



รายงานประจำปี 2554 บริษัท จีเอฟพีที จำกัด (มหาชน)

Annual Report 2011

GFPT Public Company Limited

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Financial Highlight

GFPT Public Company Limited and Subsidiary Companies

Unit : Million Baht

Consolidated Operating	2011	2010	2009
Revenue from Sale	14,214	12,472	11,507
Total Revenue	14,321	12,691	11,710
Profit Margin	2,211	2,015	1,774
Profit from Operation	1,444	1,380	1,250
Net Profit	1,203	1,166	1,067
Earning per Share (Baht)	0.96	0.93	0.85

Consolidated Financial Position	2011	2010	2009
Total Current Asset	3,835	3,284	2,797
Total Asset	10,068	9,216	8,138
Total Current Liabilities	1,430	1,261	2,123
Total Liabilities	4,084	3,839	3,614
Shareholders' Equity	5,984	5,377	4,524

Financial Ratio	2011	2010	2009
Liquidity Ratio (time)	2.68	2.60	1.32
Profit Margin Ratio (%)	15.56	16.16	15.41
Return on Asset Ratio (%)	11.95	12.65	13.12
Debt to Equity Ratio (time)	0.68	0.71	0.80



Message from the Chairman

Although the growth rate of Thai economy in 2011 was slightly less than expected, its growth and the flourishing of export were the main factors responsible for the successful and favorable performance of GFPT. The company businesses advanced continuously despite the economic volatility caused by the arising of economic crisis in various member countries of the EU, catastrophic damages from tsunami in Japan, the rising oil price, and the disastrous flood in Thailand in the latter half of the year.

High growth of both domestic consumption and export of chicken meat products in 2011 were the main supporting factors of GFPT's business achievement. Moreover, there were also many other supporting factors such as the increasing of export demand for chicken meat products in Japan to replace the product loss caused by tsunami and the Avian Flu outbreak. Higher cost of chicken meat production in China due the raising of wage rates also reduced the cost advantage of Chinese products.

The progress of GFPT in 2011 has reflected its high potential to efficiently compete and confront with obstacles, either in domestic or international markets. Maintaining of this high potential, however, is a major challenge of the company withstand in this fierce competitive situation. GFPT must continuously improve its efficiency in production and management. In doing so, the company will focus on research and development in order to produce processed chicken meat products that can attract and satisfy the tastes of consumers in various markets. Moreover, high standard of hygiene and environmental conservation in the production process have to be maintained and consistently improved to comply with international standard.

The analysis of both positive and negative factors affecting GFPT's future performance indicates that the upward trend of business growth will continue through the year 2012. Despite the good prospect, the company has to greatly concern with some unpredictable factors, especially the raising of domestic minimum wage rates, as well as the rising of oil price and animal feed ingredients prices.

Lastly, on behalf of the Chairman of the Board of Directors, I would like to thank all shareholders for their consistently supports of GFPT's management. I also offer my genuine thanks to all executives and staffs of the company for their dedication and tireless efforts to make this achievement possible. I wish that all these invaluable supports and contributions will continue to help GFPT achieve its ultimate goal of sustained growth in the future.




Mr. Prasit Sirimongkolkasem
Chairman of the Board of Directors



Statement from Audit Committee

The Audit Committee of GFPT Public Company Limited is composed of three independent directors. Each member of the Audit Committee is independent and knowledgeable in finance discipline, law discipline, and management discipline. The Audit Committee is composed of Dr. Sathit Karanes, Chairman of Audit Committee, Mr. Paramet Hetrakul, Director of Audit Committee, and Mr. Thanathip Pichedvanichok, Director of Audit Committee. The Audit Committee members have qualification as defined by the regulations of The Audit Committee of the Stock Exchange of Thailand. More importantly, the Audit Committee is not appointed to protect only the interests of directors or major shareholders in particular.

As assigned by the Board of Directors, the Audit Committee's scope of work, duties and responsibilities are to review GFPT and consolidated financial statements in compliance with accounting policy and the criteria and practical guidelines governing the Committee, in line with the regulations of the Stock Exchange of Thailand or other relevant laws. In addition, the Audit Committee is responsible for the accountability in internal control management and good corporate governance in both of financial system and operation system to ensure that the managements and executive directors perform their duties with integrity and responsibility to the shareholders of the Company; and in compliance with the Company's policy.

In 2011, the Audit Committee held 4 meetings. All members of the Audit Committee attended all meetings and discussed with the management, the Internal Audit and the auditor in related matters as follows:

1. Accuracy, completeness and credibility of the Financial Statements

The Audit Committee reviewed the Quarterly and Year End financial statements of the Company, both on a standalone and consolidated basis, together with the auditors and management for integrity and propriety prior to proposing them to the Board for approval. The review focused on material accounts, changes, adjustments, provisions, estimates as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. From the reviews conducted, the Audit Committee was of the opinion that the financial statements reported to the SET and the public in 2011 were complete, accurate, and credible, and in compliance with generally accepted accounting principles of Thailand as well as information disclosure to ensure that the financial statements presented properly, clearly, adequately, timely, and literally useful for the shareholders and other.

2. Internal Control of the Company

The Audit Committee has reviewed the Company's internal control system, which is consistent with the adequacy and effectiveness as well as quality checks, both in personnel and performance audit in accordance with professional standards continuously based on the Internal Audit from Annual Report 2011 of the Internal Audit. Moreover, the Audit Committee has visited the actual operations in order to understand the process of the Company and has provided a valuable internal control system efficiently. The Committee will report significant deficiencies with the solution to the Board of Directors. This approach will encourage the management of the Company to provide adequate and effective internal controls for the management to achieve results with efficient operation, property maintenance, and personnel management. Moreover, we also evaluate the effectiveness of the internal control and financial management which are compliance with the law set by the Securities and Exchange Commission, which not found significant weaknesses or deficiencies that consistent with the evaluation of the auditor. The Audit Committee has opinion that the Company and its subsidiaries have appropriate internal control system which consists of general business conditions, risk assessment in the areas of manufacturing, marketing, finance, information systems, and communications reliability of data used in the administration that the result has reached to the satisfactory level.

3. Compliance with the SEC and SET laws and regulation and other laws relevant to the Company's business

The Company has a Legal & Compliance Unit that monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures compliance. The Audit Committee, in its reviews, also monitored to ensure the Company was in compliance with relevant laws and regulations of the SEC and SET, as well as other laws relevant to the business of the Company. The Audit Committee was of the opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company and effective in 2011.

4. Overseeing Company Internal Audit Function

The Audit Committee to oversee the internal audit to ensure that internal audit is effective and efficient to maximize the benefits of the Company and shareholders. The Audit Committee reviewed the scope of work, obligations, and responsibilities of the Internal Audit Department to review and approve the annual audit of the Internal Audit Department which covers the Company and its subsidiaries. In the review of the Audit Committee that consider the adequacy of staffing, the results of the audit risk, the independence of internal audit, and provide useful suggestions for continuous improvement.

5. Suitability of the external auditor

The Audit Committee monitored the suitability of the external auditor by reference to the audit work quality, audit team competence and auditor independence in the quarterly financial statements review and in private discussion in which independent feedback on the audit result and internal control environment was obtained. Moreover, the Audit Committee considered and proposed Mr. Ampol Chamnongwat or Ms. Wanlaya Puttasatien or Mr. Naris Saowalagsakul from S.K. Accountant Services Co., Ltd. to be the Company's auditor for 1 year with knowledgeable and experience in auditing, appropriate compensation that will be proposed to the Annual General Shareholders' Meeting.

6. Self-assessment of the Audit Committee

The Audit Committee assesses the performance by themselves on the composition of the Audit Committee meeting, the relationship between management and external auditors according to the good practice of the Stock Exchange of Thailand and the Charter of the Audit Committee. The Audit Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Audit Committee. It contributed to strengthen the good corporate governance. The Audit Committee has an opinion that the Audit Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There is no limitation in obtaining information from the management, employees, and related person as well as comments and suggestions which are equally useful for various stakeholders.

In summary, the Audit Committee has an opinion that Board of Directors and Executive Directors of the Company have ethics and commitment to achieve the goals of the Company and focus on operation in accordance with good corporate governance, evident, reliable, adequate internal control system, and the financial report is in accordance with generally accepted accounting standards, legal, and related regulations.



Dr. Sathit Karanes
Chairman of Audit Committee



Mr. Paramet Hetrakul
Director of Audit Committee



Mr. Thanathip Pichedvanichok
Director of Audit Committee



Company Information



GFPT

Company Information

Name	: GFPT Public Company Limited
Type of Business	: Chicken Evisceration and Processed Chicken Food
Head Office	: GFPT Tower, No.312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0107537001471
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Home Page	: www.gfpt.co.th
Registered Capital	: 1,400,000,000 baht
Paid-up Capital	: 1,253,821,000 baht
No. of Shares	: 1,253,821,000 shares
Type of Share	: Common Stock



KT

Subsidiary Company

Name	: Krungthai Feedmill Public Company Limited
Type of Business	: Feed Mill and Parent Chicken Farm
Head Office	: GFPT Tower, No. 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0107537001463
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Registered Capital	: 400,000,000 baht
Paid-up Capital	: 400,000,000 baht
No. of Shares	: 40,000,000 shares
Type of Share	: Common Stock



GP

Subsidiary Company

Name	: GP Breeding Company Limited
Type of Business	: Grandparent Chicken Farm
Head Office	: GFPT Tower, No. 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0105536132457
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Registered Capital	: 200,000,000 baht
Paid-up Capital	: 200,000,000 baht
No. of Shares	: 20,000,000 shares
Type of Share	: Common Stock



FKT

Subsidiary Company

Name	: Krungthai Farm Company Limited
Type of Business	: Hatchery Farm
Head Office	: GFPT Tower, No. 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0105521016944
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Registered Capital	: 350,000,000 baht
Paid-up Capital	: 350,000,000 baht
No. of Shares	: 35,000,000 shares
Type of Share	: Common Stock



MKS

Subsidiary Company

Name	: M.K.S. Farm Company Limited
Type of Business	: Broiler Farm
Head Office	: GFPT Tower, No. 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0105524028536
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Registered Capital	: 550,000,000 baht
Paid-up Capital	: 550,000,000 baht
No. of Shares	: 55,000,000 shares
Type of Share	: Common Stock



GFF

Subsidiary Company

Name	: GF Foods Company Limited
Type of Business	: Processed Chicken Food
Head Office	: GFPT Tower, No. 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150
Company Certificate No	: 0105525001496
Telephone	: 0-2473-8000
Facsimile	: 0-2473-8398
Registered Capital	: 40,000,000 baht
Paid-up Capital	: 40,000,000 baht
No. of Shares	: 400,000 shares
Type of Share	: Common Stock



Company Information



McKey

Associated Company

Name	: McKey Food Services (Thailand) Limited
Type of Business	: Frozen Processed Food
Head Office	: 210 Moo 1, Teparak Road, K.M. 20.5, Bangsaothong District, King-Amphur Bangsaothong, Samuthprakarn 10540
Company Certificate No	: 0115536003282
Telephone	: 0-2315-4763-4, 0-2315-4766-7
Facsimile	: 0-2315-4765
Registered Capital	: 100,000,000 baht
Paid-up Capital	: 100,000,000 baht
No.of Shares	: 1,000,000 shares
Type of Share	: Common Stock



GFN

Associated Company

Name	: GFPT Nichirei (Thailand) Limited
Type of Business	: Chicken Evisceration and Processed Chicken Food
Head Office	: 77 Moo 4, Hang Sung, Nong Yai, Chonburi 20190
Company Certificate No	: 0105551130397
Telephone	: 038-932-900
Facsimile	: 038-932-999
Registered Capital	: 1,170,000,000 baht
Paid-up Capital	: 1,170,000,000 baht
No.of Shares	: 11,700,000 shares
Type of Share	: Common Stock

Other Information

Registrar Name	: The Securities Exchange of Thailand
Address	: The Securities Exchange of Thailand Building, No. 62, Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2229-2888
Home Page	: www.tsd.co.th
Registrar Debenture	: None
Auditor	: S.K. Account Services Co.,Ltd.
Address	: 128/151 Phyathai Plaza Building,14th Floor, Phyathai Road, Bangkok 10400
Telephone	: 0-2214-6464
Facsimile	: 0-2216-6065
E-mail	: skaudit@ksc.th.com

Major Development of the Company

GFPT Public Company Limited, founded on 25 November 1981, is the parent company of the group, operates fresh frozen chicken and further processing chicken under GFPT's brand and customers' brand in both of domestic and international market.

1981	Registered in the name of General Foods Poultry (Thai) Company Limited with the objective to produce fresh frozen chicken for export consisted of 3 parties of shareholders <ul style="list-style-type: none"> - P. Charoen Phan Feedmill Company Limited 51% - General Foods Poultry Company Limited (New Zealand) 34% - United Trading Corporation (Luxemburg) 15%
1985	2 parties of shareholders; General Foods Poultry Company Limited and United Trading Corporation withdrawn their shares so, P. Charoen Phan Group purchased the whole shares
1987	The company increased in share capital 100 million baht, the company expanded the production capacity 6,000 birds/hour
1989	The company increased in capital 150 million baht, the company expanded the production capacity 7,200 birds/hour The company changed the company's name to "P. Charoen Phan Poultry Company Limited"
1989	The company changed the company's name to "GFPT Company Limited"
1990	The company increased capital 420 million baht for purchasing 99.99% of 2 subsidiary companies: 1. Krungthai Farm Company Limited 2. M.K.S. Farm Company Limited
1991	The company invested 99.99% in 1 subsidiary company, GF Foods Company Limited, operated the production and distribution Sausages and chicken ball The company increased in capital from 420 million baht to 1,000 million baht The company purchased 65.00% of one subsidiary company, Krungthai Feedmill Public Company Limited, operated feed mill business
1992	The company was listed in the Stock Exchange of Thailand with the share capital of 1,000 million baht and paid-up capital 570 million baht
1993	The company invested 49.00% in McKey Food Services (Thailand) Limited, operated processed chicken products, joint-venture with Keystone Food Corporation (USA) held 51.00%
1994	GFPT Company Limited changed to "Public Company Limited" Krungthai Feedmill Company Limited changed to "Public Company Limited"
1998	Krungthai Feedmill Public Company Limited delisted from the Stock Exchange of Thailand
2000	The company increased capital from 570 million baht to 626.91 million baht.
2002	The company bought shares of Krungthai Feedmill Public Company Limited to have share ownership from 65% to 96.5%
2003	The company increased registered capital from 1,000 million baht to 1,400 million baht and paid-up capital from 626.91 million baht to 1,253.82 million baht The company invested 99.99% in one subsidiary company, GP Breeding Company Limited, operated rearing grand-parent chicken
2008	The company set up new feed mill for producing broiler feed exclusively used for internally only The company invested 49.00% in GFPT Nichirei (Thailand) Company Limited, operated fully cooked chicken products and chicken meat for domestic and international sales, joint-venture with Nichirei Foods, Inc. (Japan) held 51.00%. GFN has registered capital and paid-up capital of 1,170 million Baht
2010	The company performed stock split from 10 Baht per share to 1 Baht per share. The register capital of GFPT Public Company Limited is 1,400 million Baht with the number of share outstanding increased from 140 million shares to 1,400 million shares
2011	The company bought Krungthai Feedmill Public Company Limited from minority shareholders to have share ownership from 96.5% to 97.85%



Group Structure



KT

97.85%
Krungthai Feedmill PCL.
Feed Mill and
Parent Breeder Farm



GP

99.99%
GP Breeding Co., Ltd.
Grandparent Chicken Farm



FKT

99.99%
Krungthai Farm Co., Ltd.
Parent Chicken Farm



MKS

99.99%
M.K.S. Farm Co., Ltd.
Broiler Farm



GFPT

GFPT Public Company
Limited
Chicken Evisceration
and Processed Food



GFF

99.99%
GF Foods Co., Ltd.
Processed Food



McKey

49%
McKey Food Services
(Thailand) Co., Ltd.
Frozen Processed Food



GFN

49%
GFPT Nichirei (Thailand)
Co., Ltd.
Chicken Evisceration and
Processed Food



Business Operations

GFPT Public Company Limited (“GFPT”) has registered capital of 1,400,000,000 Baht and paid-up capital of 1,253,821,000 Baht. GFPT is the parent company of the group who operates the chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customer and company brand name for both domestic and overseas market. In 2011, GFPT has total capacity of 159,300 tons from the plant located at Samutprakarn Province. GFPT Public Company Limited and its subsidiary companies operate integrated poultry business that are chicken evisceration and processed food, hatchery farm, selling day-old-chicks, parent chicken farm, broiler farm, feed mill, processed food production.



The GFPT group is integrated poultry business. To begin with the investment of 97.85% in Krungthai Feedmill Public Company Limited (“KT”), with paid-up capital of 400 million Baht. KT engages in feed mill business under the Company’s brand. KT’s main products are land animal feed and aquatic animal feed. KT distributes land animal feed especially chicken feed to the Company’s subsidiaries namely MKS, FKT, GP, and also other animal raisers in general. For the aquatic animal feed, KT distributes aquatic animal raisers in general. In 2011, KT has total capacity of 1,111,000 tons. The first came from 1 land animal feed mill plant and 2 aquatic animal feed mill plant in which located at Samutprakarn Province with the total capacity of 599,000 tons. The second came from new land animal feed mill plant at Banbueng, Chonburi with the total capacity of 512,000 tons. Moreover, there are parent chicken farms to produce seed eggs for FKT. In 2011, KT has total capacity of 21,000,000 of seed eggs from its 3 farms in Chonburi.

The company invests 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million Baht, GP engages grandparent chicken farming to produce parent stocks for FKT. In 2011, GP produces 1,100,000 of parent stocks from its 6 farms in Chonburi.

The company invests 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million Baht, FKT engages in hatchery farm business by purchasing parent stocks from GP to produce both commercial day-old-chicks and layer day-old chicks. FKT sells wholly commercial day-old-chicks to MKS and KT. In 2011, FKT produces 85 million commercial day-old-chicks from its 5 farms and 5 million layer day-old chicks from its 1 layer day-old chicks farm in Chonburi.

The company invests 99.99% in M.K.S. Farm Company Limited (“MKS”), with registered capital of 550 million Baht. MKS engages in broiler farm by purchasing commercial day-old-chicks from FKT and after raising them around 41-43 days, MKS sells broiler to GFPT for evisceration and process. In 2011, MKS has total capacity of 73 million broilers from its 12 farms in Chonburi. The excess amount of the production will be sold to local market.

The company invests 99.99% in GF Foods Company Limited (“GFF”), with paid-up capital of 40 million Baht. GFF engages in production and distribution of processed foods business. Its main products are sausages which are distributed under its own brand through fresh markets and wholesalers. In 2011, GFF has total capacity of 6,600 tons from 1 factory in Samutprakarn.



The company invests 49% in McKey Food Services (Thailand) Company Limited ("McKey"), with registered capital of 100 million Baht. McKey engages in production and distribution of semi-finished frozen foods. McKey's products are distributed to McDonalds' restaurants both in Thailand and overseas. In 2011, McKey has a total production of 30,000 tons from 1 factory in Samutprakarn. There is no conflict of interest between the rests of shareholders and The Company.

The company invests 49% in GFPT Nichirei (Thailand) Company Limited ("GFN"), with registered capital of 1,170 million Baht. GFN engages in chicken evisceration and processing and distribution to Japan and other countries. The capacity of chicken processing is 66,800 tons per year and the capacity of cooked chicken products is 25,000 tons per year from 1 factory in Chonburi. There is no conflict of interest between the rests of shareholders and The Company.

Income Structure

Product line	Operated by	% of Share holding	2011 Income (MB)	%	2010 Income (MB)	%	2009 Income (MB)	%
Evisceration / Processed Food	GFPT		6,101.15	42.92	7,040.91	56.45	6,819.36	59.26
Feed Mill	KT	97.85	4,838.82	34.04	4,319.61	34.63	4,025.43	34.98
Parent Chicken Farm			2.25	0.02	1.30	0.01	1.11	0.01
Day-Old-Chicks			62.31	0.44	226.60	1.82	327.69	2.85
Grandparent Chicken Farm	GP	99.99	39.28	0.28	21.68	0.17	14.98	0.13
Hatchery Farm	FKT	99.99	303.67	2.14	169.42	1.36	105.67	0.92
Broiler Farm	MKS	99.99	2,180.39	15.34	271.11	2.18	5.42	0.05
Day-Old-Chicks			229.41	1.61	174.39	1.40	0.00	0.00
Processed Food	GFF	99.99	456.75	3.21	247.46	1.98	207.73	1.80
Total			14,214.03	100.00	12,472.48	100.00	11,507.39	100.00

In 2011, the company had evisceration and processed food income at 42.92%, feed mill business at 34.04%, parent chicken farm at 0.02%, grandparent chicken farm at 0.28%, hatchery farm at 2.14%, broiler farm at 15.34%, selling day-old-chicks at 2.05%, processed food at 3.21%.

Benefits and Privileges from Investment Promotion

The Company and subsidiary companies including associated companies was granted investment promotional certificates from the Board of Investment (BOI) as follows:

Company	Province	Certificate No.	Type of Promotional Activities	The First year - The Expiry Year
GFPT PLC.	Samutprakarn	1776(2)/2545	Finished Chicken Products	2005-2013
		1699(3)/2547	Finished Chicken Products	2007-2015
		1565(3)/2550	Finished Chicken Products	2008-2016
		1329(2)/2552	Evisceration Chicken	2011-2019
		1051(3)/2553	Finished Chicken Products	2011-2019
Krungthai Feedmill PLC.	Chonburi	1429(2)/2546	Seed Eggs	2006-2014
		1850(2)/2548	Feed Mill Production and Premix	2009-2017
M.K.S. Farm Co., Ltd.	Chonburi	1779(2)/2545	Broiler Farm	2003-2011
		1632(2)/2546	Broiler Farm	2005-2013
		1571(2)/2551	Broiler Farm	2010-2018
		2085(2)/2551	Broiler Farm	2010-2018
		1341(2)/2552	Broiler Farm	2011-2019
		1470(2)/2552	Broiler Farm	2011-2019
		1897(2)/2553	Broiler Farm	2011-2019
		1898(2)/2553	Broiler Farm	None Income Yet
		2106(2)/2553	Broiler Farm	None Income Yet
		2107(2)/2553	Broiler Farm	None Income Yet
		2108(2)/2553	Broiler Farm	None Income Yet
		1674(2)/2554	Broiler Farm	None Income Yet
Krungthai Farm Co., Ltd.	Chonburi	1187(2)/2553	Chicken Farm	None Income Yet
		1591(2)/2553	Chicken Farm	None Income Yet
GP Breeding Co., Ltd.	Chonburi	1932(2)/2548	Parent Chicken Farm	2006-2014
McKey Food Services (Thailand) Co., Ltd.	Samutprakarn	1106/2541	Chicken Products	1998-2012
		2109(3)/ด./2553	Finished Chicken Products	2010-2016
GFPT Nichirei (Thailand) Co., Ltd.	Chonburi	1977(2)/2552	Evisceration Chicken and Premix	None Eligible Yet
		1978(3)/2552	Finished Products and Frozen Chicken	None Eligible Yet



The Overview of Broiler Business in 2011 and Prospect for 2012

Situation in 2011

Production

In 2011, despite the rising cost of animal feed, most of major broiler producing countries were able to expand their broiler productions because the rising inflation helped increase demand for chicken meat, a cheaper and lower fat content protein food, to replace other types of meat product. Moreover, the growing concern on health among consumers had also helped increase demand for chicken meat as source of low cholesterol meat products. However, the occasional recurrences of Avian Flu outbreak in some areas were still an obstacle to the expansion of production and export in those contaminated countries.

In 2011, total world broiler production was approximately 81.033 million tons, an increase of 3.4 % from 2010. The United States was still the world's largest broiler raiser follow by China, Brazil, and the European Union respectively.

The United States produced approximately 16.757 million tons of chicken meat in 2011, an increase of 1.2% from 2010. The chicken meat production in China, the next major producer, increased from 2007 by 5.2% to reach 13.200 million tons in the same period. Brazil, the world's third largest producer, produced 12.954 million tons of chicken meat which increased from 2010 by 5.2%. Lastly, the EU which was the world fourth largest producer produced approximately 9.500 million tons of chicken meat in 2011, an increase of 2.8% from the previous year.

As for Thailand, approximately 1.137 million broilers were raised in 2011 which accounted for about 1.712 million tons of chicken meat. The production growth was rather high at 7.4% above the 2010 level.



Market Situation

Domestic Market

Thai economic growth in 2011 was rather low due to external negative factors such as the economic recession in many countries which had been Thai major exporting markets including the European Union, the United States and Japan. Moreover, internal negative factors especially the so-called "Great Flood" had also damaged Thai agricultural and manufacturing sectors immensely. Despite those negative factors, domestic consumption of chicken meat product in 2011 was approximately 1.250 million tons which increased by 7.9% from the previous year. Furthermore, the annual consumption per capita also increased from 17.56 kilograms in 2010 to 18.94 kilograms in 2011. These increases were a good sign for Thai broiler industry.

The consistent rising of domestic demand was partly the result of the relatively low price of chicken meat compared with other types of meat products. Since consumption expenditures of most consumers were rather limited under the situation that they had to face both the inflation and economic slow down, chicken would clearly be one of their optimum choices of meat consumption. The growing concern on health among Thai consumers also induced them to substitute beef and pork with chicken meat which contain lower fat and lower cholesterol. Furthermore, competition in the growing fast food business was also help raising domestic demand because chicken meat was widely used as part of raw material in various chained fast food outlets.

Export market

Volume of chicken meat export in 2011 was about 462,000 tons, an increase of 6.2% from 2010, while its value increased by 13.1% to reach 62,150 million Baht. The higher rate of increase in export value was due to the higher price of exported chicken meat.

Japan is the most important market of Thai chicken meat. In 2011, export of chicken meat products to Japan was approximately 205,568 tons, an increase of about 7.5% from the previous year. The export to Japan was 44.5% of overall export of chicken meat product in 2011. As for the export to the EU which was Thailand second largest market, it decreased by merely 0.5% from 2010 to reach approximately 198,050 tons in 2011. The proportion of export to the EU was 42.8% of the total chicken meat export in 2011.

Apart from the signing of Japan-Thailand Economic Partnership Agreement (JTEPA) between Thai and Japanese government, the growth in Japanese market was partly due to the necessity of imports to substitute for the enormous loss of meat production from the Tsunami and the Avian Flu outbreak in Japan. Furthermore, China which was a major competitor had raised the domestic wage rates so that its price of chicken meat export was higher. As a result, Thai chicken meat export gained some competitive advantage over its Chinese counterpart.

As for the small decrease in the EU market, it was caused by the severe recession in many member countries of the EU. Furthermore, the 160,033 tons of cooked chicken meat quota allocated for Thailand had been reached the highest limit and it was difficult to extend the export beyond the quota because the out-of-quota tariff rate for cooked chicken meat is 1.024 Euro per ton.

