

Disclosure of Information Concerning the Acquisition of interests in Red Lobster Master Holdings, L.P. by Thai Union Group Public Company Limited (Schedule 1)

The Board of Directors' Meeting of Thai Union Group Public Company Limited (the **Company**) No. 5/2016 held on 10 October 2016 has rendered the resolution to approve the acquisition by the Company or its wholly owned subsidiary(ies) (whether directly or indirectly) as designated by the Company (the **Acquisition Subsidiary**) (as the case may be) (the **Acquirer**) of:

- (i) 1,687,245 common units in Red Lobster Master Holdings, L.P., a Delaware limited partnership (**Red Lobster**) and 100% of the outstanding Class H shares in GGCOF RL Blocker, LLC, a Delaware limited liability company (**RL LLC**) holding interests in Red Lobster, from direct and indirect equity holders of Red Lobster, including affiliates of investment funds managed by Golden Gate Private Equity, Inc. (the **Sellers**), effectively giving the Acquirer ownership over an additional 812,755 common units in Red Lobster, which results in the ownership of 25% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD230,000,000; and
- (ii) 1,619,755 convertible preferred units in Red Lobster (the CP Units) and 100% of the Class G shares in RL LLC from the Sellers (i.e., direct and indirect equity holders of Red Lobster, including affiliates of investment funds managed by Golden Gate Private Equity, Inc.), effectively giving the Acquirer ownership over an additional 780,245 CP Units in Red Lobster, which results in the ownership of 24% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD345,000,000. The key features of the CP Units are as shown in the table below.

Tenor		ten years from the date of completion of the purchase of aforementioned securities by the Acquirer.
Redemption and Conversion Rights		The holders of the CP Units may decide (but do not have the obligation) to either (a) redeem the principal of the CP Units at the agreed amount at the end of the tenor or upon a change of control event of Red Lobster or (b) convert the CP Units into common units that would currently represent 24% of the total outstanding units in Red Lobster at any time before the end of the tenor, with such conversion occurring automatically at the end of the tenor if not redeemed.

In this connection, the purchase price of the CP Units of USD345,000,000 represents an investment in a financial asset, taking into account assessment of the agreed yield of such instrument and the credit profile of Red Lobster.

The units under (1) and (2) above are purchased by the Acquirer for an aggregate purchase price of USD575,000,000.

The foregoing transactions are referred to as the **Transaction**.

In addition, at completion, the Acquirer will receive certain rights to make additional investment in Red Lobster and RL LLC within a specified period of time, but the Acquirer will have no obligation to make such additional investments.

According to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Stock Exchange of Thailand Re: Disclosure of

Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 (2004) dated 29 October 2004 (as amended) (collectively, the Acquisition or Disposition Rule), the Transaction is classified as a Class 2 transaction. On that basis, the Company is obligated to disclose information pertaining to the Class 2 transaction to the Stock Exchange of Thailand (the SET), and send a notification with respect to the Transaction to its shareholders within 21 days from the date of disclosure of information to the SET.

Therefore, the Acquirer sets out the details of the Transaction as prescribed by the Acquisition or Disposition Rule as follows:

1. The date on which the transaction occurs

On 10 October 2016, the Company and the Sellers entered into a securities purchase agreement in relation to the proposed acquisition of (A) 1,687,245 common units in Red Lobster and 100% of the outstanding Class H shares in RL LLC holding interests in Red Lobster, effectively giving the Acquirer the ownership of 25% of the total outstanding units in Red Lobster on a fully-diluted basis and (B) 1,619,755 CP Units in Red Lobster and 100% of the Class G shares in RL LLC, effectively giving the Acquirer the ownership of 24% of the total outstanding units in Red Lobster by the Company or the Acquisition Subsidiary (as the case may be) on a fully-diluted basis. The Company is expecting to complete the Transaction by 11 October 2016 (or such other date that the parties may agree) in accordance with the terms and conditions under the securities purchase agreement.

2. Parties involved

Purchaser: The Company or the Acquisition Subsidiary (as the case may be) (the **Purchaser**).

Sellers: Direct and indirect equity holders of Red Lobster including affiliates of investment funds managed by Golden Gate Private Equity, Inc. (the **Sellers**).

The Company and its subsidiaries have no relationship with the Sellers.

3. The general characteristics of the Transaction, category of the Transaction and size of the Transaction

The Company or the Acquisition Subsidiary (as the case may be) will purchase (A) 1,687,245 common units in Red Lobster and 100% of the outstanding Class H shares in RL LLC holding interests in Red Lobster, effectively giving the Acquirer the ownership of 25% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD230,000,000 and (B) 1,619,755 CP Units in Red Lobster and 100% of the Class G shares in RL LLC, effectively giving the Acquirer the ownership of 24% of the total outstanding units in Red Lobster on a fully-diluted basis, at the purchase price of USD345,000,000. The key features of CP Units are as shown in the table below.

