

**Information Memorandum Concerning the Entry into a Connected Transaction of
i-Tail Corporation Public Company Limited**

The Board of Director's Meeting of i-Tail Corporation Public Company Limited (the "**Company**") No. 6/2024 held on Tuesday 6 August 2024 (the "**Board of Directors' Meeting**") has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2024 (the "**EGM**") to consider and approve the entry into a connected transaction for the provision of financial assistance by entering into a loan agreement between the Company as the lender and Thai Union Group Public Company Limited ("**Thai Union**") as the borrower, for an amount not exceeding Baht 11,000 million (the "**Provision of Financial Assistance**") for a period of not more than six years which comprise of two facilities as follow:

- (1) Facility No. 1 is a long-term loan for an amount not exceeding Baht 6,000 million for a period of three years with an interest rate of 3.10 percent per annum and may be renewed for a period of not more than three years per each renewal with the total period not exceeding six years, in which the credit, limit, interest rate, risks and other conditions shall be reviewed before each renewal; and
- (2) Facility No. 2 is a revolving loan for an amount not exceeding Baht 5,000 million for a period of not more than one year with an interest rate equal to the policy interest rate announced by the Monetary Policy Committee (MPC) as of 17 July 2024, which is 2.50 percent per annum and plus 0.10 percent per annum or equivalent to 2.60 percent per annum. In this regard, the interest rate shall be adjusted in accordance with the rate announced by the MPC and may be renewed for a period of not more than one year per each renewal with the total period not exceeding six years, in which the credit, limit, interest rate, risks and other conditions shall be reviewed before each renewal.

The purpose of providing the loan being for enhancing the efficiency of the Company's cash management and increasing the returns on managing cash surplus pursuant to the Company's Investment Policy. The Company will provide such financial assistance to Thai Union after obtaining approval from the shareholders' meeting of the Company.

The Provision of Financial Assistance is considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 entitled Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand (the "**SET**") entitled Disclosure of Information and Act of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) and its amendments (collectively, the "**Connected Transactions Notifications**") as Thai Union is currently the major shareholder of the Company which directly holds approximately 78.82 percent of the Company's paid-up capital. The Provision of Financial Assistance has the principal amount of not exceeding Baht 11,000 million and an estimated total expected interest throughout the term of Baht 1,896 million, with an estimate total of Baht 12,896 million. The actual interest and total value incurred will depend on the drawn loan amount and the actual interest rate in accordance with the terms of the agreement. When considering the size of the transaction under the Connected Transactions Notifications which is calculated from the Company's reviewed consolidated financial statements as at 30 June 2024, the size of the transaction is equivalent to 55.11 percent of the net tangible assets of the Company and its subsidiaries, which exceeds three percent of the net tangible assets of the Company and its subsidiaries. In this connection, the Company has not entered into any

previous connected transaction during the six-month period prior to this transaction. Based on the foregoing, the Company is therefore obliged to prepare an information memorandum concerning the connected transaction and disclose it to the SET, and appoint an independent financial advisor, Jay Capital Advisory Company Limited, to provide an opinion regarding the connected transaction to the shareholders, as well as convene a general meeting of the shareholders to approve the entry into such connected transaction with votes of not less than three-fourths of the total votes of the shareholders present and eligible to vote, excluding those of the interested shareholders.

In this connection, the Company would like to inform the key details of this transaction as set out below.

1. Date, Month and Year of the Transaction

The Company requests approval for the facility to serve as a framework for providing financial assistance to Thai Union, in which the Company will enter into the Provision of Financial Assistance with Thai Union after its receipt of approval of the meeting of its shareholders which will be held on 30 September 2024.

2. Relevant Parties and Relationship with the Company

Lender: i-Tail Corporation Public Company Limited

Borrower: Thai Union Group Public Company Limited, a major shareholder of the Company which directly holds approximately 78.82 percent of the Company's paid-up capital and (1) Mr. Cheng Niruttinanon (2) Mr. Thiraphong Chansiri (3) Mr. Shue Chung Chan and (4) Mr. Nakorn Niruttinanon are directors in both the Company and Thai Union.

3. General Characteristics of the Transaction

The details of the provision of financial assistance are as follows:

- | | |
|----------------------|--|
| Type of transaction | : Connected transaction under the category of providing financial assistance |
| Nature of assistance | : (1) Facility No.1: A long-term loan agreement with annual interest rate and scheduled repayment of principal according to the loan term or upon demand of repayment, with the option for the borrower to repay the loan before the repayment date; |
| | (2) Facility No. 2: A revolving loan agreement with annual interest rate and scheduled repayment of principal according to the loan term or upon demand of repayment, with the option for the borrower to repay the loan before the repayment date |

Loan amount : Not exceeding Baht 11,000 million, comprising:

- (1) Facility No. 1: Not exceeding Baht 6,000 million;
- (2) Facility No. 2: Not exceeding Baht 5,000 million.

However, the Company shall have sufficient reserves to cover its working capital requirements and the remaining funds may then be allocated for lending to Thai Union. The following shall be taken into consideration for the allocation of the Company's surplus cash for the provision of loan:

- (a) The reserve for working capital requirements should be set to cover two months of sales which shall be calculated at the end of each quarter based on the sales from the previous quarterly financial statements; and
- (b) The total loan amount under both Facility No. 1 and Facility No. 2 at the end of the quarter of the calendar year, the total amount shall not exceed 75 percent of the Company's cash, including cash equivalents, short-term and long-term investments and the outstanding loan amount to Thai Union under Facility No. 1 and Facility No. 2. If the calculation results in the loan amount to Thai Union exceeding such amount the Company shall recall such exceeding amount from the Facility No. 2 or the Facility No. 1, respectively, within seven days.

Pursuant to item b. above, if Thai Union's shareholding percentage in the Company significantly decreases or changes by more than 5 percent of the total of shares of the Company compared to the previous quarter, the Company's Board of Directors shall review the credit, limit, interest rate, risks and other conditions of the facilities and the facility limit shall not exceed the limit amount approved herein.

- Interest rate : (1) Facility No. 1: 3.10 percent per annum which is equivalent to the estimated return rate of the Company, rated according to Thai Union's credit rating, which is currently at A+ for a 3-year bond issuance based on the return rate information from the Thai Bond Market Association and the estimated additional return rate as of 17 July 2024
- (2) Facility No. 2: Equal to the policy interest rate announced by the Monetary Policy Committee (MPC) as of 17 July 2024, which is 2.50 percent per annum and plus 0.10 percent per annum or equivalent to 2.60 percent per annum. In this regard, the interest rate shall be adjusted in accordance with the rate announced by the MPC.

The interest rate or return that the Company receives from the Provision of Financial Assistance is higher than the return that the Company would receive under the same conditions.

- Default interest rate : 2.00 percent per annum, in addition to the interest rate of each facility

- Interest payment : Interest shall be paid within 15 days from the date of interest calculation which shall be on a quarterly basis of calendar year of each year.

- Loan period : Not exceeding six years

- Maturity of each drawdown : (1) Facility No. 1: Three years and may be renewed for a period of not more than three years per each renewal
- (2) Facility No. 2: One year per sub-facility and may be renewed for a period of not more than one year per each renewal

- Review of terms for renewal : The Board of Directors of the Company shall review the credit, limit, interest rate, risks and other conditions of the facilities before each renewal which the facility limit shall not exceed the limit amount approved herein.

Interest throughout the term of the agreement : The maximum interest the Company is expected to receive from the full utilization of the loan amount over the entire six-year loan term:

(1) Facility No. 1: Baht 1,116 million

(2) Facility No. 2: Baht 780 million

Total interest: Baht 1,896 million

Nonetheless, the actual interest incurred shall depend on the loan amount drawn and the actual interest rate under the terms of the agreement.

Principal repayment : The principal shall be repaid upon maturity but may be prepaid in the following circumstances:

(1) Thai Union has the right to prepay the loan in full or in part to the Company before the loan repayment date, provided that (1) with regards to Facility No. 1, Thai Union shall provide a written notice to the Company at least 30 days in advance and (2) with regards to Facility No. 2, no prior notice by Thai Union is required.

(2) The Company has the right to demand loan repayment in full or in part from Thai Union before the loan repayment date (1) pursuant to the terms in relation with the aforementioned shareholding percentage of Thai Union or (2) when the Company deems appropriate, (a) with regards to Facility No. 1, the Company shall demand loan repayment after the loan disbursement date and at least 60 days which the Company must provide a written notice to Thai Union at least 30 days in advance and (b) with regards to Facility No. 2, no prior notice by the Company is required.

Collateral : None

Prepayment Fee : (1) Facility No. 1: 0.75 percent per annum of the prepaid principal amount and remaining period until the loan repayment date

(2) Facility No. 2: None as it is a short-term revolving loan agreement

Conditions that may affect the rights of shareholders : None

- Other conditions of the loan : (1) Each loan utilization must not affect the Company's financial plans; and
- (2) Thai Union must demonstrate to the Company that it has sufficient working capital loan facilities with financial institutions in case the Company demands full repayment of all facilities at once. Thai Union must also provide key information demonstrating its ability to repay the loan, such as credit ratings and financial information.
- Purpose of the loan : For the Company to enhance the efficiency of its cash management and increase returns on managing cash surplus pursuant to the Company's Investment Policy

4. Total Value, Size and Criteria Used to Determine the Total Value of the Transaction

- 4.1 Total value of the transaction : Total estimated value of the principal and interest throughout the term does not exceed Baht 12,896 million based on the calculation as follows:
- = The maximum loan amount is Baht 11,000 million, together with interest that the Company may receive from lending the full amount over the six-year period totaling Baht 1,896 million
- = Baht 11,000 million + (Baht 6,000 million x 3.10% x 6 years) + (Baht 5,000 million x 2.6% x 6 years)
- = totalling Baht 12,896 million
- Nonetheless, the actual interest and total amount shall depend on the loan amount drawn and the actual interest rate under the terms of the agreement.
- 4.2 Size of the transaction : Size of transaction equals 55.11 percent of the net tangible assets of the Company and its subsidiaries which is calculated from the reviewed consolidated financial statements of the Company as at 30 June 2024
- Size of the transaction = $\frac{\text{value of the transaction}}{\text{net tangible assets}} \times 100$
- = $\frac{12,896}{23,399} \times 100$
- = 55.11 percent

When considering the size of such transaction under the Connected Transaction Notifications, the total transaction value is Baht 12,896 million, equivalent to 55.11 percent of the total net tangible assets, which exceeds three percent of the total net tangible assets of the Company and its subsidiaries based on the reviewed consolidated financial statements of the Company as at 30 June 2024. The transaction is considered a large-sized transaction and the Company has not entered into any previous connected transactions during the six-month period prior to this transaction. Based on the foregoing, the Company is therefore obliged to prepare an information memorandum concerning the connected transaction and disclose it to the SET, and appoint an independent financial advisor to provide an opinion regarding the connected transaction to the shareholders, as well as convene a general meeting of the shareholders to approve the entry into such connected transaction. The Company has appointed Jay Capital Advisory Company Limited to be the independent financial advisor providing its opinion on the connected transaction for consideration by the shareholders.

5. Source of Funds for Providing Financial Assistance

The source of funds shall come from the Company's working capital cash, short-term investment and long-term investment. After providing such loan, the Company has sufficient cash flow for its operations and ensure that it does not impact the Company's planned expenditures.

