improve performance on key issue such as labor and responsible sourcing.

#### Operational Activities;

- Indian Ocean Tuna Purse Seine Fishery Improvement project in order to improve management of the three most important commercial tropical tuna species. With a commitment to seafood sustainability which is a part of our partnership with World Wildlife Fund (WWF).
- Capacity building program to our partner farms to help them improve their farm management practices and meet the standards of BAP, to lead environmental standards, bio-safety, and water management.
- The Company, together with International Union for Conservation of Nature (IUCN), Thailand's Department of Marine and Coastal Resources, and Department of Fisheries, supports various community-based initiatives in Koh Yao Yai, Phang Nga, to manage marine and coastal resources, to develop sustainable tourism and enhance livelihood resilience.
- The digital traceability pilot program will test scalable platforms for Electronic Catch Data and Traceability (ECDT) systems that utilizes mobile applications and satellite connectivity for solutions pertaining to illegal fisheries, the lack of reporting and without controls. It is the first time for the fishery industry of Thailand to use this communication system.
- Zero project to reduce greenhouse gas emissions.
- To use innovation and management approach effectively for reduction in water use and electricity.
- To use innovation development packages for reducing concerns about the environmental impact of things such as food waste, changing weather and plastics packaging in the oceans for the life cycle assessment project. In order to understand the process of packaging to adhere to the many standards required to protect the environment, starting with production, packaging, logistics and disposal procedures.
- Beach cleaning and protecting the endangered species.

Other company-sponsored CSR initiatives in action through 2019 are further described under the Sustainable Development heading on page 86 - 91 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 Company has prioritized developing the foundation of an environmental, occupational health and safety management system and systematically integrate environmental, occupational health and safety and energy conversation considerations into our business processes. The Group's targets in 2020 are to reduce its greenhouse gas emissions by 30 percent per ton of production, reduce water use by 20 percent per ton of production and reduce waste to landfill by 20 percent per ton of production, giving the necessary education and training. The action plan can be summarized as follows:

1. An Environmental, Occupational Health and Safety Policy 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, 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. The Company 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 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 including of Giving or accepting gifts or hospitality, Giving or accepting cash or its equivalents, Bribing government officials or third parties or accepting or soliciting bribery, Embezzling company assets or working hours, Laundering money, Obstructing or impeding due administration of justice or judicial proceedings, Making any political contributions, whether in cash or in kind, including offering goods and services or contributing for advertising purposes, etc., Donating to charitable causes, and Sponsoring for a personal or other undue advantage.

#### Gifts, Hospitality, and Expenditures

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

## 5.3 GOVERNANCE AND INFORMATION TECHNOLOGY MANAGEMENT

The Board of Directors implemented the board of information technology. They will plan related strategies in regards to information technology of the Company in order to have convenience, speed, effectiveness, added reliability and added business competitiveness as well as playing a supporting role in the business to get the maximum benefits and risk management regarding information technology risk.



Thus, the board will specify the assessment and risk management for information technologies and report the findings to the risk management subcommittee regularly.

The committee for information technology addresses the governance of information technologies for reliability and effectiveness by prioritizing as below;

1. Organization structure and management
  - 1.1 Segregation of authority to set the planned policies and operation procedures. Implement segregation of authority, provide the planning policies, operation procedures and especially the policies when it comes to planning and operation procedures related to the security of information technology systems and other important routine technical operations.
  - 1.2 Governance and checking operations to implement the operations report and check operations to make sure that it is completed and accurate. Follow the policies and operations procedures within the frame of authority and responsibility.
2. The information of security and information technology system
  - 2.1 Access control of computer center and damage prevention  
Grant access control of the network precisely by limiting and assigning only those involved and checking the access of the computer network regularly.
  - 2.2 Control access by using information technology systems and intrusion prevention that pass through logical security network, implement intrusion prevention systems for external outside networks, for example: Firewall system, user authentication before entering the system, authorization assignment within the system and audit logs by gagging security according to security policies of implemented information technologies.
3. Back up the network in preparation for an emergency
  - 3.1 Back up all data on the network with scheduled backups of the network and test the accuracy and reliability of the data on the network.
  - 3.2 Prepare for emergency situations  
Implement an emergency response plan that includes testing of the plan to insure, that it is viable.
4. Routine maintenance on all computers and servers

Set governance and routine operation controls in computers according to the board requirements for all procedures and operations. Have a clear and verifiable reporting system for routine inspections.

On the part of risk management, the risk management subcommittee will set governance of the policies and approach to risk management as well as assessment and process development for proper risk management for both company and its subsidiaries while reporting to the Company board every three months in regard to information technology risk for administration to address the risk and make plans of risk management, information technology strategies, information management for appropriate business response, information technology services and security.

In addition, the board appreciates the importance of governance and information technology control so they can provide internal checking and information technology network checking which is directly reported to an audit committee making the plans in regards to information technology management, including security of information for the Company annually.

## PRINCIPLE 6 : STRENGTHEN EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL

### 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, Deputy General Manager of Audit unit. 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) and IIAT Annual Conference 2019 and Indispensable IA Insightful, Agile & Innovation by The Institute of Internal Auditors of Thailand.

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 Board of Directors has overall responsibility to ensure risk management is appropriately and effectively implemented. The Risk Management Committee oversees risk management implementation and reports the Company's significant risks, mitigations and improvements to the board. They assign 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.

## SECURITIES HOLDING REPORT OF DIRECTORS AND EXECUTIVES

The Company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by the directors and the management must inform about the Company's own trading to company secretary at least 1 day in advance before trading and have 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.

## REPORT ON INTEREST OF DIRECTORS AND EXECUTIVES

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2551 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons, Director and an Executive shall file with the Company a report on his interest or a related person's interest in relation to management of the Company including requiring the Company secretary to have a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 business days from the date of receiving the report. The Board of Directors must set rules and procedures for such reports.

## CONNECTED TRANSACTION

With regard to the 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 31 December, 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.

## CRIMINAL RECORD OF DIRECTORS AND EXECUTIVES

During the past years and 2019, the Company has seen no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other laws such as the submission of financial statements within a given timeframe. There are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe. In addition, the directors and executives of the Company do not violate rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E.2535 or any other civil or criminal laws and do not have any conflicts of interest with the Company by insider trading or commit an act of corruption or misconduct.

## BUSINESS CODE OF CONDUCT

The Board of Directors 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

## WHISTLE-BLOWING AND COMPLAINTS

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

Chairman of the Audit Committee,  
or Internal Audit Manager, Audit Unit  
Thai Union Group Public Company Limited  
23<sup>rd</sup> floor, S.M.Tower, Phayathai, Phayathai,  
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.

## PRINCIPLE 7 : ENSURE DISCLOSURE AND FINANCIAL INTEGRITY

The Board of Directors is aware of its role to maintain financial credibility to shareholders and stakeholders such as investors, analysts, financial institutions including the disclosure of such equitable information to the public. The details are as follows;

## 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 2019, for which the Company's auditors have conducted the audits on generally accepted auditing standards.

## INFORMATION DISCLOSURE TO PUBLIC

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 Ayrle         | Group CFO                                      |
| 3. Mr. Bunlung Waiyanont   | Assistance General Manager, Investor Relations |

The communications of operational performance, financial and non-financial information to stock analysts, investors and shareholders during 2019 were as follows:

1. The Company's executives has provided the overview of the operation and answered questions of the analysts and investors in the following events;
  - Approximately 34 company visits by investors and stock analysts
  - 20 conference calls
  - four analysts' meetings
  - Participated in four Opportunity Days by the SET
  - three plant visits by minor shareholders and students
  - five overseas investor conferences
  - 14 local roadshows

In addition, the Board promotes the effective use by the Company of information technology in disseminating information to provide the public with written information in both Thai and English dissemination through its corporate website, <http://www.thaiunion.com> and printed media as follows:

- Investor note, a press release giving information on operational results issued to investors and stock analysts on a quarterly basis
- Presentation issued to investors and stock analysts on a quarterly basis
- IR-Newsletters, a quarterly corporate newsletter delivered to shareholders and investors to regularly report new information and updates on the Company's operations
- IR calendar, raw material price, and the details of debt payments on the Company website
- Annual report for shareholders, investors and other interested general public
- Annual Sustainability report

2. 17 media briefings and press conferences were organized.

3. Information provided to the Stock Exchange of Thailand and Securities and Exchange Commission i.e. Annual report, Form 56-1, the Company's financial statements, quarterly and annual financial analysis reports, Letters informing the resolution of the Board of Directors, Annual General Meeting of Shareholders and others, 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 awards as follows:

### EXECUTIVES:

Multiple awards in the Global Banking & Finance Awards® 2019 by Global Banking & Finance Review:

- Best CEO (Thailand),  
Mr. Thiraphong Chansiri, President and CEO
- Best CFO (Thailand),  
Mr. Joerg Ayrlé, Group CFO

Asia's Best CEO (Investor Relations) at the 9<sup>th</sup> Asian Excellence Awards by Corporate Governance Asia:

- Mr. Thiraphong Chansiri,  
President and CEO

### CORPORATE:

- Best Managed Companies for the Decade Since 2010 in Asiamoney's 30 Years of Corporate Governance Awards by Asiamoney Magazine
- Most Outstanding Company in Thailand: Consumer Staples Sector in Asiamoney Asia's Outstanding Companies Poll 2019
- No.1 Best Crisis Management in IR Magazine Awards – South East Asia 2019 by IR Magazine

### INVESTOR RELATIONS:

- Outstanding Investor Relations Award at the SET Awards 2019 by the Stock Exchange of Thailand (SET)
- No.1 Best Overall Investor Relations (Mid-Cap) in IR Magazine Awards – South East Asia 2019 by IR Magazine
- No.1 Most Improved Investor Relations in Thailand in 9<sup>th</sup> Annual Best Corporate-Institutional Investor Awards by Alpha Southeast Asia Magazine
- No.1 Best Investor Relations Company in Thailand at the 9<sup>th</sup> Asian Excellence Awards by Corporate Governance Asia

### 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,  
Phayathai, Phayathai, Bangkok

Or to our email:

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

### PRINCIPLE 8 : ENSURE ENGAGEMENT AND COMMUNICATION WITH SHAREHOLDERS

The Board follows good corporate governance principles and sets clear business policy through equitable treatment of shareholders and stakeholders. This is 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 30 April 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 2019, the Company had arranged the Annual General Meeting of Shareholders (AGM) on 5 April 2019 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 2019 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 137 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 2019 Annual General Meeting of Shareholders in both English and Thai languages along with the documents in which details, objectives and reasons had been sufficiently and accurately provided for shareholders to exercise their rights, 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, voting procedures including voting count and verification of voting results criteria, details concerning independent directors proposed by the Company to act as proxies for shareholders and invitation to propose the questions in advance on [www.thaiunion.com](http://www.thaiunion.com) since 4 March 2019 – 32 days prior to the

Annual General Meeting of Shareholders.

- The Company authorized Thailand Securities Depository Co., Ltd., in its capacity as registrar, to deliver the Invitation to the Meeting to shareholders along with the documents in which details, objectives and reasons had been sufficiently and accurately provided, including the comments of the Directors in each agenda, to make opportunities for the shareholders to appoint their proxy or to authorize any independent director to act as proxy to vote on his/her behalf, and also to deliver the annual report in the form of QR CODE to shareholders 15 days prior to the date of the 2019 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 2019 at the well-known and easy-to-commute-to Benjapatchara Room, 2<sup>nd</sup> Floor, Royal Thai Army Radio and Television Station (TV5), Phaholyothin Road, Bangkok. In 2019 there were shareholders who attended and proxies as follows;

SHAREHOLDERS	TOTAL (PERSONS)	TOTAL (SHARES)	PERCENT OF THE TOTAL ISSUED AND PAID-UP SHARES
Person Attended	336	758,088,609	15.89
Proxies Attended	1,603	2,430,210,356	50.93
<b>Total Attended</b>	<b>1,939</b>	<b>3,188,298,965</b>	<b>66.82</b>

- Chairman of the Board was the chairman of the 2019 Annual General Meeting of Shareholders with responsibility for compliance with applicable legal requirements and the Company's articles of association, 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 Price Water House Coopers 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 an MC to inform the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, 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 Price Water House Coopers ABAS Limited and two volunteers from the shareholders inspected 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 seven shareholders who made queries and presented opinions for the 2019 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 2019 Annual General Meeting of Shareholders (AGM) on [www.thaiunion.com](http://www.thaiunion.com) immediately on the date of the meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to corporate website on 19 April 2019, or 14 days following the date of AGM. Shareholders and investors may obtain further information on the meetings or submit their questions in advance by contacting the Company Secretary at 0-2298-0024 ext. 4390, 4392.

The hosting of the shareholders' meeting with great emphasis on equitable voting rights has earned the Company an excellent performance in the 2019 annual evaluation of Annual General Meeting of Shareholders conducted by the Thai Investors Association.

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

- The Board assigned the Company Secretary to prepare data and communicate to shareholders with regards to the Company's invitation for shareholders to propose a name list of potential director candidates and a meeting agenda for consideration in the 2019 Annual General Meeting of Shareholders. Such information was publicized electronically through the Stock Exchange of Thailand communication systems and forwarded to the investor relations section on the corporate website 137 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, no additional agenda items that were not notified in advance.

- The Board facilitated shareholders who cannot attend the meeting by assigning independent directors and proposed the names of at least two independent directors who were to act as proxies to vote in each meeting agenda on behalf of shareholders. In the 2019 Annual General Meeting of Shareholders, there were 1,145 shareholders who authorized Dr. Thamnoon Ananthothai, member of Audit Committee, there were 36 shareholders who authorized Mr. Nart Liuchareon, member of Audit Committee, there were 17 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 2019 Annual General Meeting of Shareholders in the investor relations section on [www.thaiunion.com](http://www.thaiunion.com) immediately on the date of the meeting, except for questions raised by shareholders and answers given during the meeting session. Complete resolutions of the meeting were subsequently submitted through the Stock Exchange of Thailand communication systems and forwarded to the corporate website within 14 days following the date of meeting.
- The Company imposes preventive measures to guard against the use of internal information for personal gains among the Board and management members by communicating their mandatory duties to report any changes made to the securities ownership of their own, those of their spouses and children below lawful age to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) pursuant to Section 59 of the Securities and Exchange Act B.E. 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 share on the Stock Exchange of Thailand. However, this prohibition is exempted in the case of continued fluctuation of securities trading prices driven naturally by overall stock market mechanism, which encourages those management to trade their securities only in response to the stock market situations and in good faith. Furthermore, the Board and management members are made aware of legal punishment and penalty pursuant to the Securities and Exchange Act B.E. 2535 and relevant regulations.

- The Board assigns the Company Secretary to oversee and follow up items with potential conflict of interests and connected transactions. The Company Secretary is responsible for preparing a quarterly summary report of those items and transactions and regularly publicizes such reports at year-end in the Company's annual report and Form 56-1. Furthermore, the Board and management members, in any Board meeting, are required to comply with good corporate governance policy by not participating in casting votes or giving opinions on any issues sensitive to conflict of interests or vested interests.
- The Board assigns the Company Secretary to maintain the filing of the report of vested interests as disclosed to the Company by the Board and management members pursuant to the Notification No. Tor.Jor.2/2552 of Capital Market Committee Governing Required Vested Interests Disclosure by Listed Company Directors, Management Members and Connected Persons. With regards to this issue, 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 and its subsidiaries' operations and management, or those of their connected persons. This requirement is aimed to furnish necessary information to the Company and to enable the Company to comply with its own connected transaction handling procedures, which are established to prevent such items with potential conflict of interests from leading to possible siphoning of corporate funds and interests from the Company and its subsidiaries.





# REPORT OF THE RISK MANAGEMENT COMMITTEE 2019

## Dear Board of Directors and Shareholders,

The Risk Management Committee was appointed by the Board of Directors to oversee the effectiveness and efficiency of the Company's Enterprise risk management, as well as investment risk management. The Committee

comprises three independent directors and six executives of the Company – all of whom are highly qualified with extensive experience from various backgrounds. The Committee performed duties in compliance with the Risk Management Committee Charter.

## Below is a summary of tasks performed in 2019:

### MEETING

The Committee convened four meetings during 2019 and each time a quorum was met. The meeting attendance report can be summarized as follows:

1. Mr. Kirati Assakul	Chairman and Independent Director	Attended: 4/4
2. Mr. Sakdi Kiewkarnkha	Member and Independent Director	Attended: 4/4
3. Dr. Thamnoon Ananthothai	Member and Independent Director	Attended: 3/4
4. Mr. Thiraphong Chansiri	Member and Executive Director	Attended: 4/4
5. Mr. Shue Chung Chan	Member and Executive Director	Attended: 4/4
6. Mr. Joerg Ayrlé	Member	Attended: 4/4
7. Dr. Darian McBain	Member	Attended: 4/4
8. Mr. Patrick Bertalanffy	Member	Attended: 4/4
9. Ms. Whitney Foard Small	Member	Attended: 1/4

Ms. Whitney Foard Small resigned from the Company in March 2019. Starting from March 2019, the number of the committee members was changed from nine to eight.

## RISK PROFILE AND MITIGATION REVIEW

The Committee reviews the completeness of risk profiles in identifying and managing risks, and also ensures the adequacy of risk management policy to facilitate the implementation of action plans for risk management and reports this to the Audit Committee and the Board of Directors quarterly. The Committee agrees that material risks are captured and appropriate measures are taken to manage and monitor risks, balanced against opportunities of business activities.

- Reviewed corporate risks profile and mitigation strategies in response to the dynamically changing external and internal environments, including:
  - Strategic risk* – Fish and seafood competitive landscape, Trade barrier, Sustainability, Post-merger integration, Innovation investment
  - Operational risk* – Raw material prices and supply availability, Inventory management, Food quality, Conversion cost, Inventory management, Major damage at production plant

- Legal & Compliance risk* – Regulatory Compliance, Litigation

- Financial risk* – Exchange rate, Interest rate, Liquidity, Funding and Capital, Customer credit, International and local tax changes

- Reviewed strategic investment project risk profile and mitigation, including merger and acquisition in alignment with the Company's growth strategies. The investments were including:

- Investment in Nutrifish Company in France

- Investment in Aegir Seafood Company in Iceland

- Emerging risk assessment and mitigation plan looked at the following risks:

- Reputational risk from social media which might have a potential impact on corporate image

- Cybersecurity risk from cyber criminals, cyber fraud, a network being attacked and misusing the Company's information which might have a potential impact to corporate image and financial performance

- Climate change risk which is having an increasingly negative impact on oceans and environment, which in turn threatens marine species, water availability and increases energy use

## EMBEDDED RISK MANAGEMENT CULTURE

The Committee has promoted its risk management policy throughout the business and the Company has communicated this to employees for acknowledgement and compliance. The Committee agrees that the Company's risk management processes were adequate and effective, with full support from management personnel. The process was aligned with the risk management framework. The deployment of the risk management program covered all Thai Union Group's key subsidiaries, The Committee has promoted a risk management culture in various activities in 2019 as outlined below.

- Promoted risk awareness in and provided suggestions to the Corporate Risk Workshop performed by the Global Leadership Team (GLT) and Risk Management Office to assess group-wide enterprise risks and emerging risks.
- Oversaw entities' risk management processes and the results of 11 subsidiaries including

Thai Union Manufacturing Co., Ltd, Songkla Canning PCL., Thai Union Feedmill Co., Ltd., Thai Union Seafood Co., Ltd., Pakfood Public Co., Ltd., Thai Union EU Seafood 1 S.A., Tri-Union Seafoods, LLC., Tri-Union Frozen Products, Inc. Asian-Pacific Can Co., Ltd., Thai Union (China) co., Ltd., and Yueh Chyang Canned Food Co., Ltd.

- Incorporated the risk assessment and mitigation process into the strategic investment project including business acquisition, mergers and joint ventures, new business investment/divestment and capital expenditures. The Committee reviewed the sufficiency and effectiveness of risks and reported to the Board of Directors for consideration.
- Suggested management evaluate risk management effectiveness by reviewing risk, opportunity and performance and to pursue improvement in risk management

## FORWARD LOOKING

There is no doubt that the Company will continue to face a future full of volatility, complexity and ambiguity. Enterprise risk management will be an important part of how the organization manage these challenges.

Key additional areas the Company will move forward to enhance risk management

- Integrate risk management into strategy planning and objective setting with defined risk appetite
- Encourage management to further analyse and assess additional emerging risks in 2020

- Ocean plastic

- Data Privacy, rising expectation and regulation

- Aquaculture farming transformation

- Consumer trend change from dramatic demographic and channel shift

The Committee reviewed the risks and encouraged management to further analyse and assess these emerging risks in 2020.

**Mr. Kirati Assakul**  
Chairman of the Risk Management Committee



# RISK MANAGEMENT AND RISK FACTORS

The Company considers effective risk management and mitigation 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 behaviours across our businesses.

Our risk management culture and processes meet world-class standards. In 2018 and 2019, Thai Union Group was ranked number one in the Food Products Industry Index of the Dow Jones Sustainability Indices (DJSI), achieving a 96<sup>th</sup> percentile ranking in the Risk and Crisis Management category in 2019. The Company was also shortlisted for StrategicRISK's Asia-Pacific Risk Management Awards 2019.

## RISK MANAGEMENT CULTURE

The Company continues to embed risk culture through all levels of the business. Starting from the Company's leadership, the Board of Directors (BoD) promotes and enforces consistent and effective risk management, making it part of our organizational culture. The policy, framework, guidelines and structure of risk management demonstrate formal communication.

Employees are encouraged to have a positive attitude towards proper risk management from their first day with Thai Union. This is consistently reinforced throughout their time with the organization, such as through the new joiner program, risk management training, ongoing activities and internal news updates.

In addition, risk management is embedded in business planning, decision and execution. Examples of key areas include:

- Strategic risks are considered in the strategy planning process and during the implementation of initiatives complying with the decided strategy
- New strategic investments, including M&A, new types of business investment, and large capital expenditure are embedded in risk management. The risk profile will be reviewed by the Risk Management Committee (RMC) prior to final approving any investment
- The Company has put in place a Group Financial Risk Management and Treasury Policy covering foreign exchange risk, interest rate risk, commodity price risk, credit risk, liquidity risk, capital management and good governance practices. The framework parameters and the acceptable risks are approved by the BoD and used as the key communication and control tools for the management and treasury team, globally



## RISK MANAGEMENT FRAMEWORK

The Company's risk management framework is in accordance with the international standards of COSO ERM 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 the probability of risks occurring and limit their potential impact on company business.

Thai Union Group processes risk management with a two-way approach. A top-down risk assessment workshop is performed once a year by the Global Leadership Team to assess corporate risks, entities' common risks and global emerging risks at the Group level. Following this, materiality risks are defined to group risk owners, who manage, monitor and report risk status to the RMC and the BoD every quarter. A bottom-up risk assessment then occurs in parallel at subsidiary level. Materiality risks are managed by subsidiary-level risk owners. However, if the risk level is high and could have Group level impact, or if Group-level intervention is required, the responsibility for mitigating actions is generally determined by Group-level executives. This promotes risk culture at all levels but also provides a channel to escalate 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 by 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.

## RISK MANAGEMENT ORGANIZATION

Risk management structure, roles and responsibilities are clearly established. The BoD has overall responsibility to ensure risk management is appropriately and effectively implemented. The RMC 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.

In addition, the Audit Committee (AC) 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. For additional information on roles and responsibilities, see the Corporate Governance Report on pages 99 to 135.



## KEY RISK INDICATORS (KRIs)

For materiality risks, Key Risk Indicators, or KRIs, are set up and closely monitor 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 the number of negative news stories related to labor practices as a KRI for one of the non-tariff trade barrier risks and uses the percentage of real-time goods received as a KRI for inventory management risk.

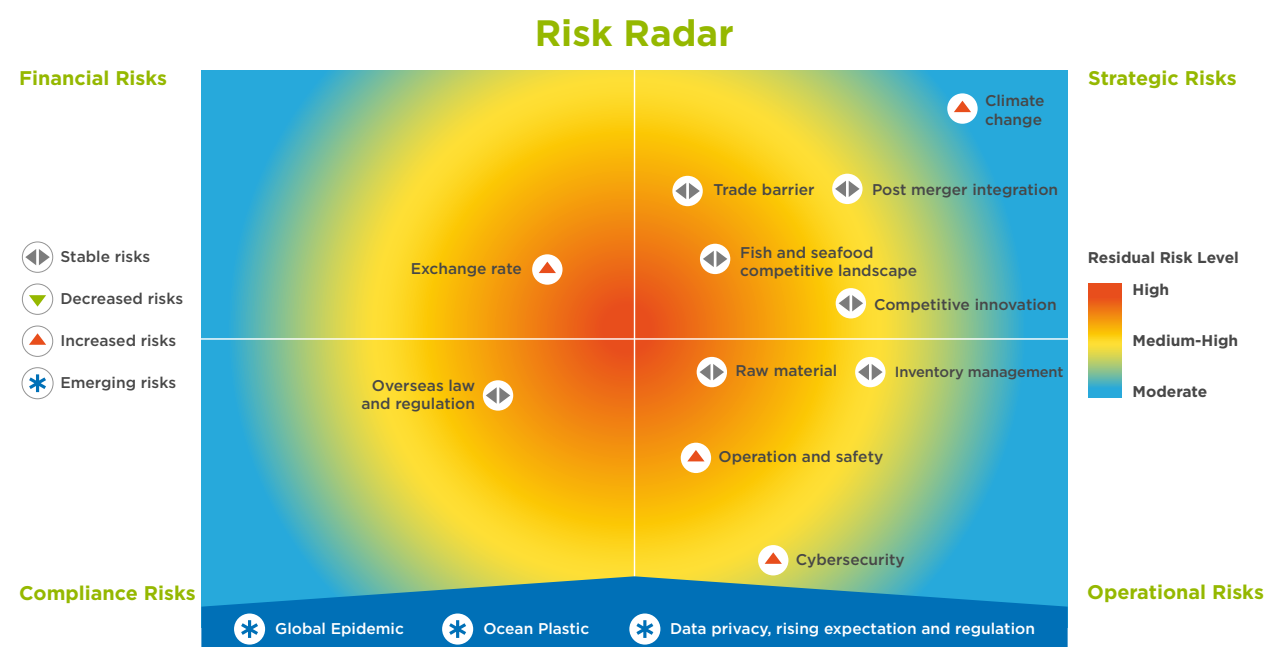




## RISK FACTOR

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 risk radar below provides an overview of key business risk factors to our group at the end of 2019. Some of the risks have remained unchanged from 2018 and so remained listed while there have been new risks identified during the Global Leadership Team risk workshop in 2019.



The tables in the following pages provide descriptions of risk and their potential impacts, management and mitigation plan, linked to Thai Union's strategy which management and mitigation plans aim to achieve. Six elements of Thai Union strategy are shown below.

### Link to Corporate strategy







More information can be found in Thai Union Strategy section.

Moreover, we recognize that investors are increasingly interested in Environmental, Social and Governance (ESG) factors in the investment decision-making process as they could negatively or positively impact a company's ability to create long-term value. This is also aligned to The Stock Exchange of Thailand (SET)'s commitment to develop Thai listed firms' quality towards sustainable growth. Therefore, the table shows how the management and mitigation plans support development of ESG factors.

### Environmental, Social and Governance (ESG) factor









STRATEGIC RISK	
FISH AND SEAFOOD COMPETITIVE LANDSCAPE	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>The fish and seafood industry is a highly competitive and constantly-evolving market. Thai Union, as one of the world's largest seafood producers, is well adept at managing these industry risks.</p> <p>Global consumer trends are changing, resulting in slow global growth for the traditional canned, shelf-stable seafood category. Although the global fish and seafood industry has been growing steadily over the past few years, and growth is expected to continue further. There are some mature markets, especially Europe and the U.S., where growth in processed seafood consumption has slowed. At the same time consumer preference shifts towards healthy living, convenient lifestyle and sustainably sourced products.</p> <p>Furthermore, Thai Union continues to face strong competition in its core categories of tuna, shrimp and salmon. Exports from Thailand are pressured by Thai baht appreciation.</p>	<p>Thai Union continuously adapts to the changing and challenging market conditions.</p> <p>Thai Union continues to invest in innovation to address market trends and stay ahead of competition. Some of our innovation achievements in 2019 include;</p> <ul style="list-style-type: none"> <li>Thai Union launched SEAELECT FITT tuna products in Thailand in September 2019. This has contributed largely to an increase in our tuna market share in Thailand (up to 51%, as of December 2019)</li> <li>Thai Union received People Food Award 2019, as "The Best Supermarkets Product of the Year" from successful launch of Chicken of the Sea Infusion products in the US</li> <li>Thai Union has launched rebranded our Qfresh frozen product brand in Thailand to address a wider and more modern consumer base</li> </ul> <p>We will continue to invest in innovation to bring new, exciting products to our consumers globally - and to enter and build new businesses, for example, Ingredients and Feed.</p> <p>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</p>
TRADE BARRIER	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p><b>TARIFF TRADE BARRIER</b></p> <p>There are increasing trade tensions and geopolitical uncertainties across the regions.</p> <p>The risk mostly relates to a change of import tariff rates due to:</p> <ul style="list-style-type: none"> <li>The US - China trade war, which included an additional 25 percent tariffs on seafood products;</li> <li>Brexit, which may see a change of import and export tariffs between the U.K. and other countries;</li> <li>U.S. - Thailand trade imbalance investigations, with a threat to remove General System of Preferences (GSP) for all U.S. exports</li> </ul>	<p><b>TARIFF TRADE BARRIER</b></p> <p>The Company assessed potential risks with entities in the U.S., Europe and Thailand. Mitigation options were generated for each scenario. Due to uncertainty and the potential for the situation to develop, the Company closely monitored and reviewed the plan. In 2019, the U.S. removed GSP from over 500 Thai products exported to the U.S. No Thai Union seafood products were impacted.</p> <p>Brexit took place on 31 January 2020 but will have no real impact until the end of the transitional period on 31 December 2020. It is too early to know what will be the outcome of the Free Trade Agreement that will be negotiated between Europe and the UK.</p> <p>Although in general the trade wars and geopolitical tensions have not had a material negative impact on our business, Thai Union has a global production and supply network as well as plans for alternate sources of supply, if needed. This will help us mitigate geopolitical risks should they arise.</p>

STRATEGIC RISK	
TRADE BARRIER	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p><b>NON-TARIFF TRADE BARRIER</b></p> <p>Risks mostly 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"> <li>EU - Illegal, Unregulated and Unreported (IUU) fishing yellow cards issued against our sourcing countries Vietnam and Taiwan;</li> <li>U.S. - Trafficking in Persons (TIP) 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. U.S. Seafood Import Monitoring Program and other legislation that imposes a trade barrier to imports.</li> </ul>	<p><b>NON-TARIFF TRADE BARRIER</b></p> <p>In 2019, 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.</p> <p>Key global achievements in 2019 included:</p> <ul style="list-style-type: none"> <li>Thai Union continued to work with governments around the world to advance sustainability in the industry. This included engaging with the Royal Thai Government, the European Commission and the U.S. government on diverse issues such as combatting illegal, unreported and unregulated (IUU) fishing, tackling modern slavery and discussion of catch quotas and helping fisheries meet sustainability standards;</li> <li>Ranked first globally in the Food Products Industry Index in the Dow Jones Sustainability Indices (DJSI), for the second year in a row;</li> <li>Ranked first on the inaugural Seafood Stewardship Index (SSI) which assessed the contribution of the world's 30 largest seafood companies to the United Nations (UN) Sustainable Development Goals (SDGs);</li> <li>Completed the first round of third-party social audits against the Vessel Code of Conduct and implementation of the Vessel Improvement Program to our suppliers—upholding labor and human rights in the supply chain;</li> <li>Made progress on our Tuna Commitment 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 aim to achieve a minimum of 75 percent by the end of 2020.</li> <li>Involvement of Thai Union vis a vis local governments (Ghana, Seychelles, Thailand etc.) to advocate against IUU fishing.</li> </ul> <p>More information on Sustainability at Thai Union on page 86, as well as our Awards and Recognition on page 48.</p> <p><i>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</i></p> <p><i>Improves of ESG-related factors below</i></p> <div>     </div>




STRATEGIC RISK	
CLIMATE CHANGE	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>The global climate has shown increased rapidity of change in recent years, which has exacerbated extreme weather events. In 2019, the world's oceans saw their warmest year on record, which had an immediate and serious impact on not only the oceans but also the marine species and aquaculture production on which we depend.</p> <p>Severe weather and natural disasters which are associated with climate change include floods, droughts and tsunamis, all of which could impact our production, raw material supply and human resources.</p>	<p>Thai Union operates with a strong commitment to respect and responsibility, showing a duty of care to our workers through responsible operations. We have a number of initiatives in place that contribute to water reduction, waste to landfill reduction, greenhouse gas emission reduction and accident reduction. We want everyone that works at Thai Union to play an active role in delivering against our environmental and safety goals—we see safety and environmental protection as everyone's business.</p> <p>We also strive to make advances in our occupational health and safety policies; continually strengthening our safety standards, procedures and processes. The Company also set a goal to reduce GHG emissions by at least 30 percent by 2020 (using 2016 as a base year). With these efforts, Thai Union is moving toward becoming a low-carbon organization and reducing the impact of Greenhouse Gases (GHG) on the environment and on society.</p> <p>Towards this goal, we have implemented a number of initiatives, including Project Sunseeker, which looks to place solar panels on our factories, solar rooftop at plants, reusing and recycling water in our production processes, using fertilizer made from wastewater sludge for planting trees, and recycling contaminated plastic that previously would have gone to landfill.</p> <p><i>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</i></p> <p><i>Improves of ESG-related factors below</i></p> <div>       </div>
OPERATION RISK	
OPERATION AND SAFETY	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>In every production facility, the Company has to face various potential risks, starting from sourcing raw seafood materials to processing and manufacturing finished products. These risks involve, for instance, health and safety of employee, major damage of plant, food quality, cost control, inventory management. These risks could directly and indirectly impact the corporate goals, production and sales targets.</p> <p>Key areas for continuous improvement include:</p> <ul style="list-style-type: none"> <li>Safety at plant</li> <li>Cost productivity</li> <li>Product quality to meet the increasing sophistication of consumer demand in quality and nutritional requirement</li> </ul>	<p>Thai Union Group focuses on operation excellence and recognizes the importance of Continuous Improvement discipline.</p> <p>In 2019, we conducted risk assessment for each production plant as risk profile changed over time either from human made or natural disaster. Several management and mitigation programs were put in place, for example; lift-up safety, health, environment mandatory requirements, especially risk reduction programs for fire and ammonia.</p> <p>Moreover, new project investment and changes in plant design, construction, equipment, machinery and others that could create safety, health, environment (SHE) risks, need to be approved by SHE department prior to investment approval.</p>