Apart from these two major markets, the export of Thai chicken meat products to other countries in 2011 was around 58,761 tons, an increase of 31.3% from the previous year. The main cause of this expansion was the success of Thai exporter in opening new export market such as Singapore, the Republic of Korea, Hong Kong, Vietnam, and Malaysia. Furthermore, the lift of export ban for Thai uncooked chicken meat products in some countries such as Hong Kong, South Africa, Bahrain, and Russia also helped extend Thai export market beyond Japan and the EU.

Prospects for 2012

Production

Thai chicken meat production in 2012 tends to increase from 2011 by 3.9%. The estimated production is approximately 1,182 million broilers or 1.779 million tons of chicken meat.

The increase in production is partly caused by forecasted recovering of Thai economy from the damages caused by “the Great Flood”. The growth of Thai economy will help raise the domestic consumption while the export of chicken meat products will also rise due to the high competitiveness of Thai products in the international market. As a result, supply of chicken meat will increase to cope with these higher domestic and export demand.

However, there are many obstacles and risks that may adversely affect the production and push it lower than expectation. Such obstacles include the raising of minimum wage in accordance with the government policy and the rising of oil price which may seriously affect the cost of production. Another possible risk is caused by the necessity to import large amount of animal feed raw materials so that cost of animal feed will volatile and subject to uncertain prices in foreign market. If prices of these raw materials soar, cost of animal feed will increase uncontrollably and adversely affect the cost of broiler production.





Market Situation

The expected growth of Thai economy in 2012 will sufficiently support the rise of domestic demand for chicken meat products. Furthermore, since chicken meat has rich protein content while its price is relatively low when compare with other types of meat, the recovering of Thai economy should markedly raise domestic demand for chicken meat products.

Export market of Thai chicken meat products is also forecasted to increase continuously. It is expected that export volume in 2012 will be about 480,000 tons and worth 64,002 million Baht. Japan will be the most important market of Thai chicken meat products and export to Japan is expected to be 204,000 tons which is 42.5% of overall chicken meat export. Export to the EU, the second largest market, is expected to be 203,000 tons in 2012 and share about 42.3% of total chicken meat export. It is expected that the export of chicken meat products to Japan will decrease slightly by 0.8% while the export to the EU will increase by 2.5% from 2011.

However, the real growth of export market depends on various positive and negative factors as follows.

Positive Factors

- High standard of Thai chicken meat products are well recognized in the principal and high purchasing power markets such as Japan and EU. The high standard of production system also enhance the competitiveness of Thai producers to extend their exports to other potential markets including the neighboring in the ASEAN, South Africa, the Republic of Korea and Russia.
- If Thailand succeeds in convincing the EU to lift the ban on Thai uncooked chicken meat products, it would open an opportunity for Thai broiler industry since the EU has already allocated 92,610 tons out of the total 264,245 tons of salted chicken meat yearly quota for Thai products with the in-quota tariff rate of 15.4%. However, the negotiation result will not be acknowledged before the end of export ban in June 2012.
- Pressure on competition with China has been relaxed due to the increase of domestic consumption of chicken meat in China while its export declines. Chinese producers have shifted their target to focus more on domestic market. Furthermore, the rising of overall wage rate in China since 2011 has also raised the price of chicken meat export from China so that its cost competitiveness deteriorates.
- Government measures on the imports of animal feed raw materials which are clearer and more relaxing should enhance the efficiency of Thai chicken meat producer in forecasting and planning the cost of animal feed and hence the overall cost of production.

Negative Factors

- Higher cost of energy used in the production of animal feeds and the shortage of some raw materials that has been switched to produce more gasohol and bio-diesel would raise the cost of broiler production. This higher production cost will lower Thai competitiveness of chicken meat products in world market. Moreover, price of chicken meat that has to rise in accordance with its production cost might slowdown or even reduce demand for chicken meat products.
- Strong influence of the so-called "debt crisis" problem that has been developed in some member countries of the EU has eventually will lower economic growth as well as consumer's purchasing power in major exporting countries of Thai products. The economic downturn will negatively affect all Thai exports including the chicken meat products.



- Although the fixed import quota allocated by the EU may benefit Thai cooked chicken meat producers during the first few years, the problem may arise when the import quantity reaches the quota limit. Then, export of Thai cooked chicken meat may not be able to increase further since the out-of-quota tariff is as high as 1,024 Euro per ton. In addition, although the EU allocates import quota of 92,610 tons for Thai salted chicken meat, the import ban on Thai salted chicken meat is still imposed. Even though Thailand and the EU may reach the agreement on the compartmentalization practice so that Thai salted chicken meat may be imported by the EU again, the allocated quota is rather small because it is only about half of the usual amount imported from Thailand in the past.
- Although the Avian Flu has been under controlled in Thailand, its outbreaks have been found repeatedly in various Asian countries. Even though these outbreaks do not widely disperse, the main exporting countries are still concern about these deadly virus so that the export of raw/uncooked chicken meat form Asian countries including Thailand is still prohibited.
- The devaluation of Brazil currency by 5% will increase the competitiveness of Brazil chicken meat exports compare with Thai products. Furthermore, the increase of minimum wage rate to 300 Baht per day which will start enforcing in many provinces in April 2012 will raise the cost of Thai chicken meat product and further deteriorate its export competitiveness.



Volume and Value of Thai Chicken Meat Export

Volume: ton
Value: million Baht

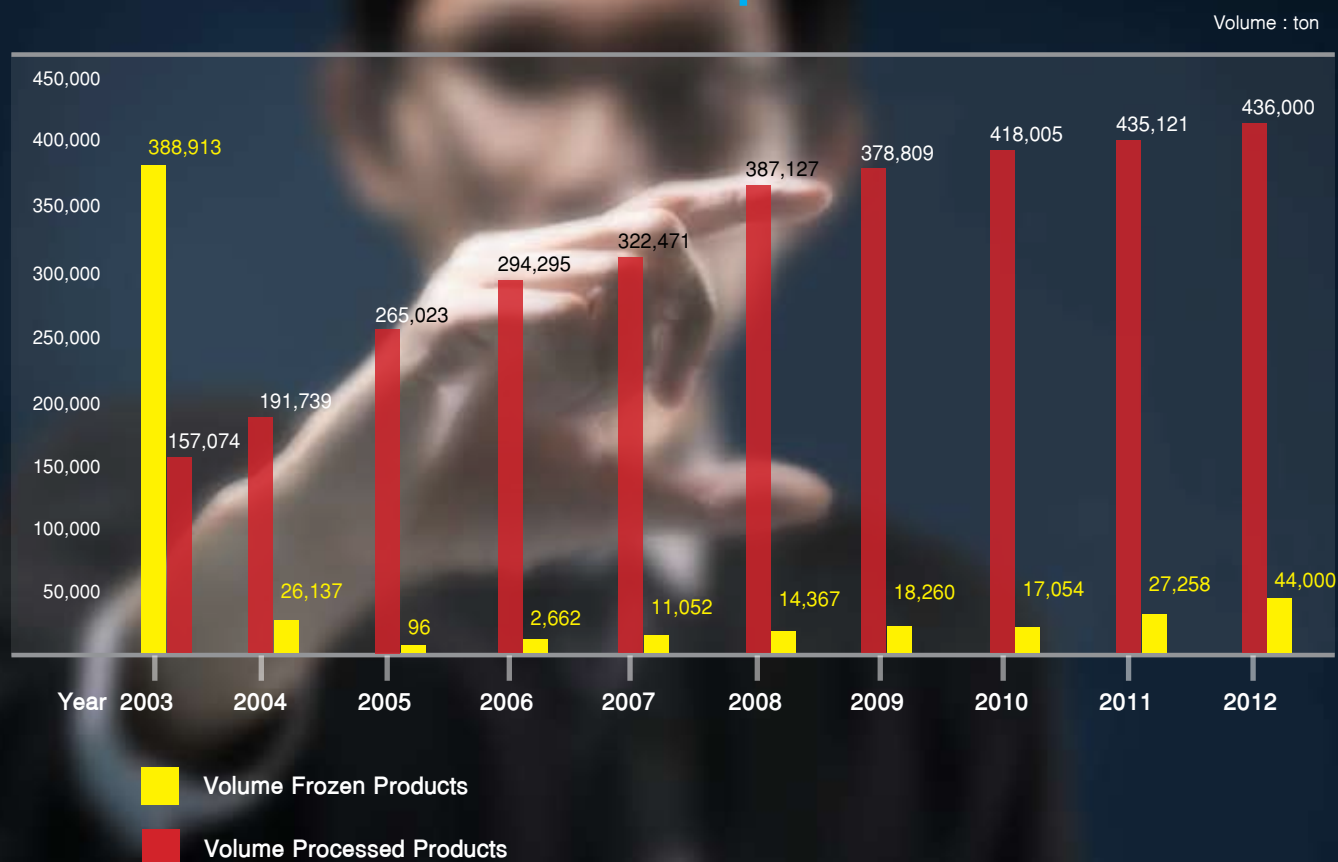
Year	Frozen		Processed Product		Total	
	Volume	Value	Volume	Value	Volume	Value
1997	151,120	10,951	41,114	4,951	192,234	15,902
1998	220,776	17,221	60,943	9,020	281,719	26,241
1999	211,675	14,817	61,924	8,669	273,599	23,486
2000	245,994	15,990	86,800	11,284	332,794	27,274
2001	320,779	23,096	117,018	15,212	437,797	38,308
2002	336,837	24,589	127,406	16,244	464,243	40,833
2003	388,913	28,105	157,074	19,763	545,987	47,868
2004	26,137	1,725	191,739	22,408	217,876	24,133
2005	96	6	265,023	30,478	265,119	30,484
2006	2,662	97	294,295	35,742	296,957	35,839
2007	11,052	522	322,471	36,791	333,523	37,313
2008	14,367	862	387,127	54,567	401,494	55,429
2009	18,260	1,242	378,809	51,492	397,069	52,734
2010	17,054	1,147	418,005	53,805	435,059	54,952
2011*	27,258	1,866	435,121	60,264	462,379	62,130
2012**	44,000	3,044	436,000	60,958	480,000	64,002

Source: Thai Broiler Processing Exporters Association.

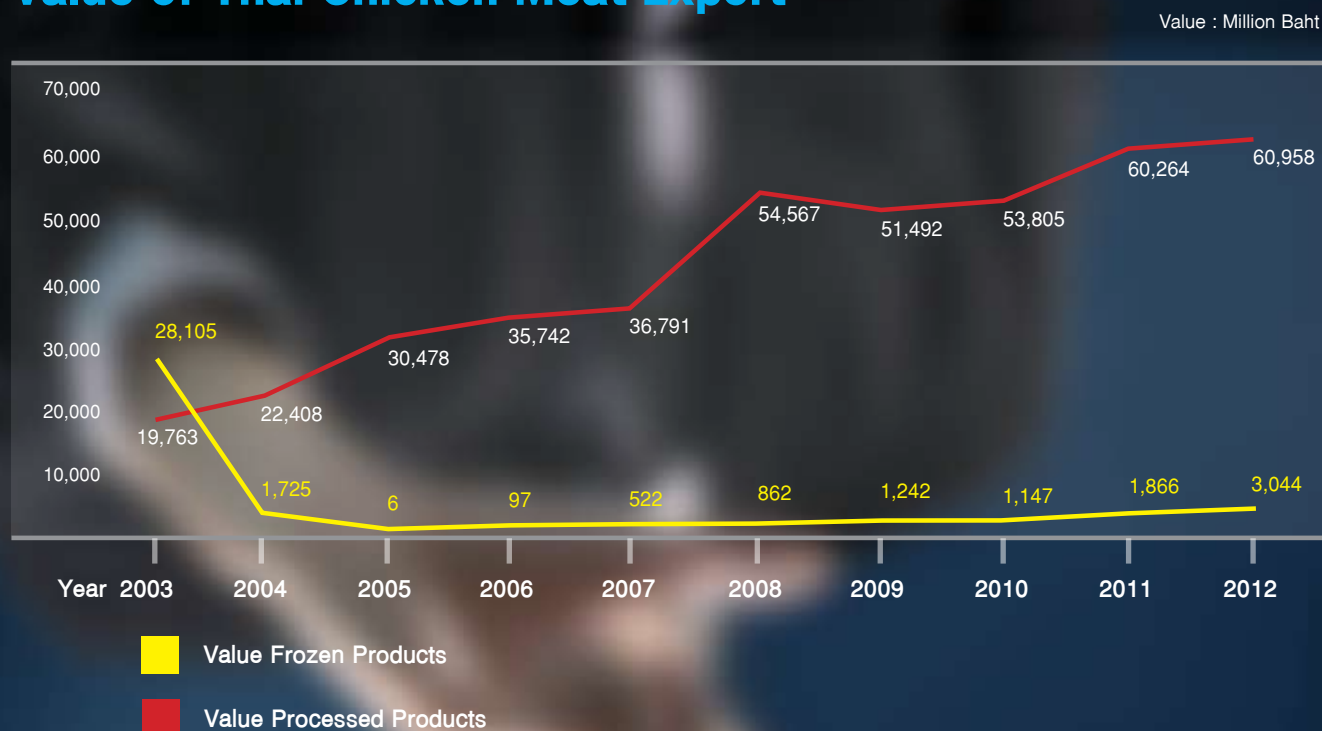
* Estimated

** Forecasted

Volume of Thai Chicken Meat Export

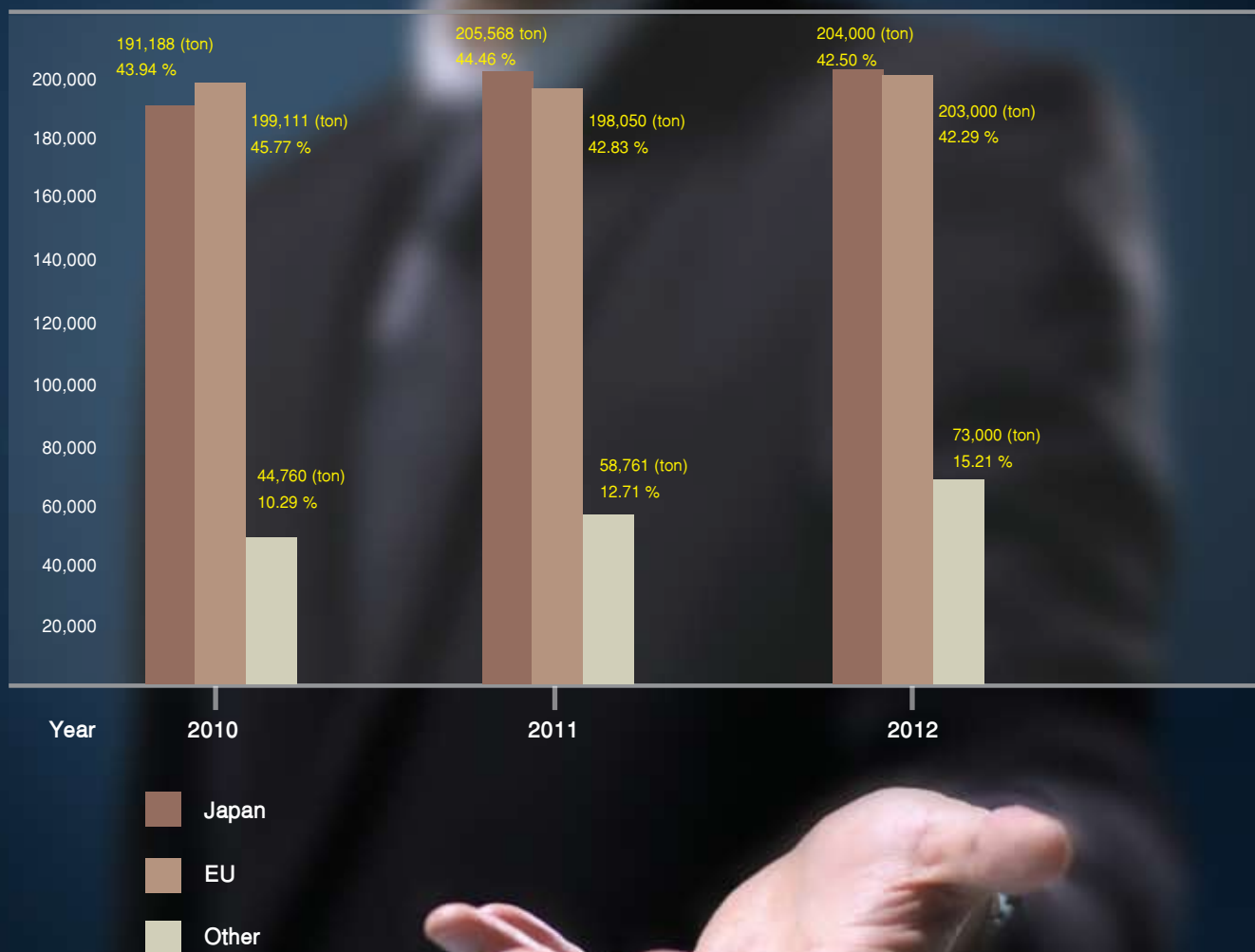


Value of Thai Chicken Meat Export



Export of Thai Chicken Meat

Volume : ton



Export of Thai Chicken Meat Products to Important Markets (2010 – 2012)

Market	2010		2011*		2012**	
	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)	Volume (ton)	Proportion (%)
Japan	191,188	43.94	205,568	44.46	204,000	42.50
EU	199,111	45.77	198,050	42.83	203,000	42.29
Others	44,760	10.29	58,761	12.71	73,000	15.21
Total	435,059	100.00	462,379	100.00	480,000	100.00

Source: Thai Broiler Processing Exporters Association.

* Estimated

** Forecasted

Board of Directors

Nomination & Remuneration Committee

Audit Committee

Company Secretary

Internal Audit

Executive Committee

Managing Director

Senior Vice President

Marketing

Manufacturing

Administration

Finance

Export Sales Dept.

Plant Dept.

Live-Chicken Purchasing

Domestic Sales Dept.

Investor Relation

Accounting Dept.
Administrative Dept.

Information Technology Dept.
Human Resources Dept.
Laboratory Dept.
Environmental Health & Safety Dept.
General Purchasing Dept.
Logistics Dept.

Production Dept.
Value Added Dept.
Further Processing Dept.
Planning Dept.
Warehouse Dept.
Store Dept.
Quality Assurance Dept.

Maintenance Dept.
Utility Electricity Dept.
Construction Dept.
Quality Development Dept.
Kaisen Dept.
Further Engineering Dept.
Research & Development Dept.

Shareholding Structure

Company Security

The company's registered capital was 1,400,000,000 Baht, with the paid-up capital was 1,253,821,000 Baht, comprising 1,253,821,000 shares at the par value of 1 Baht per share.

Shareholder Structure

At the closing date of registrar book dated on 8 April 2011, the top ten major shareholders are as follows:

Name of shareholders			No. of shares	%
1.	Mr. Sujin	Sirimongkolkasem	222,795,100	17.77
2.	Mr. Prasit	Sirimongkolkasem	220,000,000	17.55
3.	Mr. Virach	Sirimongkolkasem	180,000,000	14.36
4.	NICHIREI FOODS INC.		56,716,050	4.52
5.	Mr. Anucha	Kittanamongkolchai	51,510,000	4.11
6.	SOMERS (U.K.) LIMITED		39,842,000	3.18
7.	Thai NVDR Co., Ltd.		36,659,270	2.92
8.	Mr. Somkiat	Limsong	25,065,200	2.00
9.	Mr. Pitsanu	Sirimongkolkasem	22,794,100	1.82
10.	Ms. Warisara	Sirimongkolkasem	21,773,000	1.74
Total			877,154,720	69.97



As of 8 April, 2011, the major shareholders who have authority to set up the company policy and business operation are:

Name of shareholders			No. of shares	%
1.	Mr. Prasit	Sirimongkolkasem	220,000,000	17.55
2.	Mr. Virach	Sirimongkolkasem	180,000,000	14.36
3.	Dr. Anan	Sirimongkolkasem	4,134,080	0.33
Total			404,134,080	32.24

Management Structure

In 2011, the management structure of GFPT Public Company Limited. composes of Board of Directors, the Audit and Risk Management Committee, the Nomination, Remuneration, and Corporate Governance Committee, the Code of Conduct Committee, and the Executive Committee.



Board of Directors

In 2011, the Board of Directors of GFPT Public Company Limited was:

Name		Title
1. Mr. Prasit	Sirimongkolkasem	Chairman of Board of Directors
2. Mr. Virach	Sirimongkolkasem	Vice Chairman and Managing Director
3. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee and Deputy Managing Director
4. Dr. Sathit	Karanes	Chairman of Audit Committee and Independent Director
5. Mr. Paramet	Hetrakul	Director of Audit Committee and Independent Director
6. Mr. Thanathip	Pichedvanichok	Director of Audit Committee and Independent Director
7. Mrs. Somsiri	Ingpochai	Executive Director
8. Ms. Wannee	Sirimongkolkasem	Director
9. Mr. Sujin	Sirimongkolkasem	Director



Other Committees

1. Audit and Risk Management Committee

In 2011, the Audit and Risk Management Committees consist of 3 Independent Directors as follows:

Name		Title
1. Dr. Sathit	Karanes	Chairman of Audit and Risk Management Committee
2. Mr. Paramet	Hetrakul	Director of Audit and Risk Management Committee
3. Mr. Thanathip	Pichedvanichok	Director of Audit and Risk Management Committee

* Mr. Chatchai Ratanawalai is a Secretary of the Audit and Risk Management Committee

2. Nomination, Remuneration, and Corporate Governance Committee

In 2011, the Nomination, Remuneration, and Corporate Governance Committees consist of 5 Directors as follows:

Name		Title
1. Dr. Sathit	Karanes	Chairman of Nomination, Remuneration, and Corporate Governance Committee
2. Mr. Paramet	Hetrakul	Director of Nomination, Remuneration, and Corporate Governance Committee
3. Mr. Thanathip	Pichedvanichok	Director of Nomination, Remuneration, and Corporate Governance Committee
4. Dr. Anan	Sirimongkolkasem	Director of Nomination, Remuneration, and Corporate Governance Committee
5. Mr. Sujin	Sirimongkolkasem	Director of Nomination, Remuneration, and Corporate Governance Committee

* Mr. Chatchai Ratanawalai is a Secretary of the Nomination, Remuneration, and Corporate Governance Committee

3. Code of Conduct Committee

In 2011, the Code of Conduct Committees consists of 5 Directors as follows:

Name	Title
1. Mr. Sathit Karanes	Chairman of Code of Conduct Committee
2. Dr. Anan Sirimongkolkasem	Director of Code of Conduct Committee
3. Mr. Sujin Sirimongkolkasem	Director of Code of Conduct Committee
4. Mr. Thiti Wanachate	Director of Code of Conduct Committee
5. Mr. Arnut Phungkaew	Director of Code of Conduct Committee

* Mr. Arnut Phungkaew is a Secretary of Code of Conduct Committee

4. Company Executives

In 2011, the Executive Committees of GFPT consist of 10 executives as follows:

Name	Title
1. Mr. Virach Sirimongkolkasem	Vice Chairman and Managing Director
2. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee and Deputy Managing Director
3. Mrs. Pranee Parksook	Senior Vice President Finance Department
4. Mr. Sujin Sirimongkolkasem	Vice President Live-Chicken Purchasing Department
5. Mr. Kittichai Sirimongkolkasem	Vice President Production and Marketing Department
6. Ms. Jutamas Ingpochai	Vice President Investor Relations Department and Company Secretary
7. Mr. Thiti Wanachate	Plant Director
8. Mr. Artorn Uapopol	Export Director
9. Mr. Danai Booncharoensukpisarn	Domestic Sales Director
10. Mr. Theerasak Piamsuphakphong	Internal Audit Director



Responsibility on Internal Information Usage

The Company focuses on the usage of internal information in accordance with the good corporate governance by adhering to the principles of good governance, honesty in business practices, and to ensure that investors have received reliable information with timely manner. The Company has set the usage of internal information policy and stock trading rules for its directors, executives, managers, and employees to comply with the securities laws which are summarized as follows:

- Directors, executives, managers and employees must not use the internal information of the Company that significantly affects the changes in the company's stock price for trading in securities of the Company for their own interests and others. Especially, the internal information has not been disclosed to the public or the Stock Exchange of Thailand. Directors, executives, managers, and employees who can assess in such internal information shall avoid buy or sell the Company's shares for 1 month prior submission financial statements to the Stock Exchange of Thailand.



- The Company is responsible for disclosing information regarding the operations of the Company to the public promptly via the media set by the Stock Exchange of Thailand and other mean of communication through Investor Relations Department and public relations to ensure that all investors have access to information in a timely and equitable.
- Directors and executives are responsible for reporting the Company's shares own by their spouses and dependents to The Securities and Exchange Commission and the Board of Directors quarterly.
- The Company set regulation about the security of the computer systems and information technology strictly to prevent the sensitive information being disclosed. If a directors, executives, and employees of the Company use the internal information illegally, the Company set the violations to them and considered a serious offense and disciplinary action prescribed by law. The Company restricted the access of internal information which is not disclose to the public including accounting officers, financial officers, and investor relations officers.
- Investor relations avoid forecasting or having any ideas about the period which is less than six months to adhere to the policies of the Stock Exchange of Thailand and international standard. Thus, investors still are able to meet with the investor relations officers for further comments and views on business in the long run.

Internal Control System, Risk Management & Internal Audit System Internal Control System and Risk Management

The Company believes that the internal control and risk management are very essential in order to achieve sustainable growth. Thus, the Company set rules and regulations regarding internal control and risk management as follow:

- 1) The business objectives and strategic directions of the Company is clearly set and defined which are able to implement and comply with the Company's vision and missions.
- 2) The operational goals and targets are set effectively so that the Company's resources are utilized efficiently.
- 3) The financial and operation reports shall be on time, accurate, and reliable.
- 4) The implementation and the operational procedure must comply with the law and Company's policy and regulation.
- 5) The Company shall have system in place to protect and safeguard the Company's assets, personnel, and business information.
- 6) The Company shall closely monitor its corporate governance and have good management practice in terms of quality and performance.
- 7) The Company shall continuously improve the quality of its workforce, fixed assets, and operational procedure.
- 8) The Company shall have internal self-assessment system in control throughout the organization.



The Company's internal controls and risk management are suitable and effective based on the framework of internal control and risk management which follows the international standards of The Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management (COSO - ERM). The Company applies the COSO-ERM in its operations and management practices which can be specified into eight elements as follows:

1) Organizational Environment

The Company encourage to have a good atmosphere are suitable working environment as well as a good management structure according to the business size of the Company. The Company's operations are in compliance with the good corporate governance and adhering to business ethics. The Company set rules and practices as guidelines in writing specified in the Company's Code of Conduct Manual. The Company also has the Code of Conduct Committee in which the Company's directors and executives are members in order to monitor the Company's operation are compliance with its corporate governance policy and also being a role model in the aspect of having good business ethics and being honestly and transparent. The Company's stakeholders are treated based on fairness, equality, and equitability. The job duty and responsibility of each junction is clearly specified. The risk management committee and its roles and responsibilities are set properly and recorded in writing. The Company has internal control system and risk management policy are in place and continuously update in order to assure that the business risks which may affects the Company's operation and performance are minimize and controlled.



The company focuses on its personnel management by having a good corporate culture, performance evaluation standards, and a reward system. The Company pays attention to the organizational development by providing training program, knowledge sharing, and skills development to its employees in order to assure that the employee shall have suitable skills and knowledge to perform the assigned tasks. In addition, the Company has regular training plans for each individual employee in order to strengthen and develop the capacity of its staffs.