6. Meeting Attendance and Voting by Directors Having Conflicts of Interest

In considering and approving the connected transaction for the provision of financial assistance to a connected person, the following directors of the Company having conflicts of interest did not attend the meeting nor vote on such agenda:

Name	Position
(1) Mr. Cheng Niruttinanon	Chairman of the Board of Directors
(2) Mr. Thiraphong Chansiri	Vice Chairman of the Board of Directors
(3) Mr. Shue Chung Chan	Director
(4) Mr. Nakorn Niruttinanon	Director
(5) Mr. Thawee Tangchansiri	Director
(6) Mr. Tin Shu Chan	Director

7. Opinion of the Company's Board of Directors on the Connected Transaction to the SET

The Board of Directors of the Company (excluding directors who have conflicts of interest) has thoroughly considered and views that the entry into the transaction is appropriate and beneficial to the Company and its shareholders as the Company can utilize its available funds to achieve higher returns compared to investing by depositing such funds in financial institution accounts, government bonds and corporate bonds, thereby enhancing the efficiency of the Company's cash management and the loan also contains other appropriate conditions.

Therefore, the Board of Directors' Meeting has resolved to propose to the EGM which will be held on 30 September 2024, to consider and approve the Provision of Financial Assistance to Thai Union.

8. Opinion of the Company's Audit Committee and/or the Company's Directors which are different from the Opinions of the Board of Directors according to item 7

Prior to the Board of Directors' Meeting, the audit committee has reviewed and determined that this transaction is reasonable. In this regard, the audit committee does not have any objections or differing opinions from the Company's Board of Directors as set out in item 7.

The Company's Information
i-Tail Corporation Public Company Limited

1. General Information and Business Operations Summary

1.1 General Information

Name	:	i-Tail Corporation Public Company Limited
Company Registration No.	:	0107536000641
Business Type	:	Manufacturer (OEM) production and distributor of pet food products
Registered and Fully Paid-up Share Capital	:	Baht 3,000,000,000
Head Office	:	979/92-94, 29th Floor, S.M. Tower, Phaholyothin Road, Phayathai Sub-district Phayathai District, Bangkok 10400
Songkhla Plant	:	333 Moo 2, Kanjanavanich Road, Phawong Sub-district, Mueang Songkhla District Songkhla 90100
Samut Sakhon Plant	:	30/24 Moo 8, Rama 2 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon 74000

1.2 Major Developments of the Company

Thai Union started its business producing pet food products at the Samut Sakhon plant in 1977 under Thai Union Manufacturing (TUM). In 1981, the Songkla Canning Company Limited was established to operate as a manufacturer of ambient seafood and canned products and subsequently listed on the SET in 1988. In 1989, the company began producing pet food products under Songkla Canning Company Limited and was converted to a public company under the name Songkla Canning Public Company Limited (SCC) in 1993. In 1999, Thai Union became a majority shareholder and SCC was subsequently delisted from the SET in the same year. In September 2021, the company changed its name to i-Tail Corporation Public Company Limited (ITC) and became listed on the Stock Exchange of Thailand (SET) on December 9, 2022.

Year	Major Events
1977	Thai Union started manufacturing pet food products at the Samut Sakhon plant under Thai Union Manufacturing (TUM).
1981	Songkla Canning was established to operate as a manufacturer of ambient seafood and tuna products.
1988	Songkla Canning was listed on the SET.
1989	Songkla Canning started manufacturing pet food products at its Songkhla plant.

Year	Major Events
1993	Songkla Canning was converted to a public company under the name Songkla Canning PCL.
1994	Acquired a majority stake (90.5%) in Asian-Pacific Can (APC), a producer of steel and aluminum food packaging products in Thailand, and increased our shareholding to 99.0% in 2016.
1999	Thai Union became a majority shareholder, leading to the delisting of SCC from the SET in the same year.
2004	Launched our first pet food product in plastic cups for a global brand customer in the U.S. market.
2008	Acquired a majority stake (51.0%) in Yueh Chyang Canned Food (YCC), a canned tuna and seafood processor and exporter in Vietnam. We increased our shareholding to 83.3% in 2016 and to 100.0% in 2017.
2010	Thai Union established U.S. Pet Nutrition, LLC (USPN) to operate the business as an importer and distributor of premium pet food, including serving as an OEM for contract production for leading pet food brands in the United States.
2012 - 2013	<ul style="list-style-type: none"> • The Company started selling the product “Rockstar,” a protein with the appearance and texture of meat, which is patented by the Company. It is packaged in a rounded plastic tray called a “B-tub” and distributed in the United States. • The Company started OEM production of pet food and treats for cats and dogs, serving the demand of leading global retail brands.
2015	Thai Union established a Global PetCare Business Unit (GPC) under Thai Union Manufacturing Co., Ltd. (TUM) to specifically focus on pet food business.
2016	Incorporated the use of automatic sachet machines in the production process.
2017 - 2020	<ul style="list-style-type: none"> • The Company established the Global PetCare Innovation (GPCI) to focus on inventing, developing, and producing innovative pet food. • The Company began selling cat food products in the form of small tuna flakes packed in mini pouches in the United States. Additionally, it introduced cat food products in the form of sachet mousse in Japan. • The Company began selling pet food products in triple-layer form, packed in plastic cups in China. • The Company began selling pet food products in Brazil. • The Company adopted freeze-drying technology in the pet food production process.

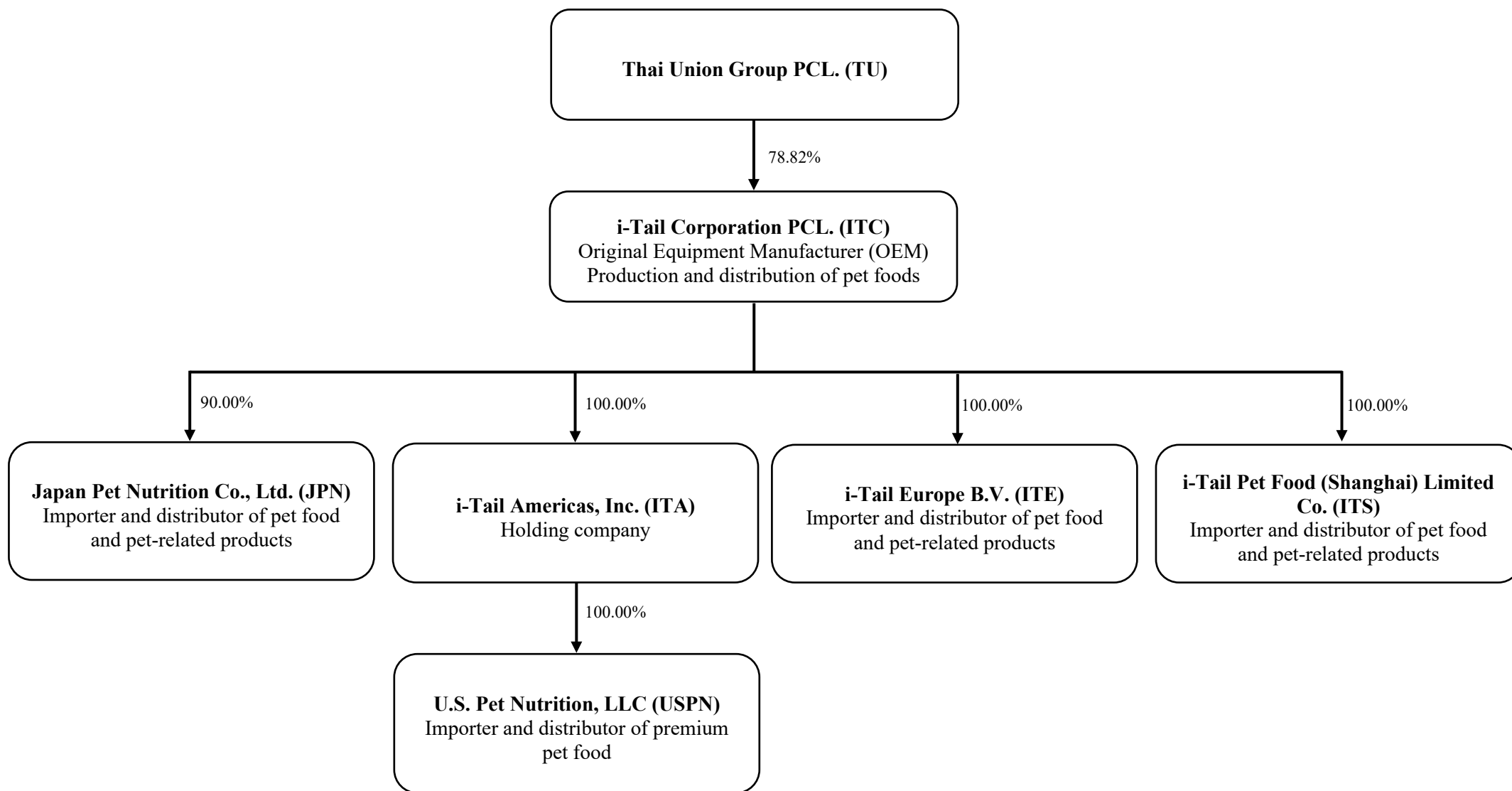
Year	Major Events
	<ul style="list-style-type: none"> • The Company introduced cat drink products and vitamin drinks for cats and dogs in European market.
2021	<ul style="list-style-type: none"> • The Company launched a new pet food brand, ‘ChangeTer,’ by offering kidney-friendly mousse cat treats. This product also serves as a prototype for customers who engage the company in the production of pet food. • One of the Company’s strategic customers introduced a new type of pet food product, such as a Swirl Pate, produced by the Company and distributed under customer brands in the United States. • The Company began selling dog treats in the form of chicken jerky chip like potato chips (Dog Chips) to customers in Hong Kong. • In May 2021, the Company established Japan Pet Nutrition Co., Ltd. (JPN), a subsidiary operating in importing and distributing pet food and pet products in Japan. • In September 2021, the Company changed its name to i-Tail Corporation Public Company Limited and established i-Tail Americas, Inc. (ITA), a subsidiary operating business investing in other companies (Holding Company) in the U.S. • Announced major business structure changes as follows: <ul style="list-style-type: none"> - Termination of the business in producing and distributing ambient seafood to focus solely on pet food business. - Disposal of the Company’s entire investment in APC to Thai Union. - Disposal of the Company’s entire investment in YCC to TUM, a company also under the control of Thai Union. - Acquisition of U.S. Pet Nutrition, LLC. (USPN), engaged in importing and distributing pet food in the U.S., from Thai Union North America, Inc. and Tri-Union Seafoods, LLC. Both companies are under the common control of Thai Union through ITA, a subsidiary of the Company. - Acquisition of the pet food business unit (GPC) from TUM. • In December 2021, the Company completed the sale of its investment in YCC in accordance with the Capital Contribution Transfer Agreement dated December 15, 2021. • In December 2021, the Company invested in USPN through ITA, a subsidiary of the Company, in accordance with the Membership Interest Purchase Agreement dated December 31, 2021. • In December 2021, the Company received the transfer of assets and employees related to the pet food business unit from TUM in accordance with the Business Transfer Agreement dated December 31, 2021.