OPERATION RISK	
OPERATION AND SAFETY	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
	<p>In term of cost productivity, we put in place structured programs to increase productivity across the group. For example; Total Productive Maintenance program, Labor Optimization Continuous Improvement program, increasing the percentage of ‘right first time’ production and investing into automation.</p> <p>For product quality, 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.</p> <p>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</p> <div>    </div> <p>Improves of ESG-related factors below</p> <div>    </div>
RAW MATERIAL	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>Our key raw materials such as tuna and shrimp are similar to commodity prices, with no direct hedging instruments and market prices can decrease or increase rapidly</p> <p><b>TUNA</b></p> <p>In 2019, the Company faced both price volatility and supply challenges across various tuna species. On the one hand, prices for Yellowfin and Albacore raw materials maintained at high levels, especially for Albacore tuna, where the market has notched a record high. On the other hand, prices for Skipjack tuna have been below average and fell to a 10-year-low in the last quarter. When tuna prices were high, it was difficult for our branded sales to pass on volumes and prices to customers. But when the tuna price was low, it pressured our private label sales in Thailand because our business model follows the “tuna market price” rather than inventory costs, which were higher.</p> <p>In addition to price risks, the Company was confronted with tight tuna supplies, especially Yellowfin tuna, which is impacted by a quota allocation system (QAS) and irregular ocean temperatures.</p>	<p>Our sourcing strategy balances seafood stock availability with price volatility, securing continuous access to sustainable raw seafood material from reliable suppliers</p> <p><b>TUNA</b></p> <p>The Company has a global fish procurement organization with a team of experts to enhance our strategic sourcing capability and supply chain management of fish. With centralized sourcing, the Company is able to leverage our global scale and build best-in-class sourcing capabilities.</p> <p>On the operational level, the team closely monitors and mitigates challenges around prices and supply that are common in our business today. This improvement has increased communication and information transparency throughout the supply chain of all Thai Union factories.</p>



OPERATION RISK	
RAW MATERIAL	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p><b>SHRIMP</b></p> <p>In 2019, Thai shrimp raw material prices were generally lower than 2018 because the country’s status as the world’s major shrimp exporting country continued to fade when the output of other major shrimp producing countries has kept on increasing. (e.g. Ecuador, China, India, Vietnam, Indonesia, etc.)</p> <p>Also, the unexpected strength of the local currency (Thai Baht), relative to other major shrimp exporting countries, became a new risk factor, dampening Thai raw material prices in 2019. When raw material prices were high in US dollar terms, Thai processors and exporters were under tremendous cost and pricing pressure to stay competitive and profitable. As a result, local shrimp buying by these exporters shrank, forcing farm-gate prices to stay low.</p> <p>For our U.S. based frozen seafood unit (Tri-Union Frozen Products, Inc.) which has a highly-diversified supply base, given the nature of its trading operations it is subject to price risks related to the supply and demand situation in major producing countries and its own inventory costs.</p> <p><b>SALMON</b></p> <p>In 2019, the salmon price remained strong but slightly lower than 2018 due to increased harvesting volume at the second half of the year. However, in December demand increased and supply tightened resulting in a significant price spike. Therefore, the overall salmon price fluctuated throughout the year. However, we were able to sell within the price range from the pricing contract made with customers for 2019.</p> <p>In term of supply, there was no supply shortage except on organic and at the very end of the year, mainly from Scotland due to several storms.</p>	<p><b>SHRIMP</b></p> <p>To differentiate ourselves from the competition, reduce cost pressure and secure profitability, we actively invest in new processes and equipment in order to meet new customer standards and requirements through obtaining globally recognized certificates, launching new and innovative products, and initiating industry-leading sustainability programs.</p> <p>Besides strategic raw material procurement (in respect of timing and volume), which is derived from our inhouse view and intelligence on the supply and demand balance within Thailand, helps keep our pricing competitive.</p> <p>Also, programs of process automation with an aim to reduce reliance on labor and improving productivity and consistency in product quality were also implemented with the ultimate objective to offset the negative impact of Thai baht strength on our product costs.</p> <p>To reduce over-dependence on certain markets, we diversify into new export destinations, such as Asian countries, in addition to the Thai market. We also partner with major customers through exclusive supply contracts over an extended period of time to ensure stable pricing and business volume.</p> <p><b>SALMON</b></p> <p>We have implemented a strong strategy which allows us to react faster according to the trends through hedging together with keeping good flexibility when prices are low.</p> <p>Moreover, we apply a tracking tool to follow the main drivers in order to adapt our strategy if needed.</p> <p>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</p> <div>    </div> <p>Improves of ESG-related factors below</p> <div>    </div>

OPERATION RISK	
CYBERSECURITY	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>As a company that strives to stay competitive and operate sustainably, we are making significant investments and rely heavily on IT technology and systems.</p> <p>Any breakdown of critical IT infrastructure and software could lead to potential business disruption.</p> <p>Cybersecurity threats are disruptive and can manifest from any source (Malware, Virus, Hardware/OS vulnerabilities and from unauthorized persons). Malicious actions can severely cripple our business by destroying or misusing company information assets and data.</p>	<p>Thai Union has undertaken a holistic review of IT security across all layers - from governance, structure, policy, technology, to people and processes to prepare for cybersecurity risk management. The group information technology department responsible for implementing our IT policy has put in place measures which it enforces strictly across the business in order to protect the Company asset and personal data. Adaptive measures include:</p> <ul style="list-style-type: none"> <li>Increasing security protection including enforcing password security, implementing two-factor authentication, installing a fully-protected firewall with phishing filters, updating antivirus/endpoint protection.</li> <li>Continuously creating user awareness of cyber security through training, road shows and top down communication of the importance of security in the Company</li> </ul> <p>The Company has engaged a global cybersecurity market leader to perform a comprehensive risk assessment and evaluate the governance structures the Company has in place against international cybersecurity standards. This company provides recommendations on a strategic remediation security roadmap to uplift our cybersecurity controls in order to minimize the potential risks.</p> <p><i>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</i></p> <div>    </div> <p><i>Improves of ESG-related factors below</i></p>
FINANCIAL RISK	
EXCHANGE RATE	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>With a presence in a large number of countries, the Company is exposed to a variety of financial risks coming from foreign exchange, interest rates, trade receivables, investment activities and borrowings.</p> <p>The risks are primarily:</p> <ol style="list-style-type: none"> <li>Foreign exchange risks on commercial flows, financing/investing activities, net investments in foreign subsidiaries and raw materials we purchased in a foreign currency</li> <li>Interest rates risk on borrowings</li> <li>Credit risks</li> </ol> <p>In 2019, there were significant uncertainties from the US-China Trade tension, global economic slowdown, many Central banks cut rates, Brexit and political unrest. These events created financial risks, especially regarding foreign exchange fluctuations.</p>	<p>The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures to stabilize the future earnings.</p> <p>Financial risk management is carried out by the Group Executive Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, liquidity risk, counterparty credit risk, raw material risk and operational risk. The framework parameters are approved.</p> <ol style="list-style-type: none"> <li>For foreign exchange risk, the Company's policy and strategy to manage risks are as follows: <ul style="list-style-type: none"> <li>For trading activities, the Company used natural hedging and entered into forward</li> <li>For all borrowing, lending, or placing deposits in foreign currencies where those currencies will be used, 100 percent hedging on foreign exchange risks is a must.</li> </ul> </li> </ol>

FINANCIAL RISK	
EXCHANGE RATE	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>Brexit also 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.</p> <p>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 i.e. EUR, JPY, GBP and THB.</p>	<ul style="list-style-type: none"> <li>For equity investments where the returns can be expected from dividend payments or recapitalization, the decision of hedging on equity investments will be centralized and decided by the Group Executive Committee.</li> </ul> <ol style="list-style-type: none"> <li>For interest rate risk, the Company manages or caps portions of borrowing by using interest rate derivatives to achieve an acceptable targeted level of fixed/floating rate net borrowing.</li> <li>For counter party credit risk, the Company has policies, procedures and controls to minimize the risks, while trade insurance and credit limits have been bought for most customers.</li> </ol> <p>See more detail on financial risk management in Note 3 to the financial statement on page 202.</p> <p><i>Improves of ESG-related factors below</i></p> <div>  </div>
COMPLIANCE RISK	
OVERSEAS LAW AND REGULATION	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>Our business is subject to a wide variety of laws and regulations across all the countries in which we do business, including laws and regulations around intellectual property, product liability, marketing, antitrust, trade competition, environmental, employment, anti-bribery or anti-corruption, data protection and privacy, and other matters.</p> <p>Failure to comply or not being aware of changing laws and regulations and related interpretations could lead to substantial fines and penalties and have a negative impact on Thai Union's financial performance and reputation.</p>	<p>The Company has a global legal and compliance function to monitor the development of laws and regulations and also provide regular updates to supervisory authorities.</p> <p>To ensure we understand and take appropriate actions to remain compliant, the Company established policies, provides guidance where necessary and trains related employees on all important matters. In 2019, the Company continued to train and increase awareness our employees' awareness of antitrust law and anti-corruption law.</p> <p>The antitrust investigation of Tri-Union Seafoods LLC, a subsidiary of Thai Union Group by the U.S. Department of Justice is still on going Tri-Union has received conditional leniency, which means that, subject to requirements for fully cooperating, neither the Company nor any employees remain subject to prosecution. Risks and mitigation on other litigations were presented in Note 43 to the financial statements, page 280.</p> <p><i>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</i></p> <div>   </div> <p><i>Improves of ESG-related factors below</i></p>



EMERGING RISK	
GLOBAL EPIDEMIC	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>On 31 December 2019, the last day of the period under review in this annual report, the first cases of Novel Coronavirus (COVID-19) were reported in Wuhan, China. Since then, COVID-19 has spread globally, causing disruption to businesses across the world.</p> <p>A global business, Thai Union is no exception, particularly in its supply chain and provision of food products. There have been impacts to our business, particularly in food service to China, and also the risk to our employees' health.</p>	<p>On 29 January 2020, Thai Union enacted a travel restriction, stopping all non-essential travel to China. On 26th February, this was expanded to affect all travel, worldwide. In China, following government policies, workers were also asked to work from home.</p> <p>In all our locations, worldwide, Thai Union has put in place hygiene and safety measures, such as providing alcohol rubs and sprays to enable staff to disinfect their hands, and encouraging the use of medical masks. Going forward through 2020 and for the duration of the issue, Thai Union will be providing further measures, such as temperature screening where possible.</p> <p>Thai Union is closely following World Health Organisation (WHO) guidelines and updates as well as complying with legal requirements from governments in all the countries in which we operate.</p> <p><i>Improves of ESG-related factors below</i></p> <div>   </div>
OCEAN PLASTIC	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>Ocean plastic is a global issue which has been growing in prominence in recent years, raising concerns among not only our stakeholders, but customers and consumers globally. Ocean plastics can have a significant impact on the health and resilience of the oceans, thereby impacting the livelihoods and potentially the health of those people who depend on them.</p>	<p>Thai Union has implemented a number of initiatives to reduce marine litter and abandoned, lost and discarded fishing gear (ALDFG), including joining forces with the Global Ghost Gear Initiative (GGGI). We are currently looking at ways to make our product packaging more environmentally friendly, and have committed to ensuring 100 percent of our branded packaging is reusable, recyclable or compostable by 2025. We also regularly engage our staff and communities on waste minimization, recycling and appropriate disposal of waste.</p> <p>In 2019, our teams around the world took part in a number of initiatives to help protect combat ocean plastics and marine litter. These included the #GhostGearReborn dive, which took place in Thailand in collaboration with the GGGI. Additionally, we have carried out a series of beach and canal clean ups by teams around the world, including across Europe by John West offices in the UK, Ireland and the Netherlands, Sealect employees also came together to clean Ban Pe Beach on Thailand's east coast, and Mareblu employees joined volunteers from Legambiente to clean the Cascina Mulini Ascuitti inside Monza Park.</p> <p><i>Elements of Thai Union Strategy that management and mitigation plans aim to achieve</i></p> <div>    </div> <p><i>Improves of ESG-related factors below</i></p> <div>    </div>

EMERGING RISK	
DATA PRIVACY, RISING EXPECTATION AND REGULATION	
DESCRIPTION AND IMPACT	MANAGEMENT AND MITIGATION PLAN
<p>Data Protection and Privacy regulations which have gradually come into force including the EU General Data Protection Regulation (GDPR) and Thai Personal Data Protection Act B.E. 2562 (2018) (PDPA), have put pressure on IT to control and manage data across Thai Union. Non-compliance could result in reputational, financial penalties and criminal liabilities.</p>	<p>The Company prepared relevant documents and policies in order to ensure that the Company complies with personal data protection requirements under PDPA which shall be fully effective in May 2020. In this regard, the Company is studying the impact of PDPA in light of its upcoming applicability. It has already started preparing relevant documents and policies in order to ensure compliance with such new regulation.</p> <p>In order to ensure compliance with GDPR enforced in 2018, is an ongoing exercise at different levels within Thai Union Group, with a particular focus within the European subsidiaries of the Group:</p> <ul style="list-style-type: none"> <li>Internal assessments of the personal data of European citizens potentially collected and processed, have been conducted</li> <li>Relevant measures and corrective actions have been and are being implemented</li> <li>The Group companies, including the Company, reviewed their policies and procedures where and when relevant, and put in place additional controls on technical and business processes to ensure the protection of personal data.</li> </ul> <p><i>Improves of ESG-related factors below</i></p> <div>   </div>



# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Thai Union reported a record gross profit levels during 2019. This strong improvement in core operations resulted in a gross profit margin of 15.9 percent, our highest level since 2011. We recorded solid net profit during the year. Even though we faced some challenges to our top line throughout 2019, mainly from falling raw material prices and the very strong Thai Baht appreciation against key trading currencies, Thai Union's financial operations saw improvement, with operating profit increasing 20.8 percent compared to the previous year. The Company delivered a solid cash flow performance that led to an increased dividend payment by 17.5 percent and continued debt repayment to a 1.07 times Net Debt to Equity ratio.

Thai Union posted sales of THB 126.3 billion, a decline of 5.3 percent compared to the previous year. The Thai Baht appreciation against key trading currencies and the Company's high exposure of overseas business activities affected Thai Union's top line during 2019. In US Dollar terms, Thai Union's 2019 sales were USD 4.1 billion, a decline by 1.2 percent from a year ago due mostly to falling raw material prices. However, overall sales volume increased 2.7 percent year-over-year thanks to growing frozen and chilled seafood and PetCare businesses.

Thai Union recorded a 2019 normalized net profit of THB 5.2 billion, up 0.5 percent from the normalized net profit during 2018. The strong profitability improvement was offset by a challenging sales environment. With prudent cost control, SG&A expenses slightly increased on an absolute basis, resulting in 2019 normalized operating profit improving 20.8 percent from the previous year. Normalized net profit excluded one-time legal-related expenses in the U.S.

Based on the financial statement, 2019 reported net profit was at THB 3.8 billion, which accounted for a net one-time, non-operating US legal-related settlement of THB 1,402 million during the second quarter of 2019. Reported profit improved 17.2 percent from 2018.

Thai Union's free cash flow during 2019 was at THB 7.1 billion, thanks to strong EBITDA generation

and tight control on working capital. The Company's net interest-bearing debt fell THB 9.2 billion to THB 55.2 billion due partly to an issuance of perpetual debentures during the fourth quarter of 2019 and partly to continued debt repayment. Measures to reduce debt lowered our net debt-to-equity to 1.07 times at the end of 2019, down from 1.40 times at the end of 2018.

In 2019, the ambient seafood business saw a sales decline from the previous year although gross profit margin improved 19.4 percent, up from 16.9 percent during 2018, as a result of profitability improvement in the European ambient seafood business. The frozen, chilled and related seafood business saw sales decline by 0.7 percent from the previous year despite sales volume growth of 12.8 percent. This was as a result of Thai Baht appreciation against key trading currencies and a domestic shrimp price decline. We continued our strong growth focus on PetCare and value-added items, as seen in the segment's revenue growth amidst unfavourable currency movements.

The ambient seafood business remained the largest sales contributor for Thai Union with 44 percent of 2019 total sales. Frozen, chilled seafood and related business accounted for 41 percent of total sales, up from 39 percent a year ago driven by shrimp and salmon volume growth. The segment's sales volume improved from the previous year due to increased shrimp sales volume during the year. PetCare, value-added and others business segment contributed 15 percent of total sales, up from 14 percent in 2018.

During 2019, the United States market remained the Company's largest market, contributing 40 percent of revenue. Thai Union's European market contributed 28 percent of total sales. In Thailand, domestic sales accounted for 12 percent, improving from 11 percent a year earlier. Besides product price adjustments to reflect raw material prices, Thailand's growth came from diversifying sales in the home market to offset weaker export markets from Thai Baht appreciation. There was additional contribution from our affiliate partner, Thammachart Seafood, as a result of increasing our investment in the Company in 2019. Japan was also an important market, with 5 percent of sales, while markets such as Africa and the rest of Asia made up the remaining 15 percent of Thai Union's sales.

The following are key factors which contributed to the Company's 2019 performance:

- 1. Lower level of tuna raw material prices during 2019**  
 In 2019, while some oceans saw lower catch volumes, producers generally maintained high inventory levels, leading to an oversupply. As a result, average tuna raw material prices in 2019 decreased to USD 1,209 per ton, down 20.9 percent compared to the previous year. The overall ambient seafood business gross margin thus improved to 19.4 percent, up from 16.9 percent in 2018.
- 2. Strategic investment in Red Lobster contributed to net profit**  
 In 2016, Thai Union made a USD 575 million strategic investment in Red Lobster. During 2019, the investment has added net contribution of THB 419 million to the Company's net profits, mostly in the form of interest income from convertible preferred units and tax credit as a result of the investment. Red Lobster is the world's largest seafood restaurant company with annual revenue of USD 2.45 billion, operating over 750 stores globally through own-operations and franchisees.
- 3. One-time US legal accrual**  
 During the second quarter of 2019, Thai Union's subsidiary, Chicken of the Sea, settled with a large majority of plaintiffs. The financial exposure has been substantially higher than originally anticipated. As a result, Thai Union recorded a net additional accrual including related tax credit of THB 1,402 million. The Company believes that the financial impact of this litigation is now provided for by Chicken of the Sea. Chicken of the Sea remains Thai Union's key strategic focus in the North American seafood market.
- 4. Currency fluctuations**  
 Thai Union has approximately 88 percent of sales occurring in foreign currencies, mostly in US Dollar, Euro and to some degree in British Pound. With Thai Baht significantly appreciated against European currencies during 2019, the Company recorded a decline of 5.3 percent in the annual revenue in 2019. However, excluding the currency impact, annual revenue only declined by 1.4 percent compared to a year ago. Through a prudent currency hedging management, the Company was also able to capitalize on the Thai Baht appreciation, which resulted in significant foreign exchange (FX) gains of THB 543 million during the year.

## 5. Strong cash flow and perpetual debenture issuance reduced balance sheet leverage.

The solid cash flow of THB 7.1 billion was supported by core business profitability improvement, efficient working capital management and falling key raw material prices. As a result of strong cash flow, Thai Union repaid over THB 3.2 billion of debt during the year. As of end-2019, net debt-to-equity declined to 1.07 times, down from 1.40 times as of end-2018, mainly due to the perpetual debenture issuance of THB 6 billion which accounted as part of shareholders' equity. The Company has achieved the debt target range of 1.0 - 1.1 times, thus offer the Company a greater financial strength and financial flexibility with its future management and investment plans.

## AMBIENT SEAFOOD BUSINESS

The ambient seafood business recorded sales of THB 55.2 billion, down 11.3 percent from THB 62.3 billion a year ago. In the year under review, average sales prices declined 4.8 percent as a result of low tuna price and volume sales declined to 335,924 tons, a 6.5 percent decrease 2018. This was largely due to price recovery in some branded products and lower export sales from Thailand due to a strong Baht. However, the gross profit margin of ambient seafood significantly improved from a year ago to 19.4 percent in 2019 thanks to improved profitability across the European ambient business.

On average, the skipjack price (WPO/Bangkok landing) during the year decreased 20.9 percent to USD 1,209 per metric ton from USD 1,530 per metric ton a year ago.

## FROZEN, CHILLED SEAFOOD AND RELATED BUSINESSES

Thai Union's frozen, chilled seafood and related business recorded sales of THB 52.4 billion, down 0.7 percent from THB 52.8 billion a year ago, mainly driven by falling shrimp raw material prices. However, thanks to strong sales initiatives, product innovations and market diversification, 2019 sales volume increased 12.8 percent to 277,886 tons.

The shrimp price declined from a year ago, with 2019 average domestic shrimp price (60 pieces per kilogram) at THB 149 per kilogram, down 5.1 percent from 2018 levels. In 2019 the gross margin of frozen and chilled seafood and related business was 10.2 percent, up from 9.1 percent during 2018. As a significant Thai Baht appreciation against US Dollar during 2019 put pressure on the local export business' profitability, the Company's efforts to diversify sales into domestic and other overseas markets outside the United States and a keen focus on value-added products resulted in margin recovery throughout the year. Moreover, the lobster business profitability saw some recovery in 2019, due to higher production volume and price adjustment.



## PETCARE, VALUE-ADDED AND OTHER BUSINESSES

PetCare, value-added and others business recorded sales of THB 18.6 billion, up 2.2 percent from the previous year, on the back of sales volumes increasing 3.2 percent over the same period. Moreover, the gross margin of PetCare, value-added and other businesses in 2019 improved to 22 percent, up from 20 percent during 2018 due to new product launches and product innovation initiatives.

## FINANCING AND INVESTMENT

During 2019, we have carried out a few important investments as follows:

- 1. Thai Union issued THB 6 billion subordinated perpetual debentures and THB 6 billion senior debentures offerings.** Thai Union Group's issuance of subordinated perpetual debentures and senior debenture met expectations, with investors fully subscribed into both debentures for a total value of THB 12 billion. The debenture issuance was to refinance bonds due in 2019 so that the Company's total debt did not change. As a result of the issuance and continued debt repayment, end-2019 net debt to equity ratio reached 1.07 times, down from 1.40 times at the end of 2018. Thai Union will use the funds to strengthen its financial structure and build a long-term financial foundation.
- 2. Thai Union increased its stake in Thammachart Seafood Retail to 65 percent.** Thai Union acquired an additional 39.9 percent share in Thammachart Seafood, a Thai domestic seafood retail business, increasing its shareholding from the 25.1 percent acquired in 2018. Following this transaction, Thai Union now holds a 65 percent stake in Thammachart Seafood.
- 3. Thai Union joined hands with National Innovation Agency (NIA), Mahidol University's Science Faculty and WeWork Labs to partner in the SPACE-F program.** Aiming to build a sustainable ecosystem to nurture FoodTech startups in Thailand, SPACE-F is the first global FoodTech startup incubator and accelerator in Thailand and will provide innovative services and support to empower the next generation of innovation in FoodTech. There are two tracks to the program: an Incubator track for initial stage startups; and an Accelerator track for growth-stage startups for both Thai and non-Thai startups.

## FUTURE PROSPECT AND ACTION PLAN

In 2020 and beyond, Thai Union's vision is to be the world's most trusted seafood leader, caring for our resources to nurture generations to come. We also seek to continue to deliver healthy and sustainably-sourced nutrition to our customers globally, creating sustainable value for our stakeholders and driven by three key pillars. These pillars are:

- 1. Strengthening our core business:**  
Thai Union is focused on strengthening its core business to achieve sustainable, profitable growth. This includes:
  - Sustainable and stable growth
  - Continued investment in productivity enhancement
  - Turnaround or rationalization of loss-making businesses
- 2. Building new value-enhancing businesses:**  
We are expanding into new, attractive, value-enhancing areas to diversify and shift our portfolio and we are:
  - Investing into new and more profitable businesses
  - Focusing on growing our PetCare and Feed businesses
  - Exploring high-value M&A and investment in strategic areas
- 3. Leading the industry on sustainability:** We are committed to "Healthy Living, Healthy Oceans" and will continue to lead the industry on sustainability. We will:
  - Expand our SeaChange® sustainability program to fight Climate Change
  - Redouble our efforts to achieve globally-responsible operations and strong corporate governance

In 2020 and beyond, our total planned capital investment will be THB 4.9 billion as we continue to improve and streamline our existing operations in order to achieve stable long-term growth as well as carrying out capital expenditure related to new business divisions. Of note, our key investment items will be machinery and equipment, construction and improvements on buildings as well as investments into the new shrimp feed business in Indonesia. Due to the ongoing expansion of our existing business, 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 of paying a half yearly interim dividend.

Thanks to our prudent capital working management and key raw material price decline, we have managed to record solid free cash flow of THB 7.1 billion.

As a result, the Company paid a dividend of THB 0.47 per share for 2019 (up 17.5 percent year-over-year), which reflected the consistently high dividend payout ratio of 59 percent of the reported net profit.

Thai Union has consistently paid a dividend every year since the Company's listing on the Stock Exchange of Thailand in 1994.

## COMPARATIVE FINANCIAL RATIOS

RATIOS	2017	2018*	2019
<b>LIQUIDITY RATIOS</b>			
Current Ratio (Times)	1.71	1.34	1.66
Quick Ratio (Times)	0.47	0.39	0.55
<b>LEVERAGE RATIOS</b>			
Gearing Ratio (Times)	2.04	2.10	1.74
Debt to Equity (Times)**	1.40	1.44	1.16
Net Debt to Equity (Times)**	1.38	1.40	1.07
Times Interest Earned (Times)	4.13	3.96	4.06
<b>EFFICIENCY ACTIVITY RATIOS</b>			
Total Assets Turnover (Times)	0.94	0.92	0.89
Inventory Turnover (Times)	2.79	2.81	2.82
Account Receivable Turnover (Times)	9.37	9.56	9.56
Account Payable Turnover (Times)	9.21	8.54	8.49
Inventory Days (Days)	129	128	128
Account Receivable Days (Days)	38	38	38
Account Payable Days (Days)	39	42	42
<b>PROFITABILITY RATIOS</b>			
Gross Profit Margin (%)	14.3	14.2	15.9
EBITDA margin (%)	8.6	8.3	9.5
Net Profit Margin (%)	4.4	3.9	4.1
Return on Average Equity (%)	13.7	11.9	11.5
Return on Assets (%)***	6.1	5.6	5.9
Return on Capital Employed (%)	9.2	7.7	8.2
<b>PER SHARE DATA</b>			
Earnings Per Share (Thai Baht)	1.26	1.09	1.09
Dividend Per Share (Thai Baht)	0.66	0.40	0.47
Book Value Per Share (Thai Baht)	9.28	8.95	10.15

\* The Group has adopted TAS 32, TFRS 7, 9, 15 and 16 from 1 January 2019 under the modified retrospective approach. Under this adoption, the comparative information of end-2018 has been restated and shown as at 1 January 2019.

\*\* Debt = Interest bearing debt only

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

## FINANCIAL ANALYSIS

### AN OVERVIEW

Due to the volatile operating environments of both raw material prices and currencies, 2019 sales in Thai Baht terms declined 5.3 percent from the previous year. Excluding foreign currency impact, Thai Union delivered annual sales in US Dollar terms of USD 4.1 billion, a decrease of 1.2 percent from 2018 sales, due mostly to falling key raw material prices. However, overall sales volumes still increased 2.7 percent year-over-year mainly from frozen and chilled seafood and PetCare business growth.

Raw material prices were generally lower during 2019 when compared to 2018. In 2019 the average tuna raw material price was USD 1,209 per ton, down 20.9 percent compared to the previous year. The average domestic shrimp price also declined from 2018 average price levels. However, Thai Union managed to recover business profitability toward a more normalized level through ongoing business discussions with customers, product price recovery, production cost optimization and market diversification.

Domestic shrimp production remained at close-to-2018 levels with Thailand's total output estimated at 300,000 tons, due to a lower domestic shrimp price and increased global supply from growing global shrimp production. Thai Union's frozen and chilled seafood and related business continued to grow in term of volume sales, due to a focus on the domestic market, export market diversification and greater focus on higher margin value-added products.

Thai Union recorded a 2019 normalized net profit of THB 5.2 billion, up 0.5 percent from the normalized net profit during 2018. This strong profitability improvement was offset by a challenging sales environment. Through prudent cost control, SG&A expenses slightly increased on absolute basis, resulting in a 2019 normalized operating profit up 20.8 percent from the previous year. Normalized net profit excluded one-time legal-related net expenses in the U.S. In addition, Thai Union delivered a solid free cash flow of THB 7.1 billion which enabled the Company to continue delivering a high dividend payout ratio of 59 percent of reported net profit during the year.

Based on the financial statement, 2019 reported net profit was at THB 3.8 billion, which accounted for a one-time non-operating US legal-related settlement of THB 1,402 million during the second quarter of 2019. The reported profit improved 17.2 percent from 2018.

## SALES

Thai Union reported 2019 sales of THB 126.3 billion (down 5.3 percent year-over-year), due to Thai Baht appreciation against all key trading currencies throughout the year. In US Dollar term, Thai Union's 2019 sales were at USD 4.1 billion, down 1.2 percent year-over-year due to falling key raw material prices. However, overall sales volumes increased 2.7 percent year-over-year mainly from frozen and chilled seafood and PetCare business growth.

Ambient seafood sales contributed 44 percent during 2019, a decline of 47 percent in the previous year, due to both THB appreciation against key trading currencies and a lower tuna price. Thai Union's frozen and chilled seafood and related business sales contribution increased to 41 percent, up from 39 percent in 2018, driven by shrimp and salmon volume growth. PetCare, value-added and others business segment contributed 15 percent of total sales, up from 14 percent in 2018.

The U.S. market remains Thai Union's largest market with sales contribution of 40 percent of total sales, up from 38 percent during 2018. This was mainly due to growing frozen business sales despite USD depreciation against THB in 2019. Sales contribution from the European markets was at 28 percent, down from 31 percent in 2018, mainly as a result of the depreciation of EUR and GBP against THB during 2019. Thai market sales contribution improved to 12 percent, up from 11 percent a year ago, as the Company launched new products into our home market. However, Japanese market contributions were 5 percent, a slight decline from the previous year.

In 2019 our branded and private label sales mix remained stable at 41 percent and 59 percent, respectively. Our 2019 total branded sales decreased 4.9 percent year-over-year, as the majority of our branded sales are contributed from the U.S. and Europe, and are affected by Thai Baht appreciation against their respective currencies, despite branded volume sales continuing to grow 3.1 percent year-on-year. In the period under review, private label sales were down 5.5 percent year-over-year mainly due to a decline in key raw material prices amid sales volume growth of 1.1 percent year-on-year.

## GROSS PROFIT

Gross profit in 2019 passed the THB 20 billion mark for the first time at THB 20,110 million (THB 20.1bn), up 6.4 percent year-over-year, resulting from lower key material prices despite FX volatility.

The ambient seafood business showed a gross margin improvement to 19.4 percent in 2019, compared to 16.9 percent a year ago. This strong profitability improvement was driven through efficiency enhancements in all our underlying businesses and new product launches. Product prices recovered in European markets, which prompted some volume decline from UK and France markets, alongside some improved margins for branded products.

The year saw a gross margin of our frozen and chilled seafood and related business of 10.2 percent, up from 9.1 percent during 2018. This was mainly attributable to a shift in portfolio to higher margin products, market diversification, solid growth in Thai Union Feedmill, and gross margin recovery in the salmon and lobster businesses.

The gross margin of PetCare, value-added and others business improved to 21.6 percent in 2019, on the back of sales value and volume increase of 2.2 percent and 3.2 percent year-on-year, respectively.

## SELLING AND ADMINISTRATIVE EXPENSE (SG&A)

Our normalized SG&A to sales ratio during 2019 was at 11.5 percent, up from 10.7 percent a year ago. The increase in ratio was partly attributable to an increase in labor provision during the second quarter of 2019 and sales decline as a result of Thai Baht appreciation.

## OPERATING PROFIT

The 2019 operating profit of THB 5.6 billion, up 20.8 percent year-over-year, was driven by both overall operation improvement and prudent cost saving initiatives. EBITDA in 2019 reached a record THB 12.0 billion, driven by improved profitability and contribution from affiliates.

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

During 2019, other income was at THB 1.6 billion, down from THB 2.0 billion in 2018. This was largely due to both an absence of the insurance claim that occurred during 2018 and a revaluation of investment in France. Interest income received from the Red Lobster investment in convertible preferred units was unchanged from the same period last year.