2) Setting Goal and Target

The Company's objectives or performance goals are set and clearly defined as translated from the Company's vision to its strategy and also into the operational plan. The performance and operational results are reported and also compare with the target. The business risks are set the acceptable level and specified into its business plan. In addition, the business objectives, strategies, and risk factors are review and update according to the changing environment.

3) Cause of Event

The Company properly identified the indicators or risk factors that may have negative impact on the business operation and performance as well as the cause of such events. The Company regularly monitor the internal and external risk factors in all level and also report them to the executives and relevant parties.



4) Risk Assessment

The Company uses risk assessment tools and techniques in a systematic way. The risk management and risk assessment are recorded in writing as a guideline for best practices. The qualitative and quantitative risk assessments are set at all level in both management and operational level based on the risk acceptable level of the Company. The risk are assessed based on the likelihood of the events and the impact of the event in determination of the acceptance level of risk as being low, medium, and high.

5) Risk Management

The Company has a good risk management system in order to refrains, reduces, transfers, and accepts the business risks to ensure that the Company shall make business decision based on effectiveness and efficient alternatives. The Company shall put the high-risk factor as top priority to manage in order to minimize the impact and the likelihood of the cause of event and also have the internal control system in place to monitor the business.

6) Internal Control

The Company has established policies and practices at each level clearly. The internal control activities are specified properly by focusing on prevention and control purpose. The evaluation and the reporting system are in place and done regularly to ensure that the risk management and the internal control are in line and can be practice in the business operation.

In addition, the senior executives of the Company review and update the internal control policies and procedures from time to time to ensure that the business performance and operational result are in line with its business objectives.

7) Information and Communication

The Company's information systems can be linked across the organization, which are purposely used in business decision making and risk management on the timely basis. The Company has security system to protect its information and information system as well as the emergency backup plan to protect the security of information for the emergency event. In addition, the Company has data and information storage system that can verify be traced and logged (Audit Trail). The information system is be used to help in analyzing and identifying the potential risks based on the statistical method. The risk assessment is evaluated and recorded properly.

In addition, the Company has effective communication channels to communicate throughout the organization especially the corporate governance, the code of conduct, the risk management policy, the acceptable level of risk, other policies and regulations relating to the Company's operation, job description, role and responsibility of job function, working manual, and operation procedures. The communication can be two ways not only from top down but also bottom up as well. In addition, there are channels for the Company's stakeholders to communicate with the Company.

8) Monitoring

The Company implements monitoring its operations and evaluate operational performance. For instance, a supervisor shall closely monitor the performance of its subordinates. The Company also encourages self-evaluation for its employees (Control Self-Assessment) and ensures that the internal control is in place, reliable, and effective to respond to the risk factors and any changing condition in the timely basis. The Company's operations are appraised by the independent auditor.

The Company has the monitoring system that can promptly alarm the management regarding the risk management is in place and effective. The risk management report is distributed to supervisors, managers, and executives of the Company. The Board of Directors and the Executive Committee have meetings regarding the risk management on a regular basis to consider and monitor the management and operational performance.

In the current situation, the business environment and competition are changing so that the risk management is essential for the Company to persist from the unexpected event. Thus, the Company must have the risk management and internal control to prepare the effective emergency plan and the contingency plan in advance for the unexpected event.

The Company's auditor, S.K. Accountant Services Company Limited, has audited the Company's financial statement for the year 2011 and evaluated the effectiveness of the Company's internal control system; and has opinion that there is no significant improvement needed in the Company's internal system.

Internal Audit

The internal audit is independent and report directly to the Audit Committee regarding the internal audit activities and directly report to the Chief Executive regarding the administrative and operational activities of the business. The chart of the internal audit department including the scope of work, roles, and responsibilities, are clearly defined in the internal audit manual.

The internal audit department is responsible for determining the effectiveness of internal control, risk management system, corporate governance, and operational activities of the Company. The internal audit uses the Risk Based Audit and the control self-assessment approach to ensure that the business operational performance will achieve the target. The annual audit plan is set and approved the Audit Committee annually based on the business objectives, strategic direction, and business risk factors. The audit processes are conduct in a regular basis to ensure that the system is up to date.

In evaluating the effectiveness of risk management, the internal audit team reviews the indicators and the risks factors that can impact the business operation and performance to ensure that the risks are properly identified, monitored, and reported. The internal audit team also set up the risk assessment, the internal control plan, and control self-assessment for each business function.





In evaluating the effectiveness of corporate governance, the internal audit reviews the corporate governance in accordance with the Good Corporate Governance of the Stock Exchange of Thailand to ensure that the Company has sufficient and appropriate structure and processes needed to achieve good governance, transparency, fairness and equality. The Company's resources are utilized effectively and efficiently according to its objectives of maximizing stakeholders' benefits.

In evaluating the risk assessment of external and internal fraud, the internal audit reviews and assesses the risk and the control system regarding the business fraud and possibility of corruption that may be occurred internally and externally in order to ensure that the Company has preventive procedures and control for possible fraud and corruption.

In evaluating the control self-assessment system, the internal audit reviews the self-assessment of internal control process of each function to ensure that the risks and the internal control are specified in the business operations; so that the business operational performance shall achieve its target and in line with business objective and strategic direction that the Board has set within the specified period.



Dividend Payment Policy

Dividend Payment Policy of the Company

The Company shall pay dividend at the rate of not more than 50% of net profit of the Company's separate financial statement after all deductions as required by law or by the Company, subject to the Company's cash flow, liquidity, future investment plans, and economic situation.

For each subsidiary company, the dividend payment shall paid from net profit after tax and reserve requirement as required by law, subject to the cash flow, liquidity, and future investment plans of each company.

As of December 31, 2011, the Company received the dividend from subsidiary companies in amount of 197 Million Baht.





Inter-Transaction

Inter-Transaction

The Company and its subsidiary companies had the inter-transactions within the group which are normal business transactions of the Company and subsidiary companies in accordance with the general trading condition.

Procedure for Approval of Inter-Transaction

The Board of Directors considers the potential conflict of interest or related transactions properly under the ethical framework and moderated by the Audit Committee in order to comply with the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand, including the accounting standards set by the Federation of Accounting Professions and consider the disclosure of the transaction that may have a conflict of interest to the public with accuracy and completeness. The management can execute such transactions, as a general trading. The transactions are undertaken without the influence of their status as being director, executives, or related persons. The transactions are carried out as normal business transaction. The pricing methods are fair and reasonable similarly to the transactions that are undertaken with other third parties.

Reason for Inter-Transaction

In the approval process of executing the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction done with other parties. As normal, the Company sets the authorized person and specifies the amount of credit limit for the inter-transaction. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions that occurred in 2011, the term and condition of the inter-transactions were fair and reasonable which were approved by the management or the Board of Directors before the transaction occurred. For the year ended December 31, 2011 and 2010, the Company and its subsidiaries had the inter-transactions were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee, the audit committee had opinion that all transactions were carried out as normal business transaction with normal terms and conditions.

Inter-Transaction in the Future

In the future, the inter-transactions of the Company shall be carried out as normal business transactions in compliance with the regulations of the Stock Exchange of Thailand or other related organizations strictly and consider the reasonableness, appropriateness in commercial terms for the equitable treatment of the shareholders and any stakeholders according to the "Good Corporate Governance Policy". However, the inter-transactions, that may be carried out in the future, shall be executed according to the approval process as mentioned above.



Related Companies/ Relationship among the Companies	Type of transactions	The Value of Inter- Transactions for the year ended December 31, 2011 (Million Baht)		The Value of Inter- Transactions for the year ended December 31, 2010 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Other Income	-	0.01	-	8.31	Providing rental office building / Pricing by Independent Appraiser.
	2. Rental Income	6.36	13.79	5.47	12.89	
	3. Other Expense	1.97	59.58	1.87	54.63	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.02	2.52	0.99	2.49	Providing rental farms / Pricing by Agreement Price
3. Panalab Co., Ltd. / Common Management	1. Other Income	-	0.28	-	0.17	Selling on plant drug and animal drug / Pricing by Market Price
	2. Rental Income	-	0.16	-	0.15	
	3. Other Expense	-	0.02	-	0.36	
4. P.Vet. Co., Ltd. / Common Management	1. Sales	-	0.67	-	0.95	Selling on plant drug and animal drug / Pricing by Market Price
	2. Other Income	-	-	-	0.01	
	3. Other Expense	-	0.02	-	-	
5. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Rental Income	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Agreement Price
6. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	2,388.69	-	1,815.20	Expertise in Corn Supply for Feed Mill Production / Pricing by Market Price
7. M.K.S. Condotown Co., Ltd. / Common Management	1. Other Income	0.52	0.52	0.54	0.54	Providing Rental Accommodations / Pricing by Market Price
	2. Rental Income	0.33	0.33	0.33	0.33	
	3. Other Expense	0.84	0.84	0.81	0.81	
8. Nichirei Food Inc. / Related Companies by Major Shareholding	1. Sales	393.92	393.92	1,166.03	1,166.03	Producing and Selling of Chicken Meat Products / Pricing by Market Price
	2. Other Income	1.30	1.30	0.37	0.37	
	3. Other Expense	2.32	2.32	-	-	
9. KEYSTONE FOODS (AP) LTD. / Related the Associated Company by Shareholding with the Associated Company	1. Sales	210.23	210.23	195.33	195.33	Producing and Selling of Chicken Meat Products / Pricing by Market Price



Related Companies/ Relationship among the Companies	Type of transactions	The Value of Inter- Transactions for the year ended December 31, 2011 (Million Baht)		The Value of Inter- Transactions for the year ended December 31, 2010 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	
10.Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	5.46	5.46	2.12	2.12	Producing and Selling of Chicken Meat Products / Pricing by Market Price
11.Surapon Nichirei Foods Co., Ltd / Related to the Associated Company by Joint Venturing with the Associated Company	1. Sales	794.64	794.64	772.99	772.99	Producing and Selling of Chicken Meat Products / Pricing by Market Price
12.Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	41.53	117.06	37.64	108.40	According to the Minute of Extraordinary General Meeting No.1/2009 dated January 29, 2009, was approved that the Company and its subsidiaries to receive financial assistance from related persons to help the Company has more liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate is not over 6.00%

Management Discussion and Analysis

Summary of Consolidated Financial Statement

Consolidated Financial Statement of GFPT Public Company Limited as of December 31, 2011 2010 and 2009

Unit : Million Baht

	As of December 31,					
	2011		2010		2009	
	Baht	%	Baht	%	Baht	%
Cash and Cash Equivalent	173	2	182	2	202	2
Accounts Receivable	774	8	740	8	605	7
Inventories	2,816	28	2,306	25	1,953	24
Other Current Assets	72	1	56	1	37	1
Total Current Assets	3,835	39	3,284	36	2,797	34
Investment in Associated Companies	630	6	746	8	579	7
Grandparent Chickens-Net	41	-	40	1	39	1
Parent Chickens-Net	309	3	300	3	280	3
Property, Plant and Equipment-Net	5,196	51	4,807	52	4,408	54
Other Non-Current Assets	57	1	39	-	35	1
Total Non- Current Assets	6,233	61	5,932	64	5,341	66
Total Assets	10,068	100	9,216	100	8,138	100
Short-Term Loans from Financial Institutions	666	7	453	5	1,215	15
Accounts and Notes Payable	451	4	454	5	560	7
Current Portion of Long-Term Loans	80	1	143	2	142	2
Other Current Liabilities	233	2	211	2	206	2
Total Current Liabilities	1,430	14	1,261	14	2,123	26
Long-Term Loans	2,240	22	2,413	26	1,475	18
Provision for Employee Benefit	253	3	-	-	-	-
Other Non-Current Liabilities	161	2	165	2	16	-
Total Non-Current Liabilities	2,654	27	2,578	28	1,491	18
Total Liabilities	4,084	41	3,839	42	3,614	44
Total Shareholders' Equity	5,984	59	5,377	58	4,524	56
Total Liabilities and Shareholders' Equity	10,068	100	9,216	100	8,138	100



Comprehensive Income Statement of GFPT Public Company Limited for the year ended December 31, 2011 2010 and 2009

Unit : Million Baht

	2011		2010		2009	
	Baht	%	Baht	%	Baht	%
Sales	14,214	98	12,472	98	11,507	99
Other Income	218	2	219	2	147	1
Total Revenue	14,432	100	12,691	100	11,654	100
Cost of Sales	12,003	83	10,457	82	9,734	84
Selling and Administrative Expenses	819	6	812	7	689	6
Management's Remuneration	56	-	40	-	37	-
Total Expenses	12,878	89	11,309	89	10,460	90
Participating Loss in Associated Companies	(111)	(1)	(2)	-	56	-
Profit Before Financial Costs and Income Taxes	1,443	10	1,380	11	1,250	10
Financial Costs	144	1	135	1	118	1
Income Taxes	77	1	58	1	48	-
Profit for The Period	1,222	8	1,187	9	1,084	9
Non-Controlling Interests	(19)	-	(21)	-	(16)	-
Net Profit	1,203	8	1,166	9	1,068	9

Consolidated Cash Flows Statement of GFPT Public Company Limited for the year ended December 31, 2011 2010 and 2009

Unit : Million Baht

	2011	2010	2009
Net Cash Provided (Used) from Operating Activities	1,549	1,506	2,130
Net Cash Provided (Used) from Investing Activities	(1,018)	(1,254)	(1,336)
Net Cash Provided (Used) from Financing Activities	(540)	(273)	(747)
Net Increase (Decrease) in Cash and Cash Equivalent	(9)	(21)	47
Cash and Cash Equivalent at the Beginning Balance	182	202	155
Cash and Cash Equivalent at the Ending Balance	173	181	202

Financial Ratios of GFPT Public Company Limited and its subsidiaries

	2011	2010	2009
Liquidity Ratio			
Current Ratio ^{1/} (times)	2.68	2.60	1.32
Quick Ratio ^{2/} (times)	0.66	0.73	0.38
Cash Ratio ^{3/} (times)	1.15	0.89	0.76
Account Receivable Turnover ^{4/} (times)	17.62	17.15	16.67
Average Collection Period ^{5/} (days)	20.00	21.00	22.00
Inventory Turnover ^{6/} (times)	71.66	76.95	52.01
Inventory Turnover Period ^{7/} (days)	5.00	5.00	7.00
Account payable Turnover ^{8/} (times)	26.50	20.61	20.29
Average Payment Period ^{9/} (days)	14.00	17.00	18.00
Cash Cycle ^{10/} (days)	11.00	9.00	11.00
Profitability Ratio			
Gross Profit Margin ^{11/} (%)	15.56	16.16	15.41
Operating Profit Margin ^{12/} (%)	10.16	11.07	10.86
Net Profit Margin ^{13/} (%)	8.40	9.19	9.12
Return On Equity or ROE ^{14/} (%)	21.18	23.56	25.71
Efficiency Ratio			
Return on Assets or ROA ^{15/} (%)	33.16	34.48	33.87
Total Assets Turnover ^{16/} (times)	1.47	1.44	1.47
Leverage Ratio or Financial Ratio			
Debt/Equity Ratio ^{17/} (times)	0.68	0.71	0.80
Interest Coverage ^{18/} (times)	10.29	10.71	16.46
Debt Service Coverage ^{19/} (times)	0.53	0.27	0.39
Dividend Payout ^{20/} (%)	97.24	91.71	70.11

- Remark:**
- 1/ Current Ratio = Current Assets/ Current Liabilities
 - 2/ Quick Ratio = (Cash + Short-term Investments + Accounts Receivable) / Current Liabilities
 - 3/ Cash Ratio = Cash Flow from Operating / Current Liabilities
 - 4/ Account Receivable Turnover = Net Credit Sales / Average Accounts Receivable
 - 5/ Average Collection Period = 360 / Account Receivable Turnover
 - 6/ Inventory Turnover = Cost of Goods Sold / Average Inventory
 - 7/ Inventory Turnover Period = 360 / Inventory Turnover
 - 8/ Account payable Turnover = Cost of Goods Sold / Average Account payable
 - 9/ Average Payment Period = 360 / Account payable Turnover
 - 10/ Cash Cycle = Average Collection Period + Inventory Turnover Period - Average Payment Period
 - 11/ Gross Profit Margin = Gross Profit / Sales
 - 12/ Operating Profit Margin = Operating Profit / Sales
 - 13/ Net Profit Margin = Net Profit / Sales
 - 14/ Return On Equity or ROE = Net Profit / Equity x 100
 - 15/ Return on Assets or ROA = (Net Profit + Depreciation) / Total Assets x 100
 - 16/ Total Assets Turnover = Sales / Total Assets
 - 17/ Debt/Equity Ratio = Total Debt / Equity
 - 18/ Interest Coverage = EBIT / Interest
 - 19/ Debt Service Coverage = EBITDA / (Debt payment + Capital Expenditure + Investment in Fixed Assets Dividend Payment)
 - 20/ Dividend Payout = Dividends / Net Income x 100



Management Discussion and Analysis

Based on the consolidated financial statement for the year ended 31 December 2011, the Company and its subsidiaries had net profit of 1,203 million Baht or 0.96 Baht per share increased 37 million Baht or 3.18 percent from year 2010 which the net profit was 1,166 million Baht. The overall business growth mainly come from the expansion of poultry farms and feed business.

Based on the separated financial statements for the year ended 31 December 2011, GFPT Public Company Limited had net profit of 425 million Baht or 0.34 Baht per share derived from profit from operations of 284 million Baht and dividends received from its subsidiaries in amount of 197 million Baht. In the year 2010, GFPT had net profit of 410 million Baht or 0.33 Baht per share being the earnings from operations of 291 million Baht and the dividend received from its subsidiary of 168 million Baht.

1. Results of operations.

1.1 Overall Performance

- 1.1.1 **Revenue from Sales:** In 2011, the Company and its subsidiaries had total revenue from sales in amount of 14,214 million Baht or 14 percent increase from year 2010 due to the increase in live broiler sales and animal feed sales. The live broilers sales transaction came from GFPT Nichirei (Thailand) Company Limited ("GFN"), the new joint venture with Nichirei Foods, Inc. (Japanese based company).
GFN has begun its operation since the 4th quarter of 2010 which is expected to run at full capacity in 2012. Even though the live broilers sales transaction to GFN was increased, the operational performance of GFN for the year 2011 still at loss as it was not reach the break-even level yet resulting the consolidated net profit of GFPT and its subsidiaries was 1,203 million Baht or 3.18 percent increasing from the year 2010.
- 1.1.2 **Other Revenues:** In 2011, the Company and its subsidiaries had other income in amount of 218 million Baht declined from the year 2010 about 1 million Baht because the foreign exchange gain in year 2011 less than year 2010. However, the Company received higher income from utilities sales and management fee as well as refund from the section 19 bis tax, thus, the other income of the Company slightly declined.
- 1.1.3 **Cost of Sales:** the company's cost of sales in 2011 was 12,003 million Baht higher than the year 2010 which was 10,457 million Baht or equivalent to 15 percent increased due to the higher production costs mainly from higher raw material cost of animal feed.
- 1.1.4 **Gross Profit:** the gross profit of the Company in 2011 was higher than year 2010 in amount of 196 million Baht or 9.73 percent increased because the increasing in cost of sales.
- 1.1.5 **Selling and Administration Expenses:** In 2011, the selling and administration expenses of the Company and its subsidiaries increased from the year 2010 about 7 million Baht or 0.86 percent slightly increased mostly from the farm expenses related to the broiler catching at the farms, fuel expenses, fixed asset depreciation, and employees' benefit. However, the freight cost of the Company in 2011 was reduced from year 2010 as the export volume of the fully cooked chicken product declined. These expenses occurred as being normal business operations.
- 1.1.6 **Return on Equity:** For the year 2011, GFPT had net profit of 425 million Baht based on the separated financial statement. The Board of Directors proposed to pay a cash dividend of 0.33 Baht per share; however, the right to receive the dividend is still uncertain subjected to the approval from the shareholders' meeting. The Company's dividend policy is no more than 50 percent of the net profits of the separated Company's financial statements after deduction of any reserves as required by law or the Company. The dividend payment also depends on cash flow, liquidity, and investment plan of the Company and its subsidiaries as well as the overall economic situation.

1.2 Performance of Each Business Sector

Unit : Million Baht

Revenue from Each Business Sector of	2554		2553		2552	
GFPT and its Subsidiary	Baht	%	Baht	%	Baht	%
Evisceration / Processed Food	6,101.15	42.92	7,040.91	56.45	6,819.36	59.26
Feed Mill	4,838.82	34.04	4,319.61	34.63	4,025.43	34.98
Animal Farm	2,525.59	17.78	463.51	3.72	127.18	1.11
Day-Old-Chick	291.72	2.05	400.99	3.22	327.69	2.85
Processed Food	456.75	3.21	247.46	1.98	207.73	1.80
Revenue from Sales of Consolidated						
Financial Statements	14,214.03	100.00	12,472.48	100.00	11,507.39	100.00

- 1.2.1 Chicken Evisceration:** In 2011, the revenue from chicken meat business declined from year 2010 because of lower sales volume about 15%. The export volume reduce from year 2010 about 29% due to the impact from the economic contraction in Japan subsequently from the earthquake and tsunami in March 2010 and also the economic recession in many countries in the European Union.
- 1.2.2 Feed mill and farm business:** In 2011, the revenue from feed mill business was increased comparing to year 2010 due to the sales volume of animal feed and aqua feed increased. Under the farm business, the revenue from live broiler sales to GFPT Nichirei (Thailand) Company Limited, the new joint venture, was the new revenue stream for the Company. This sales transaction has started since the 4th quarter of year 2010.
- 1.2.3 Day-Old-Chick:** in 2011, the revenue from DOC sales decreased from 2010 because of lower sales volume and the average selling price of layer hen egg drop comparing to year 2010.
- 1.2.4 Processed Food:** in 2011, the revenue from processed food i.e. sausage in domestic market was ar inclined from year 2010 causing from the expansion of distribution outlets in other regions of Thailand i.e. Lampang. In addition, the flood in October 2011 provided temporal advantage to the Company since the factory is located in the non-flooded area. The Company had higher sales of sausage in domestic market during the flood situation.

2. Financial Position

2.1 Assets

As at 31 December 2011, the Company and its subsidiaries had total assets of 10,068 million Baht comprising of current assets in amount of 3,835 million Baht, fixed assets of 5,196 million Baht, investment in joint venture companies 630 million Baht, and other assets of 407 million Baht. Total assets of the Company and its subsidiaries as at 31 December 2011 increased from 2010 about 9.24 percent mostly from the increase of investment in fixed assets of the business especially the broiler farm facilities.



2.2 Liquidity

2.2.1 Cash Flow

In 2011, the Company had cash inflow from operating activities in amount of 1,549 million Baht due to the fact that the company had net profit of 1,203 million Baht. Based on the cash flows from investing activities, the Company used its cash in amount of 1,018 million baht, down from the year 2010 about 236 million Baht.

In 2010, the Company made the final payment for paid-up capital of GFPT Nichirei (Thailand) Company Limited in the amount of 191 million Baht and purchased the real estate investments in the land in amount of 95 million Baht for the future expansion plan. For the year 2011, the investment activities were mainly focus on the fixed assets. The Company used 540 million Baht in the financing activities mainly for the cash dividend payment to its shareholders and loan repayment before maturity. Therefore, the cash and cash equivalents as at 31 December 2011 of the Company and its subsidiaries were 173 million Baht.

2.2.2 Financial Ratios

Based on the consolidated financial statement as at 31 December 2011, the liquidity ratio was 2.68 times better than 2010 which was 2.60 times, representing that the Company has good liquidity position.

2.2.3 The Impact of Short-term Liability

In 2011, the Company's short-term debt increased by 169 million Baht mainly being the short-term debt from financial institutions and account payables. The Company can pay for its short-term liabilities according to the payment period.

3. Capital Expenditure

3.1 Capital Expenditure for past investments

In 2011, the cash used in the investing activities of the Company and its subsidiaries decreased by 236 million Baht, compared with the year 2010 which the cash used in the investing activities was 1,254 million Baht.

The capital expenditure was mainly invested in fixed assets.

3.2 Investment Plan

In 2011, the company continues to expand its broiler raising capacity at the farm facilities. The source of fund was mainly from cash flow from operations, working capital, short-term loans, long-term loans from financial institutions and related parties.

4. Sources of Fund

The consolidated financial statements as at December 31, 2011, the debt to equity ratio was 0.68: 1. The debt portion of the Company and its subsidiaries was 4,084 million Baht comprising of debt with no interest-bearing liabilities and interest-bearing in amount of 1,098 million Baht and 2,986 million Baht, respectively. For the interestbearing liabilities included short-term loan in amount of 666 million Baht and the long-term loans in amount of 2,320 million Baht. Both long-term loans and short term borrowings of the Company were borrowed in local currency only. The Company has no foreign currency loans.

As at 31 December 2011, the shareholders' equity was 5,984 million Baht or 11 percent higher than the year 2010 due to the increasing in net profit in 2011.

5. Factors that may affect future operations or financial position

- None -

Good Corporate Governance

Report of Good Corporate Governance

The Board of Directors (“the Board”) of GFPT Public Company Limited (“the Company”) realizes the importance of good corporate governance which is the basic fundamental for economics and sustainable growth of business. The good corporate governance promotes confidence of stakeholders including shareholders, customers, employees, and other public organizations; thus, the Board participates to perform its operations with honesty in compliance of the principles of good corporate governance, the Company’s objectives, and the shareholders’ resolution for the best interests of the Company and its shareholders.

The Board of GFPT Public Company Limited has amended the Corporate Governance Principles in accordance with the Criteria of Corporate Governance of The Organization for Economic Co-Operation and Development (OECD) under regulation of the Stock Exchange of Thailand, to be a guideline for directors, executives, and employees of the Company, thus, we review and revise the principles of Good Corporate Governance annually to be appropriate with the changes that may occur from the operation, environment, situation, or laws which incorporates the following 6 key principles.

- Chapter 1 Rights of Shareholders
- Chapter 2 Equitable Treatment of Shareholders
- Chapter 3 Roles of Stakeholders
- Chapter 4 Disclosure and Transparency
- Chapter 5 Responsibilities of the Board of Directors
- Chapter 6 Other Policies and Regulations

The Board set up the good corporate governance policy and guideline for its business operations which will be regularly reviewed and modified in response to its business operations, the regulatory environment, and the applicable laws. The Company’s corporate governance policy is announced to all employees through the Company’s intranet system and also to public through the Company’s website (www.gfpt.co.th) under the “Corporate Governance” section.

