

**The Articles of Association
of
THAI UNION GROUP PUBLIC COMPANY LIMITED**

**Section 5
Board of Directors**

15. The Company shall have a board of directors comprising at least 5 directors and not less than half of the total number of directors shall reside within the Kingdom of Thailand.
16. The Directors shall be elected by the meeting of shareholders in accordance with the rules and procedures as follows:
 - (1) Each shareholder shall have one vote for each share held;
 - (2) Each shareholder must exercise all his/her voting rights under (1) to elect one or more persons as directors and can not allocate specific percentage of voting rights to any individual director among all the directors participated; and
 - (3) The persons receiving the highest votes in their respective order of the votes shall be elected as directors at the number equal to the number of directors required at that time. In case of equal vote among the persons elected in order of respective high numbers of votes, which number exceeds the required number of directors of the Company at such time, the chairman shall have the casting vote.
17. At every annual general meeting, one-third of the directors shall be retired from directorship. In case the number of directors is not a multiple of three, the number nearest to one-third shall be retired from directorship.

During the first and second years following the Company's registration, the termination of members of Board of Directors shall be determined by drawing lots. Director with longest period of directorship is required to leave in the subsequent years.

18. Apart from retirement by rotation, termination of directorship shall be derived from the following cases:
 - (1) Death;
 - (2) Resignation;
 - (3) Becoming unqualified or illegal pursuant to the law governing public limited company;
 - (4) Shareholders' resolution under Article (21);
 - (5) Order by Court of Justice;
19. Any director who wishes to resign shall submit resignation letter to the Company. Such resignation shall be effective as from the date the Company receives such letter.
20. In the case that any directorship falls vacant for reasons other than by rotation, the Board of Directors shall elect substitute director during the next meeting of the Board of Directors provided that such substitute director must be qualified pursuant to the law governing public limited company. With exception, in the case that the remaining term of office of the directorship is less than 2 months, the substitute director shall hold the position only for the remaining term of office of the director whom he or she replaced.

The resolution of the Board of Directors under the foregoing paragraph must contain no less than three-fourth of votes by directors remaining at that time.

21. The shareholders' Meeting may pass a resolution to terminate any director prior to expiration of his or her office term by a majority vote of not less than three-fourth of shareholders, attending the meeting and entitled to vote and the number of shares shall be not less than half of the total shares held by them.

Section 6
Meeting of Shareholders

32. The Board of Directors shall arrange an annual ordinary general meeting of shareholders within the period of four months following the end of the Company's fiscal year.
Except for the above-stated meeting of shareholders, other meetings of shareholders shall be recognized as extraordinary general meeting of shareholders.
33. The Board of Directors shall issue meeting notice giving details on venue, date, time, agenda and related information with clear objective for each agenda whether for acknowledgement, approval or consideration plus the board's opinion. Such notice shall be sent to shareholders and registrar at least 7 days prior to the meeting and promulgated in daily newspaper for three consecutive days at least 3 days prior to the meeting.
34. The Meeting of Shareholders must be attended by shareholders in persons or by proxies (if any) not less than 25 in number or not less than a half of total number of shareholders and have an aggregate number of shares not less than one-third of all shares sold to constitute a quorum.
The shares held by the Company shall not be counted to form a quorum for shareholders' meeting.
35. To make a resolution in any certain issue, each shareholder shall have one vote per each share held. Voting shall be made according to the following criteria:
- (1) In normal case, by a majority vote of the shareholders who attend the meeting and have the right to vote. In case of equal voting, the chairman of the meeting shall have a casting vote; and
 - (2) In the following cases, by a vote of not less than three-fourth of the total number of shareholders present at the meeting and entitled to vote;
 - (a) sale or transfer of whole or essential parts of business of the Company to other parties;
 - (b) Purchase or merger and acquisition of other business into the Company's operation; and
 - (c) Entering into, amendment to or termination of rental contract for the Company's whole or essential part of business, assignment of other persons to manage the Company and merger scheme aiming for profit sharing.
36. The following functions should be carried out during an annual ordinary general meeting of shareholders:
- (1) Consideration of the Board of Directors' report on operational results in the past year;
 - (2) Consideration and approval for balance sheets;
 - (3) Consideration of profit allotment;
 - (4) Election of new directors as required by rotation basis;
 - (5) Appointment of the Company's independent auditor; and
 - (6) Other business.

Voting and counting

1. Refer to Article 35 of the Company's Articles of Association, one share equaled one vote.
2. Only those disagreed and abstained from voting would be counted and taken for deduction from the total votes of all shareholders who attended the meeting and with vote right. Thus, the meeting could be proceeded smoothly and on time.
3. Shareholders who disagreed or abstained from voting shall by clicking the voting menu (Vote) for each agenda that can be voted against or abstain from only one vote.
4. When the voting has been submitted. Shareholders will receive a notification pop-up. Voting has been submitted.

Copy of Financial Statement as of December 31, 2021 (Abridged Version)

Independent Auditor's Report

To the Shareholders of Thai Union Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Union Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information

Basis for opinion

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group's and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Pongthavee Ratanakoses