Tenor	ten years from the date of completion of the purchase of aforementioned securities by the Acquirer.
Redemption and Conversion Rights	The holders of the CP Units may decide (but do not have the obligation) to either (a) redeem the principal of the CP Units at the agreed amount at the end of the tenor or upon a change of control event of Red Lobster or (b) convert the CP Units into common units that would currently represent 24% of the total outstanding units in Red Lobster at any time before the end of the tenor, with such conversion occurring automatically at the end of the tenor if not redeemed.

The units under (A) and (B) above are purchased by the Acquirer for an aggregate purchase price of USD575,000,000.

In addition, at completion, the Acquirer will receive certain rights to make additional investments in Red Lobster and RL LLC within a specified period of time, but the Acquirer will have no obligation to make such additional investments.

The Transaction is considered a Class 2 transaction according to the Acquisition or Disposition Rule with a transaction size of 17.7% calculated using the value of consideration criterion, which gives the highest value among all criteria prescribed by the Acquisition or Disposition Rule. When combining the Transaction with the acquisition of assets acquired during six months preceding the date of the Company's Board of Directors' Meeting No. 5/2016 (ie the acquisitions of the: (a) shares in Avanti Frozen Foods Private Limited; (b) assets of Les Pecheries de Chez Nous; (c) shares in Asian Pacific Can Company Limited; (d) shares in Yueh Chyang Canned Food Company Limited; and (e) shares in Tri-Union Frozen Products, Inc.) the aggregate transaction size equals 21.8% which is still considered within a Class 2 transaction threshold.

Therefore, the Company must disclose certain information pertaining to the Transaction to the SET and send a notification with respect to the Transaction to its shareholders within 21 days from the date of disclosure of information to the SET.

The calculation of the Transaction size is based on the consolidated financial statements of the Company for the period of six months ended 30 June 2016 and the consolidated financial statements of Red Lobster for the period of six months ended 28 August 2016 in accordance with the four calculation criteria prescribed by the Acquisition or Disposition Rule. Details of the Transaction are summarized below¹:

Unit: THB million	Company's consolidated financial statements as of 30 June 2016 (Reviewed)	Red Lobster's consolidated financial statements as of 28 August 2016 (Reviewed)
Total assets	114,312	29,729
Intangible assets	29,621	5,075
Total liabilities	65,515	25,539
Minority interest	4,684	0
Net tangible assets (NTA)	14,493	Negative
Net profit ¹	5,235	Negative

Remark: ¹ Net profit of the last 12 months

1) Net tangible assets criterion

The Transaction size under this criterion cannot be calculated as Red Lobster's NTA is negative.

2) Net income criterion

The Transaction size under this criterion cannot be calculated as Red Lobster's net income is negative.

3) Value of consideration paid criterion

$$\begin{aligned}
 \text{Calculation Method} &= \frac{\text{Value of consideration paid}}{\text{Company's total assets}} \quad (\text{THB million}) \\
 &= \frac{20,194}{114,312} = 17.7\%
 \end{aligned}$$

¹ The exchange rate used for conversion of USD into THB is THB 35.12 per USD 1 which is derived from Bloomberg for the closing exchange rate on 30 June 2016.

4) Value of securities issued as a consideration for the assets acquired criterion

Not applicable.

4. Details of assets purchased

4.1 Nature of business

Red Lobster's business consists of operating the Red Lobster chain of restaurants and the related Red Lobster consumer packaged goods business, as well as franchising Red Lobster restaurants.

Currently, Red Lobster operates casual dining seafood restaurants under the brand "Red Lobster" through (i) its own 704 outlets in North America and (ii) 50 outlets in 9 other countries under the franchise agreements.

4.2 Financial Highlights

In the last 12 months to August 2016, Red Lobster generated sales of approximately USD2,479 million and adjusted EBITDA of approximately USD144 million.

4.3 Major Shareholder

Golden Gate Private Equity, Inc. is a San Francisco-based private equity investment firm with over \$15 billion of capital under management

There is no shareholder in Red Lobster who is a connected person of the Company.

4.4 Managers

Mr. Kim Lopdrup and Mr. William Lambert.

4.5 Registered and Paid-up Share Capital

Not applicable as Red Lobster is a Delaware limited partnership.

5. Total value of consideration

5.1 Value of consideration

The 1,687,245 common units in Red Lobster and 100% of the outstanding Class H shares in RL LLC holding interests in Red Lobster, effectively giving the Acquirer the ownership of 25% of the total outstanding units in Red Lobster on a fully-diluted basis, will be purchased by the Acquirer at the purchase price of USD230,000,000 and the 1,619,755 CP Units in Red Lobster and 100% of the Class G shares in RL LLC, effectively giving the Acquirer the ownership of 24% of the total outstanding units in Red Lobster on a fully-diluted basis, will be purchased by the Acquirer at the purchase price of USD345,000,000. The aggregate purchase price will be at USD575,000,000.