Chapter 1: Rights of Shareholders

The Board values the rights of shareholders and established a policy to ensure the equitable and fair treatment for all shareholders including:

- (1) The statutory rights of shareholders including, the right to vote, the right to receive dividend, the right to sell, buy, or transfer shares, the right to attend shareholders’ meetings, and the right to receive GFPT information that is sufficient, timely, equitably and fairly.
- (2) The right to appoint and dismiss of directors including independent auditor.
- (3) The right to allocate the dividend.
- (4) The right to pose questions in advance for the shareholders’ meeting through the Company’s web site or e-mail to companysecretary@gfpt.co.th.
- (5) The right to receive the invitation notice for the shareholders’ meeting containing the location, date, time, and agendas of the shareholders’ meeting; conditions, criteria and procedures governing the shareholder meetings; and the voting procedure for each agenda.
- (6) The shareholders are encouraged to raise questions and provide suggestion the Board in the shareholders’ meeting, in which the questions and answers shall be recorded in the minute of meeting.
- (7) The Company has set up an Investor Relations Department to communicate, provide information, and answer questions to the shareholders and investors sufficient, fairly and adequately.
- (8) The Company posts information for the shareholders’ meeting on the Company’s website (www.gfpt.co.th) in both Thai and English at least 30 days in advance of the meeting date.
- (9) The Company uses computerize system for shareholders’ meeting registration to count number of attendances. The voting cards are used for all agenda items. The vote counting process also uses computerize system to record and count votes of each agenda to ensure accuracy and timeliness. Also, the Company records the meeting in VDO clips format and separate them into each agenda to ensure transparency and verification.



- (10) After the shareholders' meeting, the Company will prepare the minutes of meeting with the resolution specified voting detail (yes, no, abstention, and incomplete), and details of important matters discussed. The minute of the meeting will be disclosed to the Stock Exchange of Thailand (SET) and the Company's website within 14 days from the shareholders' meeting date.
- (11) The Company shall not have additional agenda items other than specified in the AGM invitation letter nor change any important information at the shareholders' meeting. The Company shall invite one shareholder to witness the vote counting. The Company uses ballots for all agenda. For the agenda to approve the election of directors, shareholders can vote for directors individually.

In 2011, the Company held the Annual General Meeting of shareholders on April 28, 2011 at 09.30 a.m. at GFPT tower 312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150. All 9 directors and the Company's independent auditor attended the meeting for discussion or answer questions which shareholders may have. The meeting was conducted in the sequences as given in the agenda and the voting was undertaken sequentially according to the agenda. The ballots are duly kept as evidence. Each agenda was approved by the shareholders.

Chapter 2: Equitable Treatment of Shareholders

GFPT realizes the equitable fair treatment of all shareholders both majority and minority. At the Annual Ordinary General Meeting, one share was counted as one vote. The Company usually holds the Annual Ordinary General Meeting once a year within 4 months since the last day of the accounting period of the Company as follows:

1. The Company encourages the use of the proxy form by shareholders who are unable to attend the meeting to appoint a person to attend the meeting and cast votes on their behalf. Shareholders may appoint one independent director or executive director as their proxy based on their satisfaction. The Company provides all proxies including Proxy Form A., Proxy Form B., and Proxy Form C. in the format that the shareholders can specify the voting direction, and also clearly indicates the evidence for proxy. In addition, shareholders can download the proxy through the Company's website. At the 2011 Annual General Shareholders' Meeting, there are totally 324 shareholders consisting of 176 shareholders and 148 proxies attended, accounting for 837,580,833 shares or 66.80%.
2. The Company stipulates the policy on the use of Company information. It is the responsibility of the Company's directors, executives and staffs to keep corporate information strictly confidential and it should not use the information for their own benefit or for the benefit of others so, the directors, executives and staffs including those held by their spouse and dependents to refrain from dealing in the shares of the Company for one month prior to the disclosure of such information to the public and within 24 hours after blackout period. Thus, the Company set the penalty in case of using inside information for their own interests in "The Code of Conduct" of the Company. The penalties can be verbal warning or leave the job.

In addition to prohibiting any member of the Board, senior executives, and staffs from using information or position for their personal benefits, the Company also prohibits its Board Members, senior executives and staffs from undertaking businesses that is construed to be in direct competition with the Company or related businesses.

3. The Company requests the directors and executives to disclose information on items likely to have a conflict of interest, related items or connected items in association with acquisition and distribution of their own assets or those of related persons. These transactions shall be in compliance with the regulations of the Stock Exchange of Thailand before reporting to Board of Directors or shareholders' meeting, the directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Report (56-2) and the Annual List of Information (56-1).
4. The invitation letter and relevant information regarding the shareholders' meetings shall be sent to all shareholders at least 21 days in advance of meetings. The Company shall publish the invitation notice on the Thai newspaper for 3 days consecutively 8 days prior to the meeting date in order that the shareholders have appropriate time to study the information in advance.
5. The Board of Directors' resolution regarding the agenda item of the shareholders' meeting and related information shall be announced on the Company's website at least 30 days prior to the meeting date.

Chapter 3: Roles of Stakeholders

Stakeholders include the directors, executives, shareholders, customers, trading partners, and competitors. The Board of Directors has established a policy on fair treatment for each and every stakeholder according to the law or the agreement with the Company. Although each group of stakeholders has different purposes and expectations toward the Company's business, the Company gives fair treatment for each and every stakeholders. The Company has formulated ethical practices for stakeholders in the written Code of Conduct to be upheld by the guidelines and responsibilities that employees of all levels are expected to act.

In addition, The Board of Directors has developed a mechanism for the participation of stakeholders in corporate governance. Stakeholders are given the opportunity to communicate with the Board and independent directors to express their view for improving the Company's operations including any complaint through the following channels.

Contact Independent Directors

By e-mail: independentdirectors@gfpt.co.th
 By fax: 0-2473-8398
 By mail: Independent Directors
 GFPT Public Company Limited
 GFPT Tower, 18th Floor, No. 312
 Rama II Road, Bangmod, Jomthong, Bangkok 10150

Contact Board of Directors

By e-mail: boardofdirectors@gfpt.co.th
 By fax: 0-2473-8398
 By mail: Board of Directors
 GFPT Public Company Limited
 GFPT Tower, 18th Floor, No. 312
 Rama II Road, Bangmod, Jomthong, Bangkok 10150

Contact Code of Conduct Committee

By e-mail: codeofconductcommittee@gfpt.co.th
 By fax: 0-2473-8398
 By mail: Code of Conduct Committee
 GFPT Public Company Limited
 GFPT Tower, 18th Floor, No. 312
 Rama II Road, Bangmod, Jomthong, Bangkok 10150

The Company strictly keeps all complaints or the complainant in confidential. Acceptance of the complaint or investigation procedures is set out. The information regarding complaints is accessible only to the persons assigned and involved. The management division will collect any complaint and present to the audit committees to consider. While the employees can post comments and suggestions through e-mail of the Company directly.

For employees, the Company provides other benefits exceeding those stated by laws such as personal accident and health insurance for particular functions such as salesman, IT administrators, and provincial employees; reimbursement for uniform; and other welfare. In addition, the Company focuses on safety of its employees by having fire extinguishers checked and cooperating with the building administrator in conducting fire drill once a year. Especially, the Company provides training for new employees to improve basic knowledge for primary problem solving.

In addition, the Company realizes the importance of effective and efficient business operations based on social responsibility and environmental protection. Therefore, the Board highly participate in the environmental and social responsibility activities and encourages all staffs to make the best use of environmental resources, minimize waste, reuse resources, and act responsibly towards society by running a business and operating in accordance with governing laws; avoiding any illegal entrepreneur or affected to the environment both direct and indirect way. The Company encourages employees to join CSR activities such as participation in blood donation, grant tuition assistance to children.



In 2011, the Company provided financial aid and chicken meat to assist the flood victims in Thailand as followed:

1. GFPT Public Company Limited donated fund to assist the flood victims in Thailand to Mr. Kwankaew Watcharothai, the president of the Rajaprajanugroh Foundation under the Royal Patronage in amount of 1,000,000 Baht on October 5, 2011.
2. Krungthai Feedmill Public Company Limited, the subsidiary company of GFPT donated fund to assist the flood victims in Thailand to Mr. Kwankaew Watcharothai, the president of the Rajaprajanugroh Foundation under the Royal Patronage in amount of 1,000,000 Baht on October 19, 2011.
3. GFPT Public Company Limited and Krungthai Feedmill Public Company Limited donated chicken meat in amount of 2,000 kilograms to "Volunteer Kitchen - Bangkok University" and "Friends in Need (of "Pa") Volunteers Foundation Thai Red Cross" to assist the flood victims on November 2011.
4. The employees of GFPT Public Company Limited prepared the flood bags to assist the flood victims at the parking lot of the Company on October 14, 2011.
5. The employees of GFPT Public Company Limited went to Lamlukka, Pratumthani Province, to give the flood bags to the flood victims on November 23, 2011.

Chapter 4: Disclosure and Transparency

The Board of Directors discloses all important information relevant to the Company, both financial and non-financial, correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy in accordance with "The Securities and Exchange Commission" (SEC) and "The Stock Exchange of Thailand" (SET) e.g. the SET's channel in form of "Annual List of Information" (Form 56-1) and "Annual Report" (Form 56-2), or the Company's web site (www.gfpt.co.th), both Thai and English language as alternative channels for investors to have equitable access to information. The Company further reports on the responsibility of the Board of Directors for the financial statements which appear together with the audited report of the certified public accountant in the annual report.

In 2011, the Company fully complied with the disclosure rules and regulation set out by the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET). At present, the Company has assigned the Company Secretary and the Investor Relations Department to provide information and communicate with investors including institutional shareholders, minority shareholders, stock analysts, and relevant government agencies which can be contacted through investor relation department at telephone number 02-473-8000. For further information, please visit Company's web site. The Company also organizes Analyst Meetings at least twice a year to clarify and present business performance. In 2011, GFPT held 2 Analyst Meetings on January 13, 2011 and June 11, 2011.

Besides, in 2011, the Company gives the opportunities to the institutional investors, individual investors including analysts and related persons to share the information and opinions as followed:

	Frequency (Times)
Analyst Meeting	2
International Road Show	4
Local Road Show	4
One on One Meeting	33

Chapter 5: The Responsibilities of the Board of Directors

1. Board of Director Structure and sub-committees

1.1 Structure of the Board

The Board of Directors shall comprise of not less than 5 directors and no fewer than half of these board members shall be based within the Kingdom and be qualified in accordance with the Articles of Association in compliance with the Public Company Limited and related laws and shall comprise of not less than 3 independent directors and no fewer than one-third of these board members. Thus, the Chairman of the Board of Directors shall not hold the office of Chairman or member of any sub-committees, and shall be a separate person from the President.

As of 31 December 2011, GFPT Public Company Limited has a total of 9 directors, consisting of:

- | | |
|--------------------------|-----------|
| 1) Directors | 6 persons |
| 2) Independent Directors | 3 persons |

1.2 Director's Qualifications

GFPT Public Company Limited has determined the minimum qualifications for a director pursuant to the Chapter 4, Article 17 of the Articles of Association in compliance with the Public Company Limited Act B.E. 2535 and the OECD Principles of Corporate Governance required by the Stock Exchange of Thailand. Therefore, the Company has set additional qualification and prohibition for directors of the GFPT Public Company Limited as follows:

Qualifications for Directors

- (1) Be qualified person in accordance with the Chapter 4, Article 17 of the Articles of Association, and the Public Company Limited and related laws. The Board of Directors shall comprise of not less than 5 directors and not more than 15 directors and no fewer than half of these board members shall be based within the Kingdom of Thailand.
- (2) Be qualified person in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (3) Be knowledgeable and capable in business operation and industry. Have a good reputation and ethics, honest and generally accepted by others.
- (4) Directors must not serve on more than 3 other boards of Thai listed public companies.
- (5) Not holding any directorship or executive position in many companies at the same time or assuming an executive position or directorship in the same business or with competitors.
- (6) The Board of Directors must have a variety of skills and expertise. At least three of the directors must have knowledge and expertise in the Company's business. At least one of the directors must be knowledgeable in law. At least one of the directors must be knowledgeable in accounting and finance.

An independent director or audit committee must have the additional qualifications:

- 1) Hold share in total not more than 1 percent of total voting share of GFPT or its subsidiaries or associated companies or related companies which may have conflict of interest which shall be inclusive of shares held by his/her related person.
- 2) Not participate in the management of GFPT, its subsidiaries, associated companies, or related companies which may have conflict of interest. He or she shall not be an employee or a staff member or an advisor receiving regular salary or an authority in charge at GFPT, its subsidiaries, associated companies, or related companies. The qualified independent director must not have any interest or stake as mentioned at present and prior to be nominated for at least two years.
- 3) Not being a related person by blood or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, to executives, major shareholders, top management or any nominator to be executive or top management of GFPT or its subsidiaries.
- 4) Not having any business relationship with GFPT, its subsidiaries, associated companies, related companies or major shareholders who may have conflicts of interest, in the manner that may interfere with his/her independent judgment. In addition, he or she must not be a major shareholder or an executive officer of the Company that having business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to be nominated for at least two years. The "business relationship" aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance in the amount of 3 percent or more of the net tangible assets of the Company or more than 20 million Baht which is lower. The transaction amount shall be calculated according to the calculation method for transaction value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies concerning the Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.



- 5) Not being an auditor of GFPT, its subsidiaries, associated companies, related companies or any juristic person who may have conflicts of interest and must not be a major shareholder, executive director, top management or partner of an audit firm which employs auditors of GFPT, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.
- 6) Not being any professional advisor including legal advisor, financial advisor, or asset appraiser who receives an annual service fee exceeding 2 million Baht from GFPT, its subsidiaries, associated companies, related companies or any juristic person who may have conflicts of interest and must not be a major shareholder, executive director, top management or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years.
- 7) Must not be a director nominated to be a representative of major shareholder or a shareholder who is related to GFPT's major shareholder.
- 8) Must not participate in a Company operating in the same business and being a competitor of GFPT or its subsidiaries. He or she must not be partner, executive director, employee, staff member, advisor who receives regular salary or hold share more than 1% of total voting share of the Company operating in the same business and being a competitor of GFPT or its subsidiaries.
- 9) Must not have any characteristics which make him or her incapable of expressing independent opinions with regard to GFPT's business.

However, after being nominated to be an independent director of GFPT, he or she may be assigned by the Board of Director to take part in the business decision of GFPT, its subsidiaries, its associated companies, same-level subsidiaries, major shareholder, top management or related companies which may have conflicts of interest on the condition of collective decision.

1.3 Limitation of the Number of Companies for Directorship Position

To achieve effective performance, the Board of Directors has established the policy and procedures for directors to hold directorship positions in not more than 3 listed companies, because the executive positions have great importance on business administration which may affect their effective performance.

1.4 Combination and Segregation of Positions

The Company has the policy to make a clear distinction between the Chairman and Managing Director. The Chairman takes the role of leader for the Board to define the policies of the directors, the direction of business operations and as support to the management to perform the duties in accordance with the Company's policies. Meanwhile, the President enacts the policies from the Board into effective practice.

1.5 The Qualification of the Chairman

The Chairman should have the following qualifications

- (1) Be the senior member
- (2) Be knowledgeable and having a good understanding of the Company's business
- (3) Be accepted by the other directors

2. Roles, Duties and Responsibilities of the Board

2.1 Roles of Directors and their Independence from the Management

The Board of Directors ensures a clear distinction between the Board of Directors and the Management for independence and maximum benefit of the Company and shareholders.

2.2 Duties and Responsibilities of the Board

- 1) To perform duties in compliance with the laws, objectives and regulations provided by the Company and take action according to the meeting's resolutions with accountability, care, integrity, and most beneficial to the Company based on the Principle of Good Corporate Governance.

- 2) Set out the main policy with respect to business operation and the policies in finance, fund raising, fund management and risk management for the Company, and supervise the management to perform its duties efficiently and effectively under such policies to add value on the economic and the plenty of the shareholders.
- 3) To consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, inter-transaction, and any conflicts of interest between the Company and the subsidiary companies in accordance with the regulations of the Securities and Exchange Commission (SEC), and Stock Exchange of Thailand (SET), and laws, and regulations of the Company.
- 4) To consider approval of the financial statements prior to submission to the Stock Exchange of Thailand.
- 5) To set up accounting and financial reports and trusted auditing.
- 6) To set up the internal audit system for the operation, financial reports and effective risk management.
- 7) To supervise the disclosure of financial reporting and other important information in a correct, timely and transparent manner and set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 8) To consider and appoint the Audit Committee, the Executive Committee and other sub-committees in order to assist the Board of Directors in supervising the Company's business undertaking to achieve the Company's objectives. Majority of the sub-committees consist of independent directors, and the Chairmen of subcommittees are all independent directors.
- 9) To make an assessment on compliance with the supervision policy and revise such policy.
- 10) To set up the director and management development plan and succession plan.
- 11) To define and amend the list of authorized directors.
- 12) To authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board and define the authority of the authorized person clearly.

3. Sub-Committees

The Company has set up supporting committees to assist in the study and screening of relevant issues requiring fair judgment and has defined the scope, authority and responsibility of each committee. The majority members of each committee must be independent directors and the Chairman of the committee should be an independent director.

At present, the GFPT has the following supporting committees:

- 1) Audit and Risk Management Committee
- 2) Nomination, Remuneration, and Corporate Governance Committee
- 3) Code of Conduct Committee

3.1.1 The Audit and Risk Management Committee

The Board of Directors has appointed the Audit and Risk Management Committee with a term of service of 3 years. The Audit Committee comprises 3 independent directors. At least one of the committee members must have knowledge in accounting and finance. Members shall have qualifications relevant to independence pursuant to the SET notification. The qualifications and scope of performance of the Audit Committee shall allow supervision of the Company's business operations, financial reports, internal control systems, selection of external auditors, and consideration of conflicts of interest and preparation of the Corporate Governance report.

In 2011, the Audit and Risk Management Committee consisted of 3 Independent Directors as follows:

Name - Surname	Title
1. Dr. Sathit Karanes	Chairman of Audit and Risk Management Committee
2. Mr. Paramet Hetrakul	Director of Audit and Risk Management Committee
3. Mr. Thanathip Pichedvanichok	Director of Audit and Risk Management Committee

*Mr. Chatchai Ratanawalai is a Secretary of the Audit and Risk Management Committee



The Audit and Risk Management Committee has the following duties and responsibilities:

- 1) To review the accuracy of the Company's financial reporting and the adequacy of disclosure.
- 2) To review the appropriateness and effectiveness of internal controls and the internal audit system and regulate the internal audit department and the practice of internal audit by considering the commitment, charter, independence, including the limitation and planning of internal audit of internal audit department.
- 3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- 4) To consider, select, nominate the independent person to be the Company's auditor, and to propose such person's remuneration, as well as, to attend a non-management meeting with the auditor at least once a year.
- 5) To consider the disclosure of the Company in case of the inter-transaction or the conflict of interest to be accurate, complete, and in accordance with the regulations of Stock Exchange of Thailand (SET) to ensure that the aforementioned are reasonable to the Company.
- 6) To review and amend the charter of audit committees to be contemporary and appropriate to the ambiance of the organization and present to the directors to approve.
- 7) To prepare and publish an Annual Committee Report in the Company's Annual Report. Such Audit Committee's report shall consist of the following information;
 - An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - An opinion on the adequacy of the Company's internal control system,
 - An opinion on the suitability of an auditor,
 - Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors;
- 8) To conduct the risk management policy and guideline of the Company to propose to the Board of Directors to consider the risk management that may affect to the operation such as price risk, market risk, exchange rate risk, liquidity risk, and operational risk.
- 9) To monitor, audit, and evaluate the risk management according to the risk management policy and review the adequacy of the policy and risk management system as a whole.
- 10) To perform any other duties as assigned by the Board of Directors.

3.1.2 The Nomination, Remuneration, and Corporate Governance Committee

The Board of Directors has appointed the Nomination, Remuneration, and Corporate Governance Committee with a term of service of 3 years. The Nomination, Remuneration and Corporate Governance Committee are composed of 5 directors to review the candidates who are qualified to be our directors or executive management. Furthermore, the Nomination, Remuneration and Corporate Governance Committee should be reviewing the criteria of the directors' selection and remuneration to propose to the Board of Meeting or Shareholders' Meeting depending on the case.

In 2011, the Nomination, Remuneration, and Corporate Governance Committee consisted of 5 Directors as follows:

Name - Surname	Title
1. Dr. Sathit Karanes	Chairman of Nomination, Remuneration, and Corporate Governance Committee
2. Mr. Paramet Hetrakul	Director of Nomination, Remuneration, and Corporate Governance Committee
3. Mr. Thanathip Pichedvanichok	Director of Nomination, Remuneration, and Corporate Governance Committee
4. Dr. Anan Sirimongkolkasem	Director of Nomination, Remuneration, and Corporate Governance Committee
5. Mr. Sujin Sirimongkolkasem	Director of Nomination, Remuneration, and Corporate Governance Committee

*Mr. Chatchai Ratanawalai is a Secretary of the Nomination, Remuneration, and Corporate Governance Committee

The Nomination, Remuneration, and Corporate Governance Committee have the following duties and responsibilities:

- 1) To determine the qualifications of directors and the criteria for nomination of a person to such position to nominate to directors, supporting directors by considering the appropriateness of the structure and composition of the Company's Board of Directors to nominate to directors or ask approval to the shareholders' meeting.
- 2) To review and select the list of nominees for the position of director and executive who terminated or vacant position.
- 3) To formulate criteria for evaluating the performance of the Board of Directors annually to report to Managing Director.
- 4) To set out criteria and policy of the remuneration package for the directors, supporting committees, and executives in accordance with their responsibilities, comparable, and appropriate to directors' policy to nominate to directors or ask approval to the shareholders' meeting.
- 5) To propose the criteria of succession for executives for further consideration by the Board.
- 6) To perform any other duties in accordance with the nomination and remuneration as assigned by the Board of Directors.
- 7) To conduct the "Good Corporate Governance Policy" of the Company for further consideration by the Board of Directors.
- 8) To monitor and review the "Good Corporate Governance Policy" regularly.
- 9) To conduct annual performance evaluation of the Board of Directors and the Chairman of Executive Committee
- 10) To perform any other duties as assigned by the Board of Directors.

3.1.3 Code of Conduct Committee

The Board of Directors has appointed the Code of Conduct Committee composed of at least 3 directors and the representative of the employee 2 persons to be the Code of Conduct Committee. The Board of Directors has appointed one of the Code of Conduct Committee to be the Chairman of Code of Conduct Committee who has appointed the Secretary of the Code of Conduct Committee with a term of service of 1 year.

In 2011, the Code of Conduct Committee consisted of 5 Directors as follows:

Name - Surname	Title
1. Dr. Sathit Karanes	Chairman of Code of Conduct Committee
2. Dr. Anan Sirimongkolkasem	Director of Code of Conduct Committee
3. Mr. Sujin Sirimongkolkasem	Director of Code of Conduct Committee
4. Mr. Thiti Wanachate	Director of Code of Conduct Committee
5. Mr. Arnut Phungkaew	Director of Code of Conduct Committee

*Mr. Arnut Phungkaew is a Secretary of the Code of Conduct Committee

The Code of Conduct Committee has the following duties and responsibilities:

- 1) To set the policy and direction of the code of conduct and business ethics to propose to the Board of Directors for approval to implement in all operational levels.
- 2) To monitor the operation of the Company and the performance of the directors, committees, executives, managers, and employees of the Company to follow the above policy (no.1)
- 3) To review and update the code of conduct policy, practices, and guidelines of the Company in accordance with the international practice and suggestions from any institution to propose to the Board of Directors for approval.
- 4) To follow the trends of the code of conduct of other leading companies and compare with the Company's Code of Conduct Policy.
- 5) To encourage the implementation of the Code of Conduct at all levels in the Company according to the above policy (no.1) continuously and suitably.
- 6) To advise directors, executives, managers, and employees of the Company about the code of conduct.



- 7) To regularly report to the Board of Directors regarding the Company's code of conduct in case of the important matter that significantly affect the Company's operation and provide opinions and suggestions to improve as appropriate.

4. Work Performance of the Board

4.1 Meeting Schedule

The Company schedules Board meetings on the last Thursday of every month. The meeting schedule is set out in advance and each director shall be notified of the schedule. However, the schedule of meetings can be changed based on the significance of the agenda items to be considered.

For the year 2011, the directors attended the meeting as following:

		Meeting in 2011			
Name	Title	Board of Director Meeting	Audit Committee Meeting	Nomination & Remuneration Meeting	Annual General Meeting
		total	total	total	total
		9 meetings/year	4 meetings/year	1 meeting/year	1 meeting/year
1. Mr. Prasit Sirimongkolkasem	Chairman	9(9)	-	-	1(1)
2. Mr. Virach Sirimongkolkasem	Vice Chairman and Managing Director	9(9)	-	-	1(1)
3. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee and Deputy Managing Director	9(9)	-	1(1)	1(1)
4. Dr. Sathit Karanes	Chairman of Audit Committee and Independent Director	9(9)	4(4)	1(1)	1(1)
5. Mr. Paramet Hetrakul	Director of Audit Committee and Independent Director	9(9)	4(4)	1(1)	1(1)
6. Mr. Thanathip Pichedvanichok	Director of Audit Committee and Independent Director	9(9)	4(4)	1(1)	1(1)
7. Mrs. Somsiri Ingpochai	Executive Director	9(9)	-	-	1(1)
8. Ms. Wannee Sirimongkolkasem	Director	9(9)	-	-	1(1)
9. Mr. Sujin Sirimongkolkasem	Director	8(9)	-	1(1)	1(1)

4.2 Meeting Agenda

The Chairman will determine the agenda together with the Managing Director and plans the agenda in advance to give time for production of agenda documents and to ensure that all the directors receive the documents before the meeting date so that they will have enough time to study and consider the issues on the agenda.

4.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the board documents to directors so that they will have enough time to study and consider the issues on the agenda at least 7 days before the meeting.

4.4 Meeting

The Chairman will allocate enough time to consider the issues in each agenda point of the meeting.

4.5 Contact with the Management to the Meeting

The senior executives shall be invited to attend the Board's meetings to provide additional insights into the agenda items being discussed because of their personal involvement in these areas and gives opportunity to the management to know the Board of Directors.

4.6 Access to Information

The Board of Directors will have access to additional necessary information from the Managing Director, the Company Secretary and any other assigned executive management.

4.7 Meeting with Non-Executive Directors

The Board of Directors encourages the directors who are not executives to hold a special meeting. This was put in place for the non-executive directors who are members of the Audit Committee and independent directors. The meeting is scheduled at least 4 times a year.

4.8 Company Secretary

The Board of Directors has arranged to have the Company Secretary to take charge of consultations regarding directors' activities in accordance with the relevant laws, rules and regulations, and monitoring the director's activities and coordinating with directors to comply with the Board's resolutions. At present, the Board of Directors appoints Ms. Jutamas Ingpochai as the Company Secretary.

5. Performance Evaluation of the Board of Directors and the Chairman of Executive Committee

The Board of Directors shall arrange the annual performance evaluation of the Board of Directors based on the evaluation form provided by the Stock Exchange of Thailand and Thai Institute of Directors. The result shall be compared with the Good Corporate Governance Policy of the Company in order to improve the performance of the Board.

At 20 January 2011, The Board of Directors had evaluated the performance of the whole Board of Directors of 2010 based on evaluation of SET (Stock Exchange of Thailand) that the result has reached to the satisfactory level. Besides, The Board of Directors shall arrange the evaluation of "Chief Executive Officer" (CEO) annually.

6. Remuneration of the Board of Directors and Executives

The Board of Directors has set the directors' remuneration, for which the Nomination and Remuneration Committee will screen and consider before submission to the Board for further proposal to the shareholder's meeting for approval.