Certified Public Accountant (Thailand) No. 7795

Bangkok

23 February 2022

Income Statement

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenues				
Sales	141,047,695	132,402,436	19,727,093	20,529,621
Cost of sales	(115,321,167)	(108,984,813)	(16,709,460)	(17,972,389)
Gross profit	25,726,528	23,417,623	3,017,633	2,557,232
Other income				
- Interest income	50,228	85,608	1,714,195	1,638,975
- Dividend income	2,718	29	4,358,973	2,657,636
- Others	757,570	705,156	296,354	308,462
Profit before expenses	26,537,044	24,208,416	9,387,155	7,162,305
Selling expenses	(9,294,733)	(7,745,505)	(1,075,105)	(730,689)
Administrative expenses	(8,175,933)	(8,021,746)	(2,435,362)	(1,950,688)
Reversal of impairment of financial assets, net	(36,026)	12,189	317,643	-
Other gains (losses), net	1,981,996	906,571	858,650	(382,181)
Finance costs	(1,730,047)	(1,724,438)	(1,520,792)	(1,457,342)
Profit before Share of profit from investment accounted for using the equity method	9,282,301	7,806,487	5,532,189	2,641,405
Share of profit of investment in accounted for using the equity method	(269,057)	(527,489)	-	-
Profit before income tax	9,013,244	7,278,998	5,532,189	2,641,405
Income tax	(741,532)	(723,764)	(4,577)	11,785
Profit for the year from continuing operations	8,271,712	6,555,234	5,527,612	2,653,190
Loss for the year from discontinued operation	-	(46,222)	-	-
Profit for the year	8,271,712	6,509,012	5,527,612	2,653,190
Profit attributable to:				
Owners of the parent	8,012,996	6,246,090	5,527,612	2,653,190
Non-controlling interests	258,716	262,922		
Profit for the year	8,271,712	6,509,652		
Earnings per share				
Basic earnings per share				
From continuing operations	1.66	1.27	1.12	
From discontinued operations	-	(0.01)		
Profit attributable to equity holders of the Company	1.66	1.26	1.12	0.50

Shareholders, who would like to have the full financial statements, could find it from 2021 Annual Report (56-1 One Report) or download from www.thaiunion.com or www.set.or.th

Biography of nominated persons to be elected as the Company's directors

Name	: Mr. Cheng Niruttinanon
Position	: Chairman of Executive Director
Nationality	: Thai
Age	: 80 years
Education	: The second Middle School of Shantou, People's Republic of China
Starting date	: 8 April 1999
No of years in position	: 23 years
Shareholdings	: 265,942,116 shares*, equivalent to 5.57% of paid-up capital
	Personal : 200,442,084 shares
	Spouse : 65,500,032 shares
	Children not yet of legal age : -none- shares

Positions in other listed companies:

2000 – Present: Executive Director, Thai Union Feedmill PCL.

Positions in other organizations:

1987 – Present: Chairman, Asian-Pacific Can Co., Ltd.
1987 – Present: Chairman, TC Union Agrotech Co., Ltd.
1989 – Present: Chairman, Asian Pacific Thai Tuna Co., Ltd.
1990 – Present: Chairman, Lucky Union Foods Co., Ltd.
1992 – Present: Chairman, Jana Industry Co., Ltd.
2021 – Present: Chairman, i-Tail Corporation PCL.
1973 – Present: Executive Director and Managing Director, Thai Union Manufacturing Co., Ltd.
2010 – Present: Executive Director, Oriental Unique Co., Ltd.
2011 – Present: Executive Director, Thai Glycerine Co., Ltd.
2013 – Present: Executive Director, Phil-Union Frozen Foods, Inc. (Philippines)
2019 – Present: Executive Director, Thai Union Ingredients Co., Ltd.
1993 – Present: Director, Waithai Co., Ltd.
1996 – Present: Director, Thai Union North America (USA)
1997 – Present: Director, New Century Printing and Package Co., Ltd.
1997 – Present: Director, Tri-Union Seafoods, LLC. (USA)
2007 – Present: Director, Yueh Chyang Canned Food Co., Ltd. (Vietnam)
2008 – Present: Director, Thaipatana Stainless Steel Co., Ltd.
2010 – Present: Director, Thai Union Europe (France)
2010 – Present: Director, U.S. Pet Nutrition LLC. (USA)
2010 – Present: Director, Tri-Union Frozen Products, INC. (USA)
2001 – Present: Managing Partner, Hunhong Kanchang Registered Ordinary Partnership

Position in other organizations that have conflicts to the Company: None

Training/Seminar Course related to Directorship:

- Directors Accreditation Program organized (DAP 187/2021), Thai Institute of Directors Association

No. of attendance: Year 2021 The Board of Directors 5 of 5 times (100.00%)

Name : **Mr. Shue Chung Chan**
Position : Executive Director
Nationality : Chinese
Age : 46 years
Education : Bachelor's Degree, Oregon State University, USA
Master of Business Administration, Bangkok University
Starting date : 30 April 2001
No of years in position : 21 years
Shareholdings : 12,295,272 shares*, equivalent to 0.26% of paid-up capital
Personal : 12,295,272 shares
Spouse : -0- shares
Children not yet of legal age : -0- shares (2 persons)

Positions in other listed companies:

2002 – Present: Executive Director, Thai Union Feedmill PCL.

Positions in other organizations:

2021 – Present: Executive Director, i-Tail Corporation PCL.
2014 – Present: Executive Director, Thai Union Graphic Co., Ltd.
2015 – Present: Executive Director, Thai Union Seafood Co., Ltd.
2018 – Present: Executive Director, EHS Training and Services Co., Ltd.
2020 – Present: Executive Director, Thai Union South East Asia Pte. Ltd. (Singapore)
2021 – Present: Executive Director, Thai Union Lifescience Co., Ltd.
2517 – Present: Director, Thoon Thanasiri Co., Ltd.
2018 – Present: Director, Biz Dimension Co., Ltd.
2018 – Present: Director, Thoon Thanasiri (Songkhla) Co., Ltd.
2021 – Present: Director, Thai Union Manufacturing Co., Ltd.