The sources of funds for such purchase price will be derived from loans from domestic financial institutions.

5.2 Details of payment

The payment shall be made to the Sellers on the closing date of the Transaction upon the fulfillment of the relevant terms and conditions under the securities purchase agreement.

6. Value of assets purchased

The value of the common units purchased is the purchase price therefor of USD230,000,000. The value of such common units was derived from the negotiation and agreement of the Company and the Sellers with respect to the total equity value of Red Lobster of USD920,000,000 (equivalent to approximately THB32,310,400,000). **In the appraisal of such equity value by the Company,** In appraising such equity value, the Company has adopted several valuation methodologies including discounted cash flow valuation and comparisons with valuation multiples of publicly listed companies of a similar nature and prior transactions of companies of a similar nature.

The value of the CP Units of USD345,000,000 represents an investment in a financial asset, taking into account assessment of the agreed yield of such instrument and the credit profile of Red Lobster

7. Basis used to determine value of consideration

The total value of consideration for the Transaction is the amount that has been agreed upon by the parties to the securities purchase agreement. In this connection, the purchase price for common units agreed by the parties was derived from the negotiation and agreement of the Company and the Sellers with respect to the total equity value of Red Lobster of USD920,000,000 (equivalent to approximately THB32,310,400,000). **In the appraisal of such equity value by the Company,** In appraising such equity value, the Company has adopted several valuation methodologies including discounted cash flow valuation and comparisons with valuation multiples of publicly listed companies of a similar nature and prior transactions of companies of a similar nature.

The value of the CP Units of USD345,000,000 represents an investment in a financial asset, taking into account assessment of the agreed yield of such instrument and the credit profile of Red Lobster.

8. Benefits expected to be generated

The Company believes that the Transaction will primarily result in delivery of the following benefits to the Company and its shareholders:

- 8.1 Strategic expansion into a new business segment of foodservice retail, allowing the Company to pursue a strategy of forward integration to reach direct consumer access;
- 8.2 Capitalize on the trend of consumers eating out more in the US through investment in the #1 seafood specialist in North America;
- 8.3 Build on existing relationship with Red Lobster of more than USD50 million; and
- 8.4 Expected to be EPS accretive from run-rate net profit contribution from Red Lobster.

9. Source of funds

The Company will enter into the bridge loan facility agreement with the domestic financial institutions for the total amount of up to THB20,100 million. In the event that the Company designates its Acquisition Subsidiary to be the Purchaser under this Transaction, the Company will apply such loan towards either on-lending it to or paying the subscription price for equity or other instruments in the Acquisition Subsidiary in order for the Acquisition Subsidiary to apply such financing proceeds for the acquisition. The maturity date is 6 months from the date of the signing of the **bridge** loan facility agreement. The amount to be obtained from the **bridge** loan facility agreement will be adequate for the acquisition of units in this Transaction. **In this connection, the Company understands that the bridge loan facility agreement does not contain any provisions which would adversely affect the rights of the Company's shareholders.**

10. Utilization of the proceeds from sale

Not applicable.

11. Category and details of securities issued

Not applicable.

12. Conditions precedent

Completion of the Transaction is subject to, among other things, the following key conditions precedent:

- a) the satisfaction of the conditions precedent set forth in the securities purchase agreement, including, the parties to perform all covenants and agreements as required by the securities purchase agreement, all representation given by the parties to be true and correct, no legal requirement or governmental order prohibiting the consummation of the Transaction and no material adverse effect to the business, financial condition or operating results of Red Lobster and its subsidiaries to have occurred; and
- b) the relevant parties having entered into, executed and delivered the agreements relating to this Transaction, i.e., (i) the Amendment to the Partnership Agreement among the unitholders of Red Lobster, (ii) the Letter Agreement between the general partner of Red Lobster and the Acquirer, (iii) the Supply Agreement between Red Lobster Sourcing, Inc. and the Company and (iv) the Amendment to the RL LLC Agreement among certain shareholders in RL LLC and the Acquirer.

13. Clarification of whether if there are any persons related to the Company with more than 10 % shareholding in acquired entity

Not applicable.

14. Opinion of the Board of Directors

The Board of Directors deems it appropriate to approve the entry into by the Company or the Acquisition Subsidiary (as the case may be) of the Transaction and has the opinion that the entry into the Transaction is reasonable and is for the benefit of the Company and its shareholders.

15. Opinion of the Board and/or the Audit Committee which is different from the opinion of the Board of Directors

None.