6.1 Monetary Remuneration

6.1.1 Monetary Remuneration for Directors

As of December 31, 2011, the total remuneration for 9 persons is 4,225,000 baht in the form of monthly remuneration and bonus. The details are as follows:

Name - Surname	Title	Remuneration per Year
1. Mr. Prasit Sirimongkolkasem	Chairman of Board of Directors	520,000 Baht
2. Mr. Virach Sirimongkolkasem	Vice Chairman and Managing Director	455,000 Baht
3. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee and Deputy Managing Director	455,000 Baht
4. Dr. Sathit Karanes	Chairman of Audit Committee and Independent Director	520,000 Baht
5. Mr. Paramet Hetrakul	Director of Audit Committee and Independent Director	455,000 Baht
6. Mr. Thanathip Pichedvanichok	Director of Audit Committee and Independent Director	455,000 Baht
7. Mrs. Somsiri Ingpochai	Executive Director	455,000 Baht
8. Ms. Wannee Sirimongkolkasem	Director	455,000 Baht
9. Mr. Sujin Sirimongkolkasem	Director	455,000 Baht

6.1.2 Monetary Remuneration for Executive Management

As of December 31, 2011, the Company had 10 executives and paid 30,429,713 baht for salary, bonus, and other remuneration.

6.2 Other Remuneration

-None-

7. Development of Directors and Executives

7.1 Orientation

The Board of Directors has assigned the Company Secretary to make orientation for new directors to be informed of their duties and responsibilities. This orientation will include presentations by senior management on the Company's information about business operations.

7.2 Succession Plan and Knowledge Development

The Board of Directors requires the management to make available the succession plan for the Company's uninterrupted operation in case of the executives cannot work as usual.

1. Chief executive officer is responsible for the succession plan to ensure that the Company has a good human resource management for any level of management.
2. The Board of Directors has encouraged the training and provision of knowledge for directors, committee members, company secretary, and senior executives to allow on-going improvement of performance of duties for a higher level of efficiency.

Chapter 6: Other policies and practices

1. Vision

The Company sets policy as the leader of the integrated further production of livestock and agriculture. The Company undertakes to provide food safety products and traceability. The Company is committed to operating the business with environmental friendliness and contributing to society. The Board of Directors assigns the executive committee to set annual business objective, strategic directions, business plan, and financial budget according to the Company's vision.

2. Corporate Governance Policy

The Company recognizes the importance of the good corporate governance and believes that good management system, the board of directors and executives with vision and responsibility, the control mechanism and the balance of power for the transparent administration, accountable, respect the equality of shareholders, and responsible to stakeholders that shall be important to add value and maximize returns to shareholders of the Company in the long run. It has established the good corporate governance of the Company in writing and set a meeting at least once a year to review policies and ensure compliance with such policies.

(More detail is provided in the Company's Good Corporate Governance Policy)

3. Internal Audit and Control System

The Board of Directors provides and maintains the internal control system to protect the shareholders' investments and the Company's assets. The Audit Committee is assigned to monitor and review the effectiveness of internal control system. The review process must cover all operational aspects including financial control, operation and performance control, and risk management. The internal audit department is responsible for monitoring and controlling the internal audit process of the Company under the supervision of the Audit Committee.

The Board of Directors set up an internal audit department which directly reports to the Audit Committee. The internal audit department is responsible for evaluating internal audit, internal control, operational control, risk management, corporate governance, and providing advices and opinions for improvement. The internal audit department and the Company's authorized auditor shall have the meeting with the Audit Committee at least 4 times per year to report on the assessment of the internal control and the reviewed and audited financial statement. Then, the Audit Committee shall summarize the results and report to the Board of Directors.

(More detail is provided in the Company's Internal Audit and Control System)

4. Risk Management System

The Company sets up the risk management policy to identify internal and external risk factors that may affect the Company's operation, establishes the risk assessment framework, and justifies acceptable level of risk factors of the business. The Executive Committee and the executives shall review, evaluate, and monitor the result of risk management assessment of various business functions at least once a year.

The risk management is a part of the Company's Business Plan; thus, the risk management shall be used and apply to the business objectives and strategic directions of the company. The Company's executives and employees are responsible for risk assessment for the risks associated with their job functions, evaluation of existing risk control measure, propose the implementation plan for minimize those risks, and report to the Audit Committee and the Board of Directors.

(More detail is provided in the Company's Risk Management System)

5. Code of Conduct

The Board of Directors stipulates both the goals and the means for ensuring maximum benefit to the shareholders including guidelines for business ethics and practices in this "Code of Conduct" manual. The objective is to inform the directors, executives and employees regarding the standard of practice the Company expects when dealing with employees, shareholders, customers, suppliers, competitors and society in general.

The Company has the policy to conduct business according to the principles of honesty, justice, morality and good ethics and in compliance with the relevant laws, regulations and based on equitable treatment.

5.1. Conflict of Interests to Stakeholders

5.1.1 Conflict of Interests to Shareholders

In consideration of the sustainable growth of the Company's value, the Company's directors, executives, managers, and employees are committed to be good representative of the shareholders to undertake the business operation and perform their duties with legality, loyalty, honesty, transparent, and fairness in order to gain highest satisfaction and to maximize benefits of its shareholders.



5.1.2 Conflict of Interests to Customers

The Company's directors, executives, managers, and employees are committed to gain highest customer satisfaction with the confidence that our customers shall get good quality products and services at reasonable prices as well as good relationships. Thus, the Company set the practice toward its customers as follows:

- Product and Service Quality: To trustfully conduct all business activities to continuously improve the quality standard of its products and services and disclose relevant information about its products and services honestly and precisely without distortion
- Customers' Information Confidentiality: The Company's directors, executives, managers, and employees shall not disclose customers' information without the permission of the client or authorized by the Company. Unless, it is required to disclose such information to the third parties pursuant to the provisions of the law.

5.1.3 Conflict of Interests to Business Partners and Creditors

Business Partners: the Company's directors, executives, managers, and employees are committed to do business transactions with its partners with integrity, transparent, and fairness; shall not engage it business transactions that may discredit to the Company's reputation or violate any law. The selection process of the Company's suppliers shall be undertaken with fairness and transparency in regards to equality treatment, mutual benefit of the business partners. The Company believes that business partner is one of the key success factors to enhance its customers' value.

Creditors: the Company adheres to the terms and conditions of its loan agreement undertake with its major creditors in regarding to the principal repayment, interest payment, and maintenance of the collateral assets.

5.1.4 Conflict of Interests to Employees

The employees, as the most valuable resources, are the key success factor of the Company. The Company is committed to create strong culture and good working atmosphere as well as promote teamwork environment. The Company shall treat employee respectfully, equitably, and professionally. The human resources processes such as recruitment, promotion, and job rotation shall be undertaken in the basis of fairness, equitability, and integrity. The Company shall capitalize its human resources for the best of the Company.

The Company is responsible to maintain a high standard of working environment to safeguard all employee's life, health and possessions in compliance with the labor laws. The Company is respect to the privacy of its employees; thus, the personal information of its employees such as salary, medical history, and family background shall be highly confidential and shall not be disclosed to the third parties. Unless, such information is required for disclosure the third parties in pursuant to the provisions of the law.

5.1.5 Conflict of Interests to Competitors

The Company is committed to promote fair competition with equality treatment. The Company shall not fraudulently or inappropriately seek confidential information from its competitors.

5.1.6 Conflict of Interests to Society and Environment

As being a Thai company, the Company is aware and conscious of being part of the Thai society. The Company is committed to be consciously preserved and protect the environment that is affected by our business activities; to implant a spirit of social responsibility in its employees at all levels; to support useful social activities that benefit society as a whole; and to promote the use of environmental friendly products.

(More detail is provided in the Company's Code of Conduct)

6. Conflict of Interests

The Company has established an important policy that the directors, executives, managers, and employees must not exploit their relationship with the Company for personal gain. For the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

6.1 Receiving Money or Other Remuneration

The Company's directors, executives, managers, and staff members at all levels shall not personally receive any money or benefits from the Company's customers or business partners, or from any other persons when working on behalf of the Company.

6.2 Engaging in Other Business Outside of the Company

Directors, executives, managers and staff members at all levels shall not engage in any other business that affects their performance, duties and working hours in the Company and are prohibited from participating in any other business which is in competition with the companies in the Group, regardless of whether directly or indirectly benefiting from that business.

6.3 Engaging in Business with Companies within the Group

The directors, executives, managers and employees, who may have a conflict of interest, shall disclose his or her relationship and relevant information about the transaction to the Company prior engaging in the related transaction. No director, manager or employee, who may be related in the inter-transaction, participates in consideration or approval the related transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. Prior to entering into any business transactions, the management of the Company has a duty to determine the relationship between the partner and the Company's directors, managers and employees who are conducting business with that partner. The definition of "relationship" as prescribed by relevant laws and regulations set by the Stock Exchange of Thailand.

6.4 Outside Directorships

In the case that the Company's director, executive, manager, or employee participates as a shareholder or the management of the Company's competitors, which may cause a conflict of interest, shall notify to the Board of Directors in writing except being the director of the non-profit organization. Being such the directorship does not infringe on any related laws or regulations governing the business of the Company. In addition, the person involved shall not use his or her position in the Company to promote the business of the outside company.

7. Giving Gifts, Entertainment and Gratuities

The Company prohibits the directors, management and employees from offering money, incentives or other special benefits to its business partners, suppliers, customers, creditors or any other person they are dealing with on behalf of the Company in order to influence, or in exchange for, business deals, except for providing normal business entertainment, trade discounts or promotional campaigns.

8. Safeguarding of Interest and Assets of the Company

Directors, management and employees at all levels shall perform their duties in the best interests of the Company and not directly for their own or other's benefits. They shall also have responsibilities for safeguarding, maintaining and maximizing the use of property and fixed assets belonging to the Company appropriately. The Company has a policy to prepare all business documents and financial reports, and record all accounting and financial data on a timely and honest basis, in compliance with generally accepted accounting standards and related laws. No director, manager or employee may disclose material inside information to any party that has no right to access that information. It is the duty of every member of the Company to secure and protect confidential information, data and documents.



9. Use of Inside Information and Trading of the Company's Securities

The Company's directors, executives, management and staff members at all levels shall be responsible for strictly keeping confidential information of the Company especially the non-disclosure information to the public and the information that may impact the business operation or share price of the Company. The Company's directors, executives, management and staff members shall not use the inside information for their own interest or others' benefit. The Company sets guideline regarding the use of inside information and trading the Company's Securities as follows:

- 1) To inform the directors and management about their duties and responsibilities to report their security acquisition (including his or her spouse and children who are minor) as well as changes in their securities ownership under the section 59 and penalties under section 275 of the Securities and Exchange Act B.E. 2535.
- 2) To send notification letter to the managers and employees in the business departments that handle material and significant information including financial statement of the Company which may impact the stock price of the Company. Thus, the managers and employees in the relevant department shall avoid or refrain from trading in securities of the Company about 1 month prior to the disclosure such information to the public and also shall not disclose the information to other parties.

The Company sets penalties policy in case of violation regarding the use of inside information of the Company for their own benefit as specified in the Code of Conduct Manual of the Company. The penalties range from a verbal warning to the job termination.

10. Distribution of Information and Interviews with the Press or Public

The Company has the Investor Relations (IR) department to perform public relations, disclose relevant information to shareholders, investors, analysts and relevant persons. The distribution of information shall be conducted in a factual, accurate, timely, and cautious way. The Company's employee who is not authorized or assigned to speak to the press shall not give any interview with the media or the general public, nor disclose any information about the companies in the Group which may adversely affect its reputation or business operations.

11. Related Transactions within the Group

In the case of related transactions amongst the companies within the Group, the Company shall conform to rules and procedures in compliance with the relevant laws and regulations of granting approval, by upholding the best interests of the Company, as if the Company were dealing with external parties (on an arm's length basis).

12. Compliance with Laws, Rules and Regulations

Directors, management and staff members at all levels shall abide by the law and all related rules and regulations pertaining to their position. No member of the Company shall commit or support illegal acts.

13. Supervision and Administration of Code of Conduct

- 13.1 It is the duty of every director, manager and member of staff to read the Code of Conduct, including all amendments that are made, and sign an agreement to abide by its conditions. The Company shall communicate the Code of Conduct to its directors, executives, and member of staff in order that they can perform them in accordance with the Code of Conduct appropriately.
- 13.2 Every director, manager and member of staff shall strictly adhere to the Company's Code of Conduct in the performance of his or her duties. If any unethical conduct is discovered, the wrongdoer should be punished according to the Company's guidelines.
- 13.3 All executives and supervisors should behave as role models for the staff, promote the Code of Conduct among their subordinates and encourage all of them to comply with its conditions.

13.4 The Code of Conduct Committee is nominated and approved by the Board of Directors and is responsible for review and update the Code of Conduct Manual in accordance with the business operations of the Company as well as the laws and relevant regulations. The Code of Conduct Committee shall have meeting at least 1 time per year and report the meeting minute to the Board of Director.

13.5 The Code of Conduct Committee has duties and responsibilities are as follows:

- Review and update the Code of Conduct manual which shall be approved by the Board of Directors.
- Investigate facts and rationales in case of a possible violation of business ethics.
- Provide clarification and information regarding the Code of Conduct of the Company.
- Report to the Executive Committee annually.
- Maintain awareness and staff training to have a deep understanding about business ethics and code of conduct.

14. Reporting of Non-Compliance

The Company's director, executive, manager and member of staff has a duty to report any activity that infringes on the Code of Conduct or are in a situation where they were forced to perform a task that conflicts with the code, to their supervisor, a senior executive, the Internal Audit Office, the Human Resources Department or the Audit Committee, as the case may be.

The Company has a policy to protect the identity of anyone who reports non-compliance with the Code of Conduct. All information received will be treated in the strictest confidence and the Company will not take any disciplinary action against the person reporting the allegation if that person acted in good faith.

(More detail is provided in the Company's Code of Conduct Manual)



Risk Management

Nowadays, business trend and competition have changed dramatically and rapidly. Risk management is essential for the Company to survive and persist when unexpected situation occur. It is deemed necessary for the Company to have a management mechanism to cope with the problems.

The following risks are risk factors that may impact the performance and / or the financial position of the Company can be realized risks, unrealized risks, and unexpected risks as follows:

1. Risks on Operation

1.1 Disease Outbreaks

The disease outbreak has an impact in the animal farming business, in particular, the avian influenza (AI) outbreak in Thailand or other regions in South East Asia. Even though the AI outbreak has no direct impact on the Company's operation, it significantly impacts the confidence of consumers to avoid the consumption of chicken meat in domestic market and also continue to impact the international trade and export limitation.

Risk Management

The Company mitigates the risk of disease outbreak by improving its chicken farm management system and technology including using the closed chicken houses with Evaporative Cooling System (EVAP) and Bio-security system at the farm area and surroundings. There are also measures to prevent disease outbreaks in poultry farms of the Company.

The Company can prevent the risk of disease outbreak at its farm facilities; however, the disease outbreak still have indirect impact to the Thai chicken industry as a whole and also have impact on its ability to generate revenue. For instance, even though the last epidemic of avian influenza in Thailand in 2009 has been resolved and there is no AI outbreak until now. The export of fresh frozen chicken to major trading countries such as EU and Japan has been banned since the AI outbreak.

1.2 Fluctuations in the Prices of Raw Materials Used to Produce Feed Mill.

The price volatility of feed commodities such as corn, soybean meal, and fish meal has an impact on the product cost of the feed. The commodity price changes according to volume output in each period and crop season. In addition, it is determined by the demand and supply of the world markets as well as domestic market in Thailand. Not only the increasing demand of these commodities especially corn and soybean for animal feed production, it also can be used to produce renewable energy and speculation in commodity futures market. These factors may affect the price volatility in raw material. According to climate changes and natural disasters, the supply of these raw materials may be less than the production targets. These factors are uncontrolled and unexpected of the Company. Thus, the price volatility of these commodities is the risk that has impact on the Company's performance. If the prices of these commodities increase higher than the Company's estimation, the production costs of feed and chicken meat will be higher.

Risk Management

The Company mitigated the risk of commodity price by assigning the specialized purchasing unit with highly expertise and experience in procurement of these raw materials to follow up related news closely, to look for alternative sources in term of quality and availability to meet the demands of production. In addition, the Company builds more storage to store these raw materials for keeping higher stock level. When the Company expects that the commodity prices tend to increase in the future, then, the Company can adjust the selling price of feed to compensate the increased cost of raw materials. However, the feed price increase must be approved by the Department of Internal Trade. Due to the fact that the feed price is controlled by the government, the feed price adjustment may not to compensate the total increase in commodity prices.



1.3 Price Volatility of Live Animals and Meats

The main products of the Company are chicken day-old-chicks and chicken meat products that generate income to the Company. The prices of these products were determined by the market's demand and supply in each period. The factors that affected the demand consist of purchasing power, purchasing confidence, and seasonal demand. When the supply of these products exceeds the demand, the price of these products may be lower than expected and also impact on the profit margin of the Company.

Risk Management

The Company mitigates the risk from the price volatility of the chicken meat products by adding value in the products, offering more varieties, and having more product segmentations. For the price volatility of day-old-chicks, it may be beyond the control and expectation of the Company.

1.4 Price Volatility on Fuel

During the past few years, the fuel price in the world market had fluctuated dramatically which were difficult to avoid the effect from the fluctuation of fuel price. According to this fluctuation, it has direct and indirect impacts on the Company's performance including higher production cost and transportation cost.

Risk Management

The Company mitigates the risk from the volatility of fuel price by using logistic system. A subsidiary company has 1 feed mill plant at Banbueng, Chonburi Province which is the close proximity from its broiler farm facilities, located in Chonburi Province. Due to the shorter distance of the new feed mill, the transportation cost of the chicken operation is less in comparison with the old feed mill plant that located on Prasamut-Jedee, Samutprakarn Province and the broiler farms of the group.

1.5 The Confidence of Consumer in Food Safety.

The consumer behavior trend is more focuses on fresh, clean, and safety of chicken meat products and cooked products. Therefore, the Company's operations may be affected if the confidence of consumer in the food safety of its products reduced according to the risk of contaminated products or perishable products that caused by other raw materials used for processing, transportation management system, and storage system.

Risk Management

To reduce the risk that impact on consumer's confidence in food safety, the Company particularly focuses on the international standards of its production processes, product traceability, and quality control in production process to ensure that the products are safe for consumption. The Company closely coordinates and monitors the transportation and storage process in compliance with the international standard and to build the consumer's confidence in the quality of our products.



2. Risk on Administrative Management

The major Shareholders, the Sirimongkolkasem family, hold about 60% of total Shares of the Company, which more than 50% allow the Sirimongkolkasem family can control the votes in the shareholders' meeting Company such as the appointment of the Company's directors or other matters that required majority votes except the matters need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders cannot have the power to inspect the majority shareholders of the Company.



Risk Management

The Company has provided explanation to the major shareholders related to the conditions, guidelines including the meticulous judgment to obtain the benefits of the Company. The business activities are carried on based on equitability and transparency. The authorized directors and executives are responsible for their duties and the results of their actions to all stakeholders of the Company including shareholders, creditors, employees, customers, suppliers and the public.

3. Risk on Financial Position

3.1 The Volatility on Foreign Currency Exchange Rate

The Company has the transactions in foreign currencies for both exports and imports. Therefore, the Company may be affected by the volatility of the foreign currencies exchange rates. In terms of exports, if Thai Baht appreciated, it would affect the income when converted the currency. For the import of raw materials that used to produce feed mill, If Thai Baht depreciated, it would affect the cost of raw materials when converted the currency along with the Company still imports of machinery, materials, and some equipment from overseas.

Risk Management

The Company set a policy for risk management by making foreign exchange forward contracts with several financial institutions for the transactions in foreign currencies to manage the risk of fluctuations in exchange rates. Thus, the Company can have several advantages on doing the FX hedging; for instance, realizing real product cost and having effective product pricing method. Thus, the Company can ensure that the profit target can be reach as expected. However, the aforementioned forward contract does not guarantee that the Company shall be able to mitigate the exchange rates better than the market because the exchange rate cannot be accurately predicted along with the contract.

3.2 The Volatility on Interest Rates

Interest rate risk arises from changes in market interest rates against the future expectation which affected the operation and cash flow of the Company.

Risk Management

The Company mitigates the interest rate risk by assigning the special team to closely monitor the trend of interest rates. In addition, the Company set policy to manage the interest rate risk by using fixed interest rate for its long-term loan to ensure that the cost of funds of the Company is comparable to the market rate at the point in time.

4. Risks on Rules and Regulations

The Company exports its chicken meat products to several countries which can be impacted by the international trade barriers. According to the free trade agreement, the tax barriers i.e. tariff had become less popular; however, the non-tax barriers are imposed for example, the quota system, the additional measures to improve hygiene standards, and setting higher importing standard. However, the new market expansion is also difficult and time consuming because each country has a policy to protect its livestock industry. For the changes in these factors that may have an impact on production costs, sales and profitability of the Company in the future as well as the competitiveness of the Thai chicken export industry.

Risk Management

To reduce the risk of international trade barriers, the Company continuously focuses on the law and regulations of the international trade in order to develop its strategic direction for the business operation to comply with various international regulations. However, the trade barrier is uncontrollable risk that may not be able to have full coverage.



Board of the Directors

1. Name/Surname Mr.Prasit Sirimongkolkasem

Position	Chairman of the Board of Directors
Years of Age	71
Education	Secondary School
Director Training	Directors Accreditation Program



Working Experience:

1975-Present	Chairman of the Board of Directors	P.Charoenphan Feedmill Co., Ltd., P.Vet Co., Ltd.
1978-Present	Chairman of the Board of Directors	Krungthai Farm Co., Ltd., Krungthai Feedmill Public Co., Ltd.
1981-Present	Chairman of the Board of Directors	M.K.S. Farm Co., Ltd., GFPT Public Co., Ltd.
1982-Present	Chairman of the Board of Directors	GF Foods Co., Ltd.
1984-Present	Chairman of the Board of Directors	P.Charoenphan Im-Ex Farm Co., Ltd.
1986-Present	Chairman of the Board of Directors	P.Charoenphan G.P. Farm Co., Ltd.
1987-Present	Chairman of the Board of Directors	Krung Thai Aqua-Culture Co., Ltd.
1988-Present	Chairman of the Board of Directors	P.Charoenphan Produce Co., Ltd.
1990-Present	Chairman of the Board of Directors	P.Charoenphan Foods Co., Ltd., M.K.S.Condo Town Co., Ltd.
1993-Present	Chairman of the Board of Directors	Julchat Co., Ltd., Panalab Co., Ltd., GP Breeding Co., Ltd.
1994-Present	Director	Sap Sirichai Co., Ltd.
1995-Present	Director	Asia Flowers Co., Ltd.

No. of Shareholding 220,000,000 Shares - 17.55% of Total Shares

The Year of Nomination Since 1981 — Present

The Existence of Director / Executive Director in other Business

Other Listed Company -None-

Other Business (Not registered Company) -17-

Position in competing / Involving Business

- Chairman of the Board of Directors of Krungthai Feedmill Public Co., Ltd.	Subsidiary Company : Feed Mill
- Chairman of the Board of Directors of Krungthai Farm Co., Ltd.	Subsidiary Company : Hatchery Farm
- Chairman of the Board of Directors of M.K.S. Farm Co., Ltd.	Subsidiary Company : Broiler Farm
- Chairman of the Board of Directors of GF Foods Co., Ltd.	Subsidiary Company : Processed Chicken Food
- Chairman of the Board of Directors of GP Breeding Co., Ltd.	Subsidiary Company : Sale on Parent Chicken



Board of the Directors



2. Name/Surname Mr. Virach Sirimongkolkasem

Position	Vice Chairman and Managing Director
Years of Age	62
Education	Primary School
Director Training	Directors Accreditation Program

Working Experience:

1975-Present	Vice Chairman and Managing Director	P.Charoenphan Feedmill Co., Ltd., P.Vet Co., Ltd.
1978-Present	Vice Chairman and Managing Director	Krungthai Farm Co., Ltd., Krungthai Feedmill Public Co., Ltd.
1981-Present	Vice Chairman and Managing Director	M.K.S. Farm Co., Ltd., GFPT Public Co., Ltd.
1982-Present	Vice Chairman and Managing Director	GF Foods Co., Ltd.
1984-Present	Vice Chairman and Managing Director	P.Charoenphan Im-Ex Farm Co., Ltd.
1986-Present	Vice Chairman and Managing Director	P.Charoenphan G.P. Farm Co., Ltd.
1987-Present	Vice Chairman and Managing Director	Krung Thai Aqua-Culture Co., Ltd.
1988-Present	Vice Chairman and Managing Director	P.Charoenphan Produce Co., Ltd.
1990-Present	Vice Chairman and Managing Director	M.K.S. Condo Town Co., Ltd.
1991-Present	Chairman of the Board of Directors and Managing Director	Ferma Co., Ltd.

1993-Present	Vice Chairman and Managing Director	Julchat Co., Ltd., Panalab Co., Ltd., GP Breeding Co., Ltd.
2003-Present	Director	Mckey Food Service Co., Ltd.