Position in other organizations that have conflicts to the Company: None

Training/Seminar Course related to Directorship:

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

No. of attendance: Year 2021 The Board of Directors 5 of 5 times (100.00%)

Name : **Mrs. Parnsiree Amatayakul**
Position : Independent Director
Nationality : Thai
Age : 52 years
Education : Bachelor Degree of Account, Chulalongkorn University
Master of Business Administration, University of California, Los Angeles USA
Starting date : 10 May 2021
No of years in position : 1 years
Shareholdings : -0- shares*, equivalent to - of paid-up capital
Personal : -0- shares
Spouse : -0- shares
Children not yet of legal age : -0- shares (2 persons)

Positions in other listed companies:

2018 – Present: Independent Director, Thai Wah PCL.
2019 – Present: Independent Director, The Siam Cement PCL.
2021 – Present: Independent Director, Bangkok Bank PCL.

Positions in other organizations: None

Position in other organizations that have conflicts to the Company: None

Work Experience

2019 – Feb2021: General Manger, Sales, Enterprise and Commercial, IBM ASEAN
2011 – 2018: Managing Director, IBM Thailand Co., Ltd.

Training/Seminar Course related to Directorship:

- Directors Certification Program organized (DCP 2008), Thai Institute of Directors Association

No. of attendance: Year 2021 The Board of Directors 5 of 5 times (100.00%)

No. of attendance: Year 2021 Audit Committee 3 of 3 times (100.00%)

Candidate for Directorship

Name : **Mr. Shoichi Ogiwara**
Position : Director
Nationality : Japanese
Age : 58 years
Education : BPSE Program, IMD / Switzerland
Bachelor of Law, The University of Tokyo / Japan

Shareholdings	: -0- shares*, equivalent to - of paid-up capital
Personal	: -0- shares
Spouse	: -0- shares
Children not yet of legal age	: -none- shares

Positions in other listed companies: None

Positions in other organizations:

2019 – Present: President, Mitsubishi Company (Thailand) Limited

2019 – Present: President, Thai-MC Company Limited

Position in other organizations that have conflicts to the Company: None

Work Experience

2019 – 2020: President, Mitsubishi Corporation, Vientiane Representative Office

2018 – 2019: General Manager / Chemical Group CEO Office, Mitsubishi Corporation, Tokyo Japan

2017 – 2018: General Manager / Chlor-Alkali Department, Mitsubishi Corporation, Tokyo Japan

Training/Seminar Course related to Directorship: None

Remark: * Shareholders of TU that included spouse and children as of 30 December 2021.

Definition and qualification of Independent Director

An independent director is a qualified and independent person according to the Company's Corporate Governance Policy established by the Board. Moreover, the Company's criteria are stricter than "the criteria" required by the Stock Exchange of Thailand and the Securities Exchange Commission.

An independent director must meet the following criteria:

- 1) Holds no more than 0.05% of total voting stocks of TUF including stocks held by connected persons of the independent director, as well as nominees.
- 2) Is not or has not ever been a major shareholder.
- 3) Is not or has not ever been board member of its parent company or an executive director, employee, staff, advisor who receives salary of a controlling person of TUF, its parent company, its subsidiaries, its associated companies.
- 4) Is not any professional advisor.
- 5) Has not or has not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment.
- 6) Does not represent the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder.
- 7) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the company's business affairs.

Appointment of Directors

The Nomination Committee shall appoint a director, whose qualifications are deemed appropriate and qualified pursuant to the Public Companies Limited Act. Such appointment can be made only in the event that directorship either expires by normal office term or prematurely falls vacant in consequence of whatever causes during the office term. A substitute director appointed to fill interim vacancy shall be in the office only for the remaining tenure. One third of directors shall retire and new directors shall be elected in an annual general meeting of shareholders according to criteria and procedures set forth below:

1. Each shareholder has a right to vote in proportion to share volume owned; the principle of “one share, one vote” is applied.
2. Each shareholder is required to cast the entire vote owned in 1 for one or more candidates but can not split the vote into portions.
3. Candidates shall be entitled to directorship based on votes received. Candidate with maximum votes is first entitled to directorship and followed by the other less voted, respectively. As a rule, the number of newly appointed directors must not exceed the number of new directors intended in that election.

Shareholders, if necessary, may pass resolutions to remove any director prior to statutory expiration of office term provided (a) three fourth of majority votes of all shareholders present at a meeting is reached; and (b) the aggregate share volume owned by shareholders in (a) must be greater than half of the aggregate share volume owned by all shareholders present at the meeting. Such case shall be effective only when the qualifications of all board members and the management comply fully with Section 68 of the Public Companies Limited Act of 1992 and the SEC’s Regulation Governing the Rules, Conditions and Procedures for the Securities Offer and Permission dated May 18, 1992.

The board of directors shall appoint any person deemed professionally recognized and qualified to act as independent director provided that the appointee is (a) not an employee or staff member receiving regular salary from the company or its subsidiaries; (b) independent of major dominant shareholders; (c) a shareholder of not more than 0.05% of the respective paid-up capital of the company; and (d) able to equally protect the interests of minority shareholders.

Directors	Board Meeting		
	Times of Attendance/Total Sessions Held	Online via Microsoft Teams	Prior Notice via Electronics Media
1. Mr. Kraisor Chansiri	5/5	-	-
2. Mr. Cheng Niruttinanon	5/5	-	-
3. Mr. Chuan Tangchansiri	5/5	-	-
4. Mr. Thiraphong Chansiri	5/5	-	-
5. Mr. Rittirong Boonmechote	1/5	4/5	-
6. Mr. Norio Saigusa	-	2/5	3/5
7. Mr. Ravinder Singh Grewal Sarbjit S **	-	3/3	-
8. Mr. Chan Shue Chung	4/5	1/5	-
9. Mr. Sakdi Kiewkarnkha **	-	2/2	-
10. Dr. Thamnoon Ananthothai *	1/5	4/5	-
11. Mr. Kirati Assakul *	1/5	4/5	-
12. Mr. Nart Liuchareon *	1/5	4/5	-
13. Mrs. Parnsiree Amatayakul * (New Director)	-	4/4	-
14. Dr. Pakapun Leevutinun * (New Director)	-	3/3	-

* Independent Director

** Resigned during the year

Remark: Mr. Norio Saigusa and Mr. Ravinder Singh Grewal Sarbjit S are resident outside the kingdom of Thailand.