Year	Major Events
2022	<p>On December 9, 2022, the Company was listed on the Stock Exchange of Thailand under the name i-Tail Corporation Public Company Limited, known as ITC, in the agricultural and food industry. This marked the highest offering value for an IPO stock in the food and beverage business sector in the history of Thai stock market. Additionally, it stood as the IPO with the highest offering value in the consumer business sector in Southeast Asia in 2022.</p>
2023	<ul style="list-style-type: none"> • The Company established new subsidiaries, namely i-Tail Pet Food (Shanghai) Co., Ltd. (ITS) in China and i-Tail Europe B.V. (ITE) in the Netherlands, to expand the pet food and pet-related product business in the China and European markets, with a particular focus on the UK, Germany, France, and the Netherlands. • The Company started the construction of a new production plant in Samut Sakhon province at the end of 2021, with the goal of increasing the production capacity of wet pet food and pet treats by 18.7 percent. This expansion includes the establishment of production line structures equipped with modern automatic technology. Operations are expected to commence from the second quarter of 2024 onwards, with a total investment of THB 2.1 billion baht • In March 2023, the Company announced a strategic partnership with a leading partner, Nanjing Jiabei Petcare Products Co., Ltd., a company operating in importing and distributing pet products in China. The collaboration aims to deliver products under Bellotta, Marvo, and ChangeTer brands to the China market through online and offline channels. This move reinforces the Company's leadership in the OEM business and distribution of pet food under pet-centric concept. • In May 2023, the Company partnered with Major Cineplex Group to launch i-Tail Pet Cinema, the first movie theater for dog and cat owners in Thailand. Responding to the trend of treating pets like important family members (Pet Humanization), there are 3 branches in Bangkok, Thailand: Mega Cineplex, Eastville Cineplex, and Major Cinema Robinson Ratchaphruek. • During June and July 2023, the Company organized the "i-Tail Hackathon Innovation Challenge 2023", a platform aimed at cultivating creativity that reflects the concept of supporting innovation. The initiative is designed to develop the potential of i-Tail employees through hands-on learning and work, fostering new innovative ideas for the pet business. The goal is to create value for both individuals and colleagues, contributing to the sustainable growth of the organization.

Year	Major Events
	<ul style="list-style-type: none"> • In June 2023, the Company successfully opened “i-Cattery” located at the Faculty of Veterinary Medicine, Mahidol University Salaya campus. The center focuses on nutritional research and measuring food palatability for cats, reinforcing our commitment to being a pet centric business. Within the center, there are 48 gourmet cats on staff, trained and well-cared-for by the veterinarian team and the cat specialist team. In addition, the Company also handed over the i-Tail Horse Stable in the same area to the Faculty of Veterinary Medicine at Mahidol University. This initiative aims to promote knowledge about horses, support learning, and provide parole therapy services to students and the general public interested in equine activities. • In September 2023, the Company launched a new super-premium cat food product called Nutri+ Grain Free, under Bellotta brand. This product uses natural ingredients and is free from grain ingredients. It comprises a total of 6 products designed to meet the specific needs of each age stage of cats. The line is complete with all necessary benefits and has been made available through both traditional channels (pet product stores) and online channels. • Since the third quarter of 2023, the Company has introduced new innovative formats for pet food products under the OEM business. These include products in duo plastic cups, dual-layer mousse products, mini cup packaging, and marble-patterned meat products such as marbled beef chunks with sweet potato in gravy and power ball jelly forms. These products are exported to the United States, China, Taiwan, and European markets.

2. The Current Shareholding Structure of the Company

Company	Shareholding Percentage	Business Type
i-Tail Americas, Inc. (ITA)	100%	Holding company
U.S. Pet Nutrition, LLC. (USPN)	100% held by ITA	Importer and distributor of premium pet food
Japan Pet Nutrition Co., Ltd. (JPN)	90%	Importer and distributor of pet food and pet-related products
i-Tail Europe B.V. (ITE)	100%	Import and distribute pet foods and pet - related products
i-Tail Pet Food (Shanghai) Limited Co. (ITS)	100%	Import and distribute pet foods and pet - related products



3. Nature of Business

3.1 i-Tail's Main Product Categories

The Company operates an OEM business, producing and distributing pet food and treats for cats and dogs. Our product ranges from standard to premium pet food, with main ingredients such as tuna and chicken, both rich in protein. Our innovative production process ensures the creation of high-quality pet food products with an appealing appearance, delicious taste, and a rich nutritional profile, providing the complete nutrients essential for a pet's well-being. This reflects our vision: 'Building a happier world where pets thrive and live their healthiest lives'.

Our pet food products are divided into two categories as follows:

3.1.1 Pet Food

(a) Complete & Balanced Pet Food

Main meal pet food products provide essential energy and nutrients, including various vitamins and minerals that meet the daily needs of pet's body. These products adhere to certification standards set by both the United States, specifically the Association of American Feed Control Officials (AAFCO), and the European Pet Food Industry Federation (FEDIAF), as well as the laws of the countries in which the products are sold.

(b) Complementary Pet Food

A snack or treat product designed for pets is usually given as additional food alongside the main meal, as it typically has incomplete nutritional value. However, some products may offer additional benefits with a range of vitamins and minerals to nourish the body and address the specific needs of pets in various aspects.

The Company offers wet pet food products designed for both cats and dogs, having a moisture content exceeding 60 percent of the net weight. This high moisture level gives the food a soft appearance, making it easy for your pets to eat. The product is enhanced with a strong aroma and flavor, effectively stimulating your pet's appetite. Our range includes recipes catering for all life stages, from kittens and puppies to adults and seniors. This ensures that pets of all ages receive proper and adequate nutrition in every meal.

With state-of-the-art production and the Company's dedicated quality research team, we possess the capability to manufacture pet food in various formats. Our products can be customized based on customer needs, offering options like large protein pieces (Fillet), small protein pieces (Flake), finely chopped protein pieces (Mince), and Rockstar Chunk, each providing a meat-like texture. Additionally, there are a variety of product format options such as gravy, broth, jelly, mousse, pate, etc.

Furthermore, the Company is committed to the development of specialized health pet food products through its dedicated Global PetCare Innovation (GPCI), Research & Development Department, Business Development

Innovation Department (BDi), and Sales and Marketing Department. These teams collaborate to create formulas that address common health problems in pets, such as digestive issues, oral diseases, and immune system disorders. Additionally, the company shows a commitment in its pursuit of new raw materials, contributing to the uniqueness of the Company that is challenging to copy or imitate.

3.1.2 Pet Treats

Pet treats are often used as rewards to train pets to obey commands, as well as to foster a positive relationship and demonstrate affection between pets and their owners. The Company offers a variety of pet snacks and treats for both cats and dogs, available in wet, semi-dry, and semi-moist types. The moisture content ranges between 14 and 60 percent of the net weight. We select high-quality raw materials to develop products that cater to the needs of pets in various life stages. Additionally, some products may include special features designed to enhance specific aspects of pet health, such as dental health care formulas, skin and coat formulas, stress reduction formulas, etc.

The Company pet treats are available in a variety of formats, including biscuits, sticks, jerky, freeze-dry, and mousse. These products not only possess outstanding appearance and good texture but also contribute to pet health in various aspects. This provides pet owners with more alternatives and convenience.

3.2 Sales by Product Segment

	For the Year Ended December 31,					
	2023		2022 ¹		2021 ¹	
	Baht Million	%	Baht Million	%	Baht Million	%
Pet food:						
Cat food	10,755.3	69.2	15,557.7	73.6	10,708.1	73.7
Dog food	2,404.6	15.4	2,561.2	12.0	1,653.3	11.4
Pet treats:						
Cat treats	1,342.8	8.6	1,754.5	8.2	1,375.2	9.5
Dog Treats	523.0	3.4	1,464.4	6.8	772.9	5.3
Others²	531.2	3.4	82.3	0.4	19.2	0.1
Total sales	15,576.9	100.0	21,420.1	100.0	14,528.7	100.0

Remark:

1. 2021-2022 financial information was the pro forma consolidated financial information which has been prepared by the Company's management to demonstrate the impact of business restructuring as if it occurred on January 1, 2019.
2. Others comprise other per food and sales of non-pet food related products such as whole tuna fish, ingredient, scraps, etc.

4. Name List of Directors, Executives and Major Shareholders

4.1 Directors and Executives of the Company

4.1.1 Board of Directors of the Company as of 20 August 2024 consist of:

- | | | |
|-----|--------------------------------|--|
| 1. | Mr. Cheng Niruttinanon | Chairman of the Board of Directors |
| 2. | Mr. Thiraphong Chansiri | Vice Chairman of the Board of Directors |
| 3. | Mr. Shue Chung Chan | Director
Member of Nomination Remuneration
and Corporate Governance Committee |
| 4. | Mr. Thawee Tangchansiri | Director |
| 5. | Mr. Tin Shu Chan | Director
Chairman of Executive Committee
Member of Risk Management
Committee |
| 6. | Mr. Pichitchai Wongpiya | Director
Member of Executive Committee
Member of the Risk Management
Committee |
| 7. | Mr. Nakorn Niruttinanon | Director
Member of the Executive Committee
Member of the Risk Management
Committee |
| 8. | Mr. Teerachai Chantarojanasiri | Independent Director
Chairman of the Audit Committee
Chairman of Nomination
Remuneration and Corporate
Governance Committee |
| 9. | Ms. Anchalee Bunsongsikul | Independent Director
Member of the Audit Committee
Chairwoman of the Risk Management
Committee
Member of Nomination Remuneration
and Corporate Governance Committee |
| 10. | Mrs. Sawita Suwansawat | Independent Director
Member of the Audit Committee
Member of the Risk Management
Committee |
| 11. | Mr. Werapong Goo | Independent Director
Member of the Risk Management
Committee |

4.1.2 The Executive of the Company as of 20 August 2024 consist of:

1. Mr. Pichitchai Wongpiya Chief Executive Officer (CEO)
2. Mr. Chaiwat Charoenrujitanon Chief Financial Officer (CFO)
3. Mr. Nakorn Niruttinanon Chief Operating Officer (COO)
4. Mr. Pornchai Tatiyachaitaweasuk Chief Commercial Officer (CCO)

4.2 Shareholders

The top 10 shareholders of the Company as of 20 August 2024, which is the Record Date that determines the shareholders who have the right to attend the EGM comprise of the following:

Name	No. of Shares	Percentage of Shareholding
1. Thai Union Group Public Company Limited	2,364,659,681	78.82
2. Thai NVDR Company Limited	97,713,379	3.26
3. South East Asia UK (Type C) Nominees Limited	22,692,200	0.76
4. Mr. Sarath Ratanavadi	20,027,100	0.67
5. BNP Paribas Singapore Branch	18,410,590	0.61
6. Krungsri Dividend Stock LTF	15,559,197	0.52
7. Krungsri Dividend Stock Fund	11,395,262	0.38
8. Muang Thai Life Assurance Public Company Limited	8,545,703	0.28
9. Social Security Office by Talis Asset Management Company Limited	8,306,300	0.28
10. Provident Fund of Tisco, registered company	7,865,700	0.26
Total number of shares of major shareholders	2,575,175,112	85.84
Other Shareholders	424,824,888	14.16
Total number of shares	3,000,000,000	100.00