## FX GAIN/LOSS

Normalized FX gains declined 44 percent year-over-year to THB 543 million during the year, partly as a result of hedged accounting practices adopted during early 2019.

## FINANCE COST

Finance cost in 2019 was at THB 2.1 billion, up 1.5 percent year-over-year. The increase was mainly driven by an increase in effective interest rate to 3.27 percent, from 3.04 percent during 2018.

## CORPORATE INCOME TAX

In the year to 31 December 2019 normalized income tax expense increased to THB 614 million, from THB 189 million accrued in 2018. This increase was mainly contributable to an improved underlying operational performance during the period. 2019 effective tax rate was at 9.8 percent, versus 3.2 percent in 2018.

## NET PROFIT

Excluding the net impact of the accrual for U.S. legal settlement of THB 1.4 billion, 2019 normalized net profit was at THB 5.2 billion, up 0.5 percent year-over-year, mostly due to the profitability improvement amid challenging sales environment. 2019 normalized net profit margin was 4.1 percent, compared to 3.9 percent in 2018. The reported net profit in 2019 was THB 3.8 billion, up 17.2 percent year-over-year.

## ASSETS

Total assets at the end of 2019 amounted to THB 141.9 billion, representing a decrease of THB 342 million from restated figure of THB 142.3 billion as of end-2018.

- Net trade receivables were THB 12.5 billion, down 9.7 percent or THB 1.3 billion from THB 13.9 billion in 2018. Accounts receivable turnover remained stable at to 9.56 times from 2018 level despite lower average accounts receivable. Accounts receivable days as of 2019 remained at 38 days, the same as 2018 levels o 38 days as the Company continued to demonstrate the consistency on its collection efficiency.
- Despite a sales decline, inventory days during 2019 remained stable at 128 days, resulting from consistent inventory management efficiency. Net inventories in 2019 fell by 3.9 percent from 2018-end THB 36.9 billion, partly due to a decrease in raw material price and partly attributable to an efficient working capital management.
- Asset turnover rate slightly decreased to 0.89 times in 2019 from 0.92 times in 2018 due to a sales decline of 5.3 percent in 2019 compared to the previous year.



- The current ratio in 2019 was at 1.66 times which improved from 1.34 times in 2018, mainly from short-term debt repayment and debt refinancing during 2019.
- Property plant and equipment totalled THB 25.9 billion, decreased from THB 26.3 billion in 2018 partly due to less capital expenditure in 2019 compared to a year ago.

## LIABILITIES

Total liabilities in 2019 amounted to THB 90.1 billion, representing a decrease of THB 6.2 billion from THB 96.3 billion in 2018.

- Trade payables were THB 11.8 billion, down 10.0 percent from THB 13.2 billion in 2018. Trade payable days remained stable at 42 days, thanks to efficient management of trade terms with suppliers as well as focus on supply chain finance programs to improve overall payable efficiency. The accounts payable turnover rate was at 8.49 times compared with 8.54 times a year ago.
- Bank overdrafts and short-term loans decreased by 16.3 percent to THB 11.3 billion from THB 13.5 billion in 2018 due to debt repayment during 2019.
- Long term loans increased by 4.4 percent to THB 44.6 billion from THB 42.8 billion also due to more debenture issuance during 2019.
- Interest-bearing debts were THB 59.9 billion, down 9.2 percent from THB 65.9 billion a year ago. The proportion of long-term debts (including the current portion) was at 81 percent of the total interesting-bearing debts. The majority of debts reduction was from an issuance of THB 6.0 billion perpetual debentures during the fourth quarter of 2019.

## SHAREHOLDERS' EQUITY

- Equity attributable to shareholders of the Company in 2019 amounted to THB 48.4 billion, representing an increase of THB 5.7 billion from THB 42.7 billion in 2018 as the Company issued perpetual debentures accounted as part of shareholders' equity.
- Total liabilities to equity ratio in 2019 significantly decreased to 1.74 times, from 2.10 times in 2018 mainly due to an issuance of the aforementioned perpetual debentures. Also, lower account payables from lower raw material price was part of declining total liabilities.

- As a result of the perpetual debentures issuance and continued debt payment, the Company's net debt-to-equity ratio decreased to 1.07 times at end-2019, down from 1.40 times a year ago. The Company has achieved the debt target range of 1.0-1.1 times, thus offering the Company greater financial strength and financial flexibility with its future management and investment plans.
- Return on average capital employed in 2019 was at 8.2 percent, up from 7.7 percent in 2018, mainly attributable to an improved profitability as seen from increasing EBIT of 3.9 percent in 2019 compared to a year ago.

## CASH FLOWS

In 2019, net cash receipts from operating activities were at THB 11,755 million. Positive cash flow was driven mostly by profitable operation (EBITDA: THB 12,033 million). Moreover, efficient working capital management has also eased the pressure on inventory. Despite weak sales, 2019 inventory value has declined by 3.9 percent.

Net cash payments for investing activities were at THB 4.5 billion (from THB 3.4 billion during 2018), mainly from regular capital expenditure during 2019.

Thai Union recorded net cash payment for financing activities of THB 4.0 billion during 2019, largely from dividend payment during the period and usual debt repayment from a strong operating cash flow generation.

Net increase in cash and cash equivalents, including exchange losses on cash and cash equivalent, were at THB 3.1 billion resulting with the end-2019 cash and cash equivalent balance of THB 4.7 billion (excluding impact from the use of Bank Overdraft).



# SHAREHOLDING STRUCTURE AND MANAGEMENT

## TOP 10 SHAREHOLDERS

NO.	SHAREHOLDERS	SHARES	%
1	CHANSIRI FAMILY	923,239,296	19.35%
2	THAI NVDR CO., LTD.	559,891,770	11.73%
3	MITSUBISHI CORPORATION	347,745,120	7.29%
4	NIRUTTINANON FAMILY	328,459,252	6.88%
5	SOCIAL SECURITY OFFICE	180,718,708	3.79%
6	STATE STREET EUROPE LIMITED	129,517,504	2.71%
7	BUALUANG LONG-TERM	119,021,800	2.49%
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	102,594,282	2.15%
9	GIC PRIVATE LIMITED	82,696,600	1.73%
10	THE BANK OF NEW YORK MELLON	80,184,643	1.68%

Remark: Register book on 30 December 2019 and based on total number of shares of 4,771,815,496 at the par value of THB 0.25 and including their associates and persons who are under controlling persons.

Nationality	JURISTIC PERSONS			NATURAL PERSONS			TOTAL		
	No. of persons	No. of shares	%	No. of persons	No. of shares	%	No. of persons	No. of shares	%
THAI	504	1,575,041,992	56.04%	13,663	1,789,158,290	91.23%	14,167	3,364,200,282	70.50%
FOREIGN	202	1,235,663,378	43.96%	44	171,951,836	8.77%	246	1,407,615,214	29.50%
<b>TOTAL</b>	<b>706</b>	<b>2,810,705,370</b>	<b>58.90%</b>	<b>13,707</b>	<b>1,961,110,126</b>	<b>41.10%</b>	<b>14,413</b>	<b>4,771,815,496</b>	<b>100.00%</b>

## THE REPORT OF ANY CHANGES MADE TO THE SECURITIES OWNERSHIP OF DIRECTORS AND MANAGEMENT FOR YEAR 2019

	DIRECTORS AND MANAGEMENT	POSITION	AS OF 1 JANUARY 2019	CAPITAL INCREASE	PURCHASE	SELL	TRANSFER	AS OF 30 DECEMBER 2019
1	Mr. Kraisorn Chansiri	Chairman	231,134,720 4.84%					231,134,720 4.84%
2	Mr. Cheng Niruttinanon	Executive Chairman	265,754,916 5.57%		2,634,200	(1,615,000)		266,774,116 5.59%
3	Mr. Chuan Tangchansiri	Executive Director	38,668,000 0.81%		1,000,000	(1,000,000)		38,668,000 0.81%
4	Mr. Thiraphong Chansiri	President & CEO	505,065,212 10.58%		4,000,000			509,065,212 10.67%
5	Mr. Rittirong Boonmechote	President - Global Frozen and Related Unit	63,442,980 1.33%					63,442,980 1.33%
6	Mr. Norio Saigusa	Director	-					-
7	Mr. Ravinder Singh Grewal Sarbjit S	Director	-					-
8	Mr. Chan Shue Chung	Executive Director	12,295,272 0.26%					12,295,272 0.26%
9	Mr. Sakdi Kiewkarnkha	Independent Director	-		50,000			50,000 0.00%
10	Dr. Thamnoon Ananthothai	Independent Director	-					-
11	Mr. Kirati Assakul	Independent Director	103,248 0.00%					103,248 0.00%
12	Mr. Nart Liuchareon	Independent Director	-					-
13	Mr. Joerg Ayrlle	Group CFO	106,000 0.00%					106,000 0.00%
14	Mr. Leonardus Coolen	Managing Director, Thai Union Ingredients	-					-
15	Dr. Tunyawat Kasemsuwan	Group Director, Global Innovation	-					-
16	Dr. Darian May McBain	Group Director, Corporate Affairs and Sustainability	-					-
17	Mr. Patrick Bertalanffy	Group Director, Strategy	-					-
18	Mr. Sanjeev Pant	Managing Director, Emerging Markets	-					-

Remark: Shareholders of TU that included spouse and children pursuant to section 258 of the Securities and Exchange



## CONNECTED TRANSACTIONS YEAR 2019





CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
1. Thai Union Feedmill PCL. (holding 66.90%)	Mr. Rittirong Boonmechote	Director	58,937,300	14.4%	Market Price	35.09	32.16
	Mrs. Nittaya Boonmechote (Mr. Rittirong's wife)	Relative of Director	4,500,000	1.1%		19.70	18.87
	Mr. Thanachot Boonmechote (Mr. Rittirong's son)	Relative of Director	4,125,000	1.0%		5.71	9.02
	Mr. Boonpaween Boonmechote (Mr. Rittirong's son)	Relative of Director	4,125,000	1.0%		0.91	--
	Mr. Chinnachot Boonmechote (Mr. Rittirong's brother)	Relative of Director	5,625,000	1.4%		0.64	2.23
	Ms. Rungtiwa Boonmechote (Mr. Rittirong's sister)	Relative of Director	9,375,000	2.3%		10.20	10.56
						--	1.06
						--	5.12
						--	9.86
						0.40	10.01
						--	--
						0.03	0.03
						12.35	15.79
<b>Commercial Transactions:</b>						0.07	--
- Purchase of raw materials (Scrap) from TU						0.40	--
- Purchase of raw materials (Scrap) from PPC						3.49	1.55
- Purchase of raw materials (Scrap) from TUS						2.32	0.57
- Purchase of raw materials (Fish oil) from TUE Group						0.21	0.10
- Purchase of nauplius from TUH						--	0.77
- Sale of shrimp feed to TMAC						0.14	--
- Sale of shrimp feed to TUH						54.20	39.80
- Sale of shrimp feed to TCM						--	--
- Sale of shrimp feed to TMK						--	--
- Sale of raw materials (Shrimp) to TU						--	--
- Payment for rent breeding shrimp to TUH						--	--
- Payment for Training to EHS						--	0.03
<b>Supporting Commercial Transactions:</b>						--	--
- Payment for headquarter Services to TU						--	--
- Payment for MoJ Charge to TU						--	--
- Payment for Shrimp breeding tank to TUH						--	--
- Received for marine catch purchasing document from TU						--	--
- Received for marine catch purchasing document from TUS						--	--
- Received for marine catch purchasing document from PPC						--	--
- Received for marine catch purchasing document from TUH						--	--
- Received for traceability charge from TU						--	--
- Received for Knowhow from AFL						--	--
<b>Asset or Service Transactions:</b>						--	--
- Payment for wan optimization program to TU						0.96	0.48

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
1. Thai Union Feedmill PCL. (holding 66.90%) <i>continued</i>					- Payment for internet network to TU	0.48	--
					- Payment for Microsoft Office365 to TU	--	0.16
					- Payment for e-procurement and e-auction consulting service charge to BZD	0.02	0.05
					- Received for rent office and telephone charge from TMAC	0.19	0.24
					- Received for Analyze raw material from TMAC	--	0.01
					- Received for incentive sale and Service charge from TUH	1.44	0.89
					- Received for Land plot (Pangnga Province) from TU. The purchase price is based on appraisal value of 442 million Baht assigned by Prospec Appraisal Co., Ltd.	--	440.00
					<b>Short-term Rent of Immovable Property Transactions:</b>		
					- Payment for lease of land to TU for experimental farm. The rental agreement is effective for 3 years until June 2019. It was approved by the Board's resolution.	0.50	0.50
					- Payment for lease of Shrimp farm to TCM (end of contract 31 July 2019)	1.51	0.62
					- Payment for lease of Shrimp farm to TMK	1.29	1.25
					- Received for lease of Land from TUH	3.00	1.25
					<b>Finance Support Transactions:</b>		
					- Received for interest of short-term loan from TMAC (There are no outstanding loans)	1.74	--

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
2. Thai Union Seafood Co., Ltd. (holding 51.0%)	Mr. Rittirong Boonmechote	Director	6,974,850	23.2%	Market Price	3.50	1.77
	Mr. Chinnachot Boonmechote (Mr. Rittirong's brother)	Relative of Director	900,000	3.0%	Commercial Transactions: - Purchase of raw materials and finished goods from TU - Purchase of raw materials from PPC - payment of Production wage to OKF - Payment for Printing to TUG - Sale of finished goods to COSF - Sale of finished goods to TU - Sale of finished goods to TUC - Sale of finished goods to PPC - Sale of raw materials (Scrap) to TFM - Sale of finished goods to TUO - Sale of finished goods to TSR	1.04 -- 15.30 1,248.50 68.75 125.62 9.26 5.71 0.13 N/A	0.67 8.46 51.47 1,219.77 85.48 120.99 77.15 9.02 0.22 0.37
	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%			
					<b>Supporting Commercial Transactions:</b> - Payment for headquarter services to TU - Payment for marketing service charge to TU - Payment for export management service Charge to TUM - Payment for warehousing and transportation charge to COSF - Payment for commission and other service change to TU - Payment for packaging to OKF - Payment for shipping fee to TU - Payment for MoU charge to TU - Payment for evaluation of shrimp farm to TU - Payment for marine catch purchasing document to TFM - Received warehousing and transportation from TU	15.00 6.64 9.00 1.49 1.69 -- 0.32 0.16 2.51 2.32 0.10	21.52 -- 8.36 0.64 3.18 0.36 -- -- -- 0.57 0.67

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
2. Thai Union Seafood Co., Ltd. (holding 51.0%) <i>continue</i>					<b>Asset or Service Transactions:</b> - Payment for wan optimization program to TU - Payment for Computer rental to TU - Received for shrimp tank from TU - Received for shrimp tank from PPC	0.72 -- 0.44 0.88	0.53 0.10 -- --
	Mr. Cheng Niruttinanon	Director	102,000	11.3%	Market Price Commercial Transactions: - Purchase of raw materials (fish head) from TU - Purchase of finished goods from PPC - Payment for printing to TUG - Sale of raw materials (petfood topping) to TUM - Sale of raw materials (imported Surimi) to TU - Sale of finished goods to PPC - Sale of finished goods (raw material for petfood) to SC - Sale of finished goods to TUO - Sale of finished goods to TSR <b>Supporting Commercial Transactions:</b> - Payment for warehousing charge to TU - Received for transportation charge from PPC - Received for transportation charge from TU	0.63 1.08 0.14 23.93 6.26 1.67 0.66 0.01 N/A 0.36 0.05 0.05	0.52 2.71 1.30 23.04 4.17 0.47 0.53 -- 0.91 0.30 0.04 0.04
3. Lucky Union Foods Co., Ltd. (holding 25.0%)							



CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
4. Chansiri Real Estate Co., Ltd.	Mr. Thiraphong Chansiri	Director	19,680,000	32.8%	<b>Short-term Rent of Immovable Property Transactions:</b> TU, TUM, SC and TUO paid the rent and service charge for its Bangkok office. With their need to run the Bangkok office to facilitate business transactions, the three companies entered into a rental contract with the Chansiri Real Estate Co., Ltd., a real estate developer. The contracted rental charge is Bt300/square meter/month and the service charge is between Bt200/square meter/month depending on level of the rented area. The rental and service charge is consistent with general market price in the industry and apply only for rented area, excluding other utility charge. The rental agreement is effective for 3 years until December 2019. It was approved by the Board's resolution.  <b>Commercial Transactions:</b> - Purchase of goods (Fish snack and Lobster) from TU	66.78	69.73
	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 (Mr. Rittirong's son)	Director	7,800,000	13.0%			
		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%	<b>Commercial Transactions:</b> - Purchase of raw materials (Scrap) from SC - Sale of raw materials (Scrap) to TFM - Sale of Ingredients to SC	79.74 91.52 1.69	57.23 86.68 1.16

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
6. TC Union Agrotech Co., Ltd.	Mr. Cheng Niruttinanon	Director	496,000	49.6%	<b>Commercial Transactions:</b> - Purchase of raw materials (Scrap) from TU - Purchase of raw materials (Scrap) from TUM - Purchase of raw materials (Scrap) from TUI - Sale of raw materials to TFM  <b>Asset or Service Transactions:</b> - Payment for moving fish tank to TU - Receive for freight (export fish oil) from TUM - Receive for Freezer Machine (Second hand) from TU  <b>Short-term of Immovable Property Transaction:</b> TU paid the rent, service charge, utility charge and expenses on utilities for 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 extension of its value-added production line. The contracted rental charge is Bt471,995 per month and Cold system Multi stage is Bt54,780 per month (the said amount is only for the rent and service charge, excluding expenses on utilities). The rental agreement is effective for 3 years until December 2019. It was approved by the Board's resolution.	309.81 363.68 -- 159.04	300.00 325.52 13.51 159.04
7. Toon Thanasiri Co., Ltd.	Mr. Thiraphong Chansiri Mr. Chan Shue Chung	Director	1	0.0%	<b>Short-term of Immovable Property Transaction:</b> - Paid the rent and service charge for Office to TU	21.78 --	18.49 0.02
		Director	1	0.0%			

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
8. Wai Thai Co., Ltd.	Mr. Cheng Niruttinanon	Director	100,000	Market Price	<b>Supporting Commercial Transactions:</b> - Received for haulage charge from TUM - Received for haulage charge from TU - Received for haulage charge from APC - Received for haulage charge from SC - Received for haulage charge from TUI - Received for truck sticker from APC  <b>Grand Total</b> <i>Under the 2011 AGM resolution passed on April 25, 2011 of the expenses for transaction per year not exceeding Bt100 million.</i>	33.87	57.47
	Mr. Kraisorn Chansiri	Director	59,200	18.5%		9.24	7.63
	Ms. Jintana Niruttinanon (Mr. Cheng's wife)	Relative of Director	36,800	11.5%		2.72	2.63
						0.34	0.25
	Mr. Chuan Tangchansiri	Director	20,000	6.3%		--	0.02
	Mr. Thiraphong Chansiri	Director	20,000	6.3%		--	0.02
	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	20,000	6.3%			
9. Thaipatana Stainless Steel Co., Ltd.	Mr. Cheng Niruttinanon	Director	20,000	Market Price	<b>Asset or Service Transactions:</b> - Received for stream retort pouch, conveyor belts and production tools from TUM - <b>Received for construction advance from TUM</b> - Received for Dumper, Rail and production tools from TU - Received for repair equipment from TUM - Received for repair equipment from SC - Received for repair equipment from TU - Received for production tools from APC  <b>Total except advance</b> <i>Under the 2011 AGM resolution passed on April 25, 2011 of the expenses for transaction per year not exceeding Bt150 million.</i>	107.27	90.96
	Mr. Chuan Tangchansiri	Director	5,000	10.0%		15.62	6.72
						18.99	11.75
						7.00	16.29
						0.05	0.03
						0.90	0.69
						0.17	0.07

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
10. TN Fine Chemicals Co., Ltd. (holding 48.97%)	Mr. Thiraphong Chansiri	Director	1	Market Price	<b>Commercial Transactions:</b> - Purchase of raw materials (Scrap) from TUM	59.35	43.90
					- Purchase of raw materials (Scrap) from TU	3.66	10.03
					- Purchase of raw materials (Scrap) from TUI	--	44.69
					<b>Supporting commercial transactions:</b> - Payment for Marketing service charge to TUM	4.43	3.39
					<b>Asset or Service Transactions:</b> - Payment for LAB to TU	--	0.02
					- Received for Fish head cutting machine from TU	4.10	--
					- Received for Fish head cutting machine from TUM	--	3.33
11. Biz Dimension Co., Ltd.	Mr. Kraisorn Chansiri Mr. Cheng Niruttinanon Mr. Thiraphong Chansiri	Director Director Director	1,075,000 250,000 408,333	Market Price	<b>Short-term of Immovable Property Transaction:</b> - Payment for Office rent and utilities service charge to TUM	1.80	1.53
					<b>Finance Support transactions:</b> - Received for interest from TUM	1.02	1.22
					- Short-term loans to TUM as of September 30.	92.60	82.10
					<b>Supporting Commercial Transactions:</b> - Received e-procurement and e-Auction consulting service charge from TU	2.21	1.61
					- Received e-procurement and e-Auction consulting service charge from PPC	0.47	0.31



CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
11. Biz Dimension Co., Ltd. <i>continue</i>					- Received e-Procurement and e-Auction consulting service charge from SC	0.75	0.52
					- Received e-Procurement and e-Auction consulting service charge from TUM	1.07	0.77
					- Received e-Procurement and e-Auction consulting service charge from APC	0.22	0.15
					- Received e-Procurement and e-Auction consulting service charge from TUG	0.13	0.04
					- Received e-Procurement and e-Auction consulting service charge from TFM	0.02	0.05
					<b>Finance Support transactions:</b> - Received for interest from TUG and there are no outstanding loan amounts.	0.27	--
12. Factory Storage Service Co., Ltd.	Mr. Nakorn Niruttinanon (Mr. Cheng's son)	Relative of Director	300,000	60.0%	Compared to neighboring areas	31.95	17.65
					<b>Short-term of Immovable Property Transaction:</b> - TUM paid the rent, service charge, utility charge and expense on utilities for office and plant area of Factory Storage Service Co., Ltd., for the Backup Plant in the first period of Ramp-Up of the Automated Packing Lines system. The rental agreement is effective for 1 year until December 2019. It was approved by the Board's resolution.		
13. Phil-Union Frozen Foods, INC. (Philippines)	Mr. Cheng Niruttinanon	Director	149,996	100.0%	Market Price	6.91 998.40	6.10 720.03
					<b>Commercial Transactions:</b> - Purchase of Packaging from APC - Sale of finished goods to COSF		
14. New Century Printing and Packaging Co., Ltd.	Mr. Cheng Niruttinanon	Director	25,000	55.6%	Market Price	2.52	2.30
					<b>Commercial Transactions:</b> - Sale of Packaging to SC		

CONNECTED COMPANY	FIRST & LAST NAME	POSITION HELD IN TU	No. OF SHARES OWNED IN CONNECTED COMPANY	POLICY OF PRICE	CONNECTED TRANSACTIONS	2018 (MILLION BAHT)	2019 (MILLION BAHT)
14. New Century Printing and Packaging Co., Ltd.	Mr. Cheng Niruttinanon	Director	25,000	55.6%	Market Price	2.52	2.30
					<b>Commercial Transactions:</b> - Sale of Packaging to SC		
15. Pae Rungtiwa (Natural Person)	Ms. Rungtiwa Boonmechote (Mr. Rittirong's sister)	Relative of Director	Owner	100.0%	Market Price	1.06	0.62
					<b>Commercial Transactions:</b> - Sale of raw materials (Shrimp) to PPC		
16. Thai Union Hi-tech Pearl Cultivation Co., Ltd.	Mr. Kraisorn Chansiri	Director	2,500,000	5.0%	Market Price	72.98	25.56
	Mr. Thiraphong Chansiri	Director	5,000,000	10.0%	Market Price	--	0.03
	Mr. Dejphon Chansiri (Mr. Kraisorn's son)	Relative of Director	7,500,000	15.0%	Market Price		
	Mr. Disaphol Chansiri (Mr. Kraisorn's son)	Relative of Director	7,500,000	15.0%	Market Price		
					<b>Commercial Transactions:</b> - Purchase of fish feed and fingerling from TFM - Purchase of Product from TU		

**Remarks:**

- Commercial transaction refers to purchase or sale of raw materials in the normal course of business and under general trading conditions under the Board of Directors' Meeting No. 5/2008 resolution passed on August 20, 2008.
- For item 7-8, 10-12 and 16 Mr. Kraisorn Chansiri, Mr. Cheng Niruttinanon, Mr. Chuan Tangchansiri, Mr. Thiraphong Chansiri and Mr. Chan Shue Chung are TU directors with share ownership in the connected company less than 10% of its registered capital but also hold director titles in the said connected company.

In addition, the Company and subsidiaries have entered into property insurance policy, with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. and Asia-Pacific Insurance Brokers Co., Ltd. as insurer. The transaction is connected, as Mr. Chuan Tangchansiri, TU Director, also has director title in the insurer. The Company and subsidiaries to pay insurance premiums through both companies as follows: Year 2018 Total Amount Bt 129.68 million, Year 2019 Total Amount Bt 110.14 million.



# REFERENCES

## COMMON SHARE REGISTRAR

### Thailand Securities Depository Co., Ltd.

14<sup>th</sup> 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, 1<sup>st</sup> batch, 1-4 series: Kasikorn Bank PCL.  
2014 Debentures, 2<sup>nd</sup> batch, 1-2 series: TMB Bank PCL.  
2016 Debentures, 1<sup>st</sup> batch, Bank of Ayudhya PCL.  
2016 Debentures, 2<sup>nd</sup> batch, 1-3 series: Bank of Ayudhya PCL.  
2017 Debentures, 1<sup>st</sup> batch, 1-4 series: Bank of Ayudhya PCL.  
2019 Debentures, 1<sup>st</sup> batch, 1-2 series: Krung Thai Bank PCL.  
2019 Debentures, 2<sup>nd</sup> batch, Krung Thai Bank PCL.

2019 Debentures, 2<sup>nd</sup> batch, Krung Thai Bank PCL.

## DEBENTURE HOLDERS REPRESENTATIVE

## INDEPENDENT AUDITORS

Mr. Pongthavee Ratanakoses	CPA No. 7795 or
Mr. Chanchai Chaiprasit	CPA No. 3760 or
Ms. Amornrat Pearmpoonvatanasuk	CPA No. 4599

### PricewaterhouseCoopers ABAS Limited

15<sup>th</sup> 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 2019 (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, in total 16 companies at THB 18,145,433.

## 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 for the amount totalling: None
- 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, in total 7 companies at THB 1,170,000.
- Audit fee for special purpose and tax advisor at THB 7,511,076.





# STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors hereby expresses its responsibility for ensuring that Thai Union Group Public Company Limited's financial statements and Thai Union Group Public Company Limited and its subsidiaries' consolidated financial statements that are contained herein genuinely reflect their actual financial status and operating results. These are based on accounting principles which require accurate, complete, and adequate recording of accounting items in every aspect. The aforementioned financial statements are prepared in accordance with generally accepted accounting standards, using careful judgment 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's shareholders and investors. Independent auditors have unqualifiedly 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 the 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. Pongthavee Ratanakoses CPA # 7795 from PwC (PricewaterhouseCoopers ABAS Ltd.). He has provided assurance that he retained an independence to the work without being impeded, and received full support from 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 2019. 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 & 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 2019, 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 2019;
- 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 ended; 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><b>Assessment of the impairment of goodwill and intangible assets with an indefinite useful life</b></p> <p>As at 31 December 2019, the Group had goodwill of Baht 12,387 million and intangible assets with an indefinite useful life of Baht 12,391 million in the consolidated statement of financial position, representing approximately 8.73% and 8.73% of total assets, as detailed in Note 20 and Note 18, respectively.</p> <p>Under Thai Financial Reporting Standards, the Group is required to test the amount of goodwill and these intangible assets with an indefinite useful life for impairment annually as well as when there's an event that causes potential impairment. This testing includes identifying the Group's cash generating units (CGUs) that relate to goodwill and these intangible assets with an indefinite useful life. Following impairment testing by the management, the Group didn't recognise any impairment loss on these assets.</p> <p>I focussed on this area because of the significant balance of goodwill and intangible assets with an indefinite useful life to the consolidated financial statements and the complexity of the assessment process of the recoverable amount. In addition, it is because the significant judgments and assumptions involved are affected by unexpected future market or economic conditions. The Group assessed its recoverable amount based on the value-in-use of goodwill and these intangible assets with an indefinite useful life by using the discounted cash flow model. This requires management to make assumptions or judgments such as revenue growth rates and discount rates applied to cash flow projections.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• assessing if the management's identification of the Group's CGUs relating to goodwill and intangible assets with an indefinite useful life were appropriate</li> <li>• challenging management on the reliability of key estimations and evaluating if the assumptions and methodologies used by the Group in assessing the value-in-use were appropriate. In particular, I focussed on testing the assumptions related to the forecasted revenue growth, the applicable pre-tax discount rate using the weighted average cost of capital, the royalty rate and other data used in management's impairment analysis. I did these by comparing them to external and historical data such as external market growth expectations</li> <li>• assessing the cash flow projections, mainly for key CGUs. This included assessing the historical accuracy of management's estimates by comparing them with actual results to see whether the variances would affect the current year estimation and evaluating future business plans by assessing the current and future markets if they're consistent with the current business plan, and</li> <li>• analysing CGU value assumption sensitivity and evaluating whether a possible change in assumptions could cause the recoverable amount to be less than its carrying amount.</li> </ul> <p>Based on my procedures, I considered that management's key assumptions used in impairment testing were within a reasonable range. I also assessed that the disclosures were adequate.</p>

KEY AUDIT MATTER	HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Fair valuation of financial assets and derivatives</b></p> <p>As at 31 December 2019, the Group had financial assets of Baht 15,816 million and derivative liabilities of Baht 1,062 million that measured at fair value in the consolidated statement of financial position, representing approximately 11.14% of total assets and 1.18% of total liabilities, respectively, as detailed in Note 8.</p> <p>The Group's financial assets measured at fair value consisted of derivative assets and long-term investment. The derivative assets and liabilities are mostly forward contracts, which were measured by using observable market data (Level 2). The long-term investments are mostly a debt instrument, which was measured by using the significant input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the debt instrument.</p> <p>I focussed on financial assets and derivative liabilities measured at fair value because of the significant balances in the consolidated financial statements and the complexity of their assessment. Using unobservable market data (Level 3) to measure fair value, management's judgement is required to adjust the data to reflect the risk and nature of the debt instrument, which affects the Group's financial performance.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• engaging the auditor's expert to use their own models and assumptions to determine an independent fair value estimate for the sampled debt instrument and derivatives</li> <li>• assessing the reasonableness of the methodologies used and the assumptions made for the debt instrument which rely on unobservable market data (Level 3), e.g. yield to maturity by comparing it with the market data, and</li> <li>• assessing the reasonableness of the fair value of derivative contracts which rely on observable market data (Level 2) by comparing them with the data calculated from the market price, such as foreign exchange rates.</li> </ul> <p>Based on my procedures, I considered the assumptions used in the fair valuation of the debt instrument and derivative contracts to be within a reasonable range.</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.



Pongthavee Ratanakoses  
Certified Public Accountant (Thailand) No. 7795  
Bangkok  
17 February 2020



# FINANCIAL STATEMENTS



Thai Union Group Public Company Limited  
Statement of Financial Position  
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018*	31 December 2019	31 December 2018*
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	4,689,470	1,585,654	3,659,253	579,537
Trade and other receivables, net	5,10,41	14,868,926	16,018,214	4,398,787	4,840,763
Short-term loans to	5	132,766	170,850	9,241,776	14,274,734
Current portion of long-term loans to	5	-	-	-	611,424
Inventories, net	11	36,873,414	38,371,250	5,024,757	4,498,308
Derivative assets	5,44	1,950,245	616,621	1,829,713	536,781
Other current assets	5,12	976,981	1,768,512	84,788	195,235
Assets of disposal groups classified as held-for-sale from discontinued operations	5,13	54,981	489,926	-	-
<b>Total current assets</b>		<b>59,546,783</b>	<b>59,021,027</b>	<b>24,239,074</b>	<b>25,536,782</b>
<b>Non-current assets</b>					
Restricted deposits with financial institutions		4,367	1,107	-	-
Investments in subsidiaries	14	-	-	31,165,524	30,546,928
Investments accounted for using the equity method	14	10,280,183	11,091,560	789,716	867,123
Long-term investments	5,19	11,505,038	42,071	9,000	1,500
Long-term loans to, net	5	241,138	11,198,832	36,269,769	34,664,704
Investment property, net	15	63,636	-	442,288	-
Property, plant and equipment, net	5,16	25,909,875	26,476,299	4,587,382	4,615,150
Right-of-use assets, net	5,17	1,526,477	-	486,068	-
Intangible assets, net	18	15,511,874	16,272,551	1,920,333	1,558,130
Goodwill, net	20	12,387,483	13,134,069	-	-
Derivative assets	5,44	2,360,231	1,504,416	2,368,105	1,504,416
Deferred tax assets	5,21	1,968,521	1,422,412	33,286	42,944
Other non-current assets	5,22	603,443	1,751,738	24,053	551,649
<b>Total non-current assets</b>		<b>82,362,266</b>	<b>82,895,055</b>	<b>78,095,524</b>	<b>74,352,544</b>
<b>Total assets</b>		<b>141,909,049</b>	<b>141,916,082</b>	<b>102,334,598</b>	<b>99,889,326</b>

\* The Group has adopted TAS 32, TFRS 7, 9, 15 and 16 from 1 January 2019 under the modified retrospective approach. Under this adoption, the comparative information has not been restated. Impacts of adoption of these accounting standards to consolidated and separate financial statements as at 1 January 2019 are disclosed in Note 5.