Information for appointment of the Company's independent auditor
Profile – Price Water House Coopers ABAS Ltd.

Registered no. : 0105541040328
Type : Company Limited
Registered date : 30 June 1998
Address : 179/74-80 Bangkok City Tower, 15 Floor, South Sathorn Road, Tung Mahamek, Sathorn, Bangkok
Tel. 02 3441000 Fax. 02 2865050
Business Objective : Audit services, Consulting services, etc.

** Price Water House Coopers ABAS Ltd., Company Directors and Auditor who are no relationships or conflicts of interest among the independent auditor, the Company and its subsidiaries, the executives, the shareholders, or others related to those parties.*

Proposed remuneration for the Company's independent auditor

Unit : Baht	2018	2019	2020	2021	2022
Audit fee for the annual financial statements	1,837,475	1,874,225	1,930,451	1,988,365	2,048,016
% Growth	11.11%	2.00%	3.00%	3.00%	3.00%
The quarterly review of the interim financial statements (altogether 3 quarters)	1,029,000	1,049,580	1,081,068	1,113,500	1,146,905
% Growth	12.00%	2.00%	3.00%	3.00%	3.00%
Audit fee for special items, pursuant to the Notification Por 4/2001 (BOI)	90,000	90,000	100,000	100,000	100,000
% Growth	--	--	11.11%	--	--

Remuneration for the Company's independent auditor in year 2021 (Thailand only)

1. Audit Fee

The Company and subsidiaries paid audit fee to: Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm during 2021 fiscal year **total 20 companies at Bt22,173,918.**

2. Non-Audit Fee

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

- Audit fee paid to Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm **at Bt -none-**.
- Audit fee for special items, pursuant to the Notification Por 4/2001 of the Board of investment, paid to Auditing firm where independent auditors are attached to, individual or entity related to independent auditors and auditing firm **total 8 companies at Bt1,400,000.**
- Audit fee for special purpose and tax advisor **at Bt8,063,529.**

Independent auditor's service period for the Company

The auditor of the Company during 2011-2021 as below;

Year 2011 – 2014	audited by Mr. Sophon Permsirivallop;	CPA (Thailand) No. 3182 from EY Office Limited
Year 2015	audited by Ms. Rosaporn Decharkom;	CPA (Thailand) No. 5659 from EY Office Limited
Year 2016 – 2017	audited by Mr. Somchai Jinnovart;	CPA (Thailand) No. 3271 from PricewaterhouseCoopers ABAS Limited.
Year 2018 – 2020	audited by Mr. Pongthavee Ratanakoses;	CPA (Thailand) No. 7795 from PricewaterhouseCoopers ABAS Limited.

Name lists of Independent Auditors who are no relationships or conflicts of interest among the independent auditor, the Company and its subsidiaries, the executives, the shareholders, or others related to those parties.

Auditor's Service for Subsidiaries and Associated Companies

Mr. Pongthavee Ratanakoses; CPA (Thailand) No. 7795 or Mr. Chanchai Chaiprasit CPA (Thailand) No. 3760 or Ms. Amornrat Pearmpoonvatanasuk; CPA (Thailand) No. 4599, the auditors from Price Water House Coopers ABAS Limited also act as the auditor for year 2020 of the Company's subsidiaries and associated companies.

Information for Agenda 7: To consider and approve the offering of new ordinary shares to be issued by i-Tail Corporation PCL. to its directors, executives and/or employees.

Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares of i-Tail Corporation Public Company Limited to Directors, Executives and/or Employees of i-Tail Corporation Public Company Limited and its subsidiaries

1. Objective and rationale

i-Tail Corporation Public Company Limited (“**ITC**”), a subsidiary of Thai Union Group Public Company Limited (the “**Company**”) expects to issue and offer for sale a particular number of its newly issued ordinary shares to directors, executives and/or employees of ITC and its subsidiaries, with the aim of remunerating them for their support, motivating them to dedicate their determination to work, and retaining the long-lasting employment of highly efficient personnel and implanting the spirit of participation in business in its human resources in order to enhance their contribution to ITC’s growth and sustainability, which shall form part of the IPO plan (the “**ESOP Plan**”).

However, the issuance and offering of newly issued ordinary shares allocation to directors, executives and/or employees of ITC and its subsidiaries needs prior approval from the respective shareholders’ meetings of the Company and ITC according to the Notification of the Capital Market Supervisory Board No. TorChor. 32/2551 Re: Offering of Newly Issued Securities to Directors or Employees (as amended) (the “**ESOP Notification**”).

2. Details relating to the offering of new ordinary shares of i-Tail Corporation Public Company Limited to directors, executives and/or employees of i-Tail Corporation Public Company Limited and its subsidiaries

Type of Securities : Newly issued ordinary shares of ITC

Number of shares : ITC plans to offer up to 5,000,000 new shares to directors, executives and/or employees of ITC and its subsidiaries having a par value of THB 1 each (the “**Shares**”), which account for up to 0.17% of the total issued and outstanding ordinary shares of ITC after the IPO, with the same time and offering price as newly issued ordinary shares that will be offered for the IPO.

The remaining Shares left unallocated to directors, executives and/or employees of ITC and its subsidiaries will further be offered to the public.

Offering price per share : The offering price of the Shares equals to the offering price of IPO shares which still have not determined. The price is reasonable because it was determined based on the results of book building.