5. Financial Position and Operating Results

5.1 Statement of Financial Position

	31 December 2021 Baht Thousand	31 December 2022 Baht Thousand	31 December 2023 Baht Thousand	30 June 2024 Baht Thousand
Assets				
Current assets				
Cash and cash equivalents	3,293	10,798,907	9,305,088	10,546,790
Short-term investment	-	-	-	1,000,000
Trade and other receivables, net	1,089,905	3,553,944	3,860,220	3,849,345
Short-term loans to the parent company	555,707	-	-	-
Inventories, net	3,844,616	4,457,020	3,242,827	3,370,175
Investment in debt instruments measured at amortized cost	-	737,628	1,760,811	1,144,576
Derivative assets	6,521	560,651	240,471	6,028
Other current assets	65,077	214,239	164,000	164,353
Assets of disposal groups classified as held-for-sale from discontinued operations	4,894,623	-	-	-
Total current assets	10,459,742	20,322,389	18,573,417	20,081,267
Non-current assets				
Investments in debt instruments measured at amortized cost - non-current	-	-	877,924	100,859
Property, plant and equipment, net	4,171,417	4,893,053	5,481,935	5,793,307
Right-of-use assets, net	31,731	41,749	45,478	42,532
Intangible assets, net	8,819	31,729	35,513	34,765
Derivative assets - non-current	1,978	96,622	70,281	-
Deferred tax assets, net	35,959	43,144	44,209	100,814
Other non-current assets	223,147	320,901	302,494	307,838
Total non-current assets	4,474,051	5,427,198	6,857,834	6,380,115
Total assets	14,933,793	25,749,587	25,431,251	26,461,382
Liabilities and equity				
Current liabilities				
Trade and other payables	4,356,238	2,355,237	1,520,111	1,782,531
Short-term loans from the parent company	672,319	-	-	-
Current Portion of lease liabilities, net	9,629	13,844	13,788	12,008
Income tax payable	-	22,883	80,198	59,449
Derivative liabilities	123,796	106,702	85,489	461,847
Other current liabilities	8,110	28,298	10,825	8,768
Liabilities of disposal groups classified as held-for-sale from discontinued operations	4,705,515	-	-	-
Total current liabilities	9,875,607	2,526,964	1,710,411	2,324,603

	31 December 2021 Baht Thousand	31 December 2022 Baht Thousand	31 December 2023 Baht Thousand	30 June 2024 Baht Thousand
Liabilities and equity (continued)				
Non-current liabilities				
Long-term loans from the parent company	100,260	-	-	-
Lease liabilities, net	22,476	28,457	32,996	31,379
Employee benefit obligations	578,299	559,169	507,877	529,067
Non-current derivative liabilities	1,925	-	-	-
Other non-current liabilities	23,753	28,859	61,107	41,453
Total non-current liabilities	726,713	616,485	601,980	601,899
Total liabilities	10,602,320	3,143,449	2,312,391	2,926,502
Equity				
Share capital				
Authorized share capital				
3,000,000,000 ordinary shares at a par value of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares at a par value of Baht 10 per share)	360,000	3,000,000	3,000,000	3,000,000
Issued and paid-up share capital				
3,000,000,000 ordinary shares at an issued and paid-up of Baht 1 per share (31 December 2021: 36,000,000 ordinary shares paid-up at Baht 10 per share)	360,000	3,000,000	3,000,000	3,000,000
Premium on share capital	240,000	18,394,890	18,394,890	18,394,890
Retained earnings				
Appropriated - legal reserve	36,000	300,000	300,000	300,000
Appropriated - other reserve	44	44	44	44
Unappropriated	4,258,330	784,202	1,670,222	2,480,764
Other components of equity	(565,752)	128,077	(246,895)	(641,007)
Total equity attributable to owners of the parent	4,328,622	22,607,213	23,118,261	23,534,691
Non-controlling interests	2,851	(1,075)	599	189
Total equity	4,331,473	22,606,138	23,118,860	23,534,880
Total liabilities and equity	14,933,793	25,749,587	25,431,251	26,461,382

5.2 Statement of Income

	31 December 2021 Baht Thousand	31 December 2022 Baht Thousand	31 December 2023 Baht Thousand	30 June 2023 Baht Thousand	30 June 2024 Baht Thousand
Revenue from sales and services	7,107,870	22,528,469	15,576,934	6,829,508	8,595,617
Cost of sales and services	(6,043,089)	(17,103,965)	(12,539,356)	(5,606,779)	(6,192,912)
Gross profit	1,064,781	5,424,504	3,037,578	1,222,729	2,402,705
Other income	84,265	247,883	602,563	253,632	343,087
Profit before expenses	1,149,046	5,672,387	3,640,141	1,476,361	2,745,792
Selling expenses	(210,145)	(547,818)	(454,780)	(213,152)	(257,180)
Administrative expenses	(370,076)	(718,677)	(728,681)	(385,410)	(442,628)
Reversal (loss) from impairment of financial assets, net	(12,139)	(18,733)	1,491	691	(11,630)
Other gains (losses), net	142,169	199,186	(32,597)	22,446	(157,127)
Finance costs	(24,675)	(85,998)	(11,015)	(7,690)	(2,789)
Profit before income tax	674,180	4,500,347	2,414,559	893,246	1,874,438
Income tax (expense) credit	19,737	(70,122)	(131,737)	(21,250)	(44,255)
Profit for the period from continuing operations	693,917	4,430,225	2,282,822	871,996	1,830,183
Profit for the period from discontinued operations	881,928	39,507	-	-	-
Profit for the period	1,575,845	4,469,732	2,282,822	871,996	1,830,183
Profit (loss) attributable to:					
Owners of the parent					
From continuing operations	726,450	4,430,734	2,281,375	870,030	1,830,590
From discontinued operations	872,231	39,444	-	-	-
Total	1,598,681	4,470,178	2,281,375	870,030	1,830,590
Non-controlling interests					
From continuing operations	(32,533)	(509)	1,447	1,966	(407)
From discontinued operations	9,697	63	-	-	-
Total	(22,836)	(446)	1,447	1,966	(407)

5.3 Statement of Cash Flows

	31 December 2021	31 December 2022	31 December 2023	30 June 2024
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net cash receipts from investing activities	1,122,804	2,042,829	2,890,550	2,164,182
Net cash receipts from (payments for) investing activities	(549,483)	(3,388,782)	(2,993,537)	49,843
Net cash receipts from (payments for) financing activities	(588,590)	12,133,830	(1,374,391)	(1,059,302)
Net increase (decrease) in cash and cash equivalents	(15,269)	10,787,877	(1,477,378)	1,154,723

5.4 Financial Ratios

	Year 2021 (Stat)	Year 2022 (Stat)	Year 2023 (Stat)	30 June 2024 (Stat)
Profitability Ratios				
Gross profit margin (%)	14.98%	24.08%	19.50%	27.95%
EBITDA margin (%)	13.15%	22.89%	19.03%	24.95%
Operating margin (%)	6.65%	18.37%	11.91%	19.68%
Net profit margin (%)	22.49%	19.84%	14.65%	21.30%
Return on Equity (%)	15.68%	32.89%	9.98%	15.69%
Liquidity Ratios				
Current ratio (times)	1.06	8.04	10.86	8.64
Quick ratio (times)	0.11	5.68	7.70	6.32
Days sales outstanding (days)	84.88	37.21	83.17	75.03
Days sales outstanding (days)	235.65	91.06	117.82	105.48
Days payable outstanding (days)	89.40	34.76	35.37	31.99
Profitability Ratios				
Return on assets (%)	12.46%	21.97%	8.92%	14.11%
Asset turnover (times)	0.57	1.12	0.63	0.69
Financial Policy Ratios				
Debt to equity ratio (times)	2.45	0.14	0.110	0.12
Interest bearing debt to equity ratio (times)	0.19	0.00	0.00	0.00
Interest coverage ratio (times)	37.88	59.97	269.11	768.84

5.5 Analysis of Financial Position and Operating Results

Revenue from sales and services

For the year 2021 - 2023, and the six-month period of 2024, the Company had revenue from sales and services of THB 7,107.87 million, THB 22,528.47 million, THB 15,576.93 million, and THB 8,595.62 million, respectively. The revenue was derived from the sale of pet food products, processed seafood products, other businesses including plant-based food products, and by-products from the Company's marine raw materials. The details are summarized as follows:

In 2022, the Company reported revenue from sales and services of THB 22,528.47 million, representing an increase of THB 15,420.60 million or 216.95% compared to the previous year. This significant growth was primarily driven by (1) a 284.8% increase in pet food sales compared to the previous year, and (2) the acquisition of TUM's pet food business as part of a business restructuring, along with other ventures, which led to a 512.0% increase in sales of by-products from our seafood raw materials at the Samut Sakhon plants. This growth was partially offset by a 42.2% decline in ambient seafood sales, as the Company transitioned away from the ambient seafood business to concentrate on the pet food segment.

In 2022, the Company reported revenue from sales and services of THB 15,576.93 million, representing a decrease of THB 6,951.54 million or 30.86% compared to the previous year. Mainly due to (1) Previous year's exceptional performance (2) a slow-down of orders from inventory destocking in the U.S. and Europe in the first half of 2023 (3) inflationary environment which affected consumer spending, (4) unfavorable premium product sales (5) lower freight revenue. However, there were signs of recovery from restocking of customers and retailers in the U.S. and Europe, a declining level of inventory, and new innovative products launch in second half of 2023.

For the first six months of 2024, the Company reported revenue from sales and services of THB 8,595.62 million, an increase of THB 1,766.11 million or 25.86% compared to the same period in the previous year. This growth was primarily driven by heightened demand for pet food across all markets, particularly in the U.S. and Europe, an increased share of premium product sales, and the Company's pricing adjustment strategy.

Gross Profit

For the year 2021 - 2023, and the six-month period of 2024, the Company had gross profit of THB 1,064.78 million, THB 5,424.50 million, THB 3,037.58 million, and THB 2,402.71 million, respectively. The details are summarized as follows:

In 2022, the Company's gross profit increased by THB 4,359.72 million or 409.45% compared to the previous year. This significant rise was primarily due to (1) the acquisition of the pet food business from TUM, (2) higher selling prices, (3) efficient cost management, and (4) a higher proportion of premium products. The gross profit margin was 24.08%.

In 2023, the Company's gross profit decreased by THB 2,386.93 million or 44.00%, compared to the previous year. This decline was primarily due to (1) reduced sales

revenue stemming from lower purchase orders as customers disposed of inventory in the first half of the year, (2) increased fixed costs per unit, and (3) a lower proportion of premium product sales. However, gross profit improved in the latter half of 2023 due to a recovery in sales revenue, reduced raw material costs, particularly for tuna raw materials and higher selling prices. Consequently, the Company's gross profit margin was 19.50%, aligning with the 2023 target range of 19.00% to 20.00%.

For the first six months of 2024, the Company's gross profit rose by THB 1,179.98 million or 96.50%, compared to the same period in the previous year. This significant increase was primarily due to higher sales and service revenue, reflecting a rebound from weaker performance in the prior year. Additionally, the proportion of premium product sales grew, and production costs were reduced due to effective cost management strategies. As a result, the Company's gross profit margin improved to 27.95%.

Selling and Administrative Expenses

For the year 2021 - 2023, and the six-month period of 2024, the Company had selling and administrative expenses of THB 592.36 million, THB 1,285.23 million, THB 1,181.97 million, and THB 711.44 million, respectively. The details are summarized as follows:

In 2022, the Company's selling and administrative expenses increased by THB 692.87 million or 116.97%, compared to the previous year. This rise was mainly attributed to (1) increased commissions, (2) higher freight rates, (3) personnel expenses associated with the transfer of staff from TUM, and (4) one-time costs related to the initial public offering (IPO) and consultant fees. Despite this increase, the ratio of selling and administrative expenses to sales revenue improved to 5.62%, down from 8.16% in the previous year, reflecting a higher growth in sales revenue relative to sales and service expenses.