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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018*	31 December 2019	31 December 2018*
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	23	11,181,760	13,375,376	1,744,080	3,789,076
Trade and other payables	5,24,41	19,323,341	19,726,069	4,399,598	4,395,734
Short-term loans from		95,526	92,600	8,475	-
Current portion of long-term loans from financial institutions, net	25	116,038	146,963	-	-
Current portion of debentures, net	26	3,499,883	9,148,592	3,499,883	9,148,592
Current portion of lease liabilities, net	5,17,41	386,804	39,001	113,164	6,102
Income tax payable		548,259	438,669	-	-
Derivative liabilities	5,44	272,610	207,196	70,998	118,769
Other current liabilities	5	357,401	177,238	28,100	29,929
Liabilities of disposal groups classified as held-for-sale from discontinued operations	5,13	26,256	175,451	-	-
<b>Total current liabilities</b>		<b>35,807,878</b>	<b>43,527,155</b>	<b>9,864,298</b>	<b>17,488,202</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net	25	14,319,118	14,568,721	13,981,467	14,078,732
Debentures, net	26	29,342,993	27,013,896	29,342,993	27,013,896
Lease liabilities, net	5,17,41	962,639	113,978	379,663	6,700
Employee benefit obligations	28	2,545,033	2,470,590	694,776	786,950
Deferred tax liabilities	5,21	4,000,318	4,359,699	-	-
Derivative liabilities	5,44	789,627	476,329	654,199	476,329
Other non-current liabilities	5, 27	2,346,484	2,891,670	79,403	532,750
<b>Total non-current liabilities</b>		<b>54,306,212</b>	<b>51,894,883</b>	<b>45,132,501</b>	<b>42,895,357</b>
<b>Total liabilities</b>		<b>90,114,090</b>	<b>95,422,038</b>	<b>54,996,799</b>	<b>60,383,559</b>

\* The Group has adopted TAS 32, TFRS 7, 9, 15 and 16 from 1 January 2019 under the modified retrospective approach. Under this adoption, the comparative information has not been restated. Impacts of adoption of these accounting standards to consolidated and separate financial statements as at 1 January 2019 are disclosed in Note 5.

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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018*	31 December 2019	31 December 2018*
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b> (continued)					
<b>Equity</b>					
Share capital					
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	29	1,192,954	1,192,954	1,192,954	1,192,954
Premium on share capital	29	19,948,329	19,948,329	19,948,329	19,948,329
Retained earnings					
Appropriated - legal reserve	32	149,295	149,295	149,295	149,295
Unappropriated	5	31,358,197	29,547,602	20,228,998	18,215,189
Other components of equity	5	(10,175,261)	(7,604,709)	(131,462)	-
Total		42,473,514	43,233,471	41,388,114	39,505,767
Perpetual debentures	30	5,949,685	-	5,949,685	-
<b>Total equity attributable to owners of the parent</b>		48,423,199	43,233,471	47,337,799	39,505,767
Non-controlling interests		3,371,760	3,260,573	-	-
<b>Total equity</b>		51,794,959	46,494,044	47,337,799	39,505,767
<b>Total liabilities and equity</b>		141,909,049	141,916,082	102,334,598	99,889,326

\* The Group has adopted TAS 32, TFRS 7, 9, 15 and 16 from 1 January 2019 under the modified retrospective approach. Under this adoption, the comparative information has not been restated. Impacts of adoption of these accounting standards to consolidated and separate financial statements as at 1 January 2019 are disclosed in Note 5.

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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Sales	34,41,45	126,275,247	133,284,638	27,651,325	26,616,698
Cost of sales	41	(106,165,148)	(114,393,062)	(25,145,611)	(24,418,526)
<b>Gross profit</b>		20,110,099	18,891,576	2,505,714	2,198,172
Interest income	41	323,720	1,054,490	1,846,312	1,893,534
Dividend income	41	28	6,800	3,759,540	4,937,371
Other income	35,41	646,775	932,805	245,576	204,867
<b>Profit before expenses</b>		21,080,622	20,885,671	8,357,142	9,233,944
Selling expenses		(7,205,951)	(6,845,471)	(741,290)	(778,792)
Administrative expenses		(9,059,572)	(8,967,576)	(1,876,113)	(1,718,923)
Gain on sale of investment in associates		95,059	182,289	28,360	4,979,422
Gain (loss) on exchange rates, net		54,061	971,834	(492,852)	744,538
Gain on financial instruments, net	44	1,199,933	-	483,358	-
Other gains (losses), net	36	(271,836)	24,112	(34,863)	38,078
<b>Operating profit</b>		5,892,316	6,250,859	5,723,742	12,498,267
Finance costs	37	(2,055,567)	(2,025,349)	(1,660,459)	(1,714,448)
<b>Profit before share of profit from investments in associates and joint ventures</b>		3,836,749	4,225,510	4,063,283	10,783,819
Share of profit from investments in associates and joint ventures	14	591,288	263,170	-	-
<b>Profit before income tax</b>		4,428,037	4,488,680	4,063,283	10,783,819
Income tax	39	(157,937)	(121,120)	(23,163)	7,296
<b>Profit for the year from continuing operations</b>		4,270,100	4,367,560	4,040,120	10,791,115
Loss for the year from discontinued operations	13	(102,448)	(713,090)	-	-
<b>Profit for the year</b>		4,167,652	3,654,470	4,040,120	10,791,115
<b>Profit (Losses) attributable to:</b>					
Owners of the parent					
From continuing operations		3,918,325	3,969,301	4,040,120	10,791,115
From discontinued operations		(102,448)	(713,090)	-	-
Non-controlling interests		3,815,877	3,256,211	4,040,120	10,791,115
351,775		351,775	398,259	-	-
<b>Profit for the year</b>		4,167,652	3,654,470	4,040,120	10,791,115
<b>Earnings (Losses) per share for profit attributable to the owners of the parent (Baht)</b>					
Basic earnings (losses) per share	40				
From continuing operations		0.82	0.83	0.85	2.26
From discontinued operations		(0.02)	(0.15)	-	-
Total basic earnings per share		0.80	0.68	0.85	2.26

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 2019

Notes	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit for the year	4,167,652	3,654,470	4,040,120	10,791,115
<b>Other comprehensive income (expenses):</b>				
Items that will not be reclassified subsequently to profit or loss				
- Remeasurements gain (loss) of employee benefit obligations, net of income tax	235,882	61,767	196,415	-
- Share of other comprehensive expense of associates	(46,846)	(208,677)	-	-
- Increase (Decrease) in other reserves	(12,973)	213,556	-	-
Total items that will not be reclassified subsequently to profit or loss	176,063	66,646	196,415	-
Items that will be reclassified subsequently to profit or loss				
- Exchange differences on translation, net of income tax	(2,163,482)	(1,224,938)	-	-
- Change in fair value of equity instruments, net of income tax	4,535	59,010	-	61,302
- Reclassification from disposal of available-for-sale investments, net of income tax	-	(27,633)	-	(27,633)
- Hedging reserve reclassified to profit or loss net of income tax	2,028,455	-	2,233,262	-
- Change in fair value of hedging derivatives, net of income tax	(2,057,184)	-	(2,124,618)	-
Total items that will be reclassified subsequently to profit or loss	(2,187,676)	(1,193,561)	108,644	33,669
<b>Other comprehensive income (expenses) for the year, net of income tax</b>	(2,011,613)	(1,126,915)	305,059	33,669
<b>Total comprehensive income for the year</b>	<b>2,156,039</b>	<b>2,527,555</b>	<b>4,345,179</b>	<b>10,824,784</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,807,737	2,133,675	4,345,179	10,824,784
Non-controlling interests	348,302	393,880	-	-
<b>Total comprehensive income for the year</b>	<b>2,156,039</b>	<b>2,527,555</b>	<b>4,345,179</b>	<b>10,824,784</b>

Thai Union Group Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2019

Consolidated financial statements																		
Notes	Attributable to owners of the parent																	
	Retained earnings				Other components of equity								Total equity attributable to owners of the parent		Non-controlling interests		Total equity	
	Issued and paid-up share capital	Premium on share capital	Appropriated reserve	Legal reserve	Unappropriated reserve	Exchange differences on translation	Changes in fair value of equity instruments	Hedging reserves	Other reserves	Changes in ownership interest in subsidiaries	Total other components of equity	Perpetual debentures						
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Opening balance as at 1 January 2018	1,192,954	19,948,329	149,295		29,044,995	(847,802)	(35,928)	-	(2,155,572)	(3,012,619)	(6,051,921)	-	44,283,652	3,767,740	48,051,392			
Net decrease in non-controlling interests from change in investment in subsidiary	-	-	-	-	-	-	-	-	-	(368,485)	(368,485)	-	(368,485)	(14,916)	(383,401)			
Dividend payment	-	-	-	-	(2,815,371)	-	-	-	-	-	-	-	(2,815,371)	(886,131)	(3,701,502)			
Total comprehensive income (expenses) for the year	-	-	-	-	3,317,978	(1,220,559)	31,377	-	4,879	-	(1,184,303)	-	2,133,675	393,880	2,527,555			
Closing balance as at 31 December 2018	1,192,954	19,948,329	149,295		29,547,602	(2,068,361)	(4,551)	-	(2,150,693)	(3,381,104)	(7,604,709)	-	43,233,471	3,260,573	46,494,044			
Opening balance as at 1 January 2019	1,192,954	19,948,329	149,295		29,547,602	(2,068,361)	(4,551)	-	(2,150,693)	(3,381,104)	(7,604,709)	-	43,233,471	3,260,573	46,494,044			
- as reported	-	-	-	-	(329,213)	1,254	-	(232,229)	15,017	-	(215,958)	-	(545,171)	-	(545,171)			
Impact of first-time adoption of new accounting standards	5																	
Opening balance as at 1 January 2019	1,192,954	19,948,329	149,295		29,218,389	(2,067,107)	(4,551)	(232,229)	(2,135,676)	(3,381,104)	(7,820,667)	-	42,688,300	3,260,573	45,948,873			
- restated	-	-	-	-	-	-	-	-	-	-	-	-	-	148,389	148,389			
Net increase in non-controlling interests from change in investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	105,922	105,922			
Acquisition of non-controlling interests through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Option over non-controlling interests through business combination	-	-	-	-	(1,908,726)	-	-	-	(113,797)	-	(113,797)	-	(113,797)	-	(113,797)			
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	-	(1,908,726)	(491,426)	(2,400,152)			
Total comprehensive income (expenses) for the year	-	-	-	-	4,048,534	(2,156,784)	4,535	(28,729)	(59,819)	-	(2,240,797)	-	1,807,737	348,302	2,156,039			
Issuance of perpetual debentures	30	-	-	-	-	-	-	-	-	-	-	-	5,949,685	-	5,949,685			
Closing balance as at 31 December 2019	1,192,954	19,948,329	149,295		31,358,197	(4,223,891)	(16)	(260,958)	(2,309,292)	(3,381,104)	(10,175,261)	5,949,685	48,423,199	3,371,760	51,794,959			

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



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

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Net cash receipts from operating activities</b>	42	11,755,298	12,865,963	2,770,782	2,772,887
<b>Cash flows from investing activities</b>					
(Increase) Decrease in restricted deposits with financial institutions		793	360	-	-
Net cash receipts for short-term investments		-	63,560	-	-
Purchases of investment property		-	-	(442,288)	-
Purchases of property, plant and equipment and intangible assets		(4,604,732)	(4,963,431)	(1,057,269)	(1,018,334)
Acquire right-of-use assets		(63,870)	-	-	-
Proceeds from disposals of property, plant and equipment and intangible assets		113,398	65,175	5,507	16,720
Cash payment for business combinations, net of cash acquired	14	(164,045)	-	-	-
Cash payment for investments in subsidiaries	14	-	-	(532,787)	(721,875)
Cash payment for investments in associates	14	(75,104)	(686,614)	-	(45,372)
Cash payment for investments in joint ventures	14	(20,372)	-	-	(31,600)
Cash payment for long-term investments		(18,758)	(24,157)	(7,500)	-
Proceeds from sale of investment in associates		162,853	184,482	29,370	5,024,564
Proceeds from sale of long-term investments		-	1,052,630	-	1,048,331
Net cash payments for short-term loans to		(321,367)	(100,980)	(1,059,006)	(8,855,010)
Cash receipts from long-term loans to	41	-	-	1,012,159	2,956,887
Cash payments for long-term loans to	41	-	-	(502,925)	(134,307)
Interest received		291,499	810,195	2,016,260	1,778,819
Dividend received		214,445	195,505	3,759,540	4,937,371
<b>Net cash receipts from (payments for) investing activities</b>		(4,485,260)	(3,403,275)	3,221,061	4,956,194
<b>Cash flows from financing activities</b>					
Net cash payments for short-term loans from financial institutions		(1,952,139)	(1,805,911)	(2,095,397)	(1,429,722)
Net cash receipts from (payments for) short-term loans from		2,926	(26,700)	24,081	(633,036)
Cash receipts from long-term loans from financial institutions		-	49,819	-	-
Repayments for long-term loans from financial institutions	25	(115,651)	(865,245)	-	(779,620)
Cash receipts from debenture issuance	26	6,000,000	-	6,000,000	-
Repayments for debentures	26	(9,150,000)	-	(9,150,000)	-
Debenture issuance costs paid	26	(8,191)	-	(8,191)	-
Cash receipts from issuance of perpetual debentures	30	6,000,000	-	6,000,000	-
Perpetual debenture issuance costs paid	30	(50,315)	-	(50,315)	-
Interest and other finance costs paid	24	(1,947,907)	(1,925,341)	(1,625,887)	(1,621,550)
Cash paid for lease liabilities		(469,100)	(47,953)	(134,281)	(7,278)
Cash paid for non-controlling interests from change in interest in subsidiaries		-	(503,074)	-	-
Cash receipts from non-controlling interests for additional share capital in a subsidiary		74,268	119,673	-	-
Dividends paid to the owners of the parent		(1,908,831)	(2,819,529)	(1,908,831)	(2,819,529)
Dividends paid to non-controlling interests		(503,141)	(879,473)	-	-
<b>Net cash payments for financing activities</b>		(4,028,081)	(8,703,734)	(2,948,821)	(7,290,735)

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

**Thai Union Group Public Company Limited**  
**Statement of Cash Flows** (continued)  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Net decrease in cash and cash equivalents</b>		3,241,957	758,954	3,043,022	438,346
Cash and cash equivalents - opening balance	9	1,310,548	572,595	579,537	141,193
Exchange gain (loss) on cash and cash equivalents		(69,075)	(21,001)	13	(2)
<b>Cash and cash equivalents - closing balance</b>	9	<u>4,483,430</u>	<u>1,310,548</u>	<u>3,622,572</u>	<u>579,537</u>
<b>Non-cash items:</b>					
Payable balances from purchase of property, plant and equipment and intangible assets (included in trade and other payables)	24	415,353	440,347	114,541	167,767
Reclassify from investment in joint ventures and associate to investment in subsidiaries	14	241,806	-	77,356	-
Reclassify from investments in a subsidiary and an associate to investment in a joint venture	14	(13,781)	-	959	-
Acquisition of right-of-use assets under lease contracts	17	235,815	-	21,634	-
Acquisition of property, plant and equipment under finance lease		-	6,048	-	-
Increase in investment in a subsidiary by converting loan receivables to investment	14	-	-	-	487,123

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**  
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## 1 General information

Thai Union Group Public Company Limited (the “Company”) is a public limited company, which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The current address of the Company’s registered office is at 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsai, Amphur Muang, Samutsakorn. The Company has 15 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 consolidated and separate financial statements were authorised for issuance by the Board of Directors on 17 February 2020.

## 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 Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued 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 and derivatives as explained in the relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 6.

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.



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**2.2 New and amended financial reporting standards**

2.2.1 The Group has applied the following standard and amendments for the first-time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), *Revenue from contracts with customers*

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, *Revenue* and TAS 11, *Construction contracts* and relevant TFRIC.

The Group has adopted the new TFRS 15, *Revenue from contracts with customers* from 1 January 2019 (initial application date) by applying the modified retrospective approach and the comparative figures have not been restated. The Group did not apply practical expedient relates to completed contracts and contract modification as allowed by TFRS 15.

The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at 1 January 2019. However, the adoption of TFRS 15 did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

b) Thai Financial Reporting Standard no.2 (TFRS 2) (revised 2018), *Share-based payment*

The amendments made to TFRS 2 clarify:

- the measurement basis for cash-settled share-based payments; and
- the accounting for modifications that change an award from cash-settled to equity-settled.

They also introduce an exception to the classification principles in TFRS 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole amount will be treated as if it is equity-settled. Previously the tax portion was accounted for as cash settled.

c) Thai Accounting Standard no.28 (TAS 28) (revised 2018), *Investments in associates and joint ventures*

The amendment clarifies that the election by venture capital organisations, mutual funds, unit trust and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

d) Thai Accounting Standard no.40 (TAS 40) (revised 2018), *Investment property*

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

e) Thai Financial Reporting Interpretation no.22 (TFRIC 22), *Foreign currency transactions and advance consideration*

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

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f) Thai Financial Reporting Standard no.1 (TFRS 1), *First-time adoption of Thai Financial Reporting Standards*

TFRS 1 addresses the treatment when the Group adopts, for the first time, Thai Financial Reporting Standards (TFRSs) as a basis for preparing its financial statements. TFRS 1 grants specific optional exemptions and mandatory exceptions from TFRSs' general requirements. It also requires certain disclosures explaining how the transition from previous GAAP to TFRSs affects the Group's financial position, financial performance and cash flows.

g) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

On 1 January 2019, the Group has early adopted the financial reporting standards in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 5.

h) Thai Financial Reporting Standards no.16 (TFRS 16), *Leases*

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2019, the Group has early adopted TFRS 16 in its financial statements by applying modified retrospective approach. The impact from the first-time adoption has been disclosed in Note 5.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

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Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) clarified accounting for defined benefit amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirement in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 11, Joint arrangements clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of initial adoption of these standards.

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**2.3 Principles of consolidation and equity accounting**

**2.3.1 Subsidiaries**

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

A list of the Group's subsidiaries has been disclosed in Note 14.

**2.3.2 Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

A list of the Group's principal associates has been disclosed in Note 14.

**2.3.3 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, rather than the legal structure of the joint arrangements.

**Joint operations**

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statements line items.

**Joint ventures**

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

A list of the Group's joint ventures has been disclosed in Note 14.

**2.3.4 Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.



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**2.3.5 Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

**2.3.6 Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**2.4 Business combination**

The Group applies acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquire, and
- equity interests issued by the Group.

Identifiable assets and liabilities acquired, 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost are recognised as expenses in the consolidated financial statements, while they are recognised as cost of investment in the separate financial statements.

**Step-up acquisition**

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-measured are recognised in profit or loss.

**Contingent consideration paid/received**

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 an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

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**2.5 Foreign currency translation**

**2.5.1 Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

**2.5.2 Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**2.5.3 Group companies**

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective 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.

**2.6 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statement of financial position, bank overdrafts are shown in current liabilities.

**2.7 Trade receivables**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its present value.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognised in profit or loss within administrative expenses.

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**2.8 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.

**2.9 Financial assets and financial liabilities**

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for derivatives.

Recognition and derecognition

The Group shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general approach for credit-impaired consideration.

**2.10 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 will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less cost to sell.

An impairment loss is recognised to write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of the asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operation is a component of the Group that i) has been disposed of or is classified as held for sale, and ii) that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

**2.11 Investment property**

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and impairment. Land is not depreciated.



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**2.12 Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount, 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 when incurred.

Land is not depreciated. Depreciation on other assets is calculated using 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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Goodwill**

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

**2.14 Intangible assets**

**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.

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**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.

**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.

**Computer software**

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

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

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

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

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

**2.15 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

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**2.16 Leases**

Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following items:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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**2.17 Borrowings and debentures**

Borrowings and debentures are recognised initially at the fair value, net of attributable transaction costs incurred. Borrowings and debentures are subsequently stated at amortised cost.

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 reporting date.

Borrowings and debentures are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

**2.18 Borrowings costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

**2.19 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.

Current income tax

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

Deferred income tax is recognised 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 recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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**2.20 Employee benefits**

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

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 further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plan

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounted the estimated future cash outflows using the market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

Other long-term benefits

The Group operates other long-term benefit schemes for employees who complete the service years according to the policy.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

**2.21 Provisions**

Provisions 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 measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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**2.22 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.

**2.23 Revenue recognition**

The Group recognises revenue in the period when control of goods or services transferred to customers in an amount that reflect the net consideration the Group expects to receive. Depending on the terms of the underlying contract, the Group generally meets the above requirements when it either ships or delivers finished goods and control of the goods transfers to the customer. At contract inception, the Group assesses the goods promised in the contract to identify the performance obligations. Each performance obligation is a promise to transfer to the customer a good or service that is distinct. The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of the goods and other performance obligations to ensure that revenue is recognised at the appropriate time and for the correct amount.

The Group recognises revenue when it satisfies a performance obligation by transferring a promised goods or services to a customer, which is when the customer obtains control of those goods, or services. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation may be satisfied at a point in time, typically for promises to transfer goods to a customer, or over time, typically for promises to transfer services to a customer.

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

Revenue arising from royalties is recognised at the later of: (1) when the subsequent sale or usage occurs; and (2) the satisfaction or partial satisfaction of the performance obligation to which some or all of the sales-or-usage-based royalty has been allocated.

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

**2.24 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 dividends are approved by the Company's shareholders, and the interim dividends are approved by the Board of Directors.

**2.25 Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

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When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group exposes 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.

##### 3.1.1 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 seeks 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.

The balances of financial assets and liabilities denominated in foreign currencies of the Group and the Company are summarised in Note 44.

##### 3.1.2 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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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 2019	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.)
<b>Financial assets</b>									
Cash and cash equivalents	3,596	-	-	228	-	-	865	4,689	0.01 - 1.35
Short-term loans to related parties	121	-	-	2	-	-	10	133	1.37 - 12.25
Restricted bank deposits	-	4	-	-	-	-	-	4	0.60 - 1.05
Long-term loans to related and third parties	-	241	-	-	-	-	-	241	4.00
	3,945	245	-	230	-	-	875	5,067	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans from financial institutions	10,371	-	-	811	-	-	-	11,182	0.75 - 5.22
Short-term loans from financial institutions	82	-	-	-	-	-	14	96	1.10
Long-term loans from financial institutions	52	200	36	64	14,072	-	11	14,435	1.55 - 5.75
Debentures	3,500	17,087	12,256	-	-	-	-	32,843	2.03 - 5.18
Lease liabilities	360	828	129	27	5	-	-	1,349	0.13 - 5.00
	14,365	18,115	12,421	902	14,077	-	25	59,905	
As at 31 December 2018	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.)
<b>Financial assets</b>									
Cash and cash equivalents	12	-	-	711	-	-	863	1,586	0.03 - 2.00
Short-term loans to related parties	171	-	-	-	-	-	-	171	2.40
Restricted bank deposits	-	1	-	-	-	-	-	1	1.05
Long-term loans to related and third parties	-	11,195	-	-	-	-	4	11,199	8.00
Accrued interest income - associates, non-current assets	-	-	-	-	-	-	450	450	-
	183	11,196	-	711	-	-	1,317	13,407	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans from financial institutions	11,485	-	-	1,891	-	-	-	13,376	0.70 - 7.84
Short-term loans from financial institutions	93	-	-	-	-	-	-	93	1.55
Long-term loans from financial institutions	61	25	278	78	14,246	-	28	14,716	1.15 - 5.75
Debentures	9,148	13,538	13,476	-	-	-	-	36,162	2.03 - 5.18
Finance lease liabilities	39	103	11	-	-	-	-	153	0.01 - 6.00
	20,826	13,666	13,765	1,969	14,246	-	28	64,500	



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As at 31 December 2019	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.)
<b>Financial assets</b>									
Cash and cash equivalents	3,500	-	-	74	-	-	85	3,659	0.03 - 1.35
Short-term loans to related parties	3,229	-	-	6,012	-	-	-	9,241	1.25 - 3.51
Long-term loans to subsidiaries	-	31,673	2,218	-	2,379	-	-	36,270	1.60 - 4.00
	6,729	31,673	2,218	6,086	2,379	-	85	49,170	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans from financial institutions	1,744	-	-	-	-	-	-	1,744	0.75 - 1.40
Short-term loans from Related parties	-	-	-	8	-	-	-	8	0.25
Long-term loans from financial institutions	-	-	-	-	13,981	-	-	13,981	2.27 - 3.76
Debentures	3,500	17,087	12,256	-	-	-	-	32,843	2.03 - 5.18
Lease liabilities	113	298	82	-	-	-	-	493	4.50
	5,357	17,385	12,338	8	13,981	-	-	49,069	
<b>As at 31 December 2018</b>									
As at 31 December 2018	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.)
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	578	-	-	2	580	0.03 - 0.10
Short-term loans to related parties	6,671	-	-	7,591	-	-	13	14,275	0.85 - 5.00
Long-term loans to subsidiaries	611	19,172	-	-	15,492	-	-	35,275	2.05 - 6.16
	7,282	19,172	-	8,169	15,492	-	15	50,130	
<b>Financial liabilities</b>									
Bank overdrafts and short-term loans from financial institutions	3,789	-	-	-	-	-	-	3,789	0.70 - 1.85
Long-term loans from financial institutions	-	-	-	-	14,079	-	-	14,079	2.08 - 3.45
Debentures	9,148	13,538	13,476	-	-	-	-	36,162	2.03 - 5.18
Finance lease liabilities	6	7	-	-	-	-	-	13	2.12 - 2.81
	12,943	13,545	13,476	-	14,079	-	-	54,043	

### 3.1.3 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.

### 3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The unused borrowing facilities has been disclosed in Note 25. Due to the nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities is presented in Note 3.1.2.

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The table below analyses the Group's derivatives liabilities into relevant maturity groupings based on their contractual maturities for net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

	Consolidated financial statements			
	Within 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Derivatives financial liabilities</b>				
<b>As at 31 December 2019</b>				
Gross settled (foreign currency forwards - cash flow hedges)				
Inflow	2,029,780	61,365	-	2,091,145
(Outflow)	(2,067,347)	(65,604)	-	(2,132,951)
	(37,567)	(4,239)	-	(41,806)
Gross settled (Cross currency interest rate swaps)				
Inflow	131,394	2,758,727	92,571	2,982,692
(Outflow)	(168,032)	(3,097,936)	(104,131)	(3,370,099)
	(36,638)	(339,209)	(11,560)	(387,407)
<b>Separate financial statements</b>				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Derivatives financial liabilities</b>				
<b>As at 31 December 2019</b>				
Gross settled (foreign currency forwards - cash flow hedges)				
Inflow	1,249,136	61,365	-	1,310,501
(Outflow)	(1,281,080)	(65,604)	-	(1,346,684)
	(31,944)	(4,239)	-	(36,183)
Gross settled (Cross currency interest rate swaps)				
Inflow	131,394	2,758,727	92,571	2,982,692
(Outflow)	(168,032)	(3,097,936)	(104,131)	(3,370,099)
	(36,638)	(339,209)	(11,560)	(387,407)

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**3.2 Fair value**

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

As at 31 December	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Assets</b>								
<b>Financial assets at fair value through profit or loss</b>								
Debt instruments	-	-	-	-	11,461,704	-	11,461,704	-
Equity instruments	-	-	264	-	-	-	264	-
<b>Financial assets at fair value through OCI</b>								
Equity instruments	34,070	-	-	-	9,000	-	43,070	-
<b>Derivatives</b>								
Foreign currency forward contracts	-	-	2,702,094	-	-	-	2,702,094	-
Cross-currency and interest rate swaps	-	-	1,608,382	-	-	-	1,608,382	-
<b>Available-for-sales investments</b>								
Equity instruments	-	40,652	-	-	-	-	-	40,652
<b>Total assets</b>	34,070	40,652	4,310,740	-	11,470,704	-	15,815,514	40,652
<b>Liabilities</b>								
<b>Derivatives</b>								
Foreign currency forward contracts	-	-	222,978	-	-	-	222,978	-
Cross-currency and interest rate swaps	-	-	703,830	-	-	-	703,830	-
Interest rate swaps	-	-	94,867	-	-	-	94,867	-
Other derivatives	-	-	1,977	-	38,585	-	40,562	-
<b>Total liabilities</b>	-	-	1,023,652	-	38,585	-	1,062,237	-
<b>Separate financial statements</b>								
As at 31 December	Level 1		Level 2		Level 3		Total	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Assets</b>								
<b>Financial assets at fair value through OCI</b>								
Equity instruments	-	-	-	-	9,000	-	9,000	-
<b>Derivatives</b>								
Foreign currency forward contracts	-	-	2,581,562	-	-	-	2,581,562	-
Cross-currency and interest rate swaps	-	-	1,608,381	-	-	-	1,608,381	-
Other derivatives	-	-	-	-	7,875	-	7,875	-
<b>Total assets</b>	-	-	4,189,943	-	16,875	-	4,206,818	-
<b>Liabilities</b>								
<b>Derivatives</b>								
Foreign currency forward contracts	-	-	21,367	-	-	-	21,367	-
Cross-currency and interest rate swaps	-	-	703,830	-	-	-	703,830	-
<b>Total liabilities</b>	-	-	725,197	-	-	-	725,197	-

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The fair value of financial instruments traded in active market 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.

The fair value of financial instruments that are not traded in an active market (Over the counter) 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 the Group's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Group utilises valuation techniques used to measure fair value level 3 which are option-pricing models, the present value of future cash flows based on the forward exchange rates at the reporting date and the discounted cash flow analysis. The significant inputs are from both observable market data and unobservable market data, for example, share prices, credit spread and share volatility.

There was no transfer between such levels during the year.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

Description	Fair value as at 31 December		Unobservable inputs	Valuation technique	Inputs		Relationship of unobservable inputs to fair value
	2019	2018			2019	2018	
	Thousand Baht	Thousand Baht			2019	2018	
Other long-term investments	11,461,704	-	Risk-adjusted discount rate	Discounted cash flow	8.42%	-	- 1% increase in risk-adjusted discount rate would result in a decrease in fair value by Baht 250.16 million. - 1% decrease in risk-adjusted discount rate would result in an increase in fair value by Baht 256.81 million.

The Group set up a working team that performs the valuations required for financial reporting purposes, including level 3 fair values. They also involve a valuation specialist supporting valuation of financial assets and liabilities. This team reports directly to the CFO and the Board of Directors. The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a Capital Asset Pricing Model (CAPM) to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties.



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The following table presents the changes in level 3 instruments:

	<b>Consolidated financial statements</b>
	<b>Financial assets at fair value through profit or loss Thousand Baht</b>
<b>Closing balance at 31 December 2018</b>	-
Recognised on adoption of TFRS 9 (Note 5)	11,571,381
<b>As at 1 January 2019</b>	11,571,381
Fair value gain on debt instruments measured at FVPL	710,619
Translation adjustment	(820,296)
<b>Closing balance at 31 December 2019</b>	11,461,704
Fair value gains (losses) recognised in profit or loss attributable to assets held at the end of the reporting period (Note 44)	
For the year ended 31 December 2019	710,619
For the year ended 31 December 2018	-

There were no changes in valuation techniques during the year.

**The Group's valuation processes**

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Group Treasury Committee. Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

**4 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. However, the Group and the Company are required to comply with the debt covenants for borrowings (Note 25 and 26).

**5 Impact of first-time adoption of new financial reporting standards**

This note explains the impact of the adoption of TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosure*, TFRS 9 *Financial Instruments*, TFRS 15 *Revenue from Contracts with Customers* and TFRS 16 *Leases* on the Group and Company's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in Note 2.9, 2.16, 2.23 and 2.25.

The Group has adopted these accounting policies from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at 1 January 2019. However, the adoption of TFRS 15 did not result in significant impact to the consolidated and separate financial statements as at 31 December 2018 and 1 January 2019.

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The impact of first-time adoption of new accounting standards on the consolidated statement of financial position are as follows:

	Consolidated financial statements				
		31 December 2018 Thousand Baht	TFRS 9 Thousand Baht	TFRS 16 Thousand Baht	1 January 2019 Thousand Baht
Statement of financial position	Notes				
<b>Current assets</b>					
Trade and other receivables, net	A	16,018,214	(455,089)	(45,618)	15,517,507
Derivative assets	B	616,621	248,214	-	864,835
Other current assets	B	1,768,512	(208,997)	-	1,559,515
Assets of disposal groups classified as held-for-sale from discontinued operations		489,926	728	-	490,654
<b>Non-current assets</b>					
Long-term investments	C	42,071	11,571,381	-	11,613,452
Long-term loans to, net	C	11,198,832	(11,195,181)	-	3,651
Property, plant and equipment, net	D	26,476,299	-	(204,738)	26,271,561
Right-of-use assets, net	D	-	-	1,838,473	1,838,473
Derivative assets	B	1,504,416	(239,552)	-	1,264,864
Deferred tax assets		1,422,412	125,576	-	1,547,988
Other non-current assets	B,C,D	1,751,738	(972,890)	(127,249)	651,599
<b>Total assets</b>		141,916,082	(1,125,810)	1,460,868	142,251,140
<b>Current liabilities</b>					
Trade and other payables	B	19,726,069	(13,142)	-	19,712,927
Current portion of lease liabilities, net	D	39,001	-	392,972	431,973
Derivative liabilities	B	207,196	(76,832)	-	130,364
Other current liabilities		177,238	(29,364)	-	147,874
Liabilities of disposal groups classified as held-for-sale from discontinued operations		175,451	728	-	176,179
<b>Non-current liabilities</b>					
Lease liabilities, net		113,978	-	1,067,894	1,181,872
Deferred tax liabilities		4,359,699	(43,391)	-	4,316,308
Derivative liabilities	B	476,329	71,667	-	547,996
Other non-current liabilities	B, C	2,891,670	(473,037)	(17,266)	2,401,367
<b>Total liabilities</b>		95,422,038	(563,371)	1,443,600	96,302,267
Unappropriated retained earnings		29,547,602	(346,094)	16,881	29,218,389
Other components of equity	A	(7,604,709)	(216,345)	387	(7,820,667)
<b>Total equity</b>		46,494,044	(562,439)	17,268	45,948,873

**Note:** A) The impact was from impairment of financial assets, refer to Note 5.1.  
B) The impact was from hedge accounting, refer to Note 5.1.  
C) The impact was from the classification and measurement of financial assets, refer to Note 5.1.  
D) The impact was from lease accounting, refer to Note 5.2.