3. Name of all the directors of ITC who are entitled to subscribe the Shares, and the number of Shares allocated to each director

Name	Job position	Number of Allocated Shares	Percentage of number of Allocated Shares
1. Mr. Cheng Niruttinanon	Chairman of Board of Directors	200,000	4
2. Mr. Thiraphong Chansiri	Director	100,000	2
3. Mr. Chan Tin Shu	Director	100,000	2
4. Mr. Chan Shue Chung	Director	100,000	2
5. Mr. Thawee Tangchansiri	Director	100,000	2
6. Mr. Pichitchai Wongpiya	Director	100,000	2
7. Mr. Chaiwat Charoenrujitanon	Director	100,000	2
8. Prof. Emeritus Teerachai Chantarojanasiri	Independent Director	100,000	2
9. Ms. Anchalee Bunsongsikul	Independent Director	100,000	2
10. Mrs. Sawita Suwansawat	Independent Director	100,000	2
11. Mr. Kaweewut Temphuwapat	Independent Director	100,000	2
Total		1,200,000	24

Nevertheless, none of the executives or employees of ITC are entitled to subscribe more than 5% of the total Shares

4. EPS Dilution, Control dilution and Price dilution

4.1 EPS Dilution and Control Dilution

Under the ESOP Plan, ITC plans to issue and offer up to 5,000,000 shares having a par value of THB 1 each to directors, executives and/or employees of ITC and its subsidiaries, which accounts for up to 0.17% of the total issued and outstanding shares of ITC after the IPO, with the same time and offering price as newly issued ordinary shares that will be offered for the IPO, Such offering will cause a 0.17% reduction in the total profit share and voting rights in ITC.

4.2 Price Dilution

On the basis that ITC shares remain unlisted on the Stock Exchange of Thailand (the “SET”), their market price is not yet available and, therefore, it is impossible to evaluate the impact on the market price of ITC’s shares.

5. Rules, conditions and procedures for the offering of ITC newly issued shares to directors, executives and/or employees of ITC and its subsidiaries.

The Shares will be offered to directors, executives and/or employees of ITC and its subsidiaries after the IPO is approved by the Securities and Exchange Committee (“SEC”).

In this connection, the CEO of ITC is authorised to consider, decide, approve and determine the criteria, conditions, details and other matters relating to the allocation of the Shares to directors, executives and/or employees of ITC and its subsidiaries. However, the granting of authorisations must not contradict the ESOP Notification.

None of ITC's directors, executives nor employees will be entitled to subscribe more than 5% of the total Shares.

6. Qualifications of directors, executives and/or employees of ITC and its subsidiaries who will be entitled to the Shares allocation

- (i) An allottee must remain to be director, executive and/or employee of ITC and its subsidiaries on or before the effective date of the registration statement and prospectus in relation to the IPO, and must remain in the position as director, executive and/or employee of ITC and its subsidiaries until the dates of ITC's securities issuance and offer; and
- (ii) The allocated number of new ordinary shares may vary among those individuals, which depends on their position, work experience, years of service, work performance and potential, including their contribution to ITC.

7. Shareholders' veto rights against the allocation of newly issued shares by ITC to directors, executives and/or employees of ITC and its subsidiaries

In respect of the offering of the Shares to directors, executives and/or employees of ITC and its subsidiaries, the Company has an obligation to comply with the ESOP Notification by seeking prior approval from the Company's shareholders representing at least three-quarters (3/4) of the total votes cast by shareholders present and eligible to vote, provided that there is no veto by more than 10% of the total votes cast by shareholders present.

Information for Agenda 8: To consider and approve the plans to conduct an initial public offering of i-Tail Corporation PCL. (IPO) and to list shares of i-Tail Corporation PCL. in the Stock Exchange of Thailand.

**Information Memorandum on the Offering of Shares
in a Subsidiary of Thai Union Group Public Company Limited**

At the board of directors' meeting No.1/2022 of Thai Union Group Public Company Limited (the "Company"), held on 23 February 2022, the board approved a plan to list ITC Corporation Public Company Limited ("ITC"), a subsidiary of the Company, on the Stock Exchange of Thailand (the "SET"), together with an initial public offering of ITC shares, both the newly issued ordinary shares and a portion of existing ordinary shares currently held by the Company to the public (the "IPO") (the "ITC Listing Plan"). Key approvals of the Company's board meeting can be summarised as follows:

- (1) the change in the par value of ITC's shares from THB 10 per share to THB 1 per share and the increase in ITC's registered capital by THB 2,640,000,000, from THB 360,000,000 to THB 3,000,000,000, by issuing 2,640,000,000 new ordinary shares with a par value of THB 1 per share to be offered to (a) existing shareholders in proportion to their respective shareholdings (Rights Offering); (b) directors, executives and/or employees of ITC and its subsidiaries; and (c) the general public at the IPO.
- (2) the issuance and offering of up to 5,000,000 newly issued ordinary shares of ITC to directors, executives and/or employees of ITC and its subsidiaries (the "ITC ESOP Scheme"), accounting for up to 0.17% of ITC's total number of sold shares of ITC after the IPO under the ITC Listing Plan, with the same offering price and time as ordinary shares that will be offered for the IPO. Any remaining newly issued ordinary shares after the offering for sale to directors, executives and/or employees of ITC and its subsidiaries under the ITC ESOP Scheme, can be further offered in the IPO; and
- (3) the plan on the offering of newly issued shares of ITC in the IPO and the listing of ITC on the SET (the "Spin-off") by issuing and offering up to 595,000,000 newly issued ordinary shares, together with up to 60,000,000 existing shares in ITC currently held by the Company, accounting for not exceeding 21.83% of the total number of sold shares of ITC after the issuance and offering of newly issued ordinary shares under the ITC Listing Plan.

The issuing and offering of newly issued ordinary shares and existing shares of ITC currently held by the Company to the public will be partially allotted proportionately to the shareholders of the Company (Pre-emptive Offering), in the proportion not exceeding 20.00% of the number of the ordinary shares which are offered in the IPO. Any remaining ordinary shares after the offering for sale to the specific group of general public who are existing shareholders of the Company, which have the right to receive the share allocation in proportion to their shareholding in the Company (Pre-emptive Rights), can be further offered in the IPO.