In 2023, the Company's selling and administrative expenses decreased by THB 103.26 million or 8.03%, compared to the previous year. This reduction was primarily due to lower sales and service revenue, which led to decreased selling expenses, though it was partially offset by higher administrative expenses related to business expansion. The ratio of selling and administrative expenses to sales and service revenue increased to 7.60%, up from 5.62% in 2022, due to a greater decline in sales and service revenue compared to the decline in selling and administrative expenses. Nonetheless, in the second half of 2023, selling and administrative expenses rose to support marketing and sales activities, aligning with the recovery in sales revenue. As a result, the ratio of selling and administrative expenses to sales and service revenue remained within the 2023 target which ranges from 7.00% to 8.00%.

For the first six months of 2024, the Company's selling and administrative expenses rose by THB 113.57 million or 19.00%, compared to the same period in the previous year. This increase was primarily due to higher consulting fees and selling expenses related to marketing activities. Despite this rise in expenses, the ratio of selling and administrative expenses to sales revenue improved from 8.75% in the first half of 2023 to 8.28% in the first half of 2024.

Earnings Before Interest and Tax (EBIT)

For the year 2021 - 2023, and the six-month period of 2024, the Company reported Earnings Before Interest and Tax (EBIT) of THB 698.86 million, THB 4,586.35 million, THB 2,425.57 million, and THB 1,877.23 million, respectively. The detailed breakdown is as follows:

In 2022, the Company's EBIT increased by THB 3,887.49 million or 556.26%, compared to the previous year. This substantial rise was primarily due to (1) higher profits resulting from increased purchase orders and (2) the acquisition of TUM's pet food business as part of the business restructuring plan. Additionally, the Company recorded a profit of THB 199.19 million from foreign exchange rates, an increase of THB 57.02 million from the previous year, attributed to the appreciation of the US dollar against Thai baht.

In 2023, the Company's EBIT decreased by THB 2,160.78 million or 47.11%, compared to the previous year, primarily due to lower sales revenue and operating profit. However, the profit before interest and tax improved in the second half of 2023, driven by better business operations and increased operating profit during that period. Additionally, the Company experienced a foreign exchange loss of THB 32.60 million, a decline from the profit of THB 199.19 million recorded in 2022, primarily due to the appreciation of Thai baht.

For the first six months of 2024, the Company's profit before interest and taxes rose by THB 976.29 million, or 108.36%, compared to the same period in the previous year. This increase was primarily driven by higher operating profit and other income. Despite this growth, the Company experienced higher exchange rate losses due to the depreciation of Thai baht.

Net Profit

For the year 2021 - 2023, and the six-month period of 2024, the Company had net profit of THB 1,575.85 million, THB 4,469.73 million, THB 2,282.82 million, and THB 1,830.18 million, respectively. The details are summarized as follows:

In 2022, the Company's net profit increased by THB 2,893.88 million or 183.64%, compared to the previous year. This significant growth was attributed to (1) robust sales revenue and gross profit, (2) effective management of selling and administrative expenses, and (3) higher exchange rate profits compared to the previous year.

In 2023, the Company's net profit decreased by THB 2,186.91 million or 48.93%, from the previous year. This decline was primarily due to (1) customer inventory disposal in the first half of the year, (2) inflation leading to reduced customer spending, (3) a lower proportion of premium product sales, and (4) increased fixed costs per unit. Despite these challenges, the net profit improved in the second half of 2023 due to (1) a recovery in sales revenue and gross profit, (2) increased operating profit compared to the first half of the year, (3) higher other income, and (4) reduced exchange rate losses compared to the second half of the previous year. Consequently, net profit rebounded in the fourth quarter of 2023, resulting in an annual net profit margin of 14.65%, down from 19.84% in 2022.

For the first six months of 2024, the Company recorded an increase in net profit of THB 958.19 million or 109.88%, compared to the same period in the previous year. This improvement was driven by higher sales revenue, operating profit, and other income, although it was partially offset by increased exchange rate losses. The net profit margin for this period rose to 21.30%, an increase from 12.77% in the same period last year.

Analysis of Financial Position

Asset

The Company's total assets as of 31 December 2021 - 2023 and 30 June 2024, were THB 14,933.79 million, THB 25,749.59 million, THB 25,431.25 million, and THB 26,461.38 million, respectively. The current assets accounted for 70.04%, 78.92%, 73.03%, and 75.89% of total assets, while non-current assets accounted for 29.96%, 21.08%, 26.97%, and 24.11% of total assets for each respective year. The Company's main current assets include cash and cash equivalents, trade and other receivables, inventories, and investments in debt instruments measured at amortized cost. The main non-current assets are the property, plant and equipment.

As of 31 December 2022, the Company's total assets amounted to THB 25,749.59 million, an increase of THB 10,815.79 million or 72.42% from the previous year primarily driven by an increase in total current assets by THB 9,862.65 million, or 94.29%. The growth was largely due to (1) a significant increase in cash and cash equivalents by THB 10,795.61 million or 327,853.23% due to the proceeds received from the public offerings, and (2) a rise in net trade receivables by THB 2,464.04 million or 226.08%, due to increased sales revenue from the factory in Samut Sakhon Province following the acquisition of TUM's pet food business. This was partially offset by a decrease in assets classified as held for sale due to a business restructuring involving APC, a subsidiary in the packaging sector.

As of 31 December 2023, the Company's total assets were THB 25,431.25 million, a decrease of THB 318.34 million or 1.24%, from the previous year primarily driven by a decrease in total current assets by THB 1,749.97 million, or 8.61%, which can be attributed to the following changes in key items (1) a decrease in cash and cash equivalents by THB 1,493.82 million or 13.83%, due to the use of funds toward the IPO's objectives while the Company's working capital increased from business operations, (2) a slight increase in net trade receivables by THB 306.28 million, or 8.62%, due to reduced sales of receivables (factoring) as factoring fees rose, (3) a decrease in inventories by THB 1,214.19 million or 27.24% to align with reduced sales revenue, and (4) an increase in investments in debt instruments - current by THB 1,023.18 million or 138.71% from the Company's investments in debentures rated at least A+ since the first quarter of 2023. Non-current assets increased by THB 1,430.64 million or 26.36%, due to (1) an increase in property, plant and equipment by THB 588.88 million, or 12.04%, from investment in new manufacturing plant machinery, and (2) an increase in non-current investments in debt instruments by THB 877.92 million from debenture investments with a minimum credit rating of A+ since the first quarter of 2023.

As of 30 June 2024, the Company's total assets had risen to THB 26,461.38 million, an increase of THB 1,030.13 million, or 4.05%, from 31 December 2023. This growth was primarily driven by increases in cash and cash equivalents, short-term investments, and investments in property, plant and equipment for new manufacturing plant machinery, as well as higher inventories to support sales in the latter half of 2024.

Liability

The Company's total liabilities as of 31 December 2021 - 2023 and 30 June 2024, were THB 10,602.32 million, THB 3,143.45 million, THB 2,312.39 million, and THB 2,926.50 million, respectively. The liabilities include current liabilities represented 93.15%, 80.39%, 73.97%, and 79.43% of total liabilities, while non-current liabilities comprised 6.85%, 19.61%, 26.03%, and 20.57% for each respective year. The Company's main current liabilities is trade and other payables, and the main non-current liabilities is employee benefit obligations.

As of 31 December 2022, the Company's total liabilities decreased by THB 7,458.87 million or 70.35% from the previous year. This reduction was largely due to a decrease in total current liabilities by THB 7,348.64 million or 74.41%, which can be attributed to the following changes in key items: (1) a complete elimination of liabilities of disposal groups classified as held-for-sale from discontinued operations, totaling THB 4,705.52 million or 100.00% from selling APC, and (2) a reduction in trade and other payables by THB 2,001.00 million or 45.93% due to the repayment of debt to TUM in connection with the acquisition of the pet food business.

As of 31 December 2023, the Company's total liabilities decreased by THB 831.06 million, or 26.44%, from the previous year, with current liabilities decreasing by THB 816.55 million, or 32.31%. This decrease was primarily due to a reduction in trade and other payables by THB 835.13 million, or 35.46%, in line with lower raw material orders resulting from decreased customer orders.

As of 30 June 2024, the Company's total liabilities increased to THB 2,926.50 million, an increase of THB 614.11 million, or 26.56%, from 31 December 2023. This rise was primarily due to an increase in derivative liabilities resulting from the adjustment of the fair value of forward foreign exchange contracts in accordance with the Company's risk hedging accounting policy.

Shareholder's equity

The Company's total shareholders' equity as of 31 December 2021 - 2023 and as of 30 June 2024, were THB 4,331.47 million, THB 22,606.14 million, THB 23,118.86 million, and THB 23,534.88 million, respectively.

As of 31 December 2022, the Company's total shareholders' equity increased by THB 18,274.67 million or 421.90%, due to (1) an increase in profit for the year of THB 2,893.89 million or 183.64%, including an increase in other comprehensive income; (2) an increase in registered capital from THB 360 million to THB 3,000 million; and (3) a premium on shares from the initial public offering of 600 million shares with a par value of THB 1 per share at an offering price of THB 32 per share. The direct costs related to the offering amounted to THB 445.11 million (net of tax), which were shown

as a deduction in the excess of share capital and legal reserves.

As of 31 December 2023, the Company's total shareholders' equity increased by THB 512.72 million, or 2.27%, primarily due to the profit from operations in 2023, with a net profit of THB 2,282.82 million.

As of 30 June 2024, the Company's shareholders' equity was THB 23,534.88 million, an increase of THB 1,030.13 million or 4.05%, resulting from the operating results of the first six months of 2024 which partially offset by dividend payments.

Liquidity

As of 31 December 2021 - 2023 and 30 June 2024, the Company reported cash and cash equivalents of THB 3.29 million, THB 10,798.91 million, THB 9,305.09 million, and THB 10,546.79 million, respectively.

For the years 2021 - 2023 and the first six months of 2024, the Company's net cash payments for investing activities were THB 1,122.80 million, THB 2,042.83 million, THB 2,890.55 million, and THB 2,164.18 million, respectively, primarily from operating profits in each period.

For the years 2021 - 2023 and the first six months of 2024, the Company's net cash receipts from (payments for) investing activities were THB (549.48) million, THB (3,388.78) million, THB (2,993.54) million, and THB 49.84 million, respectively. These amounts were largely attributed to expenditures for the purchase of property, plant, and equipment, cash flows related to investments in debt instruments, and cash used for business combinations under common control.

For the years 2021 - 2023 and the first six months of 2024, the Company's net cash receipts from (payments for) financing activities were THB (588.59) million, THB 12,133.83 million, THB (1,374.39) million, and THB (1,059.30) million, respectively. In 2022, the Company recorded significant cash inflows from the public share offering amounting to THB 18,754.89 million, net of share issuance costs. The received proceeds were subsequently allocated according to the IPO objectives. In other periods, the changes in net cash from financing activities were primarily due to dividend payments and net cash used for loan repayments.