The Group adjusted the impact of first-time adoption of new financial reporting standards disclosed in the consolidated interim financial information during 2019. Total adjustments to the brought forward unappropriated retained earnings as at 1 January 2019 was Baht 223 million.

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The impact of first-time adoption of new accounting standards on the separate statement of financial position are as follows:

Statement of financial position	Notes	Separate financial statements			1 January 2019 Thousand Baht
		31 December 2018 Thousand Baht	TFRS 9 Thousand Baht	TFRS 16 Thousand Baht	
<b>Current assets</b>					
Trade and other receivables, net	A	4,840,763	(6,959)	(3,930)	4,829,874
Short-term loans to related parties	A,C	14,274,734	(2,614,980)	-	11,659,754
Current portion of long-term loans to	A	611,424	(8,271)	-	603,153
Derivative assets	B	536,781	232,173	-	768,954
Other current assets	B	195,235	(108,126)	-	87,109
<b>Non-current assets</b>					
Long-term loans to, net	A,B,C	34,664,704	2,165,517	-	36,830,221
Property, plant and equipment, net	D	4,615,150	-	(11,459)	4,603,691
Right-of-use assets, net	D	-	-	589,627	589,627
Derivative assets	B	1,504,416	(239,552)	-	1,264,864
Deferred tax assets		42,944	5,551	-	48,495
Other non-current assets	B	551,649	(522,436)	-	29,213
<b>Total assets</b>		99,889,326	(1,097,083)	574,238	99,366,481
<b>Current liabilities</b>					
Current portion of lease liabilities, net	D	6,102	-	108,048	114,150
Derivative liabilities	B	118,769	(782)	-	117,987
Other current liabilities		29,929	(3,325)	-	26,604
<b>Non-current liabilities</b>					
Lease liabilities, net		6,700	-	466,190	472,890
Derivative liabilities	B	476,329	(65,834)	-	410,495
Other non-current liabilities	B, C	532,750	(473,036)	-	59,714
<b>Total liabilities</b>		60,383,559	(542,977)	574,238	60,414,820
Unappropriated retained earnings		18,215,189	(314,000)	-	17,901,189
Other components of equity	B	-	(240,106)	-	(240,106)
<b>Total equity</b>		39,505,767	(554,106)	-	38,951,661

Note: A) The impact was from impairment of financial assets, refer to Note 5.1.  
B) The impact was from hedge accounting, refer to Note 5.1.  
C) The impact was from the classification and measurement of financial assets, refer to Note 5.1.  
D) The impact was from lease accounting, refer to Note 5.2.

The Company adjusted the impact of first-time adoption of new financial reporting standards disclosed in the separate interim financial information during 2019. Total adjustments to the brought forward unappropriated retained earnings as at 1 January 2019 was Baht 197 million.

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**5.1 Financial instruments**

The total impact on the retained earnings as at 1 January 2019 is as follows:

	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
Unappropriated retained earnings as at 31 December 2018	29,547,602	18,215,189
Hedge accounting and derivatives	103,151	111,197
Other derivative contracts - Investment options	(17,206)	23,648
Debt instruments - Fair value through profit or loss	(395,855)	-
Financial guarantee contracts	(29,544)	(29,544)
Increase in loss allowance for trade and other receivables	(6,640)	(6,959)
Increase in loss allowance for loans to related parties	-	(412,342)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on 1 January 2019	(346,094)	(314,000)
Unappropriated retained earnings as at 1 January 2019 - TFRS 9 before restatement for TFRS 16	29,201,508	17,901,189

**Classification and measurement**

On 1 January 2019 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

Financial assets as at 1 January 2019	Consolidated financial statements				Total Thousand Baht
	FVPL Thousand Baht	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	Amortised cost Thousand Baht	
Cash and cash equivalents	-	-	-	1,585,654	1,585,654
Trade and other receivables, net	-	-	-	14,840,247	14,840,247
Short-term loans to	-	-	-	170,850	170,850
Other current assets	-	-	-	129,640	129,640
Derivative assets	-	2,129,699	-	-	2,129,699
Restricted deposits with financial institutions	-	-	-	1,107	1,107
Long-term investments	11,586,714	-	26,738	-	11,613,452
Long-term loans to	-	-	-	3,651	3,651
Other non-current assets	-	-	-	259,381	259,381
	11,586,714	2,129,699	26,738	16,990,530	30,733,681

The Group classified debt investments that do not qualify for measurement at either amortised cost or FVOCI at fair value through profit or loss (FVPL).



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Financial assets mandatorily measured at FVPL include the following:

	Consolidated financial statements As at 1 January 2019 Thousand Baht
<b>Long-term investment</b>	
Unlisted convertible redeemable preference units	11,571,381
Mutual funds	15,333
<b>Total long-term investments</b>	<b>11,586,714</b>

	Consolidated financial statements		
	Fair value - Derivatives Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
<b>Financial liabilities as at 1 January 2019</b>			
Bank overdrafts and short-term loans from financial institutions	-	13,375,376	13,375,376
Trade and other payables	-	19,547,902	19,547,902
Short-term loans from	-	92,600	92,600
Other current liabilities	-	147,874	147,874
Long-term loans from financial institutions, net	-	14,715,684	14,715,684
Debentures, net	-	36,162,488	36,162,488
Lease liabilities, net	-	1,613,845	1,613,845
Derivative liabilities	678,360	-	678,360
Other non-current liabilities	-	2,401,367	2,401,367
	678,360	88,057,136	88,735,496

	Separate financial statements			
	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
<b>Financial assets as at 1 January 2019</b>				
Cash and cash equivalents	-	-	579,537	579,537
Trade and other receivables, net	-	-	4,707,302	4,707,302
Short-term loans to	-	-	11,659,754	11,659,754
Other current assets	-	-	4,103	4,103
Derivative assets	2,033,818	-	-	2,033,818
Long-term investments	-	1,500	-	1,500
Long-term loans to, net	-	-	37,433,374	37,433,374
Other non-current assets	-	-	27,853	27,853
	2,033,818	1,500	54,411,923	56,447,241

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	Separate financial statements		
	Fair value - Derivatives Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
<b>Financial liabilities as at 1 January 2019</b>			
Bank overdrafts and short-term loans from financial institutions	-	3,789,076	3,789,076
Trade and other payables	-	4,375,638	4,375,638
Other current liabilities	-	26,604	26,604
Long-term loans from financial institutions, net	-	14,078,732	14,078,732
Debentures, net	-	36,162,488	36,162,488
Lease liabilities, net	-	587,040	587,040
Derivative liabilities	528,482	-	528,482
Other non-current liabilities	-	59,714	59,714
	528,482	59,079,292	59,607,774

Financial assets and liabilities measured at amortised cost approximate fair value, except debentures, which have fair values as disclosed in Note 26.

**Hedge accounting**

**Derivatives and hedging activities**

The Group and the Company has the following derivative instruments:

	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
<b>As at 1 January 2019</b>		
<b>Current assets</b>		
Foreign currency forwards - held for trading	78,125	73,344
Foreign currency forwards - cash flow hedges	131,116	40,016
Cross currency interest rate swaps - cash flow hedges	655,594	655,594
<b>Total current derivative assets</b>	<b>864,835</b>	<b>768,954</b>
<b>Non-current assets</b>		
Foreign currency forwards - held for trading	2,460	2,460
Foreign currency forwards - cash flow hedges	572,316	572,316
Cross currency interest rate swaps - held for trading	58,144	58,144
Cross currency interest rate swaps - cash flow hedges	575,445	575,445
Cross currency interest rate swaps - fair value hedges	32,851	32,851
Other derivatives - held for trading	23,648	23,648
<b>Total non-current derivative assets</b>	<b>1,264,864</b>	<b>1,264,864</b>
<b>Current liabilities</b>		
Foreign currency forwards - held for trading	60,096	59,480
Foreign currency forwards - cash flow hedges	17,030	5,269
Cross currency interest rate swaps - cash flow hedges	47,630	47,630
Cross currency interest rate swaps - fair value hedges	5,608	5,608
<b>Total current derivative liabilities</b>	<b>130,364</b>	<b>117,987</b>
<b>Non-current liabilities</b>		
Foreign currency forwards - cash flow hedges	40,493	-
Cross currency interest rate swaps - cash flow hedges	410,495	410,495
Interest rate swap - cash flow hedges	56,153	-
Other derivatives - held for trading	40,855	-
<b>Total non-current derivative liabilities</b>	<b>547,996</b>	<b>410,495</b>

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**Impairment of financial assets**

The Group has trade receivables that are subject to the expected credit loss model. The Company has trade receivables and long-term loans to related parties that are subject to the expected credit loss model.

**Trade receivables**

The Group applies the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for trade receivables was as follows:

	<b>Consolidated financial statements</b>					
	<b>Not yet due Thousand Baht</b>	<b>Up to 3 months Thousand Baht</b>	<b>3 - 6 months Thousand Baht</b>	<b>6 - 12 months Thousand Baht</b>	<b>Over 12 months Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 1 January 2019</b>						
Gross carrying amount	10,472,100	3,161,327	224,095	90,909	272,221	14,220,652
Loss allowance	37,162	28,250	11,974	13,993	255,067	346,446
	<b>Separate financial statements</b>					
	<b>Not yet due Thousand Baht</b>	<b>Up to 3 months Thousand Baht</b>	<b>3 - 6 months Thousand Baht</b>	<b>6 - 12 months Thousand Baht</b>	<b>Over 12 months Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 1 January 2019</b>						
Gross carrying amount	3,193,145	713,019	34,711	5,429	64,769	4,011,073
Loss allowance	1,056	1,460	2,697	4,908	64,515	74,636

The loss allowance for trade receivables as at 31 December 2018 is reconciled to the opening loss allowance for trade receivables as follow:

	<b>Consolidated financial statements Thousand Baht</b>	<b>Separate financial statements Thousand Baht</b>
<b><u>Loss allowance for trade receivables</u></b>		
As at 31 December 2018	342,217	67,484
Amounts restated through opening unappropriated retained earnings	4,229	7,152
Opening loss allowance as at 1 January 2019	346,446	74,636

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**Loans to related parties**

The Company has loans to related parties measured at amortised cost. The loss allowance was limited to 12 months expected losses.

The loss allowance for short-term and long-term loans to related parties was as follow:

	<b>Separate financial statements</b>	
	<b>Loss allowance for short-term loans to related parties Thousand Baht</b>	<b>Loss allowance for long-term loans to related parties Thousand Baht</b>
As at 31 December 2018	-	50,262
Amounts restated through opening unappropriated retained earnings	12,825	399,517
Opening loss allowance as at 1 January 2019	12,825	449,779

**5.2 Leases**

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 *Leases*. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group and the Company's incremental borrowing rates applied to the lease liabilities as at 1 January 2019 was ranged between 4.5% to 6 % and 4.5%, respectively.

For leases previously classified as finance leases applying TAS 17, the Group reclassified the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

	<b>Consolidated financial statements Thousand Baht</b>	<b>Separate financial statements Thousand Baht</b>
Operating lease commitments disclosed as at 31 December 2018	1,698,697	609,939
<u>Less:</u> Short-term leases recognised on a straight-line basis as expenses	(66,222)	(2,675)
<u>Less:</u> Low value leases recognised on a straight-line basis as expenses	(34,904)	(11,762)
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	180,970	113,027
<u>Less:</u> Termination options reasonably certain to be exercised	(54,621)	(48,754)
<u>Less:</u> Contracts reassessed as service agreements	(46,430)	-
	1,677,490	659,775
<u>Less:</u> Deferred interest expenses	(216,624)	(85,537)
Additional lease liabilities from TFRS 16 adoption	1,460,866	574,238
Finance lease liabilities as at 31 December 2018	152,979	12,802
Lease liabilities recognised as at 1 January 2019	1,613,845	587,040
Of which are:		
Current lease liabilities	431,973	114,150
Non-current lease liabilities	1,181,872	472,890
	1,613,845	587,040



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The recognised right-of-use assets relate to the following types of assets:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>As at 1 January 2019</b>		
Land and land improvements	260,749	-
Building and building improvements	1,077,132	418,573
Machinery and equipment	282,892	110,919
Furniture, fixtures and office equipment	35,983	11,458
Vehicles	181,717	48,677
<b>Total right-of-use assets</b>	<b>1,838,473</b>	<b>589,627</b>

**6 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 recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a certain period.

Cash flows beyond the forecasted period are extrapolated using the estimated growth rates stated in Note 18 and 20. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

(b) Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 3.2.

(c) Provision and contingent liabilities for litigation and claims

The Group exercises judgement in measuring and recognising provision and the exposures to contingent liabilities related to outstanding litigation and claims. Contingencies are recorded as provision when it is likely that a liability has been incurred and the amount is reasonably estimate. Judgement is necessary in assessing the likelihood that a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty, actual losses may be different from the originally estimated provision.

(d) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 28.

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**7 Segment and revenue 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 organises business units based on its products and services and has three reportable segments as follows:

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

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, which is a consistent basis with that used 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.

The following tables present revenue and gross profit information regarding the Group's operating segments.

	<b>Consolidated financial statements</b>					
	<b>Ambient seafood Thousand Baht</b>	<b>Frozen and chilled seafood and related businesses Thousand Baht</b>	<b>Pet food, value-added and other businesses Thousand Baht</b>	<b>Total reportable segments Thousand Baht</b>	<b>Eliminations Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>For the year ended 31 December 2019</b>						
Total revenue	74,428,084	60,501,232	24,514,866	159,444,182	(33,168,935)	126,275,247
Less: Inter-segment	(19,207,134)	(8,077,269)	(5,884,532)	(33,168,935)	33,168,935	-
<b>Revenue from external customers</b>	<b>55,220,950</b>	<b>52,423,963</b>	<b>18,630,334</b>	<b>126,275,247</b>	<b>-</b>	<b>126,275,247</b>
<b>Results</b>						
<b>Segment gross profit</b>	<b>10,807,834</b>	<b>5,390,790</b>	<b>4,022,629</b>	<b>20,221,253</b>	<b>(111,154)</b>	<b>20,110,099</b>
Selling and administrative expenses						(16,265,523)
<b>Operating profit (not including other income)</b>						<b>3,844,576</b>
Finance costs						(2,055,567)
Share of profits from investments in associates and joint ventures						591,288
Gain on exchange rates, net						54,061
Others						1,993,679
<b>Profit before income tax</b>						<b>4,428,037</b>
Income tax						(157,937)
<b>Profit for the year from continuing operations</b>						<b>4,270,100</b>
Loss for the year from discontinued operations	-	(105,257)	2,809	-	-	(102,448)
<b>Profit for the year</b>						<b>4,167,652</b>
<b>Timing of revenue recognition</b>						
At a point in time	55,220,950	52,423,963	18,630,334	126,275,247	-	126,275,247

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	Consolidated financial statements					
	Ambient seafood Thousand Baht	Frozen and chilled seafood and related businesses Thousand Baht	Pet food, value-added and other businesses Thousand Baht	Total reportable segments Thousand Baht	Eliminations Thousand Baht	Total Thousand Baht
<b>For the year ended 31 December 2018</b>						
Total revenue	80,470,248	60,306,693	22,971,454	163,748,395	(30,463,757)	133,284,638
Less: Inter-segment	(18,207,968)	(7,513,558)	(4,742,231)	(30,463,757)	30,463,757	-
<b>Revenue from external customers</b>	<b>62,262,280</b>	<b>52,793,135</b>	<b>18,229,223</b>	<b>133,284,638</b>	<b>-</b>	<b>133,284,638</b>
<b>Results</b>						
<b>Segment gross profit</b>	<b>10,505,573</b>	<b>4,824,523</b>	<b>3,575,485</b>	<b>18,905,581</b>	<b>(14,005)</b>	<b>18,891,576</b>
Selling and administrative expenses						(15,813,047)
<b>Operating profit</b> (not including other income)						3,078,529
Finance costs						(2,025,349)
Share of profits from investments in associates and joint ventures						263,170
Gain on exchange rates, net						971,834
Others						2,200,496
<b>Profit before income tax</b>						4,488,680
Income tax						(121,120)
<b>Profit for the year from continuing operations</b>						4,367,560
Loss for the year from discontinued operation	-	(690,015)	(23,075)	-	-	(713,090)
<b>Profit for the year</b>						3,654,470
<b>Timing of revenue recognition</b>						
At a point in time	62,262,280	52,793,135	18,229,223	133,284,638	-	133,284,638

**Geographic information**

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

	Consolidated financial statements	
	2019 Thousand Baht	2018 Thousand Baht
<b>Revenue from external customers</b>		
Thailand	15,679,321	14,229,546
The United States of America	49,910,713	50,898,661
Japan	6,723,958	7,636,860
European countries	35,073,626	40,959,053
Others	18,887,629	19,560,518
Total revenue from external customers	126,275,247	133,284,638

**Major customer**

During the year ended 31 December 2019 and 2018, the Group had no customer with revenues of 10 percent or more of the Group's revenue.

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**8 Financial assets and financial liabilities**

On 1 January 2019 (the date of initial application of new financial reporting standards), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below. The disclosure for balances as at 1 January 2019 has been disclosed in Note 5.

	Consolidated financial statements				
	FVPL Thousand Baht	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
<b>Financial assets as at 31 December 2019</b>					
Cash and cash equivalents	-	-	-	4,689,470	4,689,470
Trade and other receivables, net	-	-	-	13,989,908	13,989,908
Short-term loans to	-	-	-	132,766	132,766
Other current assets	-	-	-	157,124	157,124
Derivative assets	-	4,310,476	-	-	4,310,476
Restricted deposits with financial institutions	-	-	-	4,368	4,368
Long-term investments	11,461,968	-	43,070	-	11,505,038
Long-term loans to, net	-	-	-	241,138	241,138
Other non-current assets	-	-	-	249,348	249,348
	11,461,968	4,310,476	43,070	19,464,122	35,279,636

The Group classified debt investments that do not qualify for measurement at either amortised cost or FVOCI at fair value through profit or loss (FVPL).

Financial assets mandatorily measured at FVPL include the following:

**As at 31 December 2019**

**Long-term investments**

Unlisted convertible redeemable preference units  
Mutual funds

Total long-term investments

Consolidated financial statements Thousand Baht
11,461,704
264
11,461,968

**Financial liabilities  
as at 31 December 2019**

Bank overdrafts and short-term loans from  
financial institutions  
Trade and other payables  
Short-term loans from  
Other current liabilities  
Long-term loans from financial institutions, net  
Debentures, net  
Lease liabilities  
Derivative liabilities  
Other non-current liabilities

Consolidated financial statements		
Fair value - Derivatives Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
-	11,181,760	11,181,760
-	19,127,817	19,127,817
-	95,526	95,526
-	357,401	357,401
-	14,435,156	14,435,156
-	32,842,876	32,842,876
-	1,349,443	1,349,443
1,062,237	-	1,062,237
-	2,346,484	2,346,484
1,062,237	81,736,463	82,798,700



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	Separate financial statements			
	Fair value - Derivatives Thousand Baht	FVOCI Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht
<b>Financial assets as at 31 December 2019</b>				
Cash and cash equivalents	-	-	3,659,253	3,659,253
Trade and other receivables, net	-	-	4,152,226	4,152,226
Short-term loans to related parties	-	-	9,241,776	9,241,776
Other current assets	-	-	4,762	4,762
Derivative assets	4,197,818	-	-	4,197,818
Long-term investments	-	9,000	-	9,000
Long-term loans to, net	-	-	36,269,769	36,269,769
Other non-current assets	-	-	23,399	23,399
	4,197,818	9,000	53,351,185	57,558,003
	Separate financial statements			
	Fair value - Derivatives Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht	
<b>Financial liabilities as at 31 December 2019</b>				
Bank overdrafts and short-term loans from financial institutions	-	1,744,080	1,744,080	
Trade and other payables	-	4,368,515	4,368,515	
Other current liabilities	-	28,100	28,100	
Long-term loans from financial institutions, net	-	13,981,467	13,981,467	
Debentures, net	-	32,842,876	32,842,876	
Lease liabilities	-	492,827	492,827	
Derivative liabilities	725,197	-	725,197	
Other non-current liabilities	-	79,403	79,403	
	725,197	53,537,268	54,262,465	

**9 Cash and cash equivalents**

Cash and cash equivalents presented in the statement of cash flows are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>As at 31 December</b>				
Cash on hands	3,947	4,225	873	1,292
Current and savings accounts	1,184,981	1,581,424	158,380	578,245
Fixed deposits due within three months	3,500,542	5	3,500,000	-
Total cash and cash equivalents	4,689,470	1,585,654	3,659,253	579,537
<u>Less</u> Bank overdrafts (Note 23)	(206,040)	(275,106)	(36,681)	-
Total cash and cash equivalents per statement of cash flows	4,483,430	1,310,548	3,622,572	579,537

The effective interest rate on fixed deposits due within three months was 0.01%-1.35% per annum (2018: 0.03%-2.00% per annum).

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**10 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>As at 31 December</b>				
Trade receivables	12,845,052	14,220,652	3,616,262	4,011,073
<u>Less</u> Loss allowance for trade receivables	(312,907)	(342,217)	(56,416)	(67,484)
Trade receivables, net	12,532,145	13,878,435	3,559,846	3,943,589
Accrued interest income - related parties (Note 41)	14,684	450,759	414,343	581,815
Accrued interest income - third parties	4,435	12,042	4,376	12,042
Other receivables - related parties	7,028	5,219	149,059	138,653
Other receivables - third parties	1,365,346	908,973	640	12,849
Prepaid expenses	522,815	553,832	45,056	58,548
Tax coupons	30,636	32,584	8,169	8,977
Accrued income	66,270	39,908	23,962	25,313
Advance payments	325,567	136,462	193,336	58,977
Total trade and other receivables, net	14,868,926	16,018,214	4,398,787	4,840,763
Trade receivables can analyse aging as follows:				
	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>As at 31 December</b>				
Trade receivables - third parties				
Not yet due	9,495,217	9,938,724	1,157,477	1,169,201
Up to 3 months	2,461,982	3,027,112	187,877	257,143
3 - 6 months	142,517	224,095	685	3,434
6 - 12 months	55,925	90,909	570	5,429
Over 12 months	218,879	272,221	34,178	64,769
	12,374,520	13,553,061	1,380,787	1,499,976
<u>Less</u> Loss allowance for trade receivables	(260,894)	(341,164)	(36,936)	(67,484)
	12,113,626	13,211,897	1,343,851	1,432,492
Trade receivables - related parties (Note 41)				
Not yet due	250,084	533,376	1,525,507	2,023,944
Up to 3 months	124,651	134,215	638,397	455,876
3 - 6 months	20,150	-	26,304	-
6 - 12 months	43,983	-	30,300	31,277
Over 12 months	31,664	-	14,967	-
	470,532	667,591	2,235,475	2,511,097
<u>Less</u> Loss allowance for trade receivables	(52,013)	(1,053)	(19,480)	-
	418,519	666,538	2,215,995	2,511,097
Trade receivables, net	12,532,145	13,878,435	3,559,846	3,943,589

The average credit term of trade receivables third parties and related parties were 46 days and 51 days, respectively.

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The loss allowance was determined as follows for trade receivables:

As at 31 December 2019	Consolidated financial statements			Separate financial statements		
	Average expected loss rate	Trade receivables (Gross) Thousand Baht	Loss allowance Thousand Baht	Average expected loss rate	Trade receivables (Gross) Thousand Baht	Loss allowance Thousand Baht
Not yet due	0.04%	9,745,301	(4,089)	0.07%	2,682,984	(2,010)
Up to 3 months	1.44%	2,586,633	(37,331)	0.08%	826,274	(624)
3 - 6 months	8.14%	162,667	(13,240)	11.84%	26,988	(3,196)
6 - 12 months	32.86%	99,908	(32,827)	10.70%	30,870	(3,302)
Over 12 months	89.97%	250,543	(225,420)	96.21%	49,146	(47,284)
Total		12,845,052	(312,907)		3,616,262	(56,416)

The loss allowance for trade receivables can be reconciled as follows:

For the year ended 31 December	Consolidated financial statements	Separate financial statements
	2019 Thousand Baht	2019 Thousand Baht
Opening loss allowance at 1 January	(342,217)	(67,484)
Impact from first-time adoption of TFRS 9 (Note 5.1)	(4,229)	(7,152)
Increase from business combinations	(3,860)	-
Increase in loss allowance recognised in profit or loss	(37,823)	(11,734)
Receivables written off during the year as uncollectible	60,591	29,954
Reclassification	(2,382)	-
Translation adjustment	17,013	-
Closing loss allowance at 31 December	(312,907)	(56,416)

**11 Inventories, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Finished goods, net	21,161,851	21,327,151	2,327,587	1,959,754
Work in process, net	382,278	349,284	-	5,014
Raw materials, net	9,388,564	9,415,072	1,962,016	1,657,757
Ingredients and packaging, net	1,440,867	1,949,417	76,825	97,222
Goods in transits	4,172,416	4,901,460	643,514	768,642
Spare parts and supplies, net	327,438	428,866	14,815	9,919
Total inventories, net	36,873,414	38,371,250	5,024,757	4,498,308

As at 31 December 2019, the Group and the Company have provided allowance for net realisable value in the consolidated and separate financial statements with the amount of Baht 1,216.88 million and Baht 74.09 million, respectively (2018: Baht 1,501.27 million and Baht 80.25 million, respectively).

As at 31 December 2019, the Group has pledged certain inventories of Baht 549.82 million with financial institutions to secure its credit facilities (2018: Baht 812.67 million) (Note 23).

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12 Other current assets				
As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Prepaid income tax	400,796	898,106	66,610	66,329
Unamortised discount on derivative contracts	-	208,997	-	108,126
Value added tax refundable	419,061	531,769	13,416	16,677
Others	157,124	129,640	4,762	4,103
Total other current assets	976,981	1,768,512	84,788	195,235

**13 Assets and liabilities classified as held-for-sale and discontinued operations**

The Group's assets and liabilities of disposal groups classified as held-for-sale and discontinued operations comprised of two groups which are fishing fleet business in Ghana and chilled salmon business in Scotland as reported in the consolidated financial statements for the year ended 31 December 2019 and 2018. Financial information relating to two groups is set out below.

As at 31 December	Consolidated financial statements	
	2019 Thousand Baht	2018 Thousand Baht
<b>Assets of disposal groups classified as held-for-sale from discontinued operations</b>		
Fishing fleet business	4,787	8,471
Chilled salmon business	50,194	481,455
Total	54,981	489,926
<b>Liabilities of disposal groups classified as held-for-sale from discontinued operations</b>		
Fishing fleet business	18,408	23,063
Chilled salmon business	7,848	152,388
Total	26,256	175,451

Results of discontinued operations are as follow:

For the years ended 31 December	Consolidated financial statements	
	2019 Thousand Baht	2018 Thousand Baht
Fishing fleet business	2,809	(23,075)
Chilled salmon business	(105,257)	(690,015)
Total	(102,448)	(713,090)

The cash flow information of the discontinued operation is as follows:

For the years ended 31 December	Consolidated financial statements	
	2019 Thousand Baht	2018 Thousand Baht
Cash flows from operating activities	27,497	(364,780)
Cash flows from investing activities	19,208	(4,416)
Cash flows from financing activities	(60,009)	367,071
<b>Net cash flows</b>	<b>(13,304)</b>	<b>(2,125)</b>

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**14 Investments in subsidiaries and investments accounted for using the equity method**

The amounts of investments recognised in the statement of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Investments in subsidiaries	-	-	31,165,524	30,546,928
Investments accounted for using the equity method				
Associates	10,082,375	10,766,530	788,757	835,523
Joint ventures	197,808	325,030	959	31,600
Total investments	10,280,183	11,091,560	31,955,240	31,414,051

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

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Associates	581,676	459,570	-	-
Joint ventures	9,612	(196,400)	-	-
Total share of profit from investments in associates and joint ventures	591,288	263,170	-	-

**14.1 Investments in subsidiaries**

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

For the years ended 31 December	Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht
Opening net book value	30,546,928	29,337,930
Additions, net	532,787	1,208,998
Transfer from a joint venture and an associate	85,809	-
Closing net book value	31,165,524	30,546,928

In March 2019, the Company purchased the additional shares of TMAC Company Limited from another investor. The additional investment increased shareholding of the Company from 51.00% to 100.00% for a purchase price totalling Baht 109.82 million, the net cash payment is Baht 96.04 million after deduct cash and cash equivalents.

In June 2019, the Company established a wholly owned subsidiary, Thai Union Ingredients Co., Ltd. The total number of shares is 30,000,000 shares with a par value of Baht 10 per share. The subsidiary called for paid-up capital of Baht 300 million during the year.

In November 2019, the Company purchased the additional shares of Thammachart Seafood Retail Co., Ltd. from another investor. The additional investment increased shareholder of the Company from 25.10% to 65.00% for a purchase price totalling Baht 120.75 million. The net cash payment is Baht 68 million after deduct cash and cash equivalents.