In addition, the board of directors' meeting also resolved to approve the delegation of authority to the board of directors and/or the executive committee and/or persons being appointed by the board of directors together with ITC's board of directors and/or persons being appointed by ITC's board of directors, to consider and prescribe the requirements, conditions and details regarding the offering for sale of ITC's shares under the Spin-Off plan, including the authority to consider and sign any relevant agreements, as well as to perform other acts necessary to accomplish the Spin-Off plan. This includes, but is not limited to, appointing any person to be the Company's authorized representatives to carry out relevant actions, including voting at ITC's shareholders' meeting, submitting applications, documents, or contacting government agencies or related persons.

In this regard, The offering of ordinary shares of ITC in the initial public offering (IPO) and the listing of ITC on the SET, by issuing and offering the newly issued ordinary shares of ITC, together with the offering of the existing ordinary shares

in ITC which are held by the Company will cause a reduction in the Company's equity interests in ITC (Dilution) and is considered a disposal of assets by a listed company under the Notification of the Capital Market Supervisory Board No. Thor Chor. 20/2551 Re: rules for entering into a significant transaction which is considered an acquisition or disposal of assets dated 31 August 2008 (as amended), and the Notification of the SET Board Re: Information disclosure and other procedures to be taken by listed companies in relation to an acquisition or disposal of assets, B.E.2547 (as amended) (together, the **"Major Transaction Notifications"**). The Company's diluted equity interest in ITC has been evaluated according to various approaches pursuant to the Major Transaction Notifications, on the basis of the consolidated financial statements of the Company and ITC for the year ended 31 December 2021. The result indicates that the highest value when calculated in accordance with the operating profit criteria equals 4.39%. Therefore, the Company does not have an obligation to disclose information about the disposal of assets to the SET, to prepare and circulate an information memorandum to its shareholders, nor to seek a shareholder's approval of the transaction in accordance with the Major Transaction Notifications.

Notwithstanding the foregoing, since the transaction is the important transaction of the Company and its shareholders, the Company would like to report the foregoing transaction as follows:

1. Date, month and year of transaction

The ITC Listing Plan is conditional upon the relevant approval of the Office of the Securities and Exchange Commission (the **"SEC Office"**), the effectiveness of the registration statement for securities offering (Form 69-1) and draft prospectus in relation to the IPO, and the SET has approved the listing status of ITC's ordinary shares. Further, decision to undertake this transaction also depends on various factors, for example, market conditions and investor's demand perceived at the relevant time.

2. Relevant parties and their relationship with the Company

- The Offeror : (1) ITC, a subsidiary in which the Company holds 99.55% of its total issued shares; and
(2) the Company
- The Purchasers : (1) general public, including patrons and related parties of ITC, and the existing shareholders of the Company that are entitled to pre-emptive rights; and
(2) directors, executives and/or employees of ITC under the ITC ESOP Scheme

3. General description, type and size of the transaction

3.1 Public offering of ITC's newly issued ordinary shares and SET-listing of ITC's shares

As part of its contemplated new share offering and SET-listing of its shares, ITC will change the par value of its shares from THB 10 to THB 1 per share. ITC also plans to increase its registered capital from THB 360,000,000 to THB 3,000,000,000 by issuing 2,640,000,000 new ordinary shares with a par value of THB 1 per share. In this regard, ITC will issue and offer 600,000,000 new ordinary shares under the ITC ESOP Scheme and the IPO, accounting for 20.00% of the total paid-up capital of ITC (after the issuance and offering of ITC's shares), which can be divided into: (a) up to 5,000,000 shares will be offered to directors, executives and/or employees of ITC and its subsidiaries under the ITC ESOP Scheme. Any remaining ITC ESOP shares left unallocated to directors, executives and/or employees of ITC and its subsidiaries under the ITC ESOP Scheme can be combined together for further offered in the IPO; and (b) up to 595,000,000 shares and the remaining ITC ESOP shares left unallocated to those individuals will be offered to general public and the existing shareholders of the Company that are entitled to pre-emptive rights, the total number of which shall not exceed 20.00% of ordinary shares offered in the IPO. Any remaining ordinary shares after the offering for sale to the specific group of general

public who are existing shareholders of the Company, which have the right to receive the share allocation in proportion to their shareholding in the Company (Pre-emptive Rights), can be further offered in the IPO.

3.2 Public offering of ITC's existing shares held by the Company

The Company expects to offer up to 60,000,000 existing shares in ITC currently held by the Company with a par value of THB 1.00 per share, accounting for 2.00% of the total paid-up capital of ITC (after the issuance and offering of ITC's shares under the ITC Listing Plan) at the same time and price as those ITC's newly issued shares issued and offered in the IPO. (together with paragraph 3.1, the "ITC Share Offering").

After the completion of the ITC Share Offering and the SET-listing of ITC's shares, it is expected that the Company's equity interest in ITC will reduce from 99.55% (pre-ITC Share Offering) to approximately 77.64% of the total paid-up capital of ITC (post-ITC Share Offering), which represents a dilution of 22.00%.

The Company's diluted equity interest in ITC has been evaluated according to various approaches pursuant to the Major Transaction Notifications, on the basis of the consolidated financial statements of the Company and ITC for the year ended 31 December 2021. The result indicates that the highest value when calculated in accordance with the operating profit criteria equals 4.39%. Therefore, the Company does not have an obligation to disclose information about the disposal of assets to the SET, to prepare and circulate an information memorandum to its shareholders, nor to seek a shareholder's approval of the transaction in accordance with the Major Transaction Notifications.