6. Related Party Transactions

The Company and its subsidiaries have transactions with individuals or entities that may have conflicts of interest, such as directors, executives, major shareholders, and related companies. These transactions can be summarized as follows:

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
1. Thai Union Group Public Company Limited (“TU”)	Production and distribution frozen, chilled, and canned seafood products	<ul style="list-style-type: none"> • As of December 31, 2023, the Company's major shareholder directly holds 78.8 percent of the total issued pad-up shares of the Company • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Shue Chung Chan, Mr. Nakorn Niruttinanon • As of December 31, 2023, Family members of the Company's directors, namely the Chansiri family and Niruttinanon family, held a 19.6 percent and 7.1 percent of TU's total issued and paid-up shares, respectively.
2. Thai Union Manufacturing Co. Ltd. (“TUM”)	Production and sale of canned tuna	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU directly holding 99.7 percent of issued and paid-up shares of TUM. • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, Mr. Shue Chung Chan, Mr. Thawee Tangchansiri, and Mr. Nakorn Niruttinanon
3. Asian Pacific Can Co, Ltd. (“APC”)	Manufacture and sale empty cans for food packaging	<ul style="list-style-type: none"> • In the past, it was a subsidiary in which the Company directly held 99.0 percent of the total issued and paid-up shares in APC. The Company sold all shares of APC to TU on February 9, 2022. • At present, it is a company with a common major shareholder, with TU directly holding 99 percent of total issued and paid-up shares of APC.

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
		<ul style="list-style-type: none"> Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon.
4. Yueh Chyang Canned Food Co., Ltd. (“YCC”)	Production and distribution of canned tuna and seafood	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 100 percent of total issued and paid-up shares of YCC. Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Nakorn Niruttinanon
5. Thai Union ingredients Co., Ltd. (“TUI”)	Distribution of food ingredients	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 100 percent of total issued and paid-up shares of TUI. Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon.
6. Thai Union Graphics Co., Ltd. (“TUG”)	Provision of printing services with comprehensive offset system	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 98.0 percent of total issued and paid-up shares of TUG. Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Shue Chung Chan.
7. Thai Union Seafood Co., Ltd. (“TUS”)	Production and distribution of economic animal feed	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 51.0 percent of the total issued and paid-up shares of TUS. Shared directors with the Company, namely Mr. Thiraphong Chansiri, Mr. Shue Chung Chan, and Mr. Thawee Tangechansiri.
8. Thai Union Feedmill Public Company Limited (“TFM”)	Production and distribution of economic animal feed	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 51.0 percent of total issued and paid-up shares of TFM.

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
		<ul style="list-style-type: none"> Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Shue Chung Chan.
9. EHS Training and Services Co., Ltd. (“EHS”)	Provision of training and organizational services related to environmental, occupational health, and safety matters	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 100 percent of the total issued and paid-up shares of EHS. Shared a director with the Company, namely Mr. Shue Chung Chan.
10. Thai Union Trading Europe B.V. SAS (“TUTE”)	Distribution of seafood	<ul style="list-style-type: none"> A company with a common major shareholder, with TU indirectly holding 100 percent of the total issued and paid-up shares of TUTE through Thai Union European Seafood 1 SA.
11. Thai Union North America, Inc. (“TUNA”)	Investment in other companies	<ul style="list-style-type: none"> A company with a common major shareholder with TU directly holding 100 percent of the total issued and paid-up shares of TUNA. Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri.
12. Tri-Union Seafoods, LLC. (“TRI-U”)	Production and distribution of canned tuna and seafood	<ul style="list-style-type: none"> A company with a common major shareholder, with TU indirectly holding 100 percent of the total issued and paid-up shares of TRI-U through TUNA. Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri.
13. Lucky Union Foods Co., Ltd. (“LUF”)	Production and export of crab sticks	<ul style="list-style-type: none"> A company with a common major shareholder, with TU directly holding 25.0 percent of the total issued and paid-up shares of LUF.

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
		<ul style="list-style-type: none"> • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Thiraphong Chansiri. • Mr. Cheng Niruttinanon, a director of the Company, holds 11.8 percent of the total issued and paid-up shares in LUF.
14. TN Fine Chemicals Co., Ltd. (“TNFC”)	Production and export of seafood by-products	<ul style="list-style-type: none"> • Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Nakorn Niruttinanon. • A company with a common major shareholder, with TU indirectly holding 49.0 percent of the total issued and paid-up shares of TNFC through TUM.
15. Jana Fish Industries Co., Ltd. (“JANA”)	Production of fishmeal and animal feed	<ul style="list-style-type: none"> • Shared a director with the Company, namely Mr. Nakorn Niruttinanon. • The Company's director, Mr. Nakorn Niruttinanon, holds 40.0 percent of the total issued and paid-up shares in JANA.
16. T.C. Union Agrotech Co., Ltd. (“T.C. Union”)	Processing and distribution of tuna by-products	<ul style="list-style-type: none"> • Shared a director with the Company, namely Mr. Cheng Niruttinanon. • The Company's director, Mr. Cheng Niruttinanon, holds 34.8 percent of the total issued and paid-up shares in T.C. Union.
17. Chansiri Real Estate Co., Ltd. (“CSRE”)	Real estate development	<ul style="list-style-type: none"> • Shared a director with the Company, namely Mr. Thiraphong Chansiri. • The Company's director, Mr. Thiraphong Chansiri, and four of his close relatives hold all of the shares in CSRE, representing 100 percent of the total issued and paid-up shares.

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
18. New Century Printing and Packaging Co., Ltd. (“NCP”)”)	Providing printing services	<ul style="list-style-type: none"> • Shared a director with the Company, namely Mr. Cheng Niruttinanon. • Mr. Cheng Niruttinanon, a director of the Company, directly holds 55.6 percent of the total issued and paid-up shares in NCP.
19. Waithai Co., Ltd. (“WT”)	Transportation and unloading of goods and passengers	<ul style="list-style-type: none"> • Shared directors with the Company, namely Mr. Cheng Niruttinanon, Mr. Thiraphong Chansiri, and Mr. Nakorn Niruttinanon. • The Niruttinanon family and the Chansiri family hold 54.0 percent and 24.8 percent of the total issued and paid-up shares of WT, respectively.
20. Asia-Pacific Risk Consultants (Thailand) Co., Ltd. (“APRC”)	Non-life insurance broker business	<ul style="list-style-type: none"> • Mr. Thawee Tangchansiri, a director of the Company, and one of his close relatives hold 19.0 percent of the total issued and paid-up shares in APRC.
21. Thai Pattana Stainless Steel Co., Ltd. (“TPSS”)	Construction of stainless steel and steel works	<ul style="list-style-type: none"> • Shared directors with the Company, namely Mr. Cheng Niruttinanon and Mr. Nakorn Niruttinanon. • The Company's directors, namely Mr. Cheng and Mr. Nakorn, hold shares in TPSS, representing 35.0 percent and 10.0 percent of the total issued and paid-up shares, respectively.
22. Thai Union China Co., Ltd. (“TUC”)	Distribution of food products	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU directly holding 100 percent of total issued and paid-up shares of TUC. • Shared a director with the Company, namely Mr. Thiraphong Chansiri.

Entities Who May Have a Conflict of Interest	Nature of Business	Details of Relationship
23. John West Foods Ltd. (“JWUK”)	Import and distribution of canned seafood	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU indirectly holding 100 percent of the total issued and paid-up shares of JWUK through UK Seafood Investments Ltd.
24. Pakfood Public Company Limited (“PPC”)	Production and distribution of frozen food and aquatic animals	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU directly holding 99.7 percent of total issued and paid-up shares of PPC. • Shared directors with the Company, namely Mr. Thiraphong Chansiri and Mr. Shue Chung Chan.
25. Thai Union Online Shop Co., Ltd. (“TUO”)	E-Commerce	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU directly holding 100 percent of total issued and paid-up shares of TUO.
26. Pacific TUM Cold Storage Co., Ltd. (“PACT”)	Providing cold storage service	<ul style="list-style-type: none"> • A company with a common major shareholder, with TU directly holding 49.9 percent of total issued and paid-up shares of PACT through TUM. • Shared a director with the Company, namely Mr. Nakorn Niruttinanon

7. Details of Connected Transactions

The Company and its subsidiaries have engaged in transactions from continuing operations with individuals or entities who may have conflicts of interest during the accounting periods that ended on December 31, 2022, and December 31, 2023. The details of these transactions are summarized below.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Sales of human food products	TU	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.02	-	The Company sold ambient seafood products to TU, TUM, and TRI-U at prices comparable to those in transactions with third parties under normal trading conditions. However, the Company ceased all production and distribution of human food in 2022.
	TUM	<ul style="list-style-type: none"> • Sales • Accounts receivable 	38.76 26.63	- -	
	TRI-U	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.63 -	- -	
Sales of pet food products	TUM	<ul style="list-style-type: none"> • Sales • Accounts receivable 	2.73 -	- -	In early January 2022, during, business restructuring process, the Company sold pet food to TUM for the purpose of resale to an overseas customer, during which the customer was in the process of changing the name of its exporter from TUM to the Company. The selling price was determined based on the price agreed with the customer, minus the appropriate gross margin. This selling price is comparable to those sold to third parties under normal trading conditions.
	TU	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.53 0.31	- -	The Company sold pet food products under our own brand to TU for their CSR activities. The price of such products is determined by cost-plus margin according to the agreed rate in the pet food business group under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Sales of raw materials and packaging	TU	<ul style="list-style-type: none"> • Sales • Accounts receivable 	175.20 61.45	100.04 11.60	The Company sells raw materials, including tuna, ingredients, and packaging, to TU, TUM, TUI, APC and YCC to streamline raw material and packaging management within the TU Group. The selling price of raw materials and packaging is determined by the cost-plus margin method specified in TU Group's Transfer Pricing Guideline ¹ and the transactions are conducted under normal trading conditions.
	TUM	<ul style="list-style-type: none"> • Sales • Accounts receivable 	107.09 163.85	163.85 1.15	
	TUI	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.13 0.04	0.34 0.01	
	APC	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.85 -	0.35 -	
	YCC	<ul style="list-style-type: none"> • Sales • Accounts receivable 	0.08 -	- -	
Sales of by-products and value-added products	TUM	<ul style="list-style-type: none"> • Sales • Accounts receivable 	1.63 0.51	4.21 0.05	The Company sells by-products such as steamed fish juice and calcium powder to TUM to be used as ingredients in production. The selling price is set at the same price that TUM purchases from other companies within the Thai Union group under normal trading conditions.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
	TUI	<ul style="list-style-type: none"> • Sales • Accounts receivable 	6.80 0.55	7.34 0.53	The Company sells by-products, such as tuna heads and calcium powder, which is value-added product, to TUI. Selling price of tuna heads is equivalent to the prices that TUI purchases from other companies within the TU group, while selling price of calcium powder is calculated based on the costs and expenses incurred in the production process, with an appropriate margin added. The transaction is conducted under normal trading conditions.
Sales of scrap	JANA	<ul style="list-style-type: none"> • Sales • Accounts receivable 	11.76 -	- -	The Company sells fish scraps, fish offal, and fish bones that are left over from the production process and cannot be used in the Company's production process to JANA and T.C. Union. The selling price is comparable to the price that such parties purchase those from third parties under normal trading conditions.
	T.C. Union	<ul style="list-style-type: none"> • Sales • Accounts receivable 	72.28 2.83	62.69 1.88	
Management fee income	TUM	<ul style="list-style-type: none"> • Revenue from services • Accounts receivable 	164.70 (2.73)	133.92 14.92	The Company provides cold storage, warehousing, and labeling services to TUM to optimize our assets. The service fee is calculated based on the actual cost allocation according to the proportion of service usage, with a marginal margin determined according to the TU Group's Transfer Pricing Guideline ¹ . The Company charges a monthly service fee under the same payment terms as that the Company offers to other companies in the TU Group. As at December 31, 2022, the outstanding balance of accounts receivable represented negative amount since the actual cost incurred during the year was lower than the billing value.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Rental income	TUM	<ul style="list-style-type: none"> Rental income Accounts receivable 	3.31 0.28	3.32 0.24	<p>The Company leases certain areas of our pilot plant and building to TUM, which are located within the Company's factory premises in Samut Sakhon Province. However, the lease contracts were valid for one year starting from January 1 to December 31, 2022, and 2023, with a monthly rental rate of THB 276,072. The following details apply:</p> <ul style="list-style-type: none"> The rental rate for the Pilot Plant is determined by actual depreciation costs of such space, and a specified profit margin under normal trading conditions. The total area of the Pilot Plant rented by TUM is 2,537.50 square meters. The area for building has a total area of 231 square meters, and the rental rate is determined based on the comparable rental rates of nearby factory buildings under normal trading conditions.
Rental Income	TUI	<ul style="list-style-type: none"> Rental income Accounts receivable 	0.71 0.06	0.71 0.06	<p>The Company leases two pieces of land to TUI with total area of 2 rai 3 ngan 103 square wah. The land is used as the location of TUI's fish oil and fish protein factories in the area of the Company's factory in Samut Sakhon Province. The lease contracts are valid for 3 years starting from January 1, 2022 to December 31, 2024, with total rental rate of THB 58,900 per month. The rental rate is determined based on the comparable rental rates of nearby land under normal trading conditions.</p>