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Details of investments in subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Registered share capital		Proportion of shares directly held by the Company		Proportion of shares held by non-controlling interests		Cost method		Dividend received during the year	
			31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
			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	1,943,359	1,076,322
Songkia Canning Plc.	Manufacturer and exporter of canned seafood	Thailand	Baht 360	Baht 360	99.55	99.55	0.45	0.45	2,006,864	2,006,864	824,301	2,867,134
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	45,900	79,560
EHS Training and Services Co., Ltd.	Providing training and management services	Thailand	Baht 70	Baht 70	100.00	100.00	-	-	699	699	-	-
Thai Union Feedmill Plc. (TFM)	Manufacturer and distributor of animal feeds	Thailand	Baht 820	Baht 820	66.90	66.90	33.10	33.10	960,951	960,951	672,035	617,355
Thai Union Graphic Co., Ltd. (TUNA)	Printing manufacturer	Thailand	Baht 40	Baht 40	98.00	98.00	2.00	2.00	96,019	96,019	-	-
Thai Union North America, Inc.	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	-	-
Pakfood Plc.	Manufacturer and distributor of frozen foods & aquatic animal products	Thailand	Baht 330	Baht 330	99.74	99.74	0.26	0.26	2,111,932	2,111,932	131,650	197,474
Seafood International One FZCO	Distributor of food products	United Arab Emirates	-	AED 0.1	-	60.00	-	40.00	-	-	575	-
Thai Union China Co., Ltd.	Distributor of food products	China	USD 8	USD 8	100.00	100.00	-	-	274,146	274,146	-	-
Thai Union Online Shop Co., Ltd.	E-Commerce	Thailand	Baht 1	Baht 1	100.00	100.00	-	-	1,000	1,000	-	-
Thai Union EU Seafood 1 S.A. (TUES1)	Holding company	Luxembourg	EUR 212	EUR 212	100.00	100.00	-	-	10,495,231	10,495,231	-	-
Thai Union Asia Investment Holding Limited (TUAIH)	Holding company	Hong Kong	USD 0.02	USD 0.02	100.00	100.00	-	-	626	626	-	-
TMAC Company Limited (TMAC)	Distributor of shrimp feed and investment in breeding farms and shrimp farming	Thailand	Baht 1,130	-	100.00	-	-	-	142,075	-	-	-
Thai Union Ingredients Co., Ltd	Distributor of ingredients product	Thailand	Baht 300	-	100.00	-	-	-	300,000	-	-	-
Thammachart Seafood Retail Co., Ltd. (TSR)	Importer of seafood and seafood restaurant outlets	Thailand	Baht 6	-	65.00	-	35.00	-	177,096	-	-	-
Total									31,165,524	30,546,928	3,617,245	4,837,845



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Companies under subsidiaries included in the preparation of the consolidated financial statements are:

Company's name	Nature of business	Country of incorporation	Percentage of interest	
			31 December 2019 %	31 December 2018 %
<u>Held by subsidiaries</u>				
Okeanos Food Co., Ltd. (100% held by Pakfood Plc.)	Manufacturer & distributor of frozen foods & aquatic animal	Thailand	99.74	99.74
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	99.55
Thai Union Investments North America LLC (TUINA) (100% held by TUNA)	Holding company	USA	100.00	100.00
Tri-Union Seafoods, LLC (Tri-U) (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-U)	Manufacturer & distributor of premium pet food	USA	100.00	100.00
Tri-Union Frozen Products North America, LLC (TUFPPNA) (100% held by TUFPP)	Holding company	USA	100.00	100.00
Tri-Union Frozen Products Canada, ULC (100% held by TUFPPNA)	Technical service provider	Canada	100.00	100.00
Thai Union Europe (TUE) (100% held by TUES1)	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
European Seafood Investment Portugal (ESIP) (100% held by TUE)	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)	Importer and distributor of canned seafood	Italy	100.00	100.00
UK Seafood Investments Limited (UKSI) (100% held by TUE)	Holding company	United Kingdom	100.00	100.00

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Company's name	Nature of business	Country of incorporation	Percentage of interest	
			31 December 2019 %	31 December 2018 %
<u>Held by subsidiaries</u> (continued)				
Indian Ocean Tuna Limited (IOT) (60% held by TUE)	Manufacturer and exporter of canned tuna	Seychelles	60.00	60.00
John West Foods Limited (JWUK) (100% held by UKSI)	Importer and distributor of canned seafood	United Kingdom	100.00	100.00
Irish Seafood Investments Limited (ISIL) (100% held by TUE)	Importer and distributor of canned seafood	Ireland	100.00	100.00
John West Holland BV (100% held by ISIL)	Importer and distributor of canned seafood	Netherlands	100.00	100.00
TTV Limited (70% held by EPP)	Dormant company (Discontinued operation) (Note 13)	Ghana	70.00	70.00
Europeenne De La Mer SAS (EDM) (100% held by TUE)	Holding company and distributor of salmon	France	100.00	100.00
Meralliance 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 Poland Sp. z.o.o (100% held by EDM)	Manufacturer of chilled salmon	Poland	100.00	100.00
Naco Trading AS (100% held by EDM)	Distributor of salmon	Norway	100.00	100.00
The Edinburgh Salmon Company Ltd. (ESCO) (100% held by EDM)	Dormant company (Discontinued operation) (Note 13)	Scotland	100.00	100.00
King Oscar AS (KON) (100% held by TUES1)	Manufacturer and distributor of canned seafood	Norway	100.00	100.00
King Oscar Inc. (100% held by KON)	Importer and distributor of canned seafood	USA	100.00	100.00
Norway Foods Europe NV (100% held by EPP) (2018: 100% held by KON)	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
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

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Company's name	Nature of business	Country of incorporation	Percentage of interest	
			31 December 2019 %	31 December 2018 %
<u>Held by subsidiaries</u> (continued)				
Rugen Fisch AG (RUF1) (51% held by TUGe)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Sassnitz Fisch GmbH (2018: 100% held by RUF1)	Manufacturer and distributor of seafood (Merged with RUF1 in July 2019)	Germany	-	51.00
Hawesta-Feinkost Hans Westphal GmbH & Co. KG (HAW) (100% held by RUF1)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Seafood Beteiligungs - und Verwaltungs GmbH (100% held by HAW)	Dormant company	Germany	51.00	51.00
Artur Heymann GmbH & Co.KG (HEY) (100% held by HAW)	Distributor of seafood	Germany	51.00	51.00
Wefina Feinkost Gunther Wehowsky GmbH (100% held by HEY)	Distributor of seafood	Germany	51.00	51.00
Meekrone Fisch-Feinkost GmbH (100% held by RUF1)	Property rental	Germany	51.00	51.00
Ostsee Fisch Verwaltungs GmbH (100% held by RUF1)	Dormant company	Germany	51.00	51.00
Ostee Fisch GmbH & Co. Produktions - und Vertriebs KG (100% held by RUF1)	Manufacturer and distributor of seafood	Germany	51.00	51.00
Ostee Fisch Kretinga UAB (gAG) (100% held by RUF1)	Manufacturer and distributor of seafood	Lithuania	51.00	51.00
Thai Union Canada Inc. (TUCa) (100% held by TUES1)	Manufacturer and distributor of seafood	Canada	100.00	100.00
C.H. Rich, Inc. (100% held by TUCa)	Reseller of seafood	USA	100.00	100.00
Thai Union Trading Europe B.V. (100% held by TUES1)	Distributor of seafood	Netherlands	100.00	100.00
PT Thai Union Kharisma Lestari (65% held by TFM)	Manufacturer and distributor of animal feeds	Indonesia	43.49	43.49
Thai Union Hatchery Co., Ltd. (100% held by TMAC)	Shrimp breeding and hatchery and breeding improvement	Thailand	100.00	-
TCM Fishery Co., Ltd. (75% held by TMAC)	Shrimp farming	Thailand	75.00	-
TMK Farm Co., Ltd. (94.44% held by TMAC)	Shrimp farming	Thailand	94.44	-
Thammachart Seafood China Limited (TSC) (90% held by TSR and 10% held by TUAH)	Holding company	Hong Kong	68.50	-
Thammachart Shanghai (100% held by TSC)	Seafood restaurant outlets	China	68.50	-

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In April 2019, PT Thai Union Kharisma Lestari (TUKL) called for paid-up capital amounting to Rupiah 60,406 million or equivalent to Baht 140.93 million.

In July 2019, Sassnitz Fisch GmbH was merged with Rugen Fisch AG. 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 December 2019, Thammachart Retail Seafood Co., Ltd. established a subsidiary in Hong Kong and a wholly owned subsidiary in China. Both companies have not yet started operation. These financial statements have not yet consolidated the financial information for both subsidiaries.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Group 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 2019 is as follows:

	Thai Union Seafood Co., Ltd. Thousand Baht	Thai Union Feedmill Plc. Thousand Baht	Rugen Fisch Group Thousand Baht	Total Thousand Baht
Total non-controlling interests	414,526	279,315	1,942,443	2,636,284
Profit attributable to non-controlling interests for the year	18,485	203,021	37,071	258,577
Dividend paid to non-controlling interest during the year	44,100	332,465	36,020	412,585

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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**

	Thai Union Seafood Co., Ltd.		Thai Union Feedmill Plc.		Rugen Fisch Group		Total	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>As at 31 December</b>								
<b>Current</b>								
Assets	1,360,982	1,638,438	1,001,648	949,300	1,470,235	1,859,518	3,832,865	4,447,256
Liabilities	(983,928)	(1,251,975)	(953,715)	(894,512)	(1,126,977)	(1,478,735)	(3,064,619)	(3,625,222)
<b>Total current net assets</b>	377,054	386,463	47,933	54,788	343,258	380,783	768,245	822,034
<b>Non-current</b>								
Assets	578,794	617,249	1,157,960	1,282,526	909,727	949,499	2,646,481	2,849,274
Liabilities	(105,160)	(83,806)	(132,368)	(115,664)	(56,043)	(40,357)	(293,571)	(239,827)
<b>Total non-current net assets</b>	473,634	533,443	1,025,592	1,166,862	853,684	909,142	2,352,910	2,609,447
<b>Net assets</b>	850,688	919,906	1,073,525	1,221,650	1,196,942	1,289,925	3,121,155	3,431,481

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**Summarised statements of comprehensive income and cash flows**

	Thai Union Seafood Co., Ltd.		Thai Union Feedmill Plc.		Rugen Fisch Group		Total	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>For the years ended</b>								
<b>31 December</b>								
Revenue	4,543,508	4,571,140	4,849,249	4,410,383	4,699,768	4,684,976	14,092,524	13,666,499
Profit before income tax	29,081	338,361	911,945	323,636	93,846	191,898	1,034,872	853,895
Income tax	(259)	(499)	(69,262)	88,481	(16,872)	(18,635)	(86,393)	69,347
Post-tax profit from continuing operation	28,822	337,862	842,683	412,117	76,974	173,263	948,479	923,242
Other comprehensive income	515	-	11,106	-	(116,483)	(61,222)	(104,862)	(61,222)
<b>Total comprehensive income</b>	29,337	337,862	853,789	412,117	(39,509)	112,041	843,617	862,020
Profit attributable to non-controlling interests	18,485	170,940	203,021	34,123	37,071	84,365	258,577	289,428
Dividends paid to non-controlling interests	44,100	76,440	332,465	593,145	36,020	47,617	412,585	717,202
Net cash generated from (used in) operating activities	800,353	471,302	804,519	576,777	289,906	(115,739)	1,894,778	932,340
Net cash used in investing activities	(33,305)	(31,745)	187,804	(10,194)	(90,112)	(127,083)	64,387	(169,022)
Net cash generated from (used in) financing activities	(769,532)	(439,607)	(990,911)	(562,608)	(191,660)	228,411	(1,952,103)	(773,804)
Net increase (decrease) in cash and cash equivalents	(2,484)	(50)	1,412	3,975	8,134	(14,411)	7,062	(10,486)



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Business acquisition - TMAC

On 20 March 2019, the Company acquired 49% equity stake in TMAC Co., Ltd. (TMAC) from another investor in joint venture. The final purchase price was Baht 109.82 million. This resulted in increase in investment in TMAC from 51% to 100%. The Company, therefore, has reclassified this investment from investment in a joint venture to investment in a subsidiary.

Due to step acquisition, the Company has fair valued of the equity interest held immediately before the acquisition (51%). The difference from the fair valuation was recognised in the statement of income. The Company measured the fair value of the identifiable assets acquired and completed purchase price allocation. The result from the fair valuation, the consideration paid, and the amounts of the net assets acquired are summarised as below.

	Thousand Baht
Consideration paid at the acquisition date - Cash	109,825
Fair value of previously held interest that classified as the joint venture	176,648
	286,473
<b>Recognised amounts of identifiable assets acquired, and liabilities assumed</b>	
Cash and cash equivalents	13,783
Other current assets, exclude cash and cash equivalents	30,546
Property, plant and equipment, net	397,224
Other non-current assets	5,113
Short-term loans from related parties	(365,000)
Other current liabilities	(46,660)
Non-current liabilities	(10,371)
Total identifiable net assets	24,635
Goodwill	261,838
Net assets acquired from business acquisition	286,473

Goodwill from the above business acquisition was a result from fair valuation of the investment in TMAC, which its purchase price allocation has been completed in 2019. The Company expects that the goodwill will benefit the Group's revenue growth, especially frozen and chilled seafood. The goodwill will not be deductible for tax purposes.

Business acquisition - TSR

On 26 November 2019, the Company acquired 39.9% equity stake in Thammachart Seafood Retail Co., Ltd. (TSR) from third party shareholders. The final purchase price was Baht 120.75 million. This resulted in increase in investment in TSR from 25.1% to 65%. The Company, therefore, has reclassified this investment from investment in an associate to investment in a subsidiary.

Due to step acquisition, the Company has fair valued of the equity interest in TSR held immediately before the acquisition. The difference between the fair valuation and the carrying amount would be recognised in the statement of income. As at 31 December 2019, the Company is under the process of determining fair value of the acquired net assets and reviewing purchase price allocation (PPA) from additional investment above. Therefore, the fair value of net assets acquired may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the date of additional acquisition.

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	Thousand Baht
Carrying amount of an investment in TSR under equity method at the acquisition date	49,406
Gain from the fair valuation of the equity interest in TSR at the acquisition date	15,752
Fair value of previously held interest that classified as the associate	65,158
Consideration paid at the acquisition date - Cash	120,751
	185,909
<b>Provisional recognised amounts of identifiable assets acquired, and liabilities assumed</b>	
Cash and cash equivalents	52,748
Other current assets, exclude cash and cash equivalents	108,835
Property, plant and equipment, net	25,240
Other non-current assets	8,960
Other current liabilities	(120,240)
Non-current liabilities	(6,649)
Total identifiable net assets	68,894
Equity of the Company (65%)	44,781
Goodwill	141,128
Net assets acquired from business acquisition	185,909

Had all subsidiaries acquired in this year been consolidated from 1 January 2019, the consolidated statement of income would have shown revenue of Baht 988 million and net loss for the year of Baht 133 million.

**14.2 Investments in associates**

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

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>For the years ended 31 December</b>				
Opening net book value	10,766,530	10,336,972	835,523	835,293
Additions	75,104	686,614	-	45,372
Disposals, net	(52,884)	(2,193)	(1,010)	(45,142)
Share of profit	581,676	459,570	-	-
Share other comprehensive expenses	(46,846)	(208,677)	-	-
Reclassification	6,584	20,351	-	-
Gain on fair value adjustment from step acquisition	15,752	-	-	-
Transfer to investments in joint ventures and subsidiaries	(65,158)	-	(45,756)	-
Dividends received	(214,417)	(188,705)	-	-
Dividends distribution tax	(11,865)	(19,513)	-	-
Impairment of investment in an associate	(172,910)	-	-	-
Translation adjustment	(799,191)	(317,889)	-	-
Closing net book value	10,082,375	10,766,530	788,757	835,523

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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 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
			%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Investments in associates, directly held by the Company</b>								
Lucky Union Foods Co., Ltd.	Manufacturer & exporter of crab sticks	Thailand	25.00	25.00	37,500	37,500	408,315	452,997
Biz Dimension Co., Ltd. <sup>(1)</sup>	E-Commerce under website	Thailand	-	20.00	-	-	1,010	28,584
Avanti Feeds Limited (Listed company in India) <sup>(2)</sup>	Manufacturer & exporter of animal feeds and shrimp products	India	15.43	15.43	71,922	71,922	916,553	764,953
Seafood International Two FZCO (SIC) <sup>(3)</sup>	Distributor of food products	United Arab Emirates	-	40.00	-	-	384	-
Avanti Frozen Foods Private Limited <sup>(4)</sup>	Manufacturer and exporter of shrimp products	India	54.53	54.79	679,335	679,335	1,015,014	887,610
(60% held by Avanti Feeds Limited)	Importer of seafood and seafood restaurant outlets	Thailand	-	25.10	-	-	45,372	49,948
Thammachart Seafood Retail Co., Ltd. (TSR) <sup>(5)</sup>								
					788,757	835,523	2,339,882	2,184,092
<b>Investments in associates, directly held by subsidiaries</b>								
TN Fine Chemicals Co., Ltd. (49% held by TUM)	Manufacturer & exporter of by-products from seafood	Thailand	48.83	48.83	44,070	44,070	65,907	68,090
LDH (La Doria) Limited (20% held by JWUK)	Distributor of food products	United Kingdom	20.00	20.00	95,940	95,940	553,019	515,396
Red Lobster Master Holdings, L.P. and GGCOF RL Blocker, LLC (25% held by TUINA)	Holding Company	USA	25.00	25.00	8,135,123	8,135,123	6,235,311	6,916,098
Avanti Feeds Limited (Listed company in India) <sup>(2)</sup>	Manufacturer & exporter of animal feeds and shrimp products	India	8.78	9.22	40,884	42,949	493,990	456,805
(8.78% held by TUAH)	Holding company	Luxembourg	45.00	45.00	528,867	524,968	394,266	508,949
TUMD Luxembourg S.a.r.l. (45% held by TUES1)	Manufacturer of marine ingredients	France	-	-	-	116,274	-	116,100
Nutrifish (held by TUES1) <sup>(6)</sup>					8,844,884	8,959,324	7,742,493	8,582,438
					9,633,641	9,794,847	10,082,375	10,766,530

<sup>(1)</sup> The Company sold the investment in Biz Dimension Co., Ltd. to a related party. As a result, such company was classified as a related party.

<sup>(2)</sup> The Group's total investment in Avanti Feeds Limited is 24.21% (2018: 24.65%).

<sup>(3)</sup> The Company increased shareholding in SIC2 from 40% to 50% and has reclassified this investment to investment in joint venture.

<sup>(4)</sup> The Company has classified this investment as investment in an associate because the Company's voting rights in this associate are not more than 50% of the total voting rights.

<sup>(5)</sup> The Company increased shareholding in TSR from 25.10% to 65% and has reclassified this investment to investment in subsidiaries.

<sup>(6)</sup> The Group has classified this investment as investment in an associate because the Group has significant influence from voting rights in this associate. The investment is fully impaired as at 31 December 2019.

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Set out below are the associates of the Group as at 31 December 2019, which, in the opinion of the Group's directors, are material to the Group.

**Nature of investments in associates in 2019 and 2018:**

Company's name	Country of incorporation	% of ownership interest		Nature of relationship	Measurement method
		2019	2018		
Avanti Feeds Limited	India	24.21	24.65	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 2019, the fair value of the Group's interest in Avanti Feeds Limited, which was listed on the National Stock Exchange of India, was Baht 7,606 million (2018: Baht 5,621.93 million) and the carrying amount of the Group's interest was Baht 1,410.45 million (2018: Baht 1,221.76 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.

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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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Assets</b>						
Current assets	6,568,004	6,187,520	13,694,499	14,277,912	20,262,503	20,465,432
Non-current assets	1,813,707	1,444,228	65,578,346	13,336,868	67,392,053	14,781,096
Total assets	8,381,711	7,631,748	79,272,845	27,614,780	87,654,556	35,246,528
<b>Liabilities</b>						
Current liabilities	(1,498,647)	(1,618,704)	(10,222,514)	(10,152,771)	(11,721,161)	(11,771,475)
Non-current liabilities	(110,069)	(182,554)	(70,240,818)	(17,918,909)	(70,350,887)	(18,101,463)
Total liabilities	(1,608,716)	(1,801,258)	(80,463,332)	(28,071,680)	(82,072,048)	(29,872,938)
<b>Net assets</b>						
Less Non-controlling interest of associates	6,772,995	5,830,490	(1,190,487)	(456,900)	5,582,508	5,373,590
Elimination entries	(756,952)	(665,107)	-	-	(756,952)	(665,107)
	(189,762)	(208,963)	-	-	(189,762)	(208,963)
<b>Net assets</b>	5,826,281	4,956,420	(1,190,487)	(456,900)	4,635,794	4,499,520

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Summarised statements of comprehensive income for the years ended 31 December	Avanti Feeds Limited		Red Lobster Group		Total	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Revenue	17,434,111	16,048,084	71,740,806	77,046,877	89,174,917	93,094,961
Profit (loss) before income tax	1,995,980	1,884,181	(536,273)	(467,441)	1,459,707	1,416,740
Income tax	(432,209)	(636,933)	(32,827)	(43,063)	(465,036)	(679,996)
Post-tax profit (loss) from continuing operations	1,563,771	1,247,248	(569,100)	(510,504)	994,671	736,744
Other comprehensive income (expenses)	-	-	(186,955)	(834,706)	(186,955)	(834,706)
Total comprehensive income (expenses)	1,563,771	1,247,248	(756,055)	(1,345,210)	807,716	(97,962)
Dividends received from associates	70,169	95,889	-	-	70,169	95,889

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.



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Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

	Avanti Feeds Limited		Red Lobster Group		Total
	2019	2018	2019	2018	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
For the years ended 31 December					
Opening net assets as at 1 January	4,956,420	4,739,323	(456,900)	865,317	5,604,640
Disposal during the year	(23,491)	(2,193)	-	-	(2,193)
Profit (loss) for the year	1,563,771	1,247,248	(569,100)	(510,504)	736,744
Other comprehensive expenses for the year	-	-	(186,955)	(834,706)	(834,706)
Dividends	(289,837)	(468,165)	-	-	(468,165)
Exchange differences on transaction	(380,582)	(559,793)	22,468	22,993	(536,800)
Closing net assets as at 31 December	5,826,281	4,956,420	(1,190,487)	(456,900)	4,499,520
Shareholding percentage	24.21%	24.65%	25.00%	25.00%	
Interest in associates	1,410,543	1,221,758	(297,622)	(114,225)	1,107,533
Goodwill	-	-	6,532,933	7,030,323	7,030,323
Carrying value	1,410,543	1,221,758	6,235,311	6,916,098	8,137,856

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Individually immaterial associates

In addition to the interest in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted using the equity method.

As at 31 December

Aggregate carrying amount of individually immaterial associates

For the years ended 31 December

Aggregate amounts of the Group's share of:

Profit for the year from continuing operations

Total comprehensive income for the year

	2019 Thousand Baht	2018 Thousand Baht
Aggregate carrying amount of individually immaterial associates	2,436,521	2,628,674
For the years ended 31 December		
Aggregate amounts of the Group's share of:		
Profit for the year from continuing operations	313,820	295,993
Total comprehensive income for the year	313,820	295,993

14.3 Investments in joint ventures

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

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening net book value	325,030	530,803	31,600	-
Additions	20,372	-	-	31,600
Share of profit (loss)	9,612	(196,400)	-	-
Transfer to a subsidiary	(176,648)	-	(31,600)	-
Transfers from a subsidiary and an associate	(13,781)	-	959	-
Reclassification	21,163	-	-	-
Translation adjustment	12,060	(9,373)	-	-
Closing net book value	197,808	325,030	959	31,600

In March 2019, the Company purchased the additional shares of TMAC Company Limited from another investor. The additional investment increased shareholding of the Company from 51.00% to 100.00% (Note 14.1). The carrying amount at the step acquisition date approximated the fair value. The Company reclassified the net book value from investment in joint ventures to investment in subsidiaries.

In April 2019, the Company restructured the holding interests in Seafood International One FZCO (SIC1), which was previously classified as a subsidiary, and Seafood International Two FZCO (SIC2), which was previously classified as an associate. The Company transferred 50% holding interests in SIC1 to SIC2 and increased shareholding in SIC2 from 40% to 50%. The Company has reclassified an investment in SIC2 to investment in a joint venture.

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Details of investments in joint ventures are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
			%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b><u>Investment in a joint venture, directly held by the company</u></b>								
TMAC Co., Ltd. (2018: Joint venture of TU and other company in the portion of 51:49)	Distributor of shrimp feeds and investment in breeding farms and shrimp farming	Thailand	-	51.00	-	31,600	-	202,035
Seafood International Two FZCO (Joint venture of TU and other company in the portion of 50:50)	Distributor of food products	United Arab Emirates	50.00	-	959	-	-	-
<b><u>Investments in joint ventures, directly held by subsidiaries</u></b>								
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	170,655	123,475	64,689
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	59,150	53,498	58,306
Aegir Seafood Company <sup>(1)</sup>	Manufacturer of cod liver	Iceland	-	-	20,372	-	20,835	-
Total					251,136	261,405	197,808	325,030

<sup>(1)</sup> The Group has classified this investment as investment in joint venture because the Group has 50% of total voting rights.

As at 31 December 2019, the Group's directors considered that there is no joint venture that is material to the Group.

There are no commitments and contingent liabilities relating to the Group's interest in the joint ventures.

**Individually immaterial joint ventures**

The Group has interests in a number of individual immaterial joint ventures that are accounted for using the equity method.

	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
<b>As at 31 December</b>		
Aggregate carrying amount of individually immaterial joint ventures	197,808	325,030
<b>For the years ended 31 December</b>		
Aggregate amounts of the Group's share of:		
Profit (loss) for the year from continuing operations	9,612	(196,400)
Total comprehensive income (expenses) for the year	9,612	(196,400)

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**15 Investment property**

The Group has investment property, which is land.

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening net book amount	-	-	-	-
Additions	-	-	442,288	-
Reclassification	63,636	-	-	-
Closing net book amount	63,636	-	442,288	-
Fair value	184,475	-	441,320	-

The fair value of investment property is based on market approach of by considering the sales of similar substitute properties and related market data. The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment property are rental income from a related party of Baht 3 million a year, which is eliminated from the consolidated financial statements.

The Group has no direct operating expenses arising from investment property.

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16 Property, plant, and equipment, net

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>As at 1 January 2018</b>						
Cost	2,559,272	15,065,730	25,758,617	1,320,642	948,458	50,495,812
Less Accumulated depreciation	(44,026)	(6,471,769)	(17,193,333)	(921,264)	(586,714)	(25,217,106)
Less Allowance for impairment	(259)	-	(16,968)	-	-	(17,227)
Net book amount	2,514,987	8,593,961	8,548,316	399,378	361,744	25,261,479
<b>For the year ended 31 December 2018</b>						
Opening net book amount	2,514,987	8,593,961	8,548,316	399,378	361,744	25,261,479
Additions	168,337	89,566	448,197	92,912	6,726	4,435,229
Disposals, net book value	-	(3,133)	(53,978)	(2,542)	(6,067)	(68,689)
Write-off, net book value	-	(1,479)	(5,265)	(75)	(172)	(6,991)
Reclassification	(9,461)	(44,376)	101,516	(1,703)	-	18,791
Transfer in (out)	9,260	1,659,955	3,209,390	124,407	91,545	-
Depreciation charge	(5,175)	(704,324)	(1,786,900)	(157,651)	(103,964)	(2,758,014)
Impairment loss	(4)	(45,082)	(37,616)	-	-	(82,702)
Translation adjustment	(14,472)	(120,832)	(108,634)	(4,064)	(3,415)	(322,804)
Closing net book amount	2,663,472	9,424,256	10,315,026	450,662	346,397	26,476,299
<b>As at 31 December 2018</b>						
Cost	2,712,721	16,368,269	27,922,199	1,450,748	950,069	52,680,492
Less Accumulated depreciation	(48,990)	(6,937,573)	(17,584,771)	(1,000,086)	(603,672)	(26,175,092)
Less Allowance for impairment	(259)	(6,440)	(22,402)	-	-	(29,101)
Net book amount	2,663,472	9,424,256	10,315,026	450,662	346,397	26,476,299

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	Consolidated financial statements					
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>As at 1 January 2019</b>						
Cost	2,712,721	16,368,269	27,922,199	1,450,748	950,069	52,680,492
Less Accumulated depreciation	(48,990)	(6,937,573)	(17,584,771)	(1,000,086)	(603,672)	(26,175,092)
Less Allowance for impairment	(259)	(6,440)	(22,402)	-	-	(29,101)
Net book amount	2,663,472	9,424,256	10,315,026	450,662	346,397	26,476,299
<b>For the year ended 31 December 2019</b>						
Opening net book amount	2,663,472	9,424,256	10,315,026	450,662	346,397	26,476,299
Adjustment from adoption of TFRS 16 on 1 January 2019 (Note 5)	(74,728)	(97,480)	-	(19,000)	(13,530)	(204,738)
Increase from business combinations (Note 14.1)	194,622	154,604	46,025	16,343	977	418,219
Additions	209,489	68,642	332,943	72,309	13,014	4,084,216
Disposals, net book value	-	(18,507)	(124,517)	(2,178)	(9,990)	(165,621)
Write-off, net book value	-	(3,861)	(3,577)	(2,159)	(283)	(11,059)
Reclassification	(63,234)	64,695	(67,157)	(22,646)	-	(393,253)
Transfer in (out)	9,574	1,064,457	2,189,404	92,826	57,819	-
Depreciation charge	(6,552)	(785,659)	(1,911,592)	(147,284)	(89,761)	(2,940,848)
Impairment loss	-	(130,135)	(541,361)	(1,061)	-	(672,557)
Translation adjustment	(24,480)	(263,344)	(284,577)	(13,502)	(3,015)	(680,783)
Closing net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	25,909,875
<b>As at 31 December 2019</b>						
Cost	3,052,708	17,229,770	28,686,557	1,311,173	901,411	54,029,108
Less Accumulated depreciation	(83,326)	(7,615,702)	(18,183,457)	(885,703)	(599,740)	(27,367,928)
Less Allowance for impairment	(61,219)	(136,400)	(552,483)	(1,160)	(43)	(751,305)
Net book amount	2,908,163	9,477,668	9,950,617	424,310	301,628	25,909,875



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	Separate financial statements					
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht
<b>As at 1 January 2018</b>						
Cost	880,351	2,817,778	3,388,873	235,977	165,265	878,910
Less Accumulated depreciation	-	(1,118,365)	(2,544,698)	(132,752)	(97,182)	-
Net book amount	880,351	1,699,413	844,175	103,225	68,083	878,910
<b>For the year ended 31 December 2018</b>						
Opening net book amount	880,351	1,699,413	844,175	103,225	68,083	878,910
Additions	-	1,972	32,999	24,963	2,102	500,950
Disposals, net book value	-	-	(4,544)	(50)	(1,681)	-
Write-off, net book value	-	(1,447)	(1,630)	(48)	(2)	-
Reclassification	-	-	-	-	-	12,165
Transfer in (out)	9,259	391,523	698,246	20,284	18,838	(1,138,150)
Depreciation charge	-	(135,898)	(225,848)	(37,761)	(25,249)	-
Closing net book amount	889,610	1,955,563	1,343,398	110,613	62,091	253,875
<b>As at 31 December 2018</b>						
Cost	889,610	3,195,429	3,792,505	269,119	166,863	878,910
Less Accumulated depreciation	-	(1,239,866)	(2,449,107)	(158,506)	(104,772)	-
Net book amount	889,610	1,955,563	1,343,398	110,613	62,091	253,875

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	Separate financial statements					
	Land and land improvement Thousand Baht	Buildings and building improvements Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures and office equipment Thousand Baht	Vehicles Thousand Baht	Assets under construction Thousand Baht
<b>As at 1 January 2019</b>						
Cost	889,610	3,195,429	3,792,505	269,119	166,863	878,910
Less Accumulated depreciation	-	(1,239,866)	(2,449,107)	(158,506)	(104,772)	-
Net book amount	889,610	1,955,563	1,343,398	110,613	62,091	253,875
<b>For the year ended 31 December 2019</b>						
Opening net book amount	889,610	1,955,563	1,343,398	110,613	62,091	253,875
Adjustment from adoption of TFRS 16 on 1 January 2019 (Note 5)	-	-	-	(11,459)	-	-
Additions	-	2,590	31,306	25,085	2,240	430,659
Disposals, net book value	-	-	(30,080)	(70)	(4,730)	-
Write-off, net book value	-	-	(141)	(31)	(2)	-
Reclassification	-	-	(100)	-	-	1,549
Transfer in (out)	-	129,250	177,461	10,633	4,347	(321,691)
Depreciation charge	-	(153,885)	(266,654)	(36,688)	(17,357)	-
Closing net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392
<b>As at 31 December 2019</b>						
Cost	889,610	3,327,269	3,793,249	246,829	155,423	878,910
Less Accumulated depreciation	-	(1,393,751)	(2,538,059)	(148,746)	(108,834)	-
Net book amount	889,610	1,933,518	1,255,190	98,083	46,589	364,392

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Consolidated depreciation expense of Baht 2,941 million (2018: Baht 2,758 million) has been charged in “cost of sales”, Baht 2,689 million (2018: Baht 2,494 million) in “selling expense”, Baht 3 million (2018: Baht 3 million) and in “administrative expense” Baht 249 million (2018: Baht 261 million). Depreciation expense of Baht 474 million (2018: Baht 425 million) has been charged in “cost of sales”, Baht 424 million (2018: Baht 374 million) and in “administrative expense” Baht 50 million (2018: Baht 51 million) in the separate financial statements.

Leased assets included above, where the Group and the Company is a lessee under a finance lease, mainly comprise plant and machinery:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>As at 31 December 2018</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Cost - capitalised finance leases	639,467	33,824
<u>Less</u> Accumulated depreciation	(360,987)	(22,366)
Net book amount	278,480	11,458

Since 1 January 2019 onwards, leased assets are presented as a separate line item in the statement of financial position as the right-of-use assets, as detailed in Note 17. Such change was a result from the first-time adoption of new accounting standards as explained in Note 5.

As at 31 December 2019, property, plant and equipment of overseas subsidiaries totalled Baht 366.64 million (2018: Baht 612.37 million) were pledged with financial institutions to secure their credit facilities and short-term and long-term loans from financial institutions (Note 23 and 25).

The impairment loss relates to factory building and equipment that were damaged by a fire on 1 June 2019 at TUMN, the Group's tuna oil refinery plant in Rostock. The plant was not operating at the fire outbreak and fortunately no staff was on site hence no injuries were to be reported. The plant (total investment of Euro 23 million) was producing highly refined tuna oil since December 2018. Operations have stopped since the date of the fire and the Group expects that the reconstruction will last for approximately 12 to 18 months. The Group's management, insurers and surveyors are assessing the losses covering both assets and business interruption.

As at 31 December 2019, the Group has received a EUR 5 million down payment from the insurer and recognised an additional receivable from the insurer of EUR 17 million corresponding to the direct damages settlement which has now been finalised. The business interruption claim is still under assessment and is expected to be finalised in the near future.

**17 Right-of-use assets, net and Lease liabilities, net**

The statement of financial position included following transactions relating to leases.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>As at</b>	<b>31 December 2019</b>	<b>1 January 2019</b>	<b>31 December 2019</b>	<b>1 January 2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Right-of-use assets, net</b>				
Land and land improvements, net	255,516	260,749	-	-
Building and building improvements, net	806,168	1,077,132	337,120	418,573
Machinery and equipment, net	336,139	282,892	102,817	110,919
Furniture, fixtures and office equipment, net	13,571	35,983	5,989	11,458
Vehicles, net	115,083	181,717	40,142	48,677
Total right-of-use assets, net	1,526,477	1,838,473	486,068	589,627
<b>Lease liabilities, net</b>				
Current	386,804	431,973	113,164	114,150
Non-current	962,639	1,181,872	379,663	472,890
Total lease liabilities, net	1,349,443	1,613,845	492,827	587,040

During 2019, additions to the right-of-use assets of the Group and the Company were Baht 236 million and Baht 22 million, respectively.

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The statement of income included following transactions related to leases.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>For the years ended 31 December 2019</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Depreciation charge of right-of-use assets</b>		
Land and land improvements	26,768	-
Building and building improvements	245,672	79,564
Machinery and equipment	94,204	18,701
Furniture, fixtures and office equipment	13,096	5,470
Vehicles	62,482	17,950
Total right-of-use assets	442,222	121,685
Finance cost relating to leases	73,273	23,300
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	113,853	11,014
Expenses relating to leases of low value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses)	16,808	8,471

The Group has adopted TFRS 16 from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at 1 January 2019 has been presented in Note 5.

The total cash outflow for leases of the Group and the Company in 2019 were Baht 469 million and 134 million, respectively.