This table shows the method applied to evaluate the size of the transaction:

Calculation approach	Formula	Size of the transaction ^{1/}
1. Net tangible assets approach (NTA)	Net tangible assets of ITC proportionately disposed of, divided by net tangible assets of the Company	$\frac{4,282,844 \times 22\%}{26,623,473}$ = 3.54%
2. Net profit approach	Net profit of ITC proportionately disposed of, divided by net profit of the Company	$\frac{1,598,681 \times 22\%}{8,012,996}$ = 4.39%
3. Total returns value approach	Book value of ITC's shares, multiplied by the percentage of shares to be disposed of, divided by total assets value of the Company	$\frac{4,328,622 \times 22\%}{166,604,040}$ = 0.57%
4. Pay-in-kind approach	The evaluation is impossible because there is no issuance of new shares in exchange of the payment for assets.	

Note: 1/ This was calculated from the respective audited consolidated financial statements of the Company and ITC for the year ended on 31 December 2021.

4. Indicative information about the disposed assets

4.1 Key information about the IPO of ITC's ordinary shares

- The Offeror : (1) In respect of ITC newly issued shares, *ITC will act as the offeror.*
(2) In respect of ITC existing ordinary shares currently held by the Company, *the Company will act as the offeror.*
- Number of shares to be offered : (1) Up to ITC's 600,000,000 newly issued ordinary shares, which can be divided into:
(a) up to 5,000,000 newly issued ordinary shares to be offered to the directors, executives and/or employees of ITC and its subsidiaries under the ITC ESOP Scheme. Any remaining ITC ESOP shares left unallocated to those individuals can be further offered in the IPO; and
(b) up to 595,000,000 shares and the remaining ITC ESOP shares left unallocated to those individuals will be offered to general public and the existing shareholders of the Company that are entitled to pre-emptive rights.
(2) Up to 60,000,000 of ITC existing ordinary shares currently held by the Company will be offered to the public.
- Par value : THB 1 per share
- Offering price : The offering price has not yet been determined. The offering price of the ITC ESOP shares will be equal to the offering price of newly issued ordinary shares to be offered to the public at the IPO.
- Offering period : The ITC Listing Plan is conditional upon the relevant approval of the SEC Office, the effectiveness of the registration statement for securities offering (Form 69-1) and draft prospectus in relation to the IPO, and the SET-listing of ITC's ordinary shares. Further, decision to undertake this transaction also depends on various factors, for example, market condition and investor's demand perceived at the relevant time.

Key information about ITC

- Nature of business : Manufacturing and distribution of readymade pet food
- Head office : 979/92-94, SM Tower Building, 29th Floor, Phahonyothin Road, Phaya Thai Sub-District, Phaya Thai District, Bangkok
- Paid-up registered capital : At present, ITC has paid-up registered capital of THB 360,000,000 divided into 36,000,000 ordinary shares with a par value of THB 10 per share.
• Pre-IPO According to the ITC Listing Plan, ITC will reduce the par value of its shares from THB 10 to THB 1 per share and will increase its paid up capital from THB 360,000,000 to THB 3,000,000,000 through an issuance of 2,640,000,000 new ordinary shares with a par value of THB 1 per share.
• Post-IPO : After the ITC Share Offering, ITC is expected to have total registered capital of THB 3,000,000,000, divided into 3,000,000,000 ordinary shares with a par value of THB 1 per share.

4.2 ITC board of directors as at of date hereof consists of eleven members as set out below:

Name and surname	Position in ITC	Shareholding in ITC as of the date hereof (shares/percentage)		Position in the Company	Shareholding in the Company as of the date hereof (shares/percentage)	
Mr. Cheng Niruttinanon	Chairman	0	-	Executive chairman	265,842,116	5.57
Mr. Thiraphong Chansiri	Director	0	-	Director and president & CEO	605,565,212	12.69
Mr. Tin Shu Chan	Director	0	-	-	67,820,100	1.42
Mr. Shue Chung Chan	Director	0	-	Director	12,295,272	0.26
Mr. Thawee Tangchansiri	Director	0	-	-	8,110,000	0.17
Mr. Pichitchai Wongpiya	Director	0	-	-	410,000	0.00
Mr. Chaiwat Charoenrujitanon	Director	0	-	-	0	-
Prof. Emeritus Teerachai Chantarojsiri	Independent director and chairman of the audit committee	0	-	-	0	-
Mrs. Sawita Suwansawat	Independent director and audit committee member	0	-	-	0	-
Ms. Anchalee Bunsongsikul	Independent director and audit committee member	0	-	-	0	-
Mr. Kawewut Temphuwapat	Independent director	0	-	-	0	-

4.3 List of shareholders

As at the date hereof, ITC has paid-up capital of THB 360,000,000, divided into 36,000,000 ordinary shares with a par value of THB 10. The list of ITC shareholders is set out below:

No.	Name	Number of shares held	Percentage (approx.)
1.	Thai Union Group Public Company Limited	35,839,169	99.55
2.	Other minority shareholders	160,831	0.45
Total		36,000,000	100.00

4.4 Summary of financial position and operating results of ITC

Statement of financial position

Statement of financial position	Consolidated financial statements ^{1/}		
	As of 31 December		
Unit: THB million	2021	2020 (revised)	2019 (revised)
Total assets	14,934	10,365	9,496
Total liabilities	10,603	6,041	6,186
Issued and paid-up capital	360	360	360
Total shareholders' equity	4,331	4,324	3,310

Statement of comprehensive income

Statement of comprehensive income	Consolidated financial statements ^{1/}	
	For financial year ended 31 December	
Unit: THB million	2021	2020 (Revised)
Sales revenue	7,108	6,957
Costs of sales	(6,043)	(5,378)
Gross profit	1,065	1,579
Operating profit	699	1,115
Costs of financing	(25)	(26)
Corporate income tax	20	(10)
Profit (loss) from discontinued operations	882	766
Net profit	1,576	1,845
Net profit per share (THB/share) ²	44.41	49.44

Notes:

- ^{1/} This is based on the consolidated financial statements for the financial year ended 31 December 2021.
- ^{2/} Net profit per share is the sum derived from the net profit for the year attributable to holders of ordinary shares (excluding other comprehensive profit and loss), divided by the weighted average number of issued and paid-up shares ordinary during the year, which represents the total number of shares before this IPO.