No. of Shareholding 180,000,000 Shares - 14.36% of Total Shares

The Year of Nomination Since 1981 — Present

The Existence of Director / Executive Director in other Business

Other Listed Company -None-

Other Business (Not registered Company) -16-

Position in competing / Involving Business

- Vice Chairman and Managing Director of Krungthai Feedmill Public Co., Ltd.	Subsidiary Company : Feed Mill
- Vice Chairman and Managing Director of Krungthai Farm Co., Ltd.	Subsidiary Company : Hatchery Farm
- Vice Chairman and Managing Director of M.K.S. Farm Co., Ltd.	Subsidiary Company : Broiler Farm
- Vice Chairman and Managing Director of GF Foods Co., Ltd.	Subsidiary Company : Processed Chicken Food
- Vice Chairman and Managing Director of GP Breeding Co., Ltd.	Subsidiary Company : Sale on Parent Chicken
- Director of Mckey Food Services (Thailand) Co., Ltd.	Associated Company : Processed Chicken Food



3. Name/Surname	Dr. Anan Sirimongkolkasem
Position	Chairman of Executive Committee
Years of Age	60
Education	Faculty of Science, Mahidol University Faculty of Medicine, Ramathibodi Hospital, Mahidol University
Director Training	Directors Accreditation Program

Working Experience:

1987-Present	Director	Vet pha Co., Ltd.
1991-Present	Chairman of Executive Committee and Deputy Managing Director	M.K.S. Farm Co., Ltd., GFPT Public Co., Ltd. Krungthai Farm Co., Ltd., GF Foods Co., Ltd.
1991-Present	Executive Director	Krungthai Feedmill Public Co., Ltd.
1991-Present	Director	P.Charoenphan Feedmill Co., Ltd., P.Vet Co., Ltd. P.Charoenphan Produce Co., Ltd., Ferma Co., Ltd.
1993-Present	Chairman of Executive Committee and Deputy Managing Director	GP Breeding Co., Ltd.
1993-Present	Managing Director	Mckey Food Service Co., Ltd.
1993-Present	Director	Panalab Co., Ltd.
1995-Present	Managing Director	Asia Flowers Co., Ltd.
2000-Present	President-Thai Broiler Processing Exporters Association Director-The Federation of Thai Industries Director-Thai National Shippers' council	

2008-Present	Director	GFPT Nichirei (Thailand) Co., Ltd.
No. of Shareholding		4,134,080 Shares - 0.33% of Total Shares
The Year of Nomination		Since 1991 — Present

The Existence of Director / Executive Director in other Business

Other Listed Company	-None-
Other Business (Not registered Company)	-17-

Position in competing / Involving Business

- Executive Director of Krungthai Feedmill Public Co., Ltd.	Subsidiary Company : Feed Mill
- Chairman of Executive Committee and Managing Director of Krungthai Farm Co., Ltd.	Subsidiary Company : Hatchery Farm
- Chairman of Executive Committee and Managing Director of M.K.S. Farm Co., Ltd.	Subsidiary Company : Broiler Farm
- Chairman of Executive Committee and Managing Director of GF Foods Co., Ltd.	Subsidiary Company : Processed Chicken Food
- Chairman of Executive Committee and Managing Director of GP Breeding Co., Ltd.	Subsidiary Company : Sale on Parent Chicken
- Managing Director of Mckey Food Services (Thailand) Co., Ltd.	Associated Company : Processed Chicken Food
- Managing Director of GFPT Nichirei (Thailand) Co., Ltd.	Associated Company : Processed Chicken Food, Fresh Chicken Meat and Cooked Chicken Product



Board of the Directors



4. Name/Surname	Dr.Sathit Karanes
Position	Chairman of Audit Committee and Independent Director
Years of Age	59
Education	Faculty of Science, Mahidol University
Director Training	Directors Accreditation Program

Working Experience:

1988-Present	Instructor and Doctor	Faculty of Medicine, Ramathibodi Hospital
1998-2008	Director of Audit Committee and Independent Director	GFPT Public Co., Ltd.
2008-Present	Chairman of Audit Committee and Independent Director	GFPT Public Co., Ltd.
No. of Shareholding		-none-
The Year of Nomination		Since 1998 — Present
The Existence of Director / Executive Director in other Business		
Other Listed Company		-None-
Other Business (Not registered Company)		-None-
Position in competing / Involving Business		-None-



5. Name/Surname	Mr.Paramet Hetrakul
Position	Director of Audit Committee and Independent Director
Years of Age	48
Education	University of Hartford, Connecticut, USA, MBA The Institute of Chartered Financial Analysts, Virginia, USA.CFA
Director Training	Directors Accreditation Program

Working Experience:

2005-Present	Director of Audit Committee and	Independent Director GFPT Public Co., Ltd.
Present:	Director Si-Phya Publishing Co., Ltd.	Pra Choom Chang Co., Ltd. Saeng Enterprise Corporation Co., Ltd., Agri-Union Co., Ltd. Piyadamansion Co., Ltd.
No. of Shareholding		50,000 shares — 0.004% of Total Shares
The Year of Nomination		Since 2005 — Present
The Existence of Director / Executive Director in other Business		
Other Listed Company		-None-
Other Business (Not registered Company)		-5-
Position in competing / Involving Business		-None-



Board of the Directors



6. Name/Surname	Mr.Thanathip Pichedvanichok
Position	Director of Audit Committee and Independent Director
Years of Age	47
Education	Law, LL. M. University of Pennsylvania Law, LL. M. Southern Methodist University Law, LL. B. Thammasat University
Director Training	Directors Accreditation Program

Working Experience:

1998-2005	Director of Linklaters (Thailand) Co., Ltd.	
2005-Present	Director of Thanathip and Partners	Law Consultant Co., Ltd.
2008-Present	Director of Audit Committee and	Independent Director GFPT Public Co., Ltd.
No. of Shareholding		-none-
The Year of Nomination		Since 2008 — Present
The Existence of Director / Executive Director in other Business		
Other Listed Company		-None-
Other Business (Not registered Company)		-1-
Position in competing / Involving Business		-None-



7. Name/Surname	Mrs.Somsiri Ingpochai
Position	Executive Director
Years of Age	64
Education	Primary School
Director Training	Directors Accreditation Program

Working Experience:

1975-Present	Director	P.Charoenphan Feedmill Co., Ltd., P.vet Co., Ltd.
1978-Present	Director Executive Director SVP, Accounting & Finance Department	Krungthai Farm Co.,Ltd. Krungthai Feedmill Public Co.,Ltd.
1981-Present	Director Executive Director	M.K.S. Farm Co., Ltd., GFPT Public Co., Ltd.
1982-Present	Director	GF Foods Co., Ltd.
1988-Present	Director	P.Charoenphan Produce Co., Ltd.
1991-Present	Director	Ferma Co., Ltd.
1993-Present	Director	Panalab Co., Ltd.

No. of Shareholding 2,979,930 Shares — 0.24% of Total Shares

The Year of Nomination Since 1981 — Present

The Existence of Director / Executive Director in other Business

Other Listed Company -None-

Other Business (Not registered Company) -9-

Position in competing / Involving Business

- Executive Director of Krungthai Feedmill Public Co., Ltd. SVP, Accounting & Finance Department	Subsidiary Company : Feed Mill
- Director of Krungthai Farm Co., Ltd.	Subsidiary Company : Hatchery Farm
- Director of M.K.S. Farm Co., Ltd.	Subsidiary Company : Broiler Farm
- Director of GF Foods Co., Ltd.	Subsidiary Company : Processed Chicken Food



Board of the Directors



8. Name/Surname Ms.Wannee Sirimongkolkasem

Position	Director
Years of Age	54
Education	Bachelor Degree in Education, Srinakharintaravirote University
Director Training	Directors Accreditation Program

Working Experience:

1982-Present	Director	GFPT Public Co., Ltd., P.Vet Co., Ltd.
1982-Present	SVP, Import and Chemicals Purchasing Department	Krungthai Feedmill Public Co., Ltd.
1991-Present	Director	Ferma Co., Ltd.
1993-Present	Director	Panalab Co., Ltd.
No. of Shareholding		11,129,920 Shares — 0.89% of Total Shares
The Year of Nomination		Since 1982 — Present
The Existence of Director / Executive Director in other Business		
Other Listed Company		-None-
Other Business (Not registered Company)		-4-
Position in competing / Involving Business		
- SVP, Import and Chemicals Purchasing Department of Krungthai Feedmill PCL.		Subsidiary Company : Feed Mill



9. Name/Surname	Mr.Sujin Sirimongkolkasem
Position	Director
Years of Age	41
Education	B.B.A. in Economic, Boston University
Director Training	Directors Certification Program

Working Experience:

2004-Present	Director and Vice President, Live-Chicken Purchasing Department	GFPT Public Co., Ltd.
2004-Present	Vice President, Marketing Department	Krungthai Feedmill Public Co., Ltd.
2004-Present	Director	P.Vet Co., Ltd., Panalab Co., Ltd. Ferma Co., Ltd.
No. of Shareholding		222,795,100 Shares — 17.77% of Total Shares
The Year of Nomination		Since 2004 — Present
The Existence of Director / Executive Director in other Business		
Other Listed Company		-None-
Other Business (Not registered Company)		-4-
Position in competing / Involving Business		
- Vice President, Marketing Department of Krungthai Feedmill Public Co., Ltd.		Subsidiary Company : Feed Mill



Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the GFPT Public Company Limited and its subsidiaries' financial statements and financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with accounting standard, financial reports, interpretation and accounting practices promulgated by Federation of Accounting Professions, the related regulations and declaration of the Securities and Exchange Commission and the Stock Exchange of Thailand, and the generally accepted accounting principles of Thailand; and used appropriate accounting policies as well as applied thoughtful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements for shareholders and investors.

The Board of Directors has provided and maintained the efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect its assets and uncover weakness in order to prevent fraud or material irregular operation.

The Board of Directors has appointed an Audit Committee to review the accounting policies, the quality of financial statements, internal control system, internal control, risk management, and information disclosure of inter-transaction. The comments on these issues are readily included the Audit Committee Report in this annual report.

The financial statements of the Company and its subsidiaries were audited by the auditor from S.K. Accountant Services Co., Ltd. The Audit Committee provided the information and documents to support the auditor in accordance with auditing standards. The comments on these issues are readily included the Auditor's Report in this annual report.

The Board of Directors has an opinion that the internal control system of the Company is effective and build confidence that the GFPT's financial statements and the GFPT and its subsidiaries' financial statements for the year ended December 31, 2011 have rendered credibility in accordance with generally accepted accounting principles, laws, and related regulations.

(Dr. Anan Sirimongkolkasem)
Chairman of Executive Committee

(Mr. Virach Sirimongkolkasem)
Managing Director

Audit Fees

The auditors the Company and subsidiary companies in accounting period of the year 2011 are Mr. Ampol Chamnongwat, authorized auditor no. 4663 or Ms. Wanlaya Puttasatien, Authorized Auditor No. 4387, or Mr. Naris Saowalagsakul, Authorized Auditor No. 5369 from S.K. Accountant Services Co., Ltd.

The Company and subsidiary companies paid the audit fee to S.K. Accountant Services Co., Ltd. in accounting period of the year 2011 as follows:

1. Audit Fee to Related Party Involve with the Auditor

The Company and subsidiary companies paid the audit fee in amount of 2,401,700 Baht that comprised of the audit fee of the Company in amount of 754,000 Baht, the audit fee of subsidiary companies in amount of 1,647,700 Baht.

2. Non-Audit Fee

The Company and subsidiary companies paid the non-audit fee such as the inspection of BOI project under the condition to use the rights for waive the corporate income tax to the Board of Investment (BOI) in amount of 120,000 Baht that comprised of the remuneration of the inspection of BOI project of the Company in amount of 35,000 Baht and the remuneration of the inspection of BOI project of subsidiary companies in amount of 85,000 Baht.

However, in accounting period of the year 2011, the Company and subsidiary company had not pay any remuneration to individual person or related party involve with the auditor.



AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of GFPT PUBLIC COMPANY LIMITED

I have audited the consolidated and separate statements of financial position as of December 31, 2011 and 2010, the related consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for the year then ended of GFPT PUBLIC COMPANY LIMITED and its subsidiaries, and the separate of GFPT PUBLIC COMPANY LIMITED. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position as of December 31, 2011 and 2010 and the consolidated and separate the results of operations and cash flows for the year then ended of GFPT PUBLIC COMPANY LIMITED and its subsidiaries, and also the financial statements of GFPT PUBLIC COMPANY LIMITED, respectively in accordance with generally accepted accounting principles.

While the report to the financial statements is unqualified according to that mentioned in paragraph 3rd, I ask to notice note to the financial statements No. 8.1, The Group has firstly applied the Accounting Standard No. 19 "Employee Benefits" from January 1, 2011, onwards. In respect of the firstly applied of the accounting policy, the Group recognized the additional liabilities under the employee benefits schemes adjusted with beginning retained earnings of 2011 to be conform to the requirement of that accounting standards, while there is affected result to the consolidated financial statements with beginning retained earnings of 2011 decrease in amount of Baht 234.35 million, recognized the additional liabilities under the employee benefits increase in amount of Baht 230.78 million, record investment in associated company decrease in amount of Baht 5.32 million and recognized non-controlling interests decrease in amount of Baht 1.76 million and separate financial statements affected with beginning retained earnings of 2011 decrease and recognized the additional liabilities under the employee benefits increase in amount of Baht 93.69 million, including for applied the Accounting Standards No. 40 (revised 2009) "Investment Property" while there is affected reclassification of accounts in note to the financial statements No. 8.2 which I have audited adjusted transactions that related and found that such adjusted transactions are appropriated and taken to fairly adjust the consolidated and separate financial statements.

Notes to the financial statements No 4.1, in during for the year ended December 31, 2011, The Group explain the adoption of certain newly issued financial reporting standards guidelines promulgated by the Federation of Accounting Professions for the preparation of the accompanying financial statements which are effective for accounting periods beginning on or after January 1, 2011. Accordingly the comparative the consolidated and separate financial statements for the year ended December 31, 2010, have been presented in accordance with the financial statements for the year ended December 31, 2011.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED



(Ampol Chamnongwat)

Authorized Auditor No. 4663

Bangkok,
February 23, 2012.



GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2011 and 2010

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
			(Restated)		(Restated)
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalent	(Note 11)	173,042,308.89	181,589,484.35	42,018,247.42	54,472,030.69
Accounts and Notes Receivable-Net	(Note 12)	507,869,427.68	511,518,509.96	99,715,462.26	149,480,487.43
Accounts and Notes Receivable-Subsidiary,					
Associated and Related Companies	(Note 9.2,13)	266,097,996.45	228,914,181.39	165,380,574.65	182,804,116.28
Inventories-Net	(Note 14)	2,816,233,442.09	2,306,033,019.04	274,030,082.23	176,805,126.59
Other Current Assets		71,648,439.90	56,083,717.64	37,118,975.76	37,145,764.43
TOTAL CURRENT ASSETS		3,834,891,615.01	3,284,138,912.38	618,263,342.32	600,707,525.42
NON-CURRENT ASSETS					
Investment in Subsidiary Companies	(Note 15)	-	-	1,661,654,542.35	1,661,436,142.35
Investment in Associated Companies	(Note 16)	629,542,149.14	746,157,099.47	622,299,700.00	622,299,700.00
Other Long-Term Investment		25,000.00	25,000.00	-	-
Grandparent Chickens-Net	(Note 17)	41,003,404.75	40,557,764.87	-	-
Parent Chickens-Net	(Note 18)	309,440,843.03	300,099,744.75	-	-
Investment Property-Net	(Note 19)	159,363,390.55	202,923,392.85	273,109,949.75	301,460,328.06
Property, Plant and Equipment-Net	(Note 20)	5,037,074,141.15	4,603,630,387.62	1,245,918,485.20	1,250,962,516.42
Intangible Assets-Net	(Note 21)	7,803,441.48	6,012,745.86	7,803,441.48	6,012,745.86
Goodwill		1,294,911.36	1,294,911.36	-	-
Other Non-Current Assets		47,956,812.32	31,595,965.35	10,876,588.55	2,565,123.68
TOTAL NON-CURRENT ASSETS		6,233,504,093.78	5,932,297,012.13	3,821,662,707.33	3,844,736,556.37
TOTAL ASSETS		10,068,395,708.79	9,216,435,924.51	4,439,926,049.65	4,445,444,081.79

Notes to the financial statements are an integral part of these statements.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht (Restated)	Baht	Baht (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-Term Loans from Financial Institutions (Note 22,23)	666,223,163.49	452,858,369.47	180,000,000.00	280,000,000.00
Accounts and Notes Payable	447,614,039.59	451,326,621.32	71,305,901.67	114,918,977.74
Accounts and Notes Payable -Subsidiary, Associated and Related Companies (Note 9.2)	3,550,763.23	3,218,422.50	108,105,268.85	11,697,430.70
Current Portion of Long-Term Loans from Financial Institutions (Note 22,24)	80,000,000.00	143,160,000.00	-	-
Short-Term Loans from Subsidiary Company (Note 9.2)	-	-	-	5,000,000.00
Other Current Liabilities				
Accrued Expenses	137,872,462.57	131,721,914.93	40,640,076.26	45,039,049.12
Other Accounts Payable	61,026,839.53	49,484,245.93	9,828,998.51	13,486,459.67
Other Current Liabilities	34,045,476.59	29,821,278.90	13,454,833.95	11,669,251.91
TOTAL CURRENT LIABILITIES	1,430,332,745.00	1,261,590,853.05	423,335,079.24	481,811,169.14
NON-CURRENT LIABILITIES				
Long-Term Loans from Financial Institutions-Net (Note 22,24)	240,000,000.00	414,730,000.00	-	-
Long-Term Loans from Related Persons-Net (Note 9.2,22)	2,000,000,000.00	1,998,100,000.00	692,200,000.00	692,200,000.00
Provision for Employee Benefit (Note 25)	253,193,907.00	-	103,544,170.00	-
Other Non-Current Liabilities	160,486,337.08	164,906,006.95	156,573,565.72	162,856,668.59
TOTAL NON-CURRENT LIABILITIES	2,653,680,244.08	2,577,736,006.95	952,317,735.72	855,056,668.59
TOTAL LIABILITIES	4,084,012,989.08	3,839,326,860.00	1,375,652,814.96	1,336,867,837.73

Notes to the financial statements are an integral part of these statements.



GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht (Restated)	Baht	Baht (Restated)
SHAREHOLDERS' EQUITY				
Share Capital (Note 26)				
Authorized Share Capital:				
1,400,000,000 Ordinary Shares @ Baht 1.00	1,400,000,000.00	1,400,000,000.00	1,400,000,000.00	1,400,000,000.00
Issued and Paid-up Share Capital				
1,253,821,000 Ordinary Shares @ Baht 1.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Premium on Share Capital	525,000,000.00	525,000,000.00	525,000,000.00	525,000,000.00
Discount from Purchase Investment in				
Subsidiary Company	2,693,811.16	2,505,154.90	-	-
Retained Earnings				
Appropriated				
Legal Reserve	140,000,000.00	140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated	3,997,532,628.26	3,404,614,388.15	1,145,452,234.69	1,189,755,244.06
SHAREHOLDERS' EQUITY OF GFPT PUBLIC COMPANY LIMITED	5,919,047,439.42	5,325,940,543.05	3,064,273,234.69	3,108,576,244.06
Non-Controlling Interests	65,335,280.29	51,168,521.46	-	-
TOTAL SHAREHOLDERS' EQUITY	5,984,382,719.71	5,377,109,064.51	3,064,273,234.69	3,108,576,244.06
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,068,395,708.79	9,216,435,924.51	4,439,926,049.65	4,445,444,081.79

Notes to the financial statements are an integral part of these statements.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht (Restated)	Baht	Baht (Restated)
Sales	14,214,030,746.47	12,472,487,067.42	6,459,908,358.26	7,204,956,916.65
Cost of Sales	(12,002,517,124.30)	(10,457,482,912.25)	(5,981,504,104.92)	(6,717,772,031.69)
GROSS PROFIT	2,211,513,622.17	2,015,004,155.17	478,404,253.34	487,184,884.96
Dividend Income from Subsidiary Companies (Note 15, 27.4 - 27.9)	-	-	196,980,006.00	145,995,955.45
Dividend Income from Associated Company (Note 16, 27.3)	-	-	-	22,050,000.00
Other Income	218,482,701.99	219,734,648.72	110,458,040.15	122,408,951.36
PROFIT BEFORE EXPENSES	2,429,996,324.16	2,234,738,803.89	785,842,299.49	777,639,791.77
Selling Expenses	(328,065,276.29)	(349,372,623.70)	(85,881,972.13)	(124,249,425.59)
Administrative Expenses	(490,671,928.08)	(463,198,237.11)	(183,957,591.85)	(171,433,734.76)
Management's Remuneration (Note 9.3, 28)	(56,226,635.00)	(40,361,759.00)	(34,654,713.00)	(22,811,290.00)
Total Expenses	(874,963,839.37)	(852,932,619.81)	(304,494,276.98)	(318,494,450.35)
PROFIT BEFORE PARTICIPATING LOSS IN ASSOCIATED COMPANIES	1,555,032,484.79	1,381,806,184.08	481,348,022.51	459,145,341.42
Participating Loss in Associated Companies	(111,293,275.48)	(1,516,722.72)	-	-
PROFIT BEFORE FINANCIAL COSTS AND INCOME TAXES	1,443,739,209.31	1,380,289,461.36	481,348,022.51	459,145,341.42
FINANCIAL COSTS (Note 29)	(144,253,726.07)	(134,974,880.56)	(50,781,981.14)	(49,009,921.83)
PROFIT BEFORE INCOME TAXES	1,299,485,483.24	1,245,314,580.80	430,566,041.37	410,135,419.59
INCOME TAXES (Note 30)	(76,748,962.19)	(57,852,888.40)	(5,058,081.74)	-
PROFIT FOR THE PERIOD	1,222,736,521.05	1,187,461,692.40	425,507,959.63	410,135,419.59
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,222,736,521.05	1,187,461,692.40	425,507,959.63	410,135,419.59
ATTRIBUTABLE TO :				
Shareholder of the GFPT PUBLIC COMPANY LIMITED	1,203,385,204.67	1,166,312,377.25		
Non-Controlling Interests	19,351,316.38	21,149,315.15		
	1,222,736,521.05	1,187,461,692.40		
BASIC EARNINGS PER SHARE OF				
GFPT PUBLIC COMPANY LIMITED	0.96	0.93	0.34	0.33

Notes to the financial statements are an integral part of these statements.



GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2011 and 2010
CONSOLIDATED FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Share Capital	Discount from Purchase Investment in Subsidiary Company	Retained Earnings		Total	Non-Controlling Interests	Total
	Baht	Baht	Baht	Appropriated Legal Reserve	Unappropriated	Baht	Baht	Baht
Balance as of December 31, 2009 (Before Adjustment)	1,253,821,000.00	525,000,000.00	-	136,098,384.32	2,590,942,120.23	4,505,861,504.55	45,844,074.76	4,551,705,579.31
Effectuated Result of the Error from Recording for Income Taxes	-	-	-	-	(7,693,541.83)	(7,693,541.83)	-	(7,693,541.83)
Previous Year Adjust Transactions	-	-	-	-	(27,603,701.82)	(27,603,701.82)	-	(27,603,701.82)
Balance as of December 31, 2009 (Restated)	1,253,821,000.00	525,000,000.00	-	136,098,384.32	2,555,644,876.58	4,470,564,280.90	45,844,074.76	4,516,408,335.66
Total Comprehensive Income for the Period (Before Adjustment)	-	-	-	-	1,163,446,698.48	1,163,446,698.48	21,149,315.15	1,184,596,013.63
Effectuated Result of the Error from Recording for Income Taxes	-	-	-	-	2,865,678.77	2,865,678.77	-	2,865,678.77
Total Comprehensive Income for the Period (Restated)	-	-	-	-	1,166,312,377.25	1,166,312,377.25	21,149,315.15	1,187,461,692.40
Discount from Purchase Investment in Subsidiary Company	-	-	2,505,154.90	-	-	2,505,154.90	(2,505,154.90)	-
Decreased in Non-Controlling Interests from Purchase Investment in Subsidiary Company	-	-	-	-	-	-	(13,319,713.55)	(13,319,713.55)
Dividend Payment	-	-	-	-	(313,441,250.00)	(313,441,250.00)	-	(313,441,250.00)
Legal Reserve	-	-	-	3,901,615.68	(3,901,615.68)	-	-	-
Balance as of December 31, 2010	1,253,821,000.00	525,000,000.00	2,505,154.90	140,000,000.00	3,404,614,388.15	5,325,940,543.05	51,166,521.46	5,377,109,064.51
Adjust Provision for Employee Benefit	-	-	-	-	(234,345,714.56)	(234,345,714.56)	(1,757,507.29)	(236,103,221.85)
Total Comprehensive Income for the Period	-	-	-	-	1,203,385,204.67	1,203,385,204.67	19,351,316.38	1,222,736,521.05
Discount from Purchase Investment in Subsidiary Company	-	-	188,656.26	-	-	188,656.26	(188,656.26)	-
Decreased in Non-Controlling Interests from Purchase Investment in Subsidiary Company	-	-	-	-	-	-	(3,238,394.00)	(3,238,394.00)
Dividend Payment	-	-	-	-	(376,121,250.00)	(376,121,250.00)	-	(376,121,250.00)
Balance as of December 31, 2011	1,253,821,000.00	525,000,000.00	2,693,811.16	140,000,000.00	3,997,532,698.26	5,919,047,439.42	65,335,280.29	5,984,382,719.71

Notes to the financial statements are an integral part of these statements.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2011 and 2010

SEPARATE FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Share Capital	Retained Earnings		Total
			Appropriated Legal Reserve	Unappropriated	
	Baht	Baht	Baht	Baht	Baht
Balance as of December 31, 2009 (Before Adjustment)	1,253,821,000.00	525,000,000.00	136,098,384.32	1,127,037,146.85	3,041,956,531.17
Previous Year Adjust Transactions	-	-	-	(30,074,456.70)	(30,074,456.70)
Balance as of December 31, 2009 (Restated)	1,253,821,000.00	525,000,000.00	136,098,384.32	1,096,962,690.15	3,011,882,074.47
Total Comprehensive Income for the Period	-	-	-	410,135,419.59	410,135,419.59
Dividend Payment	-	-	-	(313,441,250.00)	(313,441,250.00)
Legal Reserve	-	-	3,901,615.68	(3,901,615.68)	-
Balance as of December 31, 2010	1,253,821,000.00	525,000,000.00	140,000,000.00	1,189,755,244.06	3,108,576,244.06
Adjust Provision for Employee Benefit	-	-	-	(93,689,719.00)	(93,689,719.00)
Total Comprehensive Income for the Period	-	-	-	425,507,959.63	425,507,959.63
Dividend Payment	-	-	-	(376,121,250.00)	(376,121,250.00)
Balance as of December 31, 2011	1,253,821,000.00	525,000,000.00	140,000,000.00	1,145,452,234.69	3,064,273,234.69

Notes to the financial statements are an integral part of these statements.



GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht (Restated)	Baht	Baht (Restated)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Income Taxes	1,299,485,483.24	1,245,314,580.80	430,566,041.37	410,135,419.59
Adjustment to Profit before Income Taxes for Cash				
Received (Paid) from Operations				
Depreciation-Grandparent Chicken	47,538,393.57	46,052,851.37	-	-
Depreciation-Parent Chicken	317,266,814.11	295,440,566.94	-	-
Depreciation-Investment Property	103,302.30	119,322.80	11,708,449.39	8,508,570.54
Depreciation-Fixed Assets	454,912,771.09	422,472,423.13	151,896,300.48	141,485,495.02
Amortization Expenses	2,371,248.50	1,639,383.53	2,371,248.50	1,639,383.53
Loss from Assets Dillapidation	208,818.11	657,118.34	1.00	-
Bad Debts-Accounts Receivable	264,619.79	4,273,643.58	-	-
Reversal from Doubtful Debts-Accounts Receivable	(1,155,543.70)	(8,420,832.07)	-	-
Doubtful Debts-Other Receivable	360,471.57	-	360,471.57	-
Doubtful Debts-Withholding Tax (Reverse)	(2,998,467.12)	3,033,841.77	-	-
Loss from Sales of Grandparent Chickens Retirement	288,186.22	1,090,033.53	-	-
Loss (Gain) from Sales of Parent Chickens Retirement	(5,186,888.08)	18,982,387.00	-	-
Loss from Value of Disposal of Chicken	3,732,609.74	2,777,207.42	-	-
Loss from Decline in Value of Inventories (Reverse)	21,421,602.17	(1,484,277.05)	3,753,980.55	2,825,195.79
Reverse Loss from Decline in Value of Non-Movement Inventories	(6,622.12)	(12,751.99)	-	-
Reverse Loss from Decline in Office Supplies	(774.80)	(4,130.63)	-	-
Gain from Sales of Fixed Assets	(6,479,658.54)	(4,157,368.03)	(1,144,453.28)	(1,911,085.16)
Loss from Impairment of Investment Property (Reverse)	2,887,500.00	(546,209.65)	2,887,500.00	-
Gain from Sales of Investment Property	(50,000.00)	(4,713,927.40)	-	-
Loss (Gain) from Unrealized Exchange Rate	2,406,611.55	(135,785.94)	(630,648.91)	(100,977.18)
Exceed from Average for Value Added	(17,976.29)	-	-	-
Gain from Receipt as Asset	-	(3,391.00)	-	-
Transferred Assets to be Expenses	365,951.63	612,056.34	365,951.63	612,056.34
Dividend Income from Subsidiary Companies	-	-	(196,980,006.00)	(145,995,955.45)
Dividend Income from Associated Company	-	-	-	(22,050,000.00)
Provision for Employee Benefit	16,006,531.00	-	6,539,911.00	-
Interest Income	(2,050,782.92)	(529,904.38)	(440,396.62)	(258,925.78)
Interest Expenses	135,806,078.74	134,302,689.92	46,658,224.58	46,570,892.78
Interest Expenses- Employee Benefit	8,423,375.00	-	3,419,625.00	-
Participating (Profit) Loss in Associated Companies	111,293,275.48	1,516,722.72	-	-
Profit from Operating Activities before				
Changes in Operating Assets and Liabilities	2,407,196,930.24	2,158,276,251.05	461,332,200.26	441,460,070.02

Notes to the financial statements are an integral part of these statements.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht (Restated)	Baht	Baht (Restated)
CASH FLOW FROM OPERATING ACTIVITIES (CONTINUE)				
(Increase) Decrease in Accounts and Notes Receivable	(29,662,864.41)	(130,220,500.72)	67,876,639.37	(64,381,821.84)
(Increase) Decrease in Inventories	(652,311,691.82)	(425,722,975.15)	(99,291,475.00)	85,910,603.61
(Increase) Decrease in Other Current Assets	5,096,894.14	(9,487,044.51)	10,636,041.06	(5,303,161.25)
(Increase) Decrease in Other Non-Current Assets	(21,415,047.97)	(11,051,237.23)	(520,422.52)	10,327,755.52
Increase (Decrease) in Accounts and Notes Payable	(3,615,887.22)	(105,657,382.04)	52,737,338.42	17,015,938.83
Increase (Decrease) in Accrued Expenses	2,688,089.15	8,785,433.81	(4,750,381.07)	281,321.29
Increase (Decrease) in Other Accounts Payable	(65,709,242.60)	(66,667,043.64)	(6,467,303.90)	(34,082,768.59)
Increase (Decrease) in Other Current Liabilities	4,224,197.69	3,071,890.94	1,785,582.04	(1,815,601.23)
Increase (Decrease) in Other Non-Current Liabilities	(4,419,669.87)	148,824,774.35	(6,283,102.87)	148,312,816.99
Cash Received (Paid) from Operating Activities	1,642,071,707.33	1,570,152,166.86	477,055,115.79	597,725,153.35
Cash Received from Interest Income	2,050,782.92	524,904.38	440,396.62	258,925.78
Cash Refund from Withholding Taxes	4,327,640.43	412,865.94	1,293,798.66	-
Cash Payment for Employee Benefit	(2,017,546.00)	-	(105,085.00)	-
Cash Payment for Corporate Income Taxes	(97,095,000.46)	(64,739,270.91)	(25,112,646.71)	(9,084,841.01)
Net Cash Provided (Used) from Operating Activities	1,549,337,584.22	1,506,350,666.27	453,571,579.36	588,899,238.12
CASH FLOW FROM INVESTING ACTIVITIES				
Cash Payment for Investment in Subsidiary Company	(218,400.00)	(12,065,669.00)	(218,400.00)	(12,065,669.00)
Cash Payment from Investment in Associated Company	-	(191,100,000.00)	-	(191,100,000.00)
Cash Received from Dividend from Subsidiary Companies	-	-	196,980,006.00	145,995,955.45
Cash Received from Dividend from Associated Company	-	22,050,000.00	-	22,050,000.00
Cash Payment from Investment in Grandparent Chicken	(45,728,872.41)	(44,588,962.75)	-	-
Cash Payment from Investment in Parent Chicken	(374,792,546.06)	(375,760,977.84)	-	-
Cash Received from Sales of Grandparent Chicken Retirement	4,237,885.75	3,538,310.00	-	-
Cash Received from Sales of Parent Chicken Retirement	97,123,345.00	77,479,664.00	-	-
Cash Payment for Purchases of Investment Property	-	(95,760,000.00)	(26,464,771.08)	(95,760,000.00)
Cash Payment for Purchases of Fixed Assets	(701,700,308.19)	(880,465,355.55)	(107,917,620.55)	(352,266,712.54)
Cash Payment for Purchases of Intangible Assets	(4,161,944.12)	(1,611,279.90)	(4,161,944.12)	(1,611,279.90)
Cash Payment for Interest Expenses Capitalize to Assets	(15,324,745.28)	(6,075,485.77)	-	-
Cash Received from Sales of Fixed Assets	22,183,901.52	240,089,889.35	3,185,433.49	235,065,856.70
Cash Received from Sales of Investment Property	400,000.00	10,226,316.00	-	-
Net Cash Provided (Used) from Investing Activities	(1,017,981,683.79)	(1,254,043,551.46)	61,402,703.74	(249,691,849.29)

Notes to the financial statements are an integral part of these statements.



GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2011 and 2010

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
		(Restated)		(Restated)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Trust Receipt	340,480,477.27	26,026,096.24	-	-
Cash Received from Short-Term Loans from Financial Institutions	1,050,000,000.00	2,748,000,000.00	980,000,000.00	2,010,000,000.00
Cash Payment from Short-Term Loans from Financial Institutions	(1,180,000,000.00)	(3,442,000,000.00)	(1,080,000,000.00)	(2,210,000,000.00)
Cash Payment from Short-Term Loans from Related Persons	-	(25,000,000.00)	-	(20,000,000.00)
Cash Received from Short-Term Loans from Subsidiary Company	-	-	145,000,000.00	-
Cash Payment from Short-Term Loans from Subsidiary Company	-	-	(150,000,000.00)	(10,000,000.00)
Cash Received from Long-Term Loans from Related Persons	1,900,000.00	726,500,000.00	-	226,500,000.00
Cash Payment from Long-Term Loans from Related Persons	-	(194,000,000.00)	-	(20,000,000.00)
Cash Received from Long-Term Loans from Financial Institutions	-	400,000,000.00	-	-
Cash Payment from Long-Term Loans from Financial Institutions	(237,890,000.00)	(63,160,000.00)	-	-
Cash Payment from Interest Expenses	(135,252,309.16)	(134,523,327.31)	(46,306,816.37)	(46,755,405.10)
Cash Payment for Dividends	(376,121,250.00)	(313,441,250.00)	(376,121,250.00)	(313,441,250.00)
Non-Controlling Interests in Dividend	(3,019,994.00)	(1,254,044.55)	-	-
Net Cash Provided (Used) from Financing Activities	(539,903,075.89)	(272,852,525.62)	(527,428,066.37)	(383,696,655.10)
Net Increase (Decrease) in Cash and Cash Equivalent	(8,547,175.46)	(20,545,410.81)	(12,453,783.27)	(44,489,266.27)
Cash and Cash Equivalent at the Beginning Balance (Note 11)	181,589,484.35	202,134,895.16	54,472,030.69	98,961,296.96
Cash and Cash Equivalent at the Ending Balance (Note 11)	173,042,308.89	181,589,484.35	42,018,247.42	54,472,030.69

Notes to the financial statements are an integral part of these statements.

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. General Information

The Company was registered as a corporate entity under the Civil and Commercial Code on November 25, 1981 and later registered as a public company on May 10, 1994, registration number 0107537001471 with its registered head office located at 312, Rama II Rd., Bangmod, Jomthong, Bangkok.

Its main business activity is producing and distributing frozen and cooked chicken products and subsidiary companies' businesses activities are broiler farm and producing and distributing feed mill.

2. Basis of Financial Statements Preparation

- 2.1 The Company had prepared the financial statements in accordance with accounting standards, financial reporting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulation of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.
- 2.2 The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.
- 2.3 In order to prepare the financial statements to comply with generally accepted accounting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 For the convenience of the user, and English translation of the consolidated and the separate financial statements has been prepared from the statutory financial statements that are issued in the Thai language.
- 2.5 The Company reclassified some items in our financial statements for comparison purpose in order to be in line with the present accounting items and it has not any affected our net profit or shareholders' equities. The detail was as follows:

<u>STATEMENTS OF FINANCIAL POSITION</u>	Consolidated Financial Statements As of December 31, 2010 '000 Baht	Separate Financial Statements As of December 31, 2010 '000 Baht
Decreasing for Accounts and Notes Receivable - Net	(110,666)	(110,666)
Increasing for Accounts and Notes Receivable Subsidiary, Associated and Related Companies- Net	110,666	110,666

3. Benefits and Privileges from Investment Promotion

The Company and subsidiary companies was granted investment promotional certificates. It obtained benefits and privileges under sections 25, 26, 28, 31, 31(1), 31(3), 31(4), 34, 36(1), 36(2) and 37 of the Investment Promotion Act B.E. 2520 (1977) from the Board of Investment. The privileges so granted the import tariff of machinery and include exemption of corporate income tax on net profits for eight years and it also granted included exemption of corporate income tax on net profits from investment of promotional activities not exceed 100 percent of total investment of the project excluded the value of land and working capital for eight years commencing from the first day when the company starts to earn income from the operation of promotional operation as follows:



The Company

<u>Certificate No.</u>	<u>Date</u>	<u>Type of Promotional Activities</u>	<u>The First Date</u>	<u>The Expiry Date</u>
1776(2)/2545	December 11, 2002	Finished Chicken Products	January 21, 2005	January 20, 2013
1699(3)/2547	August 25, 2004	Finished Chicken Products	July 23, 2007	July 22, 2015
1565(3)/2550	March 28, 2007	Finished Chicken Products	October 26, 2008	October 25, 2016
1329(2)/2552	April 24, 2009	Evisceration Chicken	July 1, 2011	June 30, 2019
1051(3)/2553	January 18, 2010	Finished Chicken Products	January 15, 2011	January 14, 2019

In accordance with the Minute of the Board of Directors Meeting no. 7/2010 on July 5, 2010, it unanimously resolves to approve that, the Company proceeds with right transfer of investment promotion 1565(3)/2550 receipt to the MCKEY FOOD SERVICES (THAILAND) LTD. which is associated company in order to further receive privilege instead of the Company. In addition, the Company will not prosecute or claim any right from such associated company.

The Subsidiary Companies

<u>Certificate No.</u>	<u>Date</u>	<u>Type of Promotional Activities</u>	<u>The First Date</u>	<u>The Expiry Date</u>
1429(2)/2546	August 21, 2003	Seed Eggs	June 14, 2006	June 13, 2014
1850(2)/2548	September 20, 2005	Feed Mill Production and Premix	June 1, 2009	May 31, 2017
1678(1)/2544	October 25, 2001	Broiler Farm	January 15, 2002	January 14, 2010
1696(1)/2544	November 6, 2001	Broiler Farm	July 26, 2002	July 25, 2010
1779(2)/2545	December 12, 2002	Broiler Farm	February 21, 2003	February 20, 2011
1632(2)/2546	November 11, 2003	Broiler Farm	May 12, 2005	May 11, 2013
1932(2)/2548	October 11, 2005	Parent Chicken Farm	September 9, 2006	September 8, 2014
1571(2)/2551	June 6, 2008	Broiler Farm	April 17, 2010	April 16, 2018
2085(2)/2551	November 19, 2008	Broiler Farm	October 8, 2010	October 7, 2018
1341(2)/2552	April 28, 2009	Broiler Farm	June 9, 2011	June 8, 2019
1470(2)/2552	June 5, 2009	Broiler Farm	June 5, 2011	June 4, 2019
1897(2)/2553	August 24, 2010	Broiler Farm	October 25, 2011	October 24, 2019
1898(2)/2553	August 24, 2010	Broiler Farm	None Income Yet	-
2106(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2107(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
2108(2)/2553	October 19, 2010	Broiler Farm	None Income Yet	-
1187(2)/2553	January 26, 2010	Chicken Farm	None Income Yet	-
1591(2)/2553	March 16, 2010	Chicken Farm	None Income Yet	-
1674(2)/2554	June 9, 2011	Broiler Farm	None Income Yet	-

4. Adoption of New Accounting Standards, Financial Reporting Standards, Interpretation Accounting Standards and Financial Reporting Standards and Amendments to Accounting Standards

- 4.1 The Company adopted the new accounting standards, financial reporting standards, interpretation accounting standards, interpretation financial reporting standards and amendments to accounting standard by the Federation of Accounting Professions has issued Notification No. 17/2010, No. 50 to No. 55/2010 and No. 8/2011. These are effective for accounting periods beginning on or after January 1, 2011, as follows :

Framework (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associated Companies
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Venture
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-Current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
SIC 31	Revenue — Barter Transactions Involving Advertising Service

- 4.2 New accounting standard, interpretation accounting standard and amendments to accounting standards by the Federation of Accounting Professions has issued Notification No. 16/2009, No. 17/2010, No. 51/2010 and No. 5 to No. 7/2011. These are effective for accounting periods beginning on or after January 1, 2012 and 2013, the Company does not early adopted, as follows:

Accounting Standard effective as on or after January 1, 2012

TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
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Accounting Standard effective as on or after January 1, 2013

TAS 12	Income Taxes
TAS 20 (revise 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revise 2009)	The Effects of Changes in Foreign Exchange Rates
SIC 10	Government Assistance — No Specific Relation to Operation Activities
SIC 21	Income Taxes — Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes — Changes in the Tax Status of an Enterprise or its Shareholder

The management of the Company has assessed the effects of new accounting standards, and interpretation accounting standards believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

5. The Correction of Errors

- 5.1 Krungthai Farm Company Limited, the subsidiary company, has retroactive to the financial statements for the year ended December 31, 2010 which arises from the adjustment by the Revenue Code; this has effects to the consolidated financial statements on the corporate income tax and the penalty and surcharge for 2009 understate in amount of Baht 7.69 million and the corporate income taxes for 2010 overstate in amount of Baht 3.53 million. Therefore, the management of subsidiary company has restated the financial statements for prior period presented herein for comparison.
- 5.2 GP Breeding Company Limited, the subsidiary company, has retroactive to the financial statements for the year ended December 31, 2010 which arises from the estimate corporate income taxes by the Revenue Code; so the corporate income taxes and the penalty and surcharge for 2007 — 2010 understate. Therefore, the management of subsidiary company has restated the financial statements for prior period presented herein for comparison for 2010. The subsidiary company paid the whole of corporate income taxes and the penalty and surcharge in quarter 2 year 2011.

The error correction has effected the financial statements adjustments as follows:

Statements of Financial Position

Other Non-Current Assets Increased (Decreased)
Accrued Expenses (Increased) Decreased
Ending Retained Earnings (Increased) Decreased

Consolidated Financial Statements As of December 31, 2010

'000 Baht

1,182

(6,010)

4,828

Statements of Comprehensive Income

Income Taxes (Increased) Decreased

For the year ended December 31, 2010

'000 Baht

2,866

6. Basis of Consolidated Financial Statements Preparation

- 6.1 In preparation of the consolidated financial statements, the Company will only take its subsidiary companies which is under the main control of GFPT PUBLIC COMPANY LIMITED into account, after having eliminated the remaining balances and transactions among themselves, The Company holds shares in subsidiary companies with the percentage of shareholdings in subsidiary companies as follows:

Company's Name	Category	Percentage of Shareholdings		Country of Registration
		As of December 31,		
		2011	2010	
M.K.S. FARM CO., LTD.	Broiler Farm	99.9999	99.9999	Thailand
KRUNGTHAI FARM CO., LTD.	Hatchery Farm	99.9999	99.9999	Thailand
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	Production and Distribution Feed	97.8476	97.8312	Thailand
	Mill and Parent Chicken Farm			
GF FOODS CO., LTD.	Production and Distribution of Processed Food	99.9999	99.9999	Thailand
GP BREEDING CO., LTD.	Grandparent Chicken Farm	99.9999	99.9999	Thailand

For consolidated financial statements, as of December 31, 2011 and 2010, the Company had goodwill with subsidiary companies were as follows :

	<u>Goodwill Outstanding</u>			
	Goodwill As of Date of Purchase	Goodwill Amortization Accumulated	As of December 31, 2011	As of December 31, 2010
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
KRUNGTHAI FARM CO., LTD.	3,703	(2,408)	1,295	1,295
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	83,927	(53,853)	30,074	30,074
<u>Less</u> Impairment of Goodwill - KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	(30,074)	(30,074)
Goodwill-Net	87,630	(56,261)	1,295	1,295

The percentage of these companies total assets in subsidiaries, as of December 31, 2011 and 2010, and revenues for the year ended December 2011 and 2010, to these of the consolidated financial statements as a whole are as follows :

	<u>Assets as a percentage to the consolidated total assets</u>		<u>Revenues as a percentage to the consolidated total revenues</u>	
	As of		For the year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	%	%	%	%
M.K.S. FARM CO., LTD.	23.79	22.69	17.10	3.76
KRUNGTHAI FARM CO., LTD.	7.77	7.71	2.22	1.37
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	37.28	34.27	34.37	36.40
GF FOODS CO., LTD.	0.70	0.55	3.17	1.95
GP BREEDING CO., LTD.	2.89	3.28	0.28	0.18



- 6.2 Accounting policy for subsidiary companies will utilize the same policy as the GFPT PUBLIC COMPANY LIMITED.
- 6.3 In the preparation of the consolidated financial statements, the accounting period of subsidiary companies are ended at the same period of GFPT PUBLIC COMPANY LIMITED. The percentage of shareholding at 99.99% of the subsidiary companies, the Company is treated as holding of 100% of consolidated financial statements.

7. Summary of Significant Accounting Policy

7.1 Recognition of Revenues

- Revenue from sales is recognized when are delivered.
- Revenue from services is recognized when service have been provided to customer.
- Revenue from rental is recognized over the term of rental agreement.
- Revenue from interest income is recognized over the term of borrowing and calculated from the outstanding principal.
- Revenue from tax return is recorded to other income when tax return are received.
- Dividend Income are recognised when the right to receive the dividends is established.

7.2 Recognition of Expenses

- Expenses are recognized on an accrual basis.
- Payment made under operating leases are recognized in the statement of income on a straight — line basis over the term of the lease.

7.3 Cash and Cash Equivalent

Cash and cash equivalent includes bank deposit in type of saving accounts, current accounts and 3-months fixed accounts without guarantee obligation and short-term investments which has high liquidity that will be matured within 3 months since the acquisition date and has no any restriction to use.

7.4 Trade Account Receivable, Other Accounts Receivable and Allowance for Doubtful Accounts

Trade account receivable and other accounts receivable are stated at the net realizable value, allowance for doubtful accounts estimate from those account receivable and other accounts receivable which are likely to be uncollectible.

7.5 Inventories

Inventory is reflected by value in accordance with the cost price or net realizable value whichever is lower which the cost price calculate as follows:

- Finished goods in type of processed chicken products are recorded at average cost price method.
- Finished goods in type of feed mill products are recorded at FIFO method.
- Raw materials, packaging and supplies are recorded at average cost price method.
- Work in process of finished goods, rearing chicken, hatchery and seed eggs are recorded at actual cost.

7.6 Allowances for Decline in Value of Dilapidated Inventories and Non-Movement Inventories

Decline in allowances for dilapidated inventories and non-movement inventories are estimated from inventories which are subject to dilapidation and non-movement.

7.7 Parent Chicken and Grandparent Chicken

Parent chicken and grandparent chicken are recorded at cost after deduction accumulated depreciation and the depreciation are calculated from cost after deduction of salvage value by the estimated the production and the impairment of parent chicken and grandparent chicken (if any).

Rearing parent chicken and grandparent chicken are recorded at cost price and included expenses which occurred during rearing period of parent chicken and grandparent chicken.

7.8 Investments in Subsidiary and Associated Companies

Investments in subsidiary companies and associated companies are recorded at cost method in the separate financial statements and investment in associated companies are recorded at equity method in the consolidated financial statements.

7.9 Investment Property

The Group investment property is their owned land without specific purpose of use in the future and/or exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and the allowance for impairment, (if any) and calculated on a straight-line method over their approximate useful-life as follows:

- Poultry Houses	20	Years
- Condominium Units	20	Years
- Factory Buildings	20	Years

7.10 Property, Plant and Equipment

Land is recorded at cost price. Plant and equipment are recorded at cost price after deduction of accumulated depreciation and calculated on a straight-line method over their approximate useful-life as follows:

- Land Improvements	20 - 33	Years
- Building and Improvements	20 - 33	Years
- Machinery and Equipment	5 - 10	Years
- Tools	5	Years
- Office Equipment	5	Years
- Vehicles	5	Years
- Other Fixed Assets	5	Years

Depreciation of assets occurred from the usage period of producing the other fixed assets and calculated to a part of the cost of other assets and it would be stopped recorded when other fixed assets can be used.

The Group did not carry depreciation for land and asset being construction.

Gain or loss from disposal of property, plant and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expense in the statements of comprehensive income.

7.11 Cost of Borrowing

Interest expense is the cost from borrowing for acquiring the assets for several projects. The Group recorded interest expenses into the portion of construction assets and it will stop to record when the construction is finished.

7.12 Intangible Assets

Software Royalty are recorded at cost less accumulated amortization expenses and calculated on a straight-line method over their approximate useful-life 5 years.

7.13 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair of the equity of the identifiable assets and liabilities at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

7.14 Impairment

The carrying amounts of the Company's assets are reviewed at each of the statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment with cost, if as assets's carrying or cash-generating unit exceeds its recoverable amount; the Group will recognize an impairment loss in the statement of comprehensive income.



Calculation of Recoverable Amount

- The recoverable amount is the greater of the asset's net selling price and value of usage. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized as revenue in the statement of comprehensive income.

7.15 Accounts Payable and Others Payable

Accounts Payable and others payable were shown in cost method.

7.16 Employee Benefit

Short-Term Employee Benefits

- The Group is recognized salary, wage, bonus, and social security fund are expenses on date when the transactions occur.

Long-Term Employee Benefits

- The Group provides for post employment benefits to or retirement indemnity employees under the labor laws applicable in Thailand. The Group has recorded the liabilities in respect of employee benefit obligations calculated by the Group's management in accordance with the actuarial technique and the present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The Group recorded provision of employee benefit is non — current liabilities. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

7.17 Financial Instruments

Financial instruments, financial assets were shown in the statements of financial position composed of cash and cash at banks, investments and accounts receivable. Financial liabilities were shown in the statements of financial position composed of accounts payable and borrowings. The accounting policy of each item would be disclosed in separated items. The Group made a foreign exchange forward contract in order to prevent any risks from unstable of exchange rate. A forward contract will determine a fixed exchange rate in the future of assets and liabilities which will be received or paid. A forward contract at the end of period will be calculated a fair value and identified in the notes of financial statement and the realized profit (loss) of forward contract will be recorded in the statements of comprehensive income.

7.18 Items Denominated in Foreign Currencies

Items denominated in foreign currencies are recorded in Baht at the prevailing exchange rate when the transactions occur, and their balances of assets and liabilities at the ended of period are converted into Baht at the prevailing exchange rate on that date. Profit or loss arising from such conversion is shown as revenues or expenses in the statements of comprehensive income for that period.

7.19 A Provision of Liabilities

The Group are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

7.20 Basic Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing net profit with weighted average the number of issued and paid-up shares. The Company did not calculate the fully diluted earnings per share since it has no ordinary share equivalent.

7.21 Appropriation of Retained Earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

7.22 Subsidy Fund from the Government

The Group receives subsidy fund from the government relating to asset while the Group selects to bring such subsidy fund to reflect as deduction from cost price of related asset in order to obtain book value of asset and recognizes subsidy fund from the government as revenue throughout useful life of dilapidated asset according to amount of declined depreciation.

7.23 Allocation of Income and Expense of Operation with Investment Promotion and without Investment Promotion

7.23.1 Income was allocated from the type of products which produces from machinery with promotional investment and without promotional investment.

7.23.2 Expenses

- Raw materials and packaging were allocated from the actual usage of raw materials with promotional investment and without promotional investment.
- The cost of production and the cost of sales were allocated from the actual of production with promotional investment and without promotional investment.
- Other expenses could not allocated from the actual production, they will allocate from the total income with promotional investment and without promotional investment.