**Finance leases - 2018**

As at 31 December 2018, the Group and the Company leased various plant and machinery with a carrying amount of Baht 278.48 million and Baht 11.46 million, respectively, under finance leases expiring within 5 years. Finance lease liabilities were included in borrowings until 31 December 2018 but were reclassified to lease liabilities on 1 January 2019 in the process of adopting the new leasing standard.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>As at 31 December 2018</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Not later than one year	44,912	6,523
Later than 1 year but not later than 5 years	110,669	6,860
Later than 5 years	11,230	-
	166,811	13,383
<u>Less</u> Future finance charges on finance leases	(13,832)	(581)
Present value of finance lease liabilities	152,979	12,802

The present value of finance lease liabilities is as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>As at 31 December 2018</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Not later than one year	39,001	6,102
Later than 1 year but not later than 5 years	102,889	6,700
Later than 5 years	11,089	-
	152,979	12,802

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18 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	
<b>As at 1 January 2018</b>										
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)	
<b>Net book amount</b>	<b>167,229</b>	<b>14,287,061</b>	<b>906,331</b>	<b>599,987</b>	<b>28,345</b>	<b>5,009</b>	<b>596,357</b>	<b>181,101</b>	<b>16,771,420</b>	
<b>For the year ended 31 December 2018</b>										
Opening net book amount	167,229	14,287,061	906,331	599,987	28,345	5,009	596,357	181,101	16,771,420	
Additions	2,068	672	-	73,015	-	-	388,740	44,379	508,874	
Disposals, net book value	-	-	-	(7)	-	-	-	-	(7)	
Write-off, net book value	-	-	-	(165)	-	-	-	-	(165)	
Reclassification	-	-	-	27,273	-	894	7,647	(29,243)	6,571	
Transfer in (out)	-	-	-	28,715	-	-	(28,715)	-	-	
Amortisation charge	(5,860)	(1,067)	(77,103)	(138,264)	(7,727)	(879)	-	-	(230,900)	
Impairment loss	-	-	(36,704)	-	-	-	-	(10,386)	(47,090)	
Translation adjustment	(10,457)	(681,205)	(39,505)	(2,873)	(2,039)	(230)	157	-	(736,152)	
<b>Closing net book amount</b>	<b>152,980</b>	<b>13,605,461</b>	<b>753,019</b>	<b>587,681</b>	<b>18,579</b>	<b>4,794</b>	<b>964,186</b>	<b>185,851</b>	<b>16,272,551</b>	
<b>As at 31 December 2018</b>										
Cost	261,065	14,079,793	1,181,144	1,703,627	36,919	38,373	964,186	196,237	18,461,344	
Less Accumulated amortisation	(108,085)	(304,504)	(428,125)	(1,115,946)	(18,340)	(33,579)	-	-	(2,008,579)	
Allowance for impairment	-	(169,828)	-	-	-	-	-	(10,386)	(180,214)	
<b>Net book amount</b>	<b>152,980</b>	<b>13,605,461</b>	<b>753,019</b>	<b>587,681</b>	<b>18,579</b>	<b>4,794</b>	<b>964,186</b>	<b>185,851</b>	<b>16,272,551</b>	

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	Licenses Thousand Baht	Trademarks Thousand Baht	Customer relationships Thousand Baht	Computer software Thousand Baht	Distributor relationships Thousand Baht	Product development process Thousand Baht	Others Thousand Baht	Computer software in progress Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
<b>As at 1 January 2019</b>										
Cost	261,065	14,079,793	1,181,144	1,703,627	36,919	-	38,373	964,186	196,237	18,461,344
Less Accumulated amortisation	(108,085)	(304,504)	(428,125)	(1,115,946)	(18,340)	-	(33,579)	-	-	(2,008,579)
Allowance for impairment	-	(169,828)	-	-	-	-	-	-	(10,386)	(180,214)
<b>Net book amount</b>	<b>152,980</b>	<b>13,605,461</b>	<b>753,019</b>	<b>587,681</b>	<b>18,579</b>	<b>-</b>	<b>4,794</b>	<b>964,186</b>	<b>185,851</b>	<b>16,272,551</b>
<b>For the year ended 31 December 2019</b>										
Opening net book amount	152,980	13,605,461	753,019	587,681	18,579	-	4,794	964,186	185,851	16,272,551
Increase from business combinations (Note 14.1)	-	-	-	-	-	-	-	-	-	-
Additions	1,024	563	-	1,896	-	-	-	492,216	30,665	1,896
Disposals, net book value	-	-	-	17,595	-	-	301	-	-	542,364
Write-off, net book value	-	-	-	(14)	-	-	-	-	-	(14)
Reclassification	(270)	-	-	(20)	-	-	-	(648)	-	(668)
Transfer in (out)	-	-	-	304,147	-	-	(1,545)	(812)	-	301,520
Amortisation charge	(5,621)	(1,067)	(55,418)	(232,657)	(7,250)	177,933	(1,080)	(958,402)	(177,933)	(307,809)
Impairment loss	-	(1,561)	607	-	-	(4,716)	-	-	-	(954)
Translation adjustment	(6,054)	(1,212,356)	(66,359)	(11,319)	(496)	-	(375)	(53)	-	(1,297,012)
<b>Closing net book amount</b>	<b>142,059</b>	<b>12,391,040</b>	<b>631,849</b>	<b>1,625,711</b>	<b>10,833</b>	<b>173,217</b>	<b>2,095</b>	<b>496,487</b>	<b>38,583</b>	<b>15,511,874</b>
<b>As at 31 December 2019</b>										
Cost	249,756	12,832,054	1,077,431	2,839,006	35,725	177,933	31,620	496,487	48,969	17,788,981
Less Accumulated amortisation	(107,697)	(285,131)	(445,582)	(1,213,295)	(24,892)	(4,716)	(29,525)	-	-	(2,110,838)
Allowance for impairment	-	(155,883)	-	-	-	-	-	-	(10,386)	(166,269)
<b>Net book amount</b>	<b>142,059</b>	<b>12,391,040</b>	<b>631,849</b>	<b>1,625,711</b>	<b>10,833</b>	<b>173,217</b>	<b>2,095</b>	<b>496,487</b>	<b>38,583</b>	<b>15,511,874</b>



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	Separate financial statements					
	Trademarks Thousand Baht	Computer software Thousand Baht	Computer software in progress Thousand Baht	Product and process development Thousand Baht	Product development in progress Thousand Baht	Total Thousand Baht
<b>As at 1 January 2018</b>						
Cost	-	463,564	591,668	-	181,101	1,236,333
Less Accumulated amortisation	-	(59,015)	-	-	-	(59,015)
<b>Net book amount</b>	-	404,549	591,668	-	181,101	1,177,318
<b>For the year ended 31 December 2018</b>						
Opening net book amount	-	404,549	591,668	-	181,101	1,177,318
Additions	55,437	179	372,519	-	44,379	472,514
Write-off, net book value	-	(24)	-	-	-	(24)
Reclassification	-	637	-	-	(29,243)	(28,606)
Amortisation charge	-	(52,686)	-	-	-	(52,686)
Impairment loss	-	-	-	-	(10,386)	(10,386)
<b>Closing net book amount</b>	55,437	352,655	964,187	-	185,851	1,558,130
<b>As at 31 December 2018</b>						
Cost	55,437	459,895	964,187	-	196,237	1,675,756
Less Accumulated amortisation	-	(107,240)	-	-	-	(107,240)
Allowance for impairment	-	-	-	-	(10,386)	(10,386)
<b>Net book amount</b>	55,437	352,655	964,187	-	185,851	1,558,130
<b>For the year ended 31 December 2019</b>						
Opening net book amount	55,437	352,655	964,187	-	185,851	1,558,130
Additions	-	2,868	479,336	-	30,665	512,869
Write-off, net book value	-	(12)	-	-	-	(12)
Reclassification	-	-	(1,549)	-	-	(1,549)
Transfer in (out)	-	948,795	(948,795)	177,933	(177,933)	-
Amortisation charge	-	(144,388)	-	(4,717)	-	(149,105)
<b>Closing net book amount</b>	55,437	1,159,918	493,179	173,216	38,583	1,920,333
<b>As at 31 December 2019</b>						
Cost	55,437	1,409,927	493,179	177,933	48,969	2,185,445
Less Accumulated amortisation	-	(250,009)	-	(4,717)	-	(254,726)
Allowance for impairment	-	-	-	-	(10,386)	(10,386)
<b>Net book amount</b>	55,437	1,159,918	493,179	173,216	38,583	1,920,333

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

Amortisation of Baht 308 million (2018: Baht 231 million) is included in "cost of goods sold" Baht 16 million (2018: Baht 12 million), in "selling expense" Baht 61 million (2018: Baht 69 million) and in "administrative expense" Baht 231 million (2018: Baht 150 million) in the consolidated financial statements. Amortisation of Baht 149 million (2018: Baht 53 million) is included in administrative expenses in the separate financial statements.

As at 31 December 2019 and 2018, the Group had no intangible assets pledged for credit facilities.

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**Impairment tests for trademarks**

The Group's trademarks result from business combinations. Considering their long track record of stability, durability and the intention of the management, the trademarks have an indefinite useful life thus not amortised.

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 method. 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 method is determined by discounting future cash flow.

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	3.0% - 5.0%	12.0%	5.0%
Discount rate	8.0% - 11.0%	7.4%	7.14%

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	Growth rate	Discount rate
Chicken of the Sea	1.5%	7.5%

**19 Long-term investments**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>As at 31 December</b>				
Available-for-sale investments, net	-	40,652	-	-
General investments	-	1,419	-	1,500
Long-term investment measured at fair value through profit of loss	11,461,968	-	-	-
Long-term investments measured at fair value through OCI	43,070	-	9,000	-
<b>Net book amount</b>	11,505,038	42,071	9,000	1,500

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20 Goodwill, net

	Consolidated financial statements Thousand Baht
<b>As at 1 January 2018</b>	
Cost	14,080,065
<u>Less</u> Allowance for impairment	-
<b>Net book amount</b>	<b>14,080,065</b>
<b>For the year ended 31 December 2018</b>	
Opening net book amount	14,080,065
Impairment	(268,452)
Translation adjustment	(677,544)
<b>Closing net book amount</b>	<b>13,134,069</b>
<b>As at 31 December 2018</b>	
Cost	13,396,203
<u>Less</u> Allowance for impairment	(262,134)
<b>Net book amount</b>	<b>13,134,069</b>
<b>For the year ended 31 December 2019</b>	
Opening net book amount	13,134,069
Increase from business combinations (Note 14.1)	402,966
Translation adjustment	(1,149,552)
<b>Closing net book amount</b>	<b>12,387,483</b>
<b>As at 31 December 2019</b>	
Cost	12,625,651
<u>Less</u> Allowance for impairment	(238,168)
<b>Net book amount</b>	<b>12,387,483</b>

Impairment charge arose in a cash-generating unit of frozen and chilled in Europe continents following the decision to divest chilled salmon business a mentioned in Note 13.

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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
<b>As at 31 December 2018</b>				
Asia continents	42,358	-	-	42,358
Europe continents	12,055,558	523,317	-	12,578,875
US continents	32,516	480,320	-	512,836
Goodwill allocation	12,130,432	1,003,637	-	13,134,069
<b>As at 31 December 2019</b>				
Asia continents	42,358	402,966	-	445,324
Europe continents	10,983,197	475,473	-	11,458,670
US continents	30,216	453,273	-	483,489
Goodwill allocation	11,055,771	1,331,712	-	12,387,483

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	6.6%	6.4%	7.5%

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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**21 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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	564,270	385,831	-	-
Deferred tax assets to be recovered after more than 12 months	1,957,734	1,625,643	51,549	46,094
Total deferred tax assets	2,522,004	2,011,474	51,549	46,094
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(159,228)	(183,161)	-	-
Deferred tax liabilities to be settled after more than 12 months	(4,394,573)	(4,635,317)	(18,263)	(3,150)
Total deferred tax liabilities	(4,553,801)	(4,818,478)	(18,263)	(3,150)
<b>Deferred tax assets (liabilities), net</b>	<b>(2,031,797)</b>	<b>(2,807,004)</b>	<b>33,286</b>	<b>42,944</b>

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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Deferred tax assets included in assets of disposal group classified as held-for-sale	-	130,283	-	-
Deferred tax assets, net	1,968,521	1,422,412	33,286	42,944
Deferred tax liabilities, net	(4,000,318)	(4,359,699)	-	-
<b>Deferred tax assets (liabilities), net</b>	<b>(2,031,797)</b>	<b>(2,807,004)</b>	<b>33,286</b>	<b>42,944</b>

The gross movement of deferred income taxes is as follows:

As at 1 January	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Adjustment from adoption of new TFRS on 1 January 2019 (Note 5)	168,967	-	5,551	-
Credited/(Charged) to profit or loss	357,889	336,193	(19,882)	23,135
Charged to other comprehensive income	62,998	23,324	4,673	-
Reclassification	(3,160)	178,329	-	-
Translation adjustment	188,513	167,490	-	-
<b>As at 31 December</b>	<b>(2,031,797)</b>	<b>(2,807,004)</b>	<b>33,286</b>	<b>42,944</b>

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

	Consolidated financial statements				As at 31 December 2018 Thousand Baht
	As at 1 January 2018 Thousand Baht	Credited/(charged) to Profit and loss Thousand Baht	Other comprehensive income Thousand Baht	Reclassification Thousand Baht	Translation adjustment Thousand Baht
<b>Deferred tax assets</b>					
Loss allowance for trade receivables	29,007	11,353	-	-	(197)
Allowance for net realisable value	475,768	7,608	-	-	(8,913)
Allowance for impairment and depreciation of property, plant and equipment	1,329	26,689	-	-	(523)
Amortisation of intangible assets	208,023	18,931	-	-	(11,172)
Derivative contracts	30,747	(16,956)	-	-	(430)
Investment in associates	204,744	(180,851)	-	-	(1,666)
Employee benefit obligations	104,775	28,668	(10,488)	-	(1,919)
Provisions and liabilities	199,790	(111,824)	-	-	(4,017)
Tax loss carried forward	138,471	658,104	-	178,329	(14,416)
Others	97,521	(41,722)	-	-	(3,289)
<b>Total</b>	<b>1,490,175</b>	<b>400,000</b>	<b>(10,488)</b>	<b>178,329</b>	<b>(46,542)</b>
					<b>2,011,474</b>
<b>Deferred tax liabilities</b>					
Depreciation of property, plant and equipment	(430,666)	36,905	-	-	5,812
Amortisation of intangible assets	(4,128,080)	8,409	-	-	198,082
Derivative contracts	(16,832)	2,489	-	-	136
Investment in associates	(237,859)	(97,881)	33,812	-	759
Finance lease liabilities	(11,501)	(1,617)	-	-	601
Inventory costs	(139,410)	2,251	-	-	6,615
Others	(38,167)	(14,363)	-	-	2,027
<b>Total</b>	<b>(5,002,515)</b>	<b>(63,807)</b>	<b>33,812</b>	<b>-</b>	<b>214,032</b>
					<b>(4,818,478)</b>
<b>Deferred tax assets (liabilities), net</b>	<b>(3,512,340)</b>	<b>336,193</b>	<b>23,324</b>	<b>178,329</b>	<b>167,490</b>
					<b>(2,807,004)</b>



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	Consolidated financial statements						
	As at 31 December 2018			Adjustment on adoption of new TFRS (Note 5)			As at 31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Profit and loss Thousand Baht	comprehensive income Thousand Baht	As at 31 December 2019 Thousand Baht
<b>Deferred tax assets</b>							
Loss allowance for trade receivables	40,163	-	(16,725)	-	-	-	22,585
Allowance for net realisable value of inventories and inventory costs	474,463	-	(55,645)	-	-	-	396,019
Allowance for impairment and depreciation of property, plant and equipment	27,495	-	73,762	-	-	-	100,054
Amortisation of intangible assets	215,782	-	(75,773)	-	-	-	126,174
Derivative contracts	13,361	28,818	42,179	-	-	61,903	89,135
Investment in associates	22,227	128,854	151,081	-	-	-	207,358
Employee benefit obligations	121,036	-	31,347	-	1,213	(7,559)	142,764
Provisions and liabilities	83,949	-	363,286	-	-	-	400,856
Tax loss carried forward	960,488	-	95,827	-	-	-	985,401
Others	52,510	962	(14)	-	-	-	51,658
Total	2,011,474	158,634	2,170,108	484,877	54,344	1,213	2,522,004
<b>Deferred tax liabilities</b>							
Depreciation of property, plant and equipment	(387,949)	-	(8,892)	-	-	-	(380,507)
Amortisation of intangible assets	(3,921,589)	-	16,459	-	-	-	(3,566,501)
Derivative contracts	(14,207)	11,296	(7,169)	-	(22,968)	901	(32,147)
Investment in associates	(301,169)	-	(170,479)	-	31,622	-	(433,037)
Finance lease liabilities	(12,517)	(962)	(18,468)	-	-	-	(29,772)
Inventory costs	(130,544)	-	13,584	-	-	-	(105,443)
Others	(50,503)	-	47,977	-	(4,373)	505	(6,394)
Total	(4,818,478)	10,334	(4,808,144)	(126,988)	8,654	(4,373)	(4,553,801)
<b>Deferred tax assets (liabilities), net</b>	(2,807,004)	168,968	(2,638,036)	357,889	62,998	(3,160)	(2,031,797)

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	Separate financial statements						
	As at 1 January 2018			Adjustment on adoption of new TFRS (Note 5)			As at 31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	As at 31 December 2019 Thousand Baht
<b>Deferred tax assets</b>							
Loss allowance for trade receivables	5,500	7,959	13,459	-	13,459	(6,021)	7,438
Allowance for net realisable value of inventories	100	(100)	-	-	-	-	-
Derivatives assets	-	-	-	6,236	6,236	(11,299)	8,572
Employee benefit obligations	17,144	15,491	32,635	-	32,635	4,910	35,539
Others	515	(515)	-	-	-	-	-
Total	23,259	22,835	46,094	6,236	52,330	(12,410)	51,549
<b>Deferred tax liabilities</b>							
Depreciation of property, plant and equipment	(3,099)	53	(3,046)	-	(3,046)	783	(2,263)
Lease liabilities	-	(104)	(104)	-	(104)	104	-
Derivatives liabilities	-	-	-	(685)	(685)	(8,359)	(16,000)
Others	(351)	351	-	-	-	-	-
Total	(3,450)	300	(3,150)	(685)	(3,835)	(7,472)	(18,263)
<b>Deferred tax assets (liabilities), net</b>	19,809	23,135	42,944	5,551	48,495	(19,882)	33,286

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 1,264 million (2018: Baht 858 million) in respect of losses amounting to Baht 5,334 million (2018: Baht 4,121 million) that can be carried forward against future taxable income. Losses amounting to Baht 3,431 million (2018: Baht 2,219 million) will expire between 2020 and 2037 (2018: between 2019 and 2027).

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22 Other non-current assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Unamortised discount on derivative contracts	-	522,436	-	522,436
Advance payment for purchase of construction and equipment	247,589	297,003	654	1,360
Deposit and guarantee	249,348	259,381	23,399	27,853
Accrued interest income - related parties (Note 41)	-	450,454	-	-
Others	106,506	222,464	-	-
Total other non-current assets	603,443	1,751,738	24,053	551,649

23 Bank overdrafts and short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Bank overdrafts	206,040	275,106	36,681	-
Short-term loans	6,702,327	8,148,552	-	2,463,770
Trust receipts and packing credits	4,273,393	4,951,718	1,707,399	1,325,306
Total bank overdrafts and short-term loans from financial institutions	11,181,760	13,375,376	1,744,080	3,789,076

As at 31 December 2019, the Group and the Company's bank overdrafts bear interest rates at the range of 0.75% per annum to 6.87% per annum and 0.75% per annum, respectively (2018: 1.25% per annum to 7.85 per annum). The Group and the Company's short-term loans, trust receipts and packing credits bear interest rates at the range of 1.30% per annum to 5.22% per annum and 1.35% per annum to 1.40% per annum, respectively (2018: 0.70% per annum to 4.00% per annum and 0.70% per annum to 1.85% per annum, respectively).

The credit facilities were secured by the Group's property, plant and equipment (Note 16) and inventories (Note 11).

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24 Trade and other payables

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payable - third parties	11,685,129	12,833,142	2,930,848	2,920,946
Trade payable - related parties (Note 41)	158,752	331,595	510,144	510,689
Accrued expenses and other payables - third parties	6,807,377	5,886,965	803,623	759,040
Accrued expenses and other payables - related parties	40,040	49,434	8,562	16,294
Dividend payables	21,166	19,561	797	902
Deposits and unearned revenue	195,524	165,025	31,083	20,096
Property, plant and equipment and intangible assets purchase payable - third parties	399,898	430,128	112,135	166,504
Property, plant and equipment and intangible assets purchase payable - related parties	15,455	10,219	2,406	1,263
Total trade and other payables	19,323,341	19,726,069	4,399,598	4,395,734

The carrying amounts of trade and other payables approximated their fair values, due to their short-term nature.

Accrued expenses included provision for legal claim as explained in Note 43 and accrued interest expense. The movements of accrued interest expense during the year can be analysed as follows:

For the year ended 31 December 2019	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance	411,920	390,430
Increase from business combinations	497	-
Interest expenses and other finance costs	1,955,537	1,610,407
Reclassification	(6,371)	(7,970)
Repayments during the year	(1,947,907)	(1,625,887)
Loss on foreign exchange rates	3	2
Translation adjustment	(37,752)	-
Closing balance	375,927	366,982

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**25 Long-term loans from financial institutions, net**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current portion of long-term loans from financial institutions, net	116,038	146,963	-	-
Non-current portion of long-term loans from financial institutions, net	14,319,118	14,568,721	13,981,467	14,078,732
Total long-term loans from financial institutions, net	14,435,156	14,715,684	13,981,467	14,078,732

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

For the year ended 31 December 2019	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance	14,715,684	14,078,732
Amortisation of financial fees	16,911	16,911
Repayments	(115,651)	-
Reclassification	(17,660)	-
Gain on foreign exchange rates	(113,420)	(114,176)
Translation adjustment	(50,708)	-
Closing balance	14,435,156	13,981,467

As at 31 December 2019, long-term loans from financial institutions are for operation, purchases of machinery, investments in subsidiaries, associates and joint ventures and constructions of factories. The loans of Baht 155.00 million (2018: Baht 248.33 million) are secured by the Group's property, plant and equipment (Note 16). The Group and the Company 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 equals 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	
	2019	2018
Baht	Baht 30,634 million	Baht 32,840 million
US Dollar	USD 260 million	USD 265 million
Euro	EUR 18 million	EUR 24 million
Canadian Dollar	CAD 1 million	CAD 2 million

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**26 Debentures, net**

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 statements	
					As at 31 December 2019	As at 31 December 2018
					Million Baht	Million Baht
Debentures # 1/2011 (3)	5.02	10 years	27 July 2021	1,500	1,500	1,500
Debentures # 1/2014 (2)	4.21	5 years	6 February 2019	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	2,275	2,446
Debentures #2/2016 (1)	2.03	3 years	20 July 2019	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	3,500
Debentures #1/2017 (2)	2.91	5 years	19 January 2022	2,000	2,000	2,000
Debentures #1/2017 (3)	3.58	7 years	19 January 2024	2,500	2,500	2,500
Debentures #1/2017 (4)	3.94	10 years	19 January 2027	4,000	4,000	4,000
Debentures #1/2019 (1)	2.78	7 years	6 November 2026	2,000	2,000	-
Debentures #1/2019 (2)	3.00	10 years	6 November 2029	4,000	4,000	-
Total debentures - face value					32,875	36,196
Less Unamortised issuance costs					(32)	(34)
Total debentures, net					32,843	36,162
Less Current portion of debentures, net					(3,500)	(9,148)
Non-current portion of debentures, net					29,343	27,014

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 years is prohibited.

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

For the year ended 31 December 2019	Consolidated and separate financial statements
	Thousand Baht
Opening balance	36,162,488
Debenture issuance	6,000,000
Repayments	(9,150,000)
Issuance costs	(8,191)
Amortisation of issuance costs	9,842
Unrealised gain on foreign exchange rates	(171,263)
Closing balance	32,842,876

The fair values of debentures as at 31 December 2019 and 2018 are Baht 34,361 million and Baht 36,800 million, respectively. The fair values are based on the closing price by reference to the Thai Bond Dealing Centre as at the date of the statement of financial position which is within level 1 of the fair value hierarchy.



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**27 Other non-current liabilities**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Options over non-controlling interests of an oversea subsidiary	1,700,599	1,866,322	-	-
Unamortised premium on derivative contracts	-	502,582	-	502,582
Others	645,885	522,766	79,403	30,168
Total other non-current liabilities	2,346,484	2,891,670	79,403	532,750

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 interest hold a put option over the remaining 49% exercisable within 2021. The Group has an obligation to purchase non-controlling interests' shareholding, which represents 49% of total shareholding. The Group recognised the liabilities of Baht 1,595 million (2018: Baht 1,866 million) 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

**28 Employee benefit obligations**

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liability in the statement of financial position				
- Retirement benefits	2,545,033	2,470,590	694,776	786,950
Profit or loss charge included in the statement of income				
- Retirement benefits	471,961	334,247	144,859	102,845
Remeasurement for - Retirement benefits	(243,441)	(72,255)	(198,421)	-

**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.

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	2,470,590	2,356,189	786,950	707,644
Current service cost	200,537	263,461	74,414	86,645
Past service cost	204,943	2,699	55,416	-
Interest cost	66,481	68,087	15,029	16,200
	471,961	334,247	144,859	102,845
Remeasurements:				
(Gain)/Loss from change in demographic assumptions	(207,674)	(5,747)	(118,878)	-
(Gain)/Loss from change in financial assumptions	4,769	(53,985)	(44,405)	-
Experience (Gain)/Loss	(40,536)	(12,523)	(35,138)	-
	(243,441)	(72,255)	(198,421)	-
Increase from business combination (Note 14.1)	10,054	-	-	-
Benefit payments	(141,624)	(135,913)	(37,683)	(23,539)
Reclassification	3,140	-	(929)	-
Disposal - Subsidiary	(860)	-	-	-
Translation adjustment	(24,787)	(11,678)	-	-
As at 31 December	2,545,033	2,470,590	694,776	786,950

On 5 April 2019, an amendment bill to the Thai Labour Protection Act was published in the Government Gazette, which has become effective during the year. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The impact on the amendment to the Group and the Company's financial information was Baht 204.94 million and Baht 55.42 million, respectively which were recognised immediately in the statement of income during the year.

The Group and the Company expect to pay Baht 380 million and Baht 181 million, respectively, of retirement benefits during the next year (2018: Baht 89 million and Baht 28 million, respectively).

As at 31 December 2019, the weighted average durations of the liabilities for retirement benefits for the Group and the Company are 15 years and 13 years, respectively (2018: 12 years and 12 years, respectively).

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate (%)	0.8 - 19.5	1.0 - 19.5	1.2 - 2.5	1.4 - 3.9
Salary growth rate (%)	1.5 - 12.0	1.5 - 15.0	3.0 - 7.0	3.5 - 7.0

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Sensitivity analysis for each significant assumption used is as follows:

	<b>Consolidated financial statements</b>			
	<b>Impact on defined benefit obligation</b>			
	<b>Increase in assumption by 1%</b>		<b>Decrease in assumption by 1%</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Discount rate	(165,142)	(213,863)	196,478	248,974
Salary growth rate	217,331	264,182	(192,178)	(230,794)
	<b>Separate financial statements</b>			
	<b>Impact on defined benefit obligation</b>			
	<b>Increase in assumption by 1%</b>		<b>Decrease in assumption by 1%</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Discount rate	(46,052)	(61,958)	52,615	71,603
Salary growth rate	50,636	75,246	(45,338)	(66,280)

The above sensitivity analysis is 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 year.

**29 Share capital and premium on share capital**

	<b>Number of issued and paid-up shares</b>	<b>Ordinary shares</b>	<b>Premium on share capital</b>	<b>Total</b>
	<b>Shares</b>	<b>Thousand Bath</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
As at 1 January 2018	4,771,815,496	1,192,954	19,948,329	21,141,283
Issue of shares	-	-	-	-
As at 31 December 2018	4,771,815,496	1,192,954	19,948,329	21,141,283
Issue of shares	-	-	-	-
As at 31 December 2019	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 (2018: 5,971,815,496 shares) with a par value of Baht 0.25 per share (2018: Baht 0.25 per share). There are 4,771,815,496 shares (2018: 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.

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**30 Perpetual debentures**

In November 2019, the Company issued subordinated perpetual debentures payable upon liquidation with the issuer's call option and unconditional interest deferral totalling Baht 6,000 million. Such subordinated perpetual debentures are offered by public offering (Institutional investors and/or general investors). The issuance cost was Baht 50.31 million, which was presented as a part of equity in the consolidated and separate financial statements.

The subordinated perpetual debentures will be payable upon liquidation with the Issuer's call option, the subordinated perpetual debentures entitle the holders to receive fixed interest of 5% per annum in 5 years and thereafter at interest rate equals to the sum of reference rate, initial credit spread and fixed rate as agreement at year 6-25, 26-50 and 51 onwards by quarterly. The issuer is solely entitled the right and discretion to defer any interest payment.

**31 Dividends**

On 5 April 2018, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 3,149 million from its net profit from operations of the year 2017. However, by the resolution of the meeting of the Company's Board of Directors held on 7 August 2017, the Company paid out the interim dividend payment of Baht 0.32 per share from the six-month operating profit ended 30 June 2017 to the Company's shareholders totalling Baht 1,527 million on 4 September 2017. The remaining dividend of Baht 0.34 per share or totalling Baht 1,622 million was paid on 23 April 2018.

On 6 August 2018, the Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of Baht 0.25 per share to the Company's shareholders totalling Baht 1,193 million. The interim dividend was paid on 3 September 2018.

On 5 April 2019, the Annual General Meeting of the Company approved a resolution to pay a dividend of Baht 1,909 million from its net profit from operations of the year 2018. However, by the resolution of the meeting of the Company's Board of Directors held on 6 August 2018, the Company paid out the interim dividend payment of Baht 0.25 per share from the six-month operating profit ended 30 June 2018 to the Company's shareholders totalling Baht 1,193 million on 3 September 2018. The remaining dividend of Baht 0.15 per share or totalling Baht 716 million was paid on 23 April 2019.

On 6 August 2019, the Board of Directors' meeting of the Company passed a resolution to approve an interim dividend payment of Baht 0.25 per share to the Company's shareholders totalling Baht 1,193 million. The interim dividend was paid on 3 September 2019.

**32 Legal reserve**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
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 not available for dividend distribution.

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**33 Hedging reserve**

The Group's hedging reserve relate to the following hedging instruments:

	Consolidated financial statements		
	Cash flow hedge reserve	Cost of hedging reserve	Total
	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the year ended 31 December 2019</b>			
Opening balance 1 January 2019	186,157	46,072	232,229
Change of fair value recognised in OCI	2,118,541	(22,422)	2,096,119
Reclassified from OCI to profit or loss			
- Sales	393,267	-	393,267
- Gains (losses) on exchange rates	(2,376,384)	-	(2,376,384)
- Other gains (losses)	-	(42,876)	(42,876)
Deferred taxes	(38,992)	57	(38,935)
Translation adjustments	(2,462)	-	(2,462)
Closing balance 31 December 2019	280,127	(19,169)	260,958
	Separate financial statements		
	Cash flow hedge reserve	Cost of hedging reserve	Total
	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the year ended 31 December 2019</b>			
Opening balance 1 January 2019	194,033	46,073	240,106
Change of fair value recognised in OCI	2,153,719	(22,422)	2,131,297
Reclassified from OCI to profit or loss			
- Sales	185,998	-	185,998
- Gains (losses) on exchange rates	(2,376,384)	-	(2,376,384)
- Other gains (losses)	-	(42,876)	(42,876)
Deferred taxes	(6,736)	57	(6,679)
Closing balance 31 December 2019	150,630	(19,168)	131,462

**34 Sales**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the years ended 31 December</b>				
Sales	126,275,247	133,284,638	27,399,770	26,353,781
Management fee	-	-	251,555	262,917
Total sales and services	126,275,247	133,284,638	27,651,325	26,616,698

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**35 Other income**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the years ended 31 December</b>				
Tax coupon	180,888	209,341	17,103	22,178
Management fee	72,901	72,429	10,096	11,378
Others	392,986	651,035	218,377	171,311
Total other income	646,775	932,805	245,576	204,867

**36 Other gains (losses), net**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the years ended 31 December</b>				
Net gain/(loss) on disposal of property, plant and equipment	(52,238)	(3,521)	(29,373)	10,445
Gain on sales of available-for-sales investment	-	27,633	-	27,633
Net gain/(loss) on right-of-use assets	363	-	(111)	-
Net gain/(loss) of investment in subsidiaries	14,114	-	-	-
Loss on impairment of investment in an associate (Note 14)	(172,910)	-	-	-
Net fair value gains/(losses) on financial assets at fair value through profit or loss	(61,165)	-	(5,379)	-
Total other gains (losses), net	(271,836)	24,112	(34,863)	38,078

**37 Finance costs**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the years ended 31 December</b>				
Amortisation of financing costs	26,753	27,775	26,753	27,775
Interest expenses	1,800,825	1,857,031	1,580,645	1,658,059
Interest expenses from lease liabilities	73,273	-	23,300	-
Other finance costs	154,712	140,543	29,761	28,614
Total finance costs	2,055,567	2,025,349	1,660,459	1,714,448



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38 Expenses by nature

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Changes in finished goods and work in process	(900,902)	840,785	(371,902)	311,063
Raw materials and consumables used and purchased finished goods	87,230,532	86,412,831	21,449,835	20,633,556
Employee expenses	15,502,908	12,309,593	3,083,177	2,957,052
Depreciation on property, plant and equipment and right-of-use assets (Note 16 and Note 17)	3,383,069	2,758,014	596,269	424,756
Impairment of property, plant and equipment and intangible assets	29,977	398,243	-	10,386
Amortisation of intangible assets (Note 18)	307,809	230,900	149,105	52,686
Research and development expenses	75,733	50,757	46,398	33,852

39 Income tax

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Current tax:</b>				
Current tax on profit for the year	520,733	422,634	4,812	4,815
Adjustments in respect of prior year	44,821	(77,154)	(1,531)	11,024
Total current tax	565,554	345,480	3,281	15,839
<b>Deferred tax:</b>				
Decrease (Increase) in deferred tax assets (Note 21)	(484,877)	(400,000)	12,410	(22,835)
Increase (Decrease) in deferred tax liabilities (Note 21)	126,988	63,807	7,472	(300)
Total deferred income tax	(357,889)	(336,193)	19,882	(23,135)
<b>Total income tax expenses (income)</b>	<b>207,665</b>	<b>9,287</b>	<b>23,163</b>	<b>(7,296)</b>
<b>Income tax expenses (income) attributable to:</b>				
- From continuing operation	157,937	121,120	23,163	(7,296)
- From discontinuing operations	49,728	(111,833)	-	-
<b>Total income tax expenses (income)</b>	<b>207,665</b>	<b>9,287</b>	<b>23,163</b>	<b>(7,296)</b>

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The taxes on the Group 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 years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Profit before tax from continuing operations	4,428,037	4,488,680	4,063,283	10,783,819
Loss before tax from discontinued operation	(55,441)	(824,923)	-	-
Total profit before tax	4,372,596	3,663,757	4,063,283	10,783,819
Tax calculated at tax rates of 10 - 34% (2018: 10 - 34%)	787,192	757,691	812,657	2,156,764
Tax effect of:				
Income not subject to tax	(1,021,757)	(1,091,521)	(984,001)	(2,333,453)
Additional expenses deductible for tax purpose	(119,957)	(392,539)	(3,425)	(12,189)
Expenses not deductible for tax purpose	148,300	178,478	26,408	7,528
Utilisation of previously unrecognised tax losses	(38,586)	(25,864)	-	-
Recognition of deferred tax assets from previously unrecognised tax losses and temporary differences	(56,930)	(222,211)	-	-
Tax losses and temporary differences for which no deferred tax asset was recognised	380,052	919,170	147,109	186,268
Adjustments in respect of prior year	44,821	(77,154)	(1,531)	11,024
Impact on change in tax rate	54,026	(58,689)	-	-
Others	30,504	21,926	25,946	(23,238)
Total income tax expenses (income)	207,665	9,287	23,163	(7,296)

The Group's weighted average applicable tax rate was 4.75% (2018: 0.25%). The change in average tax rate of the Group is due to the change in corporate income tax regulation of foreign subsidiaries resulting reassessing of the higher utilization of tax losses and temporary differences.