5. Total proceeds and valuation method

The total value of the ITC Listing Plan depends on the offering price of ITC's newly issued shares and a portion of ITC's existing ordinary shares currently held by the Company, which form part of the IPO. At present, the offering price is pending determination. Notably, the ITC ESOP shares will be offered at the same price as those new ordinary shares issued to the public. The offering price will be determined as soon as practicable after the SEC Office approves the IPO and the registration statement for securities offering (Form 69-1) and draft prospectus become effective.

6. Value of the disposed assets

The disposed assets consist of newly issued ordinary shares to be issued by ITC and a portion of existing shares in ITC currently held by the Company, which will generate the proceeds in the form of cash paid by investors. At present, the offering price of those shares is not yet determined. However, the value of disposed assets or ITC's shares disposed by the Company with reference to the book value of ITC in accordance with the audited financial statements of ITC for the financial year ended 31 December 2021, is THB 4,328,622 billion. Considering that the number of the newly issued ordinary shares to be issued by ITC and the existing ordinary shares in ITC to be sold by the Company account for up to 20.00% and up to 2.00 % of ITC's paid-up capital respectively (post-ITC Share Offering), this transaction can be valued at up to THB 940,158 billion. The value of the disposed shares was not evaluated based on the market price because the offering price of the relevant shares has not been determined.

7. Expected advantages of the transaction

Advantages for the Company's shareholders:

- (1) Additional alternatives are open to shareholders to select to invest in the Company or ITC, depending on investment policy; and
- (2) If ITC's shares are tradable on the SET, the value of investment in ITC will grow according to the market price of ITC's shares, potentially resulting in an increase in the Company's share price, which is advantageous to the Company's shareholders.

Advantages for the Company:

- (1) The Company can relieve a long-term financial burden in relation to fund or long-term financial support given to ITC because ITC will be able to independently raise funds through this IPO, or at any time through the SET or other channels using various kinds of financial instruments after it becomes a SET-listed company;
- (2) The Company's business structure will be well reorganised, which will resiliently facilitate the business administration and management as well as the expansion of manufacturing activities and future investment in relation to manufacturing and distribution of readymade pet food;
- (3) The Company's share price can effectively reflect the value of its investment in ITC, considering that there will be a market price for ITC's shares; and
- (4) The Company will receive the proceeds from the sale of its existing ordinary shares in ITC.

Advantages for ITC:

- (1) Becoming a SET-listed company will broaden the fund-raising channels for ITC because ITC will be able to independently raise funds and resort to a wider range of financing sources, which will strengthen its competitiveness and ability to grow in a long-term.
- (2) ITC can use the proceeds of this share offering to expand its business and as working capital which support its on-going operations.
- (3) ITC's reputation and image will be enhanced.
- (4) After ITC becomes a SET-listed company, the liquidity of its shares is expected to be enhanced, given that there is a secondary market and a market price for sales of shares.

8. Plan to use the expected proceeds of the ITC's IPO

To expand the business and use as working capital to support the on-going operations.

9. Conditions and requirements to be fulfilled in relation to the transaction

- (1) ITC shareholders' meeting having approved the change in the par value of shares, the listing of ITC's shares on the SET, and the increase in registered capital to support the IPO;
- (2) ITC having registered its capital increase and the change in the par value of shares with the Department of Business Development, Ministry of Commerce;
- (3) ITC having received the SEC Office's approval to carry out its IPO, and the registration statement for securities offering (Form 69-1) and prospectus having become effective;
- (4) The SET having approved ITC's application for the listing of ITC's ordinary shares;
- (5) ITC having registered the increase in its paid-up capital after completion of the IPO; and
- (6) There are also other crucial factors that might affect the decision to undertake the transaction, such as market condition and investor's demand to invest in ITC shares as the board meeting of ITC may consider and approve.

10. Possible effects on the Company and its shareholders

(1) EPS dilution and control dilution

Under the ITC Listing Plan, up 600,000,000 newly issued ordinary shares and up to 60,000,000 existing ordinary shares currently held by the Company will be offered to the public (including the shares to be offered under the ITC ESOP Scheme) simultaneously, which in aggregate account for 22.00% of the total issued and outstanding shares of ITC after completion of the IPO. Considering the Company's equity interest in ITC, this ITC Share Offering will reduce the Company's profit sharing or voting rights in ITC from 99.55% of the paid-up capital (pre-ITC Share Offering) to 77.64% of the paid-up capital (post-ITC Share Offering), which constitutes a dilution of 22.00%. After the ITC Share Offering, the Company will continue to maintain its controlling power through its stake of approximately 77.64% of ITC's total issued and outstanding shares (under the assumption that the newly-issued ordinary shares offered to existing shareholders (Right Offerings) will be subscribed according to their respective shareholdings).

(2) Market Price dilution

The Company does not expect that the market price of its ordinary shares will directly suffer any materially adverse effect. However, the Company's diluted equity in ITC will result in a reduction of its recognised profit in ITC from 99.55% of the paid-up capital (pre-ITC Share Offering) to 77.64% (post-ITC Share Offering).

11. Opinion of the Company's board of directors and audit committee

The board of directors and audit committee considered and approved the ITC Listing Plan since the transaction will be advantageous to the shareholders of the Company, the Company and ITC.

12. Different opinion of the Company's audit committee against its board of directors' point of view

-N/A-