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Utility service fee	TUI	<ul style="list-style-type: none"> Other income Accounts receivable 	7.55 0.71	13.40 1.11	The Company provides utility services to TUI and TUM, including water, electricity, steam, and wastewater systems. The service fees are charged based on the actual usage, and the service fee per unit is calculated from cost plus margin as specified in the TU Group's Transfer Pricing Guideline ¹ under normal trading conditions.
	TUM	<ul style="list-style-type: none"> Other income Accounts receivable 	- -	22.07 1.75	
Other service income	TUM	<ul style="list-style-type: none"> Other income Accounts receivable 	4.49 0.40	14.05 0.23	The Company provided equipment calibration and chemical, analysis services to TUM and TUI. However, Quality Assurance department has been transferred to TUM since May 2023. Additionally, the Company provides a cleaning service for loin process and production support to TUM in 2023. The rates are calculated from cost plus margin as specified in the TU Group's Transfer Pricing Guideline ¹ under normal trading conditions.
	TUI	<ul style="list-style-type: none"> Other income Accounts receivable 	- -	0.01 -	
Other service Income	TU	<ul style="list-style-type: none"> Other income Accounts receivable 	- -	5.73 3.81	In 2023, the Company provided repair and maintenance services to machinery and equipment of overseas factories within Thai Union Group. This is due to our employees' expertise in automation systems and repair and maintenance of machinery. The rate is calculated from actual cost plus margin as specified in the TU Group's Transfer Pricing Guideline ¹ under normal trading conditions.
Gain on sales of assets	TUM	<ul style="list-style-type: none"> Other income Accounts receivable 	- -	1.62 -	The Company earns profit from sales of equipment to TUM due to the transfer of the Quality Assurance department to TUM, and sales of other unused assets. The selling price is calculated from market price or cost-plus margin as specified in the TU Group's Transfer Pricing Guideline ¹ .

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Commission income	YCC	<ul style="list-style-type: none"> Revenue from services Accounts receivable 	0.55	-	The Company earned commissions from selling pet food products of YCC. The payment terms for such sales are the same as those YCC pays to third parties. However, YCC has stopped production and sale of pet food since July 2022 and no such transaction has been occurred since then.
Purchases of dry pet food	TFM	<ul style="list-style-type: none"> Purchases of finished goods Accounts payable 	2.80	2.04	The Company has engaged TFM to produce dry pet food according to the formula and specifications specified by the Company to be sold under the Bellota and Marvo brands. The price at which the Company purchases from TFM is comparable to those offered by third parties under normal trading conditions.
Purchases of ambient seafood products	TUM	<ul style="list-style-type: none"> Purchases of finished goods Accounts payable 	0.87	-	In 2022, the Company has gradually ceased production of processed seafood products. To ensure timely delivery to customers, the Company had to purchase certain types of ambient seafood products from TUM. The purchase price from TUM is calculated from cost plus margin, as specified in TU Group's Transfer Pricing Guideline ¹ under normal trading conditions. However, the Company has ceased the production and distribution of human food products since 2022.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Purchases of raw materials and/or packaging	TU	<ul style="list-style-type: none"> • Purchases of raw materials and packaging • Accounts payable 	536.20	166.70	The Company purchases raw materials, including tuna, ingredients, and packaging, from TU and TUM for use in production to enable efficient management of raw materials and packaging. The selling price of raw materials and packaging is calculated from cost plus margin as specified in the TU Group's Transfer Pricing Guideline ¹ under normal trading conditions.
	TUM	<ul style="list-style-type: none"> • Purchases of raw materials and packaging • Accounts payable 	28.98	16.80	
Purchases of raw materials	TUM	<ul style="list-style-type: none"> • Purchases of raw materials and packaging • Accounts payable 	827.22	604.50	The Company also purchases tuna loin from TU and TUM to use as raw materials in its production. The price at which the Company purchases from TU and TUM is comparable to those offered by third parties under normal trading conditions.
	YCC	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	49.10	40.82	
Purchases of raw materials	YCC	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	268.22	21.19	The Company purchases tuna and other seafood raw materials such as shrimp and crab meat from YCC to use as raw materials in its pet food production. The price at which the Company purchases from YCC is comparable to those offered by third parties under normal trading conditions.
	TUS	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	-	-	
Purchases of raw materials	TUS	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	0.01	0.02	The Company purchases shrimp meat and shrimp shells from TUS, according to the Company's specification. The purchase price from TUS is comparable to those offered by third parties under normal trading conditions.
			-	0.002	

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Purchases of raw materials	LUF	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	18.01	12.53	The Company engages LUF to produce crab imitation according to the Company's formula and specifications. The purchase price from LUF comparable to the price that LUF offers to other companies in the TU Group under normal trading conditions.
			2.89	2.20	
	JANA	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	2.57	-	The Company purchases concentrated fish extract from JANA. The purchase from JANA is comparable to those offered by third parties, and the transaction is conducted under normal trading conditions.
			-	-	
	TUI	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	0.07	-	The Company purchased tuna oil from TUI. The purchase price from TUI is comparable to the price that TUI charges other companies within the TU Group under normal trading conditions.
		-	-		
T.C. Union	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	-	1.18	The Company purchases concentrated fish extract and tuna crude oil from T.C. Union. The purchase price from T.C. Union is comparable with those offered by third parties or price that T.C. Union charges other companies within TU group. The transaction is conducted under normal trading conditions.	
		-	0.04		
TRI-U	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	1.70	0.73	The Company purchases canned shrimp meat from TRI-U. The purchase price from TRI-U is comparable to those offered by third parties under normal trading conditions.	
		0.52	-		

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Purchase packaging	APC	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	1,548.23	1,206.33	The Company purchases canned packaging from APC. The purchase price from APC is comparable to those offered by third parties under normal trading conditions.
			252.91	244.94	
	TUG	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	345.19	248.57	
			42.83	42.93	
	NCPP	<ul style="list-style-type: none"> • Purchases of raw materials • Accounts payable 	14.29	9.37	The Company purchases box-type packaging from NCPP to use as the secondary packaging for its products. The purchase price from NCPP is comparable to those offered by third parties under normal
			3.15	2.26	
Purchases of factory supplies	TUM	<ul style="list-style-type: none"> • Purchases of factory supplies • Accounts payable 	19.50	1.68	The Company has had to purchase some factory supplies from TUM. The purchase price from TUM is calculated as the cost plus a margin as defined in the TU Group's Transfer Pricing Guideline ¹ under normal trading conditions.
			0.68	0.39	
	JANA	<ul style="list-style-type: none"> • Purchases of factory supplies • Accounts payable 	-	0.08	The Company purchases factory suppliers from JANA. The purchase price from JANA is comparable to those offered by third parties under normal trading conditions.
			-	-	
Transfer of pet food business units from TUM	TUM	<ul style="list-style-type: none"> • Purchases of raw materials and finished goods. 	366.75	-	The Company and TUM entered into an agreement on December 31, 2021, where the Company accepted the transfer of TUM's pet food business.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
		<ul style="list-style-type: none"> Payables from business transfers 	-	-	Almost assets of TUM were completely transferred to the Company by December 31, 2021, except for a few finished goods and raw materials that were transferred later on January 4, 2022.
Management fee (Shared services)	TU	<ul style="list-style-type: none"> Expenses Accounts payable 	59.24 25.88	52.23 10.17	The Company and USPN entered into agreements to receive business support services from TU. This service agreement is in place because the TU Group has a centralized department that supports business operations related to central administration, which aims to achieve flexibility and efficiency in management. The service agreements are annual agreements which are automatically renewed year by year. TU is responsible for supporting business operations of the Company and USPN, which includes (1) corporate communications, (2) accounting, finance and tax, (3) internal audit, administration, (4) human resource management, (5) legal, (6) information technology, and (7) business process development and business strategy. TU charges a service fee based on actual expenses plus a margin as stipulated in the TU Group's Transfer Pricing Guideline ¹ . The service is paid quarterly at the same rate and under the same payment terms that TU offers to other companies in the TU group.
Management fee (Shared services)	TUM-HO	<ul style="list-style-type: none"> Expenses Accounts payable 	66.74 14.03	57.83 (8.39)	The Company entered into a service agreement with TUM to receive business support services. This is in line with the management structure of the TU Group, where TUM serves as the center of departments that support import and export

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
					operations for companies in the TU group. The aim is to achieve flexibility and efficiency in management. The service agreement is valid for one year. The services provided by TUM include (1) procurement of imported fish, (2) marketing support, (3) packaging, (4) export, (5) logistics, (6) shipping, BOI and intellectual property, (7) government affair, (8) human resource for head office, and (9) overseas accounting. TUM charges a service fee based on actual expenses plus a margin as stipulated in the TU Group's Transfer Pricing Guideline ¹ . The service fee is paid monthly at the same rate and under the same payment terms that TUM offers to other companies in the TU group. The outstanding balance as of 31 December 2023 of accounts payable represents negative amount since the actual cost incurred during the year was lower than the billing value.
Management fee (Shared services)	TUM-factory	<ul style="list-style-type: none"> • Expenses • Accounts payable 	817.18 75.04	478.68 35.21	The Company entered into a service agreement with TUM to provide production support services for our factories in Samut Sakhon with the aim of achieving flexibility and efficiency in management. The service agreement is valid for one year. TUM is responsible for the following services: (1) production and cold storage, (2) domestic and overseas purchasing, (3) quality system management, (4) environmental, occupational health and safety, (5) Engineering services, (6) logistics, (7) quality control for production in leased factory building from TUM, (8) human resources for Samut Sakhon factories, and (9) information technology for Samut Sakhon factories. TUM