The Company's weighted average applicable tax rate was 0.57% (2018: -0.07%).

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

For the years ended	Consolidated financial statements					
	31 December 2019			31 December 2018		
	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge Thousand Baht	After tax Thousand Baht
Remeasurements gain (loss) of employee benefit obligations	243,441	(7,559)	235,882	72,255	(10,488)	61,767
Other reserves	(59,819)	-	(59,819)	4,879	-	4,879
Change in fair values of equity instruments	4,535	-	4,535	31,377	-	31,377
Hedging reserve	(67,664)	38,935	(28,729)	-	-	-
Translation adjustment	(2,195,104)	31,622	(2,163,482)	(1,258,750)	33,812	(1,224,938)
<b>Other comprehensive income (expenses)</b>	<b>(2,074,611)</b>	<b>62,998</b>	<b>(2,011,613)</b>	<b>(1,150,239)</b>	<b>23,324</b>	<b>(1,126,915)</b>
For the years ended	Separate financial statements					
	31 December 2019			31 December 2018		
	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(loss) on employee benefit obligations	198,421	(2,006)	196,415	-	-	-
Change in fair values of equity instruments	-	-	-	33,669	-	33,669
Hedging reserve	101,965	6,679	108,644	-	-	-
<b>Other comprehensive income (expenses)</b>	<b>300,386</b>	<b>4,673</b>	<b>305,059</b>	<b>33,669</b>	<b>-</b>	<b>33,669</b>

#### 40 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 years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net profit attributable to the owners of the parent (Thousand Baht)				
- From continuing operations	3,918,325	3,969,301	4,040,120	10,791,115
- From discontinued operation	(102,448)	(713,090)	-	-
Net profit attributable to the owners of the parent (Thousand Baht)	3,815,877	3,256,211	4,040,120	10,791,115
Weighted average number of ordinary shares outstanding (Thousand shares)	4,771,815	4,771,815	4,771,815	4,771,815
Basic earnings per share (Baht per share)	0.80	0.68	0.85	2.26

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

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#### 41 Related party transactions

The Company is the ultimate parent company. The largest shareholder of the Company is a group of Chansiri family, which owns 19.35% 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 14.

The following significant transactions and balances were carried out with related parties:

##### 41.1 Sales

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Revenue from sales</b>				
Subsidiaries	-	-	14,662,973	13,270,873
Associates	2,924,940	3,706,108	13,511	56,715
Joint ventures	72,287	31,569	16,521	-
Other related companies	728,637	833,112	300,733	309,810
	3,725,864	4,570,789	14,993,738	13,637,398
<b>Interest income</b>				
Subsidiaries	-	-	1,768,020	1,797,045
Associates <sup>(1)</sup>	223,748	936,634	-	-
Joint ventures <sup>(1)</sup>	7,984	1,101	7,984	1,101
	231,732	937,735	1,776,004	1,798,146
<b>Dividend income</b>				
Subsidiaries	-	-	3,617,245	4,837,845
Associates	-	-	142,295	92,777
	-	-	3,759,540	4,930,622
<b>Other income</b>				
Subsidiaries	-	-	169,329	139,073
Associates	142,924	156,946	12,999	4,796
Joint ventures	2,553	4,651	775	-
Other related companies	340	312	340	296
	145,817	161,909	183,443	144,165

<sup>(1)</sup> During 2018, interest income included interest income from loan to an associate. In 2019, due to the adoption of new financial reporting standards, the loan has been subsequently measured at FVPL (Note 44).

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41.2 Purchases of goods and services, fixed assets and intangible assets

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Purchases of goods and services</b>				
Subsidiaries	-	-	1,941,695	1,640,086
Associates	1,311,209	824,215	24,639	8,521
Joint ventures	12,820	70,303	3,116	26,445
Other related companies	1,218,935	1,550,586	83,268	130,428
	2,542,964	2,445,104	2,052,718	1,805,480
<b>Purchases of fixed assets and intangible assets</b>				
Subsidiaries	-	-	458,626	56,086
Associates	-	4,102	-	4,102
Other related companies	119,877	136,051	12,426	20,891
	119,877	140,153	471,052	81,079

41.3 Outstanding balances arising from sales and purchases of goods and services and fixed assets

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Trade receivables - related parties, net</b>				
Subsidiaries	-	-	2,169,717	2,458,327
Associates	312,726	618,530	3,597	39,976
Joint ventures	64,034	1,212	32,845	-
Other related companies	41,759	46,796	9,836	12,794
	418,519	666,538	2,215,995	2,511,097
<b>Accrued interest income - related parties</b>				
Subsidiaries	-	-	411,830	581,510
Associates <sup>(1)</sup>	12,171	900,908	-	-
Joint ventures	2,513	305	2,513	305
	14,684	901,213	414,343	581,815
<b>Trade payables - related parties</b>				
Subsidiaries	-	-	506,312	501,459
Associates	106,060	269,292	277	182
Joint ventures	228	9,326	228	7,984
Other related companies	52,464	52,977	3,327	1,064
	158,752	331,595	510,144	510,689

<sup>(1)</sup> As at 31 December 2018, accrued interest income due from an associate in the consolidated financial statements includes non-current portion presented as other non-current assets of Baht 450.45 million.

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41.4 Outstanding balances arising from lease liabilities

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Lease liabilities - related parties</b>				
Subsidiaries	-	-	239,045	-
Other related companies	158,868	-	112,215	-
	158,868	-	351,260	-

41.5 Short-term loans to/from related parties

Short-term loans to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Short-term loans to related parties, net</b>				
Subsidiaries	-	-	9,241,776	14,103,884
Associates	123,499	-	-	-
Joint ventures	-	170,850	-	170,850
	123,499	170,850	9,241,776	14,274,734

The movements of short-term loans to related parties can be analysed as follows:

For the year ended 31 December 2019	Consolidated financial statements	Separate financial statements
	Thousand Baht	Thousand Baht
Opening balance as at 31 December 2018	170,850	14,274,734
Adjustment from adoption of TFRS 9 on 1 January 2019 (Note 5)	-	(2,614,980)
Additions	311,792	41,114,741
Transfers to long-term loans to related parties	-	(2,436,900)
Decrease from acquisition of subsidiary	(365,000)	-
Repayments	-	(40,055,735)
Gain (Loss) on exchange rates	5,857	(1,040,084)
Closing balance	123,499	9,241,776



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The loss allowance for short-term loans to related parties can be reconciled as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening loss allowance as at 1 January 2018	-	-
Increase in loss allowance recognised in profit or loss during the year	-	-
Closing loss allowance as at 31 December 2018	-	-
Impact from first-time adoption of TFRS 9	-	(12,825)
Opening loss allowance at 1 January 2019	-	(12,825)
Gain on exchange rates	-	1,181
Closing loss allowance at 31 December 2019	-	(11,644)

Short-term loans from related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>As at 31 December</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Short-term loans from related parties</b>				
Subsidiaries	-	-	8,475	-
Associates	82,100	92,600	-	-
	82,100	92,600	8,475	-

The movements of short-term loans from related parties can be analysed as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>For the year ended 31 December 2019</b>		
Opening balance	92,600	-
Additions	119,200	1,172,418
Repayments	(129,700)	(1,148,337)
Loss on exchange rates	-	(15,606)
Closing balance	82,100	8,475

**41.6 Long-term loans to/from related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>As at 31 December</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Long-term loans to related parties, net</b>				
Subsidiaries	-	-	36,028,630	35,276,128
Associates	-	11,195,181	-	-
Joint ventures	241,138	-	241,139	-
	241,138	11,195,181	36,269,769	35,276,128

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

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>For the year ended 31 December 2019</b>		
Opening balance	11,195,181	35,276,128
Adjustment from adoption of TFRS 9 on 1 January 2019 (Note 5)	(11,195,181)	2,157,246
Additions	-	502,925
Transfers from short-term loans to related parties	-	2,436,900
Increase from disposal of subsidiary	268,382	-
Repayments	-	(1,012,159)
Fair value adjustments	-	35,438
Allowance for impairment	(906)	6,355
Loss on exchange rates	(26,284)	(3,133,064)
Closing balance	241,138	36,269,769

The loss allowance for long-term loans to related parties can be reconciled as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening loss allowance as at 1 January 2018	-	-
Increase in loss allowance recognised in profit or loss during the year	-	(50,262)
Closing loss allowance as at 31 December 2018	-	(50,262)
Impact from first-time adoption of TFRS 9	-	(399,517)
Opening loss allowance at 1 January 2019	-	(449,779)
Increase from disposal of subsidiary	(4,020)	-
Increase (Decrease) in loss allowance recognised in profit or loss during the year	(906)	6,355
Gain on exchange rates	255	25,673
Closing loss allowance at 31 December 2019	(4,671)	(417,752)

**41.7 Directors and key management remuneration**

The compensation paid or payable to directors and key management is shown below:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>For the years ended 31 December</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Short-term employee benefits	324,966	349,938	209,222	221,162
Post-employment benefits	33,565	36,892	15,654	9,302
Other long-term benefits	45,694	10,391	25,617	6,165
	404,225	397,221	250,493	236,629

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42 Cash flows information

42.1 Cash flows from operating activities

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

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Profit before income tax:</b>				
From continuing operations	4,428,037	4,488,680	4,063,283	10,783,819
From discontinued operations	(115,520)	(824,923)	-	-
<b>Total</b>	<b>4,312,517</b>	<b>3,663,757</b>	<b>4,063,283</b>	<b>10,783,819</b>
<b>Adjustment items:</b>				
Depreciation expenses (Note 16 and 17)	3,383,070	2,758,014	596,269	424,756
Amortisation expenses (Note 18)	307,809	230,900	149,105	52,686
Amortisation of discount/premium from derivative contracts	-	163,748	-	159,017
(Reversal of) Allowance for loss on impairment of trade receivables	(22,768)	(9,565)	(18,220)	11,005
(Reversal of) Allowance for diminution in value of inventories	(103,768)	489,954	(6,155)	29,407
Allowance for loss on impairment of assets (Note 16 and 18)	673,511	16,155	-	10,386
Allowance for loss on impairment of Investment in an associate	172,910	-	-	-
Loss allowance for loans to related parties	906	-	(6,355)	-
Allowance for loss on impairment of assets disposals group classified as held-for-sale from discontinued operations	-	382,089	-	-
Employee benefit obligations (Note 28)	471,961	334,247	144,859	102,845
Gain on sale of investments	-	(27,633)	-	(27,633)
Gain on sale of investment in associates	(95,059)	(182,289)	(28,360)	(4,979,422)
(Gain) Loss on disposals and write-offs of property, plant and equipment and intangible assets, net	63,964	10,676	29,559	(7,294)
Share of profit from investments in associates and joint ventures (Note 14)	(591,288)	(263,170)	-	-
Fair value adjustments to investment	(726,372)	-	-	-
Fair value adjustments to derivatives	(1,873,803)	-	(1,910,171)	-
Loss on exchange rates	3,542,752	1,109,375	3,869,179	1,071,239
Dividend income	(28)	(6,800)	(3,759,540)	(4,937,371)
Finance costs	2,055,567	2,025,349	1,660,459	1,714,448
Interest income	(323,720)	(1,054,490)	(1,846,312)	(1,893,534)
<b>Total</b>	<b>6,935,644</b>	<b>5,976,560</b>	<b>(1,125,683)</b>	<b>(8,269,465)</b>

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Changes in operating assets and liabilities:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
(Increase) Decrease in trade and other receivables	231,296	(423,193)	293,957	(643,913)
(Increase) Decrease in inventories	(128,210)	3,351,501	(520,294)	879,497
(Increase) Decrease in other current assets	60,065	(53,807)	2,603	5,412
(Increase) Decrease in other non-current assets	7,650	144,409	4,454	7,532
Increase (Decrease) in trade and other payables	570,818	556,293	72,522	59,142
Increase (Decrease) in other current liabilities	92,623	145,565	1,496	(856)
Increase (Decrease) in other non-current liabilities	(242,253)	74,036	19,691	(14,820)
Cash paid for employee benefit obligations	(141,624)	(135,913)	(37,685)	(23,539)
<b>Total</b>	<b>450,365</b>	<b>3,658,891</b>	<b>(163,256)</b>	<b>268,455</b>
Profit before income tax	4,312,517	3,663,757	4,063,283	10,783,819
Adjustment items	6,935,644	5,976,560	(1,125,683)	(8,269,465)
Changes in operating assets and liabilities	450,365	3,658,891	(163,256)	268,455
Cash flows receipts from operations	11,698,526	13,299,208	2,774,344	2,782,809
- Income tax received (paid)	56,772	(433,245)	(3,562)	(9,922)
<b>Net cash receipts from operating activities</b>	<b>11,755,298</b>	<b>12,865,963</b>	<b>2,770,782</b>	<b>2,772,887</b>

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42.2 Change in liabilities arising from financing activities

	Consolidated financial statements					
	Short-term loans from financial institutions Thousand Baht	Short-term loans from Thousand Baht	Accrued interest expenses Thousand Baht	Long-term loans from financial institutions Thousand Baht	Debentures Thousand Baht	Lease liabilities Thousand Baht
<b>As at 1 January 2018</b>	15,003,458	119,300	474,538	15,561,034	36,168,880	202,042
Cash flows	(1,805,911)	(26,700)	(1,925,341)	(815,426)	-	(47,953)
<b>Non-cash changes:</b>						
Additions	-	-	1,997,574	-	-	6,048
Amortisation of financing fees	-	-	-	16,737	-	-
Amortisation of issuance costs	-	-	-	-	11,038	-
Reclassification	-	-	(134,639)	-	-	-
Gain on exchange rates	(22,222)	-	4	(25,320)	(17,430)	-
Translation adjustment	(75,055)	-	(216)	(21,341)	-	(7,158)
<b>As at 31 December 2018</b> Recognised on adoption of TFRS 16 (Note 5)	13,100,270	92,600	411,920	14,715,684	36,162,488	152,979
	-	-	-	-	-	1,460,866
<b>As at 1 January 2019</b>	13,100,270	92,600	411,920	14,715,684	36,162,488	1,613,845
Cash flows	(1,952,139)	2,926	(1,947,907)	(115,651)	(3,158,191)	(469,100)
<b>Non-cash changes:</b>						
Additions	-	-	1,956,034	-	-	233,201
Deferred finance fees costs	-	-	-	-	-	(61,255)
Amortisation of financing fees	-	-	-	16,911	-	72,782
Amortisation of issuance costs	-	-	-	-	9,842	-
Write-off (Sale)	-	-	-	-	-	(5,677)
Remeasurement	-	-	-	-	-	3,535
Reclassification	(95,381)	-	(6,371)	(17,660)	-	4,758
(Gain) loss on exchange rates	13,724	-	3	(113,420)	(171,263)	(1,416)
Translation adjustment	(90,755)	-	(37,752)	(50,708)	-	(41,230)
<b>As at 31 December 2019</b>	10,975,719	95,526	375,927	14,435,156	32,842,876	1,349,443

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	Separate financial statements					
	Short-term loans from financial institutions Thousand Baht	Short-term loans from Thousand Baht	Accrued interest expenses Thousand Baht	Long-term loans from financial institutions Thousand Baht	Debentures Thousand Baht	Lease liabilities Thousand Baht
<b>As at 1 January 2018</b>	5,240,280	693,499	460,256	14,870,975	36,168,880	20,080
Cash flows	(1,429,722)	(633,036)	(1,621,550)	(779,620)	-	(7,278)
<b>Non-cash changes:</b>						
Additions	-	-	1,686,674	-	-	-
Amortisation of financing fees	-	-	-	16,737	-	-
Amortisation of issuance costs	-	-	-	-	11,038	-
Reclassification	-	-	(134,944)	-	-	-
Gain on exchange rates	(21,482)	(60,463)	(6)	(29,360)	(17,430)	-
Closing balance	3,789,076	-	390,430	14,078,732	36,162,488	12,802
Recognised on adoption of TFRS 16 (Note 5)	-	-	-	-	-	574,238
<b>As at 31 December 2018</b>	3,789,076	-	390,430	14,078,732	36,162,488	587,040
Cash flows	(2,095,397)	24,081	(1,625,887)	-	(3,158,191)	(134,281)
<b>Non-cash changes:</b>						
Additions	-	-	1,610,407	-	-	24,071
Deferred finance fees costs	-	-	-	-	-	(2,437)
Amortisation of financing fees	-	-	-	16,911	-	23,300
Amortisation of issuance costs	-	-	-	-	9,842	-
Write-off (Sale)	-	-	-	-	-	(3,450)
Reclassification	-	-	(7,970)	-	-	-
(Gain) loss on exchange rates	13,720	(15,606)	2	(114,176)	(171,263)	(1,416)
<b>As at 31 December 2019</b>	1,744,080	8,475	366,982	13,981,467	32,842,876	492,827



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**43 Commitments and contingent liabilities**

**43.1 Capital commitments**

The Group had capital commitments as at the statement of financial position date but not recognised as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Land purchase agreement	Baht 347 million	Rupiah 48,500 million	-	-
Factory, building and warehouse construction agreements	Baht 75 million EUR 2 million Rupiah 10,422 million	Baht 583 million EUR 12 million -	Baht 15 million - -	- - -
Purchases of machinery and equipment agreements	Baht 338 million EUR 2 million USD 5 million JPY 76 million CHF 0.2 million	Baht 246 million EUR 1 million - - -	Baht 1 million - - - -	Baht 23 million - - - -

**43.2 Guarantees**

- As at 31 December 2019, there were outstanding bank guarantees of Baht 32 million (2018: Baht 29 million) issued on behalf of the Company in the normal course of business.
- As at 31 December 2019, there were outstanding bank guarantees of Baht 105 million, USD 2 million, EUR 5 million, NOK 3 million, and PLN 1 million (2018: Baht 92 million, USD 2 million, EUR 2 million, NOK 7 million, and PLN 1 million) issued on behalf of the subsidiaries in the normal course of business.
- As at 31 December 2019, there was an outstanding letter of guarantee of USD 13 million (2018: 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 2019, there were outstanding bank guarantees of EUR 21 million, CAD 9 million, and CNY 38 million (2018: EUR 21 million, CAD 9 million, and CNY 38 million) issued on behalf of the Company to secure credit facilities of its subsidiaries.

**43.3 Litigation**

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

On 15 July 2015, Tri-U was served with a subpoena from the United States Department of Justice ("DOJ") concerning a DOJ antitrust investigation into the packaged seafood industry. Tri-U is fully cooperating with the government, including producing documents and other evidence responsive to the subpoena. Tri-U was granted conditional leniency by the DOJ, which means that, provided Tri-U continues to fully cooperate with the DOJ, neither the company nor any cooperating executives, or employees will face prosecution or penalties. The DOJ investigation is still ongoing. However, the management expects no significant financial impact to the Group.

Tri-U has also been named as a defendant in several separate civil class actions and direct civil actions ("Civil Actions"). The plaintiffs are various retailers, grocery stores, and consumers that allegedly purchased packaged seafood products from Tri-U and other named defendants. The Civil Actions allege a conspiracy to fix, raise, maintain, and/or stabilize prices for packaged seafood products within the United States, in violation of Sections 1 and 3 of the Sherman Antitrust Act (15 U.S.C. §§ 1, 3) and in violation of various state antitrust, consumer protection, deceptive trade practices and unfair competition statutes. Plaintiffs seek to recover damages.

During the second quarter of 2018, Tri-U reached resolution of the antitrust claim brought by one of its largest retail clients in the Civil Actions. Tri-U paid a cash settlement and will participate in a series of joint programs and new product promotions, including innovative product launches across the retailer's stores. In addition, Tri-U has reached agreements to settle claims brought by a coalition of various other retailers. Based on these agreements, Tri-U estimated the settlements costs for Civil Cases, which was recorded during the second quarter of 2018, of USD 42.6 million.

During the first and second quarters of 2019, Tri-U also reached additional agreements to settle claims brought by other major retailers. Therefore, Tri-U has estimated the additional settlements costs for all Civil Cases, which was recorded during the second quarter of 2019, of USD 59.7 million.

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**John West Foods Limited (JWUK)**

On 2 January 2018, JWUK has been notified of the intention of the UK Crown Prosecution Service to prosecute JWUK 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 JWUK before the Magistrates Court in Tyne & Wear occurred on 26 January 2018 where JWUK was charged with eight counts of doing business directly connected with IUU fishing. Throughout the process, JWUK has strongly disputed these allegations and denied any wrongdoing.

On 30 October 2019, at the Crown Court in Southwark, London, as the UK Crown Prosecution Service offered no evidence against JWUK, the Court entered verdicts of not guilty on all counts. This verdict brought this matter to a positive conclusion confirming the position JWUK had always defended that it had always been conducting business in compliance with the relevant laws and regulations.

**43.4 Lease commitments**

The Group leases land, machinery, vehicles, computers, office space and equipment under operating lease agreements. The future aggregate minimum lease payables under non-cancellable operating leases are as follows:

As at 31 December 2018	Consolidated financial statements	Separate financial statements
Not later than 1 year		
- THB	217,864	144,062
- USD	3,290	251
- EUR	4,208	-
- NOK	1,860	-
- CAD	4	-
- GBP	262	-
Later than 1 year but not later than 5 years		
- THB	461,283	347,529
- USD	8,021	489
- EUR	4,432	-
- NOK	5,690	-
- CAD	10	-
- GBP	630	-
Later than 5 years		
- THB	131,496	125,235
- USD	1,959	-
- EUR	594	-
- NOK	1,315	-

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 5 and Note 17 for further information.

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44 Financial instruments

44.1 Derivatives

The Group has the following derivative financial instruments:

As at 31 December 2019	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
<b>Current assets</b>		
Foreign currency forwards		
- held for trading	264,424	262,008
- cash flow hedges	1,591,954	1,473,838
Cross currency interest rate swaps		
- cash flow hedges	93,867	93,867
<b>Total current derivative assets</b>	<b>1,950,245</b>	<b>1,829,713</b>
<b>Non-current assets</b>		
Foreign currency forwards		
- cash flow hedges	845,716	845,716
Cross currency interest rate swaps		
- cash flow hedges	1,438,796	1,438,796
- fair value hedges	75,719	75,719
Other derivatives - held for trading	-	7,874
<b>Total non-current derivative assets</b>	<b>2,360,231</b>	<b>2,368,105</b>
<b>Current liabilities</b>		
Foreign currency forwards		
- held for trading	28,480	20,728
- cash flow hedges	193,971	111
Cross currency interest rate swaps		
- cash flow hedges	45,110	45,110
- fair value hedges	5,049	5,049
<b>Total current derivative liabilities</b>	<b>272,610</b>	<b>70,998</b>
<b>Non-current liabilities</b>		
Foreign currency forwards		
- cash flow hedges	528	528
Cross currency interest rate swaps		
- cash flow hedges	653,670	653,671
Interest rate swap - cash flow hedges	94,867	-
Other derivatives - held for trading	40,562	-
<b>Total non-current derivative liabilities</b>	<b>789,627</b>	<b>654,199</b>

The derivative was a result from the adoption of new financial reporting standards. The Group has adopted the new standards from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption on the derivatives as at 1 January 2019 has been presented in Note 5.

Derivatives are used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realised within 12 months after the end of the reporting period.

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44.2 Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group and the Company are summarised below:

As at 31 December	Financial assets		Financial liabilities		Average exchange rate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
EUR	415,946	489,407	55,199	77,021	33.73	37.13
USD	1,264,105	1,348,219	442,988	509,975	30.15	32.45
JPY	44,071	89,834	117,266	27,470	0.28	0.29
NOK	14,302	21,273	93,925	87,428	3.42	3.70
GBP	108,515	84,133	85,177	46,786	39.52	41.07
SEK	2,086	5,870	88,628	138	3.23	3.60
PLN	224,216	234,616	112,804	119,096	7.91	8.64
CZK	890	2,399	1,179	727	1.32	1.44
GHS	7,885	27,490	4,410	172,624	5.53	5.53
CNY	67,972	27,571	89,286	61,764	4.31	4.72

The aggregate net foreign exchange gains (losses) recognised in profit or loss were:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Gain (loss) on exchange rates, net	54,061	971,834	(492,852)	744,538
Net gain (loss) on exchange rates included in				
- Sales	433,228	-	185,998	-
- Cost of sales	(21,705)	-	-	-
Total net gain (loss) on exchange rate recognised in profit before income tax	465,584	971,834	(306,854)	744,538

44.3 Net gain (loss) on financial instruments

The aggregate net gain (loss) on financial instruments recognised in profit or loss were:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Gains (losses) on derivatives that not apply as hedge accounting	515,904	-	518,907	-
Fair value hedge - Fair value gains (losses) on derivatives	27,249	-	27,249	-
Fair value hedge - Fair value adjustments on hedged items	(68,874)	-	(33,436)	-
Cash flow hedge - Hedge ineffectiveness	58,509	-	24,935	-
Amortised cost of hedging	(54,297)	-	(54,297)	-
Fair value gains (losses) on equity investments at fair value through PL	(4,929)	-	-	-
Fair value gains (losses) on debt investments at fair value through PL	710,619	-	-	-
Others	15,752	-	-	-
Total net gain (loss) on financial instruments	1,199,933	-	483,358	-

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Net fair value gains/(losses) on financial assets at fair value through profit or loss included a gain on fair valuation of a preferred shares of the Group's associate, which is classified as a debt instrument. The preferred shares have option to convert to the common shares at the specific date. The Group's management has no intention to exercise this option. According to the requirement of TFRS, this financial asset does not meet the criteria for solely payments of principal and interest (SPPI); therefore, the Group requires to recognise a gain on fair valuation in the statement of income.

**44.4 Hedge items and hedging instruments**

The following amount related to hedged items separately by risk category for the types of hedge for the year ended 31 December 2019 are as follow:

Consolidated financial statements					
Type of hedge	Change in the fair value of the hedge items for determining ineffectiveness Thousand Baht	Carrying amount of hedge items (including cumulative fair value hedge adjustments) Thousand Baht	Balance of cumulative adjustments to the carrying amount of the designated fair value hedges Thousand Baht	Remaining balance of cumulative adjustments to the carrying amount of the designated fair value hedges Thousand Baht	Presentation of the hedged items in the statement of financial position.
Cash flow hedge	(3,526,110)	Not applicable	Not applicable	Not applicable	Financial asset / Financial liability
Fair value hedge	156,832	894,666	(9,954)	81,272	Financial asset

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As at 31 December 2019, the nominal and carrying amounts of the derivative financial instruments designated in existing hedging relationships are shown in the following table:

Type of hedge	Hedging instruments		Consolidated financial statements			Contractual exchange rate	Average swap rate received	Average swap rate paid
	Derivative	Contractual amount (Thousand)	Currency	Assets Thousand Baht	Liabilities Thousand Baht			
Cash flow hedge	Foreign currency forwards	521,704	USD	126,943	369	30.01 - 30.85 THB: USD	Not applicable	Not applicable
		486,970	NOK	29,404	3,411	0.1 NOK: EUR	Not applicable	Not applicable
		1,000	PLN	69	-	0.23 PLN: EUR	Not applicable	Not applicable
		4,150	USD	-	388	0.9 USD: EUR	Not applicable	Not applicable
		46,269	PLN	6,268	-	3.85 - 3.89 PLN: EUR	Not applicable	Not applicable
		21,027	EUR	5,261	843	0.86 - 0.89 USD: EUR	Not applicable	Not applicable
		67,948	GBP	6,973	134,811	0.87 - 0.94 EUR: GBP	Not applicable	Not applicable
		29,463	GBP	-	54,149	0.75 - 0.82 USD: GBP	Not applicable	Not applicable
		276,067	EUR	1,344,968	-	34.28-48.45 THB: EUR	Not applicable	Not applicable
		45,000	CNY	8,530	528	4.09-4.56 THB: CNY	Not applicable	Not applicable
		493,050	USD	909,254	-	30.00-32.18 THB: USD	Not applicable	Not applicable
		48,221	EUR	145,330	-	39.46-40.13 THB: EUR	0.70% - 4.53%	0.73% - 3-month EURBIBOR+3.15%
		119,460	EUR	833,806	-	39.67-41.17 THB: EUR	6-month THBFIX plus 1.26%-2.15%	3-month EURIBOR plus 1.38% - 3.15%
		112,500	PLN	-	34,886	4.35 EUR: PLN	3-month EURIBOR plus 2.10%	3-month WIBOR plus 3.38%
Fair value hedge	Cross currency swaps	125,000	USD	-	663,894	33.72 - 35.38 THB: USD	3.66% - USDLIBOR plus 1.00%	6-month THBFIX plus 0.80%
		122,000	USD	553,527	-	32.54-36.31 THB: USD	2.88% - 4.00%	3.30% - 3.98%
		194,000	EUR	-	94,867	Not applicable	3-month EURIBOR	0.10% - 0.37%
		30,000	USD	75,719	5,049	32.54 THB: USD	6-month THBFIX plus 1.80%	3.7%



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45 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.

The Company’s revenue classified by BOI and Non-BOI promoted activities (revenue from Non-BOI business included non-exemption from the promotional privileges on corporate income tax and revenue after the exemption period) are as follows:

For the years ended 31 December	BOI promoted activities		Non-BOI promoted activities		Total	
	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic sales	3,366,657	2,931,669	1,970,550	1,695,686	5,337,207	4,627,355
Export sales	12,756,333	14,306,277	9,306,230	7,420,149	22,062,563	21,726,426
Total revenue from sales	16,122,990	17,237,946	11,276,780	9,115,835	27,399,770	26,353,781

46 Events after the reporting period

On 17 February 2020, 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 2020, to pay a dividend of Baht 2,243 million from its net operating profit for the year 2019. However, by the resolution of the Company’s Board of Directors held on 6 August 2019, the Company paid out the interim dividend of Baht 0.25 per share from operating profit for the six-month period ended 30 June 2019, to the Company’s shareholders totalling Baht 1,193 million on 3 September 2019. The remaining dividend of Baht 0.22 per share or totalling Baht 1,050 million will be paid on 3 April 2020.



## **Thai Union Group Public Company Limited**

### **HEAD OFFICE**

72/1 Moo 7, Sethakit 1 Road, Tarsrai Sub-district,  
Mueang Samut Sakhon District, Samut Sakhon Province 74000 Thailand

**Tel:** +66 (0) 3481-6500 (Automatic 7 lines)

**Fax:** +66 (0) 3481-6886

### **BANGKOK OFFICE**

979/12 M Floor, S.M. Tower, Phaholyothin Road,  
Phaya Thai, Phaya Thai, Bangkok 10400 Thailand

**Tel:** +66 (0) 2298-0024, +66 (0) 2298-0537-41

**Fax:** +66 (0) 2298-0548, +66 (0) 2298-0550

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