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
					charges the Company based on actual expenses plus a margin as stipulated in the TU Group's Transfer Pricing Guideline ¹ . The service fee is paid on a monthly basis, at the same rate and under the same payment terms as that TUM offers to other companies in the TU Group.
Management fee (Shared services)	TUTE	• Expenses	10.77	19.15	The Company entered into service agreements with TUTE, JWUK, and TUC to receive business support services for the business operations in the European Union, the United Kingdom, and the People's Republic of China. The goal is to achieve flexibility and efficiency in management and to help reduce the Company's operating costs. The contracts are annual contracts which are automatically renewed year by year. TUTE, JWUK, and TUC are responsible for supporting the Company's business operations, including, (1) sales support, marketing, and business development, (2) customs clearance for importing goods, (3) transportation and delivery of goods, and (4) quality inspection and storage of goods. The service fee is based on actual expenses plus a margin as specified in the TU Transfer Pricing Guideline ¹ The service fee is paid on a monthly basis, and these rates and conditions are applicable to the TU Group companies.
		• Accounts payable	7.94	8.58	
	JWUK	• Expenses	5.59	6.43	
		• Accounts payable	5.43	-	
	TUC	• Expenses	6.77	11.98	
	• Accounts payable	2.43	2.50		
	TUNA	• Expenses	25.64	35.49	ITA and USPN entered into a service agreement with TUNA and TRI-U for business support services which includes automatic annual renewal of the contract. TUNA and TRI-U provide support services to ITA and USPN's business operations, including (1) corporate communications, (2)
		• Accounts payable	4.29	11.21	
	TRI-U	• Expenses	23.00	32.95	
		• Accounts payable	3.15	2.78	

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
					accounting, finance, and tax, (3) internal audit, (4) administration, human resources, (5) legal, (6) information technology. (IT), and (7) business process development and business strategy. TUNA and TRI-U charge their fees based on actual expenses plus a margin as specified in the TU Transfer Pricing Guideline ¹ . The service fee is paid on a monthly basis. These are the same rate and payment terms that TUNA and TRI-U offer to other companies in the TU Group.
Service fee for information technology system	TU	<ul style="list-style-type: none"> • Expenses • Accounts payable 	23.33 23.35	30.16 29.70	The Company and USPN use information technology system services from TU, including SAP and Office365 application fees, as well as network (WAN) management. These services are provided by third-party service providers used by the entire TU Group. TU charges based on the number of users and the actual expenses incurred from the provision of services. These are the same rates and payment terms that TU offers to other companies in the TU group.
Rental expense	TUM	<ul style="list-style-type: none"> • Expenses • Accounts payable 	8.58 0.71	8.58 0.72	The Company has leased space in a factory building from TUM, located at No. 30/2 Moo 8, Sethakit 1 Road, Tha Sai Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province. The factory building has a total area of 6,485 square meters, and the rental contracts are valid for one year, starting from January 1 to December 31, 2022, and 2023. The monthly rental rate is THB 714,971, which is comparable to

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
					<p>the rental rates of nearby factory buildings and under normal trading conditions.</p> <p>The Company is in the process of constructing a new plant in the same area as our owned factory. Once the new factory is completed, the Company will terminate the lease of factory building from TUM and move the machinery and equipment from the leased space to the new factory</p>
Utility expenses	TUM	<ul style="list-style-type: none"> Expenses Accounts payable 	181.03 15.28	157.17 12.83	<p>The Company uses utility services from TUM for factories in Samut Sakhon such as the water, electricity, and steam systems. The cost of these services is calculated based on a cost-plus margin as stipulated in the TU Group's Transfer Pricing Guideline¹ under normal trading conditions.</p>
Office rental and service fees	CSRE	<ul style="list-style-type: none"> Expenses Lease liabilities 	7.94 -	8.31 -	<p>The Company rents space in the SM Tower building located at 979 Phaholyothin Road, Phayathai Sub-district, Phayathai District, Bangkok from CSRE The details of the leases are as follows:</p> <ul style="list-style-type: none"> Room number 979/92-94, 29th floor, with an area of 702.72 sqm., was leased for three years starting from May 19, 2021 to May 18, 2024, with rental and service fees of THB 386,496 per month. Room No. 979/91, 29th floor, with an area of 287.94 sq. m., and room number 979/95, 29th floor, with an area of 269.01 sq. m., totaling 556.95 sq. m., were leased for two years and seven months starting from June 1, 2022, until December 31, 2024, with rental and service fees of THB 306,322.50 per month

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
					CSRE charges the Company the same rates and payment terms as those charged by third parties for rental and service fees.
Distribution center service fee	TU	<ul style="list-style-type: none"> • Expenses • Accounts payable 	2.22 0.55	2.71 0.48	The Company utilizes TU's distribution center for storage and arrangement of product preparation according to customer orders for delivery service providers hired by the Company to deliver products to domestic customers. TU charges the Company a service fee that is comparable to third-party distribution center service rates under normal trading conditions
Cold storage rental fee	PACT	<ul style="list-style-type: none"> • Expenses • Accounts payable 	- -	6.49 0.96	The Company utilizes cold storage service from PACT to store frozen material in 2023. The cold storage fee from PACT is comparable to those offered by other service providers under normal trading conditions.
Commission expenses	TUTE	<ul style="list-style-type: none"> • Expenses • Accounts payable 	0.09 -	- -	The Company exports ambient seafood products through TUTE. Thus, TUTE receives commissions at the same rates and under the same payment terms that the Company pays third parties.
Insurance broker service fee	APRC	<ul style="list-style-type: none"> • Insurance premiums • Accounts payable 	20.54 0.92	39.45 2.42	The Company uses APRC's insurance brokerage services for its property, export insurance, and health insurance for employees. APRC collects proposals from various insurance companies and presents them to the Company. APRC is also responsible for collecting insurance premiums from the Company and delivering them to the relevant insurance companies as stipulated in the policy. The Company is not charged for APRC's brokerage services as APRC charges insurance companies for brokerage fees, which is a standard practice in the insurance brokerage industry.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Service fee for raw material analysis	JANA	<ul style="list-style-type: none"> Expenses Accounts payable 	0.003 -	- -	The Company occasionally utilizes JANA's raw material analysis service whenever it is unable to perform an in-house analysis. The service rates and trading conditions offered by JANA are comparable to those of other service providers.
Transportation fee	WT	<ul style="list-style-type: none"> Expenses Accounts payable 	44.29 8.71	25.74 6.30	The Company utilizes the services of WT for container hauling, which is necessary for transporting containers to the port for export. The rates and trading conditions offered by WT are comparable to those of other service providers in the market.
Transportation fee	APC	<ul style="list-style-type: none"> Expenses Accounts payable 	9.60 2.57	16.39 2.28	The Company utilizes APC's freight services for domestic transportation at the service rates and under the trading conditions that are comparable to those APC from offers other companies within the TU Group.
Training fee	EHS	<ul style="list-style-type: none"> Expenses Accounts payable 	0.41 0.08	0.48 -	The Company uses EHS to provide training courses related to occupational health and safety such as a firefighting course. EHS charges the same training fees and offers the same trading terms as it does other companies in the TU Group.
Maintenance service fee	TPSS	<ul style="list-style-type: none"> Maintenance services Accounts payable 	28.25 0.24	1.76 0.07	The Company uses TPSS for service of maintenance and improvement as TPSS specializes in stainless steel products for the seafood industry. Due to the long-standing relationship between the Company and TPSS, TPSS is able to provide efficient and fast service and help reduce any issues that may arise on the Company's production line. The service rates and trading conditions offered by TPSS, are comparable to those of other service providers.

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
Other service fees	TU	<ul style="list-style-type: none"> Expenses Accounts payable 	1.53 0.06	2.44 0.47	<p>The Company utilizes other services from TU, which results in charges for loading goods, daily staffing services, license fees, and other miscellaneous expenses. Similarly, the Company uses TUM's services, such as freezing of raw materials, inspection, and other miscellaneous expenses. These aim to enhance flexibility and efficiency in business operations.</p> <p>The service fees from TU and TUM are based on actual expenses plus a margin as specified in the TU Transfer Pricing Guideline¹.</p>
	TUM	<ul style="list-style-type: none"> Expenses Accounts payable 	28.27 0.89	24.31 3.48	
Purchases of machinery and equipment	TUM	<ul style="list-style-type: none"> Machinery and equipment Accounts payable 	28.76 -	2.55 0.01	<p>In 2022, the Company purchased machinery from TUM that had previously been ordered by TUM in 2021 before the Company's business, restructuring. The purchase price from TUM was the same as the price that TUM had agreed to pay the manufacturer. In 2023, the Company purchased machinery and equipment from TUM to use in production lines. The purchase price from TUM was market price or cost-plus margin as specified in the TU Transfer Pricing Guideline¹ (if market price is unavailable).</p>
Purchases of machinery and equipment	TPSS	<ul style="list-style-type: none"> Machinery and equipment Accounts payable 	- -	36.88 9.36	<p>The Company engaged TPSS to produce custom-made stainless-steel assets for the production line TPSS specializes in stainless steel products. The purchase price from PSS is comparable to those offered by third parties under normal trading conditions.</p>

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
	TU	<ul style="list-style-type: none"> • Machinery and equipment • Accounts payable 	-	0.77	The Company purchased machinery and equipment from TU and JANA. The purchase price was market price or cost plus margin as specified in the TU Transfer Pricing Guideline ¹ (if market price is unavailable).
	JANA	<ul style="list-style-type: none"> • Machinery and equipment • Accounts payable 	-	0.69	
Purchase furniture and office equipment	TUO	<ul style="list-style-type: none"> • Machinery and equipment • Accounts payable 	8.96	-	In June 2022, the Company expanded the office space and purchased furniture and various office equipment from TUO and PPC, the former tenants in the area. The purchase price agreed to be the cost price plus margin, under the trading conditions that are comparable to other sellers.
	PPC	<ul style="list-style-type: none"> • Machinery and equipment • Accounts payable 	2.16	-	
			-	-	
Short-term loan to	TU	• Opening Balance	555.71	-	The Company has provided TU with short-term loans as part of the TU Group's centralized liquidity management, also known as TU Cash Pooling. This is TU's financial management policy used in working capital and financial cost management. The interest rate charged by the Company is equal to TU's borrowing cost-0.1%, However, the Company had separated its liquidity management from the TU Group since July 2022
		• Additions	-	-	
		• Repayments	(555.71)	-	
		• Closing Balance	-	-	
		• Interest expenses	0.03	-	
Short-term loan from	TU	• Opening Balance	-	-	The Company has obtained short-term loans from Tu as part of TU Group's centralized liquidity management (TU Cash Pooling), which is TU's financial management policy used in working capital and financial cost management. The interest
		• Additions	11,346.00	-	
		• Repayments	(11,346.00)	-	
		• Closing Balance	-	-	

Transactions	Connected Company	Transaction Characteristics	Transaction Value (Million Baht)		Price Policy and Transaction Description
			Year 2022	Year 2023	
		<ul style="list-style-type: none"> Interest expenses 	20.65	-	rate on the loan is equivalent to TU's borrowing cost + 0.1%. The Company has separated its liquidity management from the TU Group since July 2022.
Short-term loan from	TU	<ul style="list-style-type: none"> Opening Balance Additions Repayments Closing Balance Interest expenses 	\$20.12 M - \$(20.12) M - -	- - - - -	USPN has obtained short-term loans from Tu as part of the Tu Group's centralized liquidity management policy (TU Cash Pooling) to use as working capital and to manage financial costs. The interest rate on the loan is 1M-Libor + 1%, which is the same rate that TU charges other companies in the United States. USPN paid off all loans to TU in 2022
Long-term loan from	TU	<ul style="list-style-type: none"> Opening Balance Additions Repayments Closing Balance Interest expenses 	\$3.00 M - \$(3.00) M - -	- - - - -	USPN obtained a long-term loan from TU to be used as working capital, with an interest rate of 6% based on USPN credit rating, as assessed by TU's tax advisor. USPN paid off all loans to TU in 2022.

Remark:

- The margin as stipulated in Transfer Pricing Guideline of Thai Union Group is comparable to other companies in the same industry. The report was prepared by third parties.