8. Effect from First Adoption of Thai Financial Reporting Standard

8.1 The Group has firstly applied the Accounting Standard No. 19 "Employee Benefits" from January 1, 2011, onwards. In respect of the firstly applied of the accounting policy, the Group recognized the additional liabilities under the employee benefits schemes adjusted with beginning retained earnings of 2011 to be conform to the requirement of that accounting standards, while there is affected result to the financial statements as follows:

	Consolidated Financial Statements '000 Baht	Separate Financial Statements '000 Baht
<u>Adjustment of Financial Statements</u>		
Statements of Financial Position as of January 1, 2011		
Non—Current Assets		
Decreasing for Investment in Associated Companies	(5,321)	-
Non—Current Liabilities		
Increasing for Provision for Employee Benefit	230,782	93,690



	Consolidated Financial Statements '000 Baht	Separate Financial Statements '000 Baht
Shareholders' Equity		
Decreasing for Beginning Retained Earnings of 2011	(234,346)	(93,690)
Decreasing for Non-Controlling Interests	(1,757)	-

8.2 The Group has applied the Accounting Standard No. 40 (revised 2009) "Investment Property", while there is affected reclassification to the financial statements as follows:

Reclassification of Accounts

Consolidated Financial Statements

As of December 31, 2010

	Before Reclassification '000 Baht	Reclassification '000 Baht	After Reclassification '000 Baht
Statements of Financial Position			
Assets for Rent-Net	466,992	(466,992)	-
Investment Property-Net	-	202,923	202,923
Property, Plant and Equipment-Net	4,161,742	441,888	4,603,630
Property and Plant Not Used for Operations-Net	177,820	(177,820)	-

Reclassification of Accounts

Separate Financial Statements

As of December 31, 2010

	Before Reclassification '000 Baht	Reclassification '000 Baht	After Reclassification '000 Baht
Statements of Financial Position			
Assets for Rent-Net	466,992	(466,992)	-
Investment Property-Net	-	301,460	301,460
Property, Plant and Equipment-Net	977,636	273,327	1,250,963
Property and Plant Not Used for Operations-Net	107,795	(107,795)	-

9. Inter-Transactions within the Group

During the periods, the Company and its subsidiaries had significant business transactions with their related companies. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies, associated companies, related companies and related persons are in ordinary course of business are summarized below:

9.1 Inter-Revenues and Expenses

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended December 31,		For the year ended December 31,	
		2011	2010	2011	2010
		'000 Baht	'000 Baht	'000 Baht	'000 Baht
Pricing Policy					
Inter-Transaction with Subsidiary Companies					
(Eliminated from Consolidate Financial Statements)					
Sales	Agreement Price, Reference to Market Price	-	-	358,760	164,043
Purchases	Agreement Price, Reference to Market Price	-	-	4,401,126	4,864,935
Rental Income	Contract Price	-	-	2,340	2,340
Other Income	Cost Price and Agreement Price	-	-	21,444	9,975
Dividend Received	Approved of Boards' Meeting	-	-	196,980	145,996
Other Expenses	Cost Price	-	-	1,278	5,345
Interest Expenses	Annual Interest Rate at 2.00%-3.20%	-	-	1,139	138
Inter-Transaction with Associated Companies					
Sales	Agreement Price, Reference to Market Price	3,004,844	1,075,952	861,700	818,794
Purchases	Agreement Price, Reference to Market Price	121,029	26,967	98,483	22,903
Rental Income	Contract Price	9,946	4,953	9,946	4,953
Other Income	Market Price	132,222	82,840	91,962	70,146
Other Expenses	Cost Price	433	42	433	30
Sales Assets	Agreement Price	-	233,672	-	233,000
Inter-Transaction with Related Companies					
Sales	Agreement Price, Reference to Market Price	1,404,925	2,137,422	1,404,255	2,136,470
Purchases	Agreement Price, Reference to Market Price	2,388,694	1,815,199	-	-
Other Income	Cost Price and Market Price	2,115	9,396	1,818	908
Rental Expenses	Contract Price	17,275	16,343	7,710	6,790
Other Expenses	Cost Price and Market Price	62,776	55,801	5,205	2,763
Inter-Transaction with Related Persons					
Interest Expenses	Annual Interest Rate at 6%	117,060	108,399	41,532	37,637


9.2 Inter-Assets and Liabilities

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Accounts Receivable				
Subsidiary Companies				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	3,115	2,293
GF FOODS CO., LTD.	-	-	5,801	1,779
Associated Companies				
MCKEY FOOD SERVICES (THAILAND) LTD.	84,480	58,299	84,480	58,299
GFPT NICHIREI (THAILAND) CO., LTD.	113,524	59,741	4,079	9,767
Related Companies				
NICHIREI FOODS INC.	48,418	83,701	48,418	83,701
KEYSTONE FOODS (AP) LIMITED	8,951	6,808	8,951	6,808
SURAPON NICHIREI FOODS CO.,LTD	9,979	19,937	9,979	19,937
SURAPON FOODS PUBLIC CO., LTD.	557	220	557	220
P.VET. CO., LTD.	189	208	-	-
	266,098	228,914	165,380	182,804
Other Receivable and Notes Receivable				
Subsidiary Companies				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	74	195
M.K.S. FARM CO., LTD.	-	-	269	302
KRUNGTHAI FARM CO., LTD.	-	-	54	110
GP BREEDING CO., LTD.	-	-	12	29
GF FOODS CO., LTD.	-	-	1,207	6
Other Receivable and Notes Receivable				
Associated Companies				
MCKEY FOOD SERVICES (THAILAND) LTD.	6,147	12,763	6,045	12,763
GFPT NICHIREI (THAILAND) CO., LTD.	4,074	8,088	636	923
Related Companies				
NICHIREI FOODS INC.	-	-	-	294
P.VET. CO., LTD.	-	2	-	-
PANALAB CO., LTD.	126	20	-	-
	10,347	20,873	8,297	14,622
Less Allowance for Doubtful Accounts	-	-	-	(294)
Net	10,347	20,873	8,297	14,328
Advance Payment				
Subsidiary Company				
GF FOODS CO., LTD.	-	-	761	706

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As of December 31,		As of December 31,	
	2011 '000 Baht	2010 '000 Baht	2011 '000 Baht	2010 '000 Baht
Prepaid Expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	594	594	594	594
Deposit Payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,104	2,104	911	911
P.CHAROEN PHAN PRODUCE CO., LTD.	125	125	-	-
	2,229	2,229	911	911
Accounts and Notes Payable				
Subsidiary Companies				
M.K.S. FARM CO., LTD.	-	-	104,223	7,291
KRUNGTHAI FARM CO., LTD.	-	-	-	578
GF FOODS CO., LTD.	-	-	691	903
Associated Company				
GFPT NICHIREI (THAILAND) CO., LTD.	1,228	3,218	869	2,925
Related Company				
NICHIREI FOODS INC.	2,322	-	2,322	-
	3,550	3,218	108,105	11,697
Accrued Expenses				
Subsidiary Companies				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	34	48
M.K.S. FARM CO., LTD.	-	-	17	28
KRUNGTHAI FARM CO., LTD.	-	-	17	28
Related Company				
PANALAB CO., LTD.	-	15	-	-
	-	15	68	104
Other Accounts Payable				
Subsidiary Companies				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	89	94
KRUNGTHAI FARM CO., LTD.	-	-	1	-
M.K.S. FARM CO., LTD.	-	-	-	98
Associated Companies				
MCKEY FOOD SERVICES (THAILAND) LTD.	5	4	5	4
GFPT NICHIREI (THAILAND) CO., LTD.	66	-	66	-
	71	4	161	196



	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Deposit Income				
Subsidiary Companies				
KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	-	-	25	25
M.K.S. FARM CO., LTD.	-	-	140	140
	-	-	165	165
Deferred Income				
Subsidiary Company				
M.K.S. FARM CO., LTD.	-	-	25	25
Associated Company				
MCKEY FOOD SERVICES (THAILAND) LTD.	147,761	154,683	147,761	154,683
	147,761	154,683	147,786	154,708
Short-Term Loans				
Directors in				
Parent Company				
Balance as of Beginning	-	78,500	-	78,500
Decrease	-	(78,500)	-	(78,500)
Balance as of Ending	-	-	-	-
Directors in				
Subsidiary Company				
Balance as of Beginning	-	5,000	-	-
Decrease	-	(5,000)	-	-
Balance as of Ending	-	-	-	-
Related Persons in				
Subsidiary Company				
Balance as of Beginning	-	10,900	-	-
Decrease	-	(10,900)	-	-
Balance as of Ending	-	-	-	-
Total	-	-	-	-

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Short-Term Loans				
Subsidiary Company				
Balance as of Beginning	-	-	5,000	15,000
Increase	-	-	145,000	-
Decrease	-	-	(150,000)	(10,000)
Balance as of Ending	-	-	-	5,000
Long-Term Loans				
Directors in				
Parent Company				
Balance as of Beginning	692,200	427,200	692,200	427,200
Increase	-	285,000	-	285,000
Decrease	-	(20,000)	-	(20,000)
Balance as of Ending	692,200	692,200	692,200	692,200
Directors in				
Subsidiary Companies				
Balance as of Beginning	744,500	518,000	-	-
Increase	1,900	364,500	-	-
Decrease	-	(138,000)	-	-
Balance as of Ending	746,400	744,500	-	-
Related Persons in				
Subsidiary Companies				
Balance as of Beginning	561,400	451,000	-	-
Increase	-	146,400	-	-
Decrease	-	(36,000)	-	-
Balance as of Ending	561,400	561,400	-	-
Total	2,000,000	1,998,100	692,200	692,200

As of December 31, 2011 and 2010, the whole amount of long-term loans from related persons has loan in form of promissory note will be gradually matured within 2014, carried interest rate at 6.00 % per annum.

The resolutions of the Extra-ordinary Meeting No. 1/2009 dated January 29, 2009, was approved GFPT Public Company Limited and subsidiary companies to receive financial assistance from related persons. The amount of credit line was not exceeding Baht 2,000.00 million. This transaction will help the Company has more liquidity. The annual interest rate is not over 6.00% with maturity of 5 years from February 1, 2009 to January 31, 2014, and pay interest every month, has not any collateral.



9.3 Key Management's Remuneration

	Consolidated Financial Statements for the year ended		Separate Financial Statements for the year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Short-Term Employee Benefits	55,241	40,362	33,971	22,811
Post-Employment Benefits	986	-	684	-
Total	56,227	40,362	34,655	22,811

9.4 Relationship to the Companies

Consist of:

Company's Name	Relationship
Krungthai Farm Co., Ltd.	Subsidiary Company by Shareholding and Common Management
M.K.S. Farm Co., Ltd.	Subsidiary Company by Shareholding and Common Management
GF Foods Co., Ltd.	Subsidiary Company by Shareholding and Common Management
Krungthai Feedmill Public Co., Ltd.	Subsidiary Company by Shareholding and Common Management
GP Breeding Co., Ltd.	Subsidiary Company by Shareholding and Common Management
McKey Food Services (Thailand) Ltd.	Associated Company by Shareholding
GFPT Nichirei (Thailand) Co., Ltd.	Associated Company by Shareholding
M.K.S. Condotown Co., Ltd.	Related Company by Common Management
P. Charoen Phan Feedmill Co., Ltd.	Related Company by Common Management
P. Charoen Phan Produce Co., Ltd.	Related Company by Common Management
P. Charoen Phan G.P.Farm Co., Ltd.	Related Company by Common Management
P. Charoen Phan Im-Ex Farm Co., Ltd.	Related Company by Common Management
P.Vet. Co., Ltd.	Related Company by Common Management
Panalab Co., Ltd.	Related Company by Common Management
Krungthai Aqua-Culture Co., Ltd.	Related Company by Common Management
Nichirei Food Inc.	Related Company by Shareholding of Associated Company
Keystone Foods (AP) Ltd.	Related Company with Associated Company by Common Shareholding with Associated Company
Surapon Nichirei Foods Co., Ltd.	Related Company with Associated Company by Common Parent Company with Associated Company
Surapon Foods Public Co., Ltd.	Related Company with Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.
Related Persons	Directors and Shareholders and Related Persons with Directors and Shareholders

10. Non-Cash Transactions

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	December 31,	December 31,	December 31,	December 31,
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Purchased Assets with Credit	49,142,613.16	31,946,376.23	2,809,842.74	5,630,699.16
Receipt Transfer Assets Not Used for Operations for Repay Debt Accounts Receivable	-	350,000.00	-	-
Receipt Transfer Investment Property to Land	40,219,200.00	-	40,219,200.00	-
Purchased Parent Chicken with Credit	28,120,000.00	17,623,500.00	-	-
Sold Parent Chicken Retirement with Credit	2,278,370.00	1,492,440.00	-	-
Transferred the Short-Term Loan due to Related Persons is into Long-Term Loan due to Related Persons	-	69,400,000.00	-	58,500,000.00
Decreasing for beginning retained earnings from Provision for Employee Benefit	230,781,547.00	-	93,689,719.00	-

11. Cash and Cash Equivalent

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Cash	1,580,026.00	488,000.00	1,139,026.00	52,000.00
Cash Deposit — Current Account	70,759,828.00	75,110,387.12	9,991,405.23	19,253,929.51
Cash Deposit — Savings Account	90,702,454.89	105,991,097.23	30,887,816.19	35,166,101.18
Government Bond-Debt Instruments 90 days	10,000,000.00	-	-	-
Total	173,042,308.89	181,589,484.35	42,018,247.42	54,472,030.69

12. Accounts and Notes Receivable-Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Accounts Receivable-Local	357,294,616.84	335,511,031.73	28,602,087.05	26,382,550.67
Accounts Receivable-Foreign	74,790,979.16	127,455,436.71	74,790,979.16	127,455,436.71
Notes Receivable	124,102,737.25	98,925,710.00	679,896.00	-
<u>Less</u> Allowance for Doubtful Accounts	(48,318,905.57)	(50,373,668.48)	(4,357,499.95)	(4,357,499.95)
Accounts and Notes Receivable-Net	507,869,427.68	511,518,509.96	99,715,462.26	149,480,487.43



Accounts and notes receivable were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Accounts and Notes Receivable (within due period)	280,923,669.23	303,427,026.22	57,242,289.42	107,403,791.47
Accounts and Notes Receivable (over due period)				
- Less than 3 months	223,569,766.96	208,086,155.67	42,473,172.84	42,076,695.96
- More than 3 months	32,612,832.06	27,779,374.55	4,357,499.95	4,357,499.95
Total	537,106,268.25	539,292,556.44	104,072,962.21	153,837,987.38
Returned Cheque	19,082,065.00	22,599,622.00	-	-
Total	556,188,333.25	561,892,178.44	104,072,962.21	153,837,987.38
<u>Less</u> Allowance for Doubtful Accounts	(48,318,905.57)	(50,373,668.48)	(4,357,499.95)	(4,357,499.95)
Net	507,869,427.68	511,518,509.96	99,715,462.26	149,480,487.43

For the year ended December 31, 2011 and 2010, the movement of allowance for doubtful accounts was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	December 31, 2011 Baht	December 31, 2010 Baht	December 31, 2011 Baht	December 31, 2010 Baht
Allowance for Doubtful Accounts - Beginning	(50,373,668.48)	(59,207,939.55)	(4,357,499.95)	(4,357,499.95)
Increased for the Period	(4,344,939.88)	(3,043,156.75)	-	-
Reversed for the Period	5,500,483.58	11,463,988.82	-	-
Write off to Bad Debts	899,219.21	413,439.00	-	-
Allowance for Doubtful Accounts — Ending	(48,318,905.57)	(50,373,668.48)	(4,357,499.95)	(4,357,499.95)

13. Accounts and Notes Receivable-Subsidiary, Associated and Related Companies

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Accounts Receivable-Subsidiary Companies	-	-	8,916,234.61	4,072,260.20
Accounts Receivable-Associated Companies	198,003,724.97	118,040,077.31	88,559,168.56	68,065,702.00
Accounts Receivable-Related Companies	68,094,271.48	110,874,104.08	67,905,171.48	110,666,154.08
Total	266,097,996.45	228,914,181.39	165,380,574.65	182,804,116.28

Accounts and notes receivable from subsidiary, associated and related companies were classified by aging as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Accounts and Notes Receivable (within due period)	232,795,442.97	193,548,551.76	150,242,870.29	151,339,414.96
Accounts Receivable (over due period)				
- Less than 3 months	33,302,553.48	35,365,629.63	15,137,704.36	31,464,701.32
Total	266,097,996.45	228,914,181.39	165,380,574.65	182,804,116.28

14. Inventories-Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Finished Goods — Processed Chicken Products	92,076,179.76	79,055,735.11	93,582,339.01	79,406,084.14
Finished Goods — Feed Mill	104,091,711.55	59,662,663.08	-	-
Finished Goods — Chicks	-	76,379.90	-	-
Raw Materials	1,603,308,343.38	1,341,754,311.11	9,601,982.69	13,279,012.68
Work in Process	161,191,361.82	74,557,070.91	138,284,476.58	49,372,639.34
Seed Eggs and Eggs during Hatching	74,204,374.54	72,386,478.65	-	-
Rearing Chicken	316,822,535.58	265,837,242.89	-	-
Medical Supplies, Supplies and Others	494,167,121.99	420,916,343.87	43,064,582.52	41,496,708.45
Total	2,845,861,628.62	2,314,246,225.52	284,533,380.80	183,554,444.61
<u>Less</u> Allowance for Decline in Value of Non-Movement Inventories	(3,139,476.62)	(3,146,098.74)	(2,878,872.85)	(2,878,872.85)
Allowance for Decline in Value of Inventories	(26,488,709.91)	(5,067,107.74)	(7,624,425.72)	(3,870,445.17)
Net	2,816,233,442.09	2,306,033,019.04	274,030,082.23	176,805,126.59

For the year ended December 31, 2011 and 2010, the movement of allowance for non-movement inventories and allowance for decline in value of inventories was as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Allowance for Decline in Value of Non-Movement Inventories —Beginning	(3,146,098.74)	(3,158,850.73)	(2,878,872.85)	(2,878,872.85)
Sold for the Period	6,622.12	12,751.99	-	-
Allowance for Decline in Value of Non-Movement Inventories —Ending	(3,139,476.62)	(3,146,098.74)	(2,878,872.85)	(2,878,872.85)



	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Allowance for Decline in Value of Inventories -				
Beginning	(5,067,107.74)	(6,551,384.79)	(3,870,445.17)	(1,045,249.38)
Increased for the Period	(21,730,229.87)	(3,133,823.49)	(3,753,980.55)	(2,825,195.79)
Reversed/Sold for the Period	308,627.70	4,618,100.54	-	-
Allowance for Decline in Value of Inventories — Ending	(26,488,709.91)	(5,067,107.74)	(7,624,425.72)	(3,870,445.17)

15. Investments in Subsidiary Companies

As of December 31, 2011 and 2010, the Company had investments in its subsidiary companies as follows:

Name of Company	Paid-up Capital	% Share-Holding	Separate Financial Statements			
			Cost Method		Dividend	
			As of December 31,		For the year ended December 31,	
			2011	2010	2011	2010
	'000 Baht	%	Baht	Baht	Baht	Baht
Investments in Subsidiary Companies						
- M.K.S. FARM CO., LTD.	550,000	99.99	549,999,910.00	549,999,910.00	-	107,249,982.45
- KRUNGTHAI FARM CO., LTD.	350,000	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FEEDMILL PUBLIC CO., LTD.	400,000	97.8476 (2010 : 97.8312)	521,155,727.35	520,937,327.35	136,980,027.00	38,745,973.00
- GF FOODS CO., LTD.	40,000	99.99	39,999,100.00	39,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000	99.99	200,499,895.00	200,499,895.00	59,999,979.00	-
Total			1,661,654,542.35	1,661,436,142.35	196,980,006.00	145,995,955.45

For the year ended December 31, 2011. The Company additionally invests in the KRUNGTHAI FEEDMILL PUBLIC CO., LTD., which is subsidiary company in number of 6,550 shares in amount of Baht 0.22 million. The proportion of shares holding increases from rate of 97.8312 % to rate of 97.8476 % which is buying in the price lower than book value. As a result, it results discount from purchase investment in subsidiary company acquisition in amount of Baht 0.19 million reflected in the shareholders' equity since it regards as change of shareholders' equity after controlling in such subsidiary company.

As of December 31, 2011 and 2010, the Company had investments in its associated companies as follows:

Name of Company	Paid-up Capital	% Share- Holding	Consolidated Financial Statements			
			Equity Method		Dividend	
			As of		For the year ended	
			December 31,		December 31,	
	<u>'000 Baht</u>	%	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Investments in Associated Companies						
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000	49.00	309,048,546.46	248,153,307.19	-	-
- GFPT NICHIREI (THAILAND) CO., LTD.	1,170,000	49.00	320,493,602.68	498,003,792.28	-	-
Total			629,542,149.14	746,157,099.47	-	-

Name of Company	Paid-up Capital	% Share- Holding	Separate Financial Statements			
			Cost Method		Dividend	
			As of		For the year ended	
			December 31,		December 31,	
	<u>'000 Baht</u>	%	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Investments in Associated Companies						
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000	49.00	49,000,000.00	49,000,000.00	-	22,050,000.00
- GFPT NICHIREI (THAILAND) CO., LTD.	1,170,000	49.00	573,299,700.00	573,299,700.00	-	-
Total			622,299,700.00	622,299,700.00	-	22,050,000.00

The financial statements of MCKEY FOOD SERVICES (THAILAND) LTD., which is associated company was audited by another auditor, who gave an unqualified report.

The aggregated amounts of assets, liabilities, revenues and profit (loss) of associated are as follows :

Associated Companies	As of		For the year ended	
	December 31, 2011		December 31, 2011	
	Total Assets	Total Liabilities	Total Revenue	Net Profit(Loss)
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	917,331	284,675	2,592,204	135,490
GFPT NICHIREI (THAILAND) CO., LTD.	2,631,759	1,976,858	3,132,327	(361,288)

Associated Companies	As of		For the year ended	
	December 31, 2010		December 31, 2010	
	Total Assets	Total Liabilities	Total Revenue	Net Profit(Loss)
	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>	<u>'000 Baht</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	786,727	279,427	2,164,458	149,432
GFPT NICHIREI (THAILAND) CO., LTD.	2,415,973	1,399,058	181,724	(151,082)



In accordance with Minute of the Company's Board of Directors Meeting no. 1/2010 on January 21, 2010, it is resolved to approve that the Company additionally invests in the GFPT Nichirei (Thailand) Co., Ltd., which is associated company in amount of Baht 191.10 million since such associated company constitutes policy in construction of factory by emphasizing advanced technology application of replacement energy employment and environment preservation in order to increase ability level in competition of production. It purchases in the par price and proportion in share holding does not change.

17. Grandparent Chicken-Net

Consist of :

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance As of December 31, 2011 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance A As of December 31, 2011 Baht
Cost :						
Grandparent Chicken	52,522,591.56	-	52,755,702.31	(52,522,591.56)	-	52,755,702.31
Grandparent Chicken During Rearing	13,109,897.21	45,728,872.41	6,781,233.01	-	(52,755,702.31)	12,864,300.32
Total	65,632,488.77	45,728,872.41	59,536,935.32	(52,522,591.56)	(52,755,702.31)	65,620,002.63
<u>Less</u> Accumulated Depreciation	(25,074,723.90)	(47,538,393.57)	-	47,996,519.59	-	(24,616,597.88)
Net	40,557,764.87					41,003,404.75

Depreciation was shown in Statements of Comprehensive Income

For the year ended December 31,

2011	47,538,393.57
2010	46,052,851.37

18. Parent Chicken-Net

Consist of :

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Parent Chicken	296,881,209.79	-	419,618,806.14	(414,318,179.26)	-	302,181,636.67
Parent Chicken During Rearing	117,072,618.49	402,912,546.06	17,910,193.25	-	(419,618,606.14)	118,276,751.66
Total	413,953,828.28	402,912,546.06	437,528,799.39	(414,318,179.26)	(419,618,606.14)	420,458,388.33
<u>Less</u> Accumulated Depreciation	(113,854,083.53)	(317,266,814.11)	-	320,103,352.34	-	(111,017,545.30)
Net	300,099,744.75					309,440,843.03

Depreciation was shown in Statements of Comprehensive Income

For the year ended December 31,

2011	317,266,814.11
2010	295,440,566.94

19. Investment Property-Net

Consist of:

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Land	227,691,225.38	-	-	(350,000.00)	(40,219,200.00)	187,122,025.38
Building	2,066,105.12	-	-	-	-	2,066,105.12
Total	229,757,330.50	-	-	(350,000.00)	(40,219,200.00)	189,188,130.50
<u>Less</u> Accumulated Depreciation Building	(1,263,363.80)	(103,302.30)	-	-	-	(1,366,666.10)
<u>Less</u> Allowance for Land Impairment	(25,570,573.85)	(2,887,500.00)	-	-	-	(28,458,073.85)
Net	202,923,392.85					159,363,390.55

Depreciation was shown in Statements of Comprehensive Income

For the year ended December 31,

2011	103,302.30
2010	119,322.80

SEPARATE FINANCIAL STATEMENTS						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Land	204,647,224.97	-	-	-	(40,219,200.00)	164,428,024.97
Building	246,254,462.64	26,464,771.08	-	-	-	272,719,233.72
Total	450,901,687.61	26,464,771.08	-	-	(40,219,200.00)	437,147,258.69
<u>Less</u> Accumulated Depreciation Building	(138,352,573.05)	(11,708,449.39)	-	-	-	(150,061,022.44)
<u>Less</u> Allowance for Land Impairment	(11,088,786.50)	(2,887,500.00)	-	-	-	(13,976,286.50)
Net	301,460,328.06					273,109,949.75

Depreciation was shown in Statements of Comprehensive Income

For the year ended December 31,

2011	11,708,449.39
2010	8,508,570.54

- Consolidated Financial Statements

As of December 31, 2011 and 2010, one subsidiary company brought investment property at the cost of Baht 0.88 million the both of period to guarantee credit of the Group with commercial banks and financial institutions, (Note 22).

- Separate Financial Statements

As of December 31, 2011 and 2010, the Company had brought investment property collateral security with banks and financial institutions in order to guarantee the Group credits by land at the cost price at Baht 15.07 million, (Note 22).

The consolidated and separate financial statement as of December 31, 2011 and 2010, the Group's investment property is their owned land and building without specifies purpose of use in future and exploiting for rental income, which its investment property had the fair value did appraise by Treasury Department and price of bid from Thai Management Corporation which had the total of fair value as in the consolidate financial statement as of December 31, 2011 and 2010,



amount of Baht 223.27 million and Baht 263.49 million, respectively, and as in separate financial statement as of December 31, 2011 and 2010, amount of Baht 188.23 million and Baht 228.45 million, respectively.

20. Property, Plant and Equipment-Net

Consist of:

Consolidated Financial Statements						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Land and Land Improvement	418,112,245.93	27,211,688.46	48,533,360.27	-	-	493,857,294.66
Building and Building Improvement	4,449,237,023.54	945,680.74	598,275,269.34	(880,667.65)	(468,278.78)	5,047,109,027.19
Machines and Equipment	1,860,889,660.99	24,256,184.45	442,859,378.09	(591,203.18)	(17,873.68)	2,327,396,146.67
Tools	719,467,955.77	23,321,472.38	47,330,746.91	(224,674.34)	(744,782.69)	789,150,718.03
Office Equipment	300,559,757.79	23,478,680.65	18,810,169.32	(3,375,033.92)	(3,248,168.27)	336,225,405.57
Vehicles	479,599,285.56	59,083,691.78	16,884,568.00	(21,059,773.99)	(32,300.00)	534,475,471.35
Others Fixed Assets	1,042,639.00	-	-	-	-	1,042,639.00
Construction in Progress	998,421,308.31	592,545,522.89	230,766,867.92	(14,612,219.73)	(1,224,685,401.78)	582,436,077.61
Total	9,227,329,876.89	750,842,921.35	1,403,460,359.85	(40,743,572.81)	(1,229,196,805.20)	10,111,692,780.08
Accumulated Depreciation:						
Land Improvement	(16,707,979.68)	(1,914,823.43)	-	-	-	(18,622,803.11)
Building and Building Improvement	(2,098,852,607.36)	(198,216,857.42)	-	455,898.28	20,111.74	(2,296,593,454.76)
Machines and Equipment	(1,337,682,759.97)	(148,973,730.01)	-	199,689.50	-	(1,486,456,800.48)
Equipment and Tools	(578,198,059.65)	(54,631,640.94)	-	217,221.72	701,313.87	(631,911,165.00)
Office Equipment	(198,626,046.76)	(34,321,702.03)	-	3,336,328.40	3,014,564.50	(226,596,855.89)
Vehicles	(392,710,524.89)	(41,615,225.66)	-	20,830,191.93	22,228.99	(413,473,329.63)
Others Fixed Assets	(921,510.96)	(42,719.10)	-	-	-	(964,230.06)
Total	(4,623,699,489.27)	(479,716,698.59)	-	25,039,329.83	3,758,219.10	(5,074,618,638.93)
Net	4,603,630,387.62					5,037,074,141.15

For the year ended December 31, 2011

Depreciation Transferred to Statements of Comprehensive Income	454,912,771.09
Depreciation Transferred to Costs of Rearing	24,691,426.26
Depreciation Transferred to Costs of Assets	112,501.24

For the year ended December 31, 2010

Depreciation Transferred to Statements of Comprehensive Income	422,472,423.13
Depreciation Transferred to Costs of Rearing	28,126,802.56
Depreciation Transferred to Costs of Assets	195,041.15

Separate Financial Statements						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Land and Land Improvement	83,419,601.81	454,588.46	44,533,360.27	-	-	128,407,550.54
Building and Building Improvement	737,985,438.61	945,680.74	140,688,748.04	-	(360,403.78)	879,259,463.61
Machines and Equipment	669,736,638.78	7,437,757.17	350,563,452.53	(14,419.87)	-	1,027,723,428.61
Tools	117,101,654.11	4,953,617.05	10,598,770.37	(46,834.34)	-	132,607,207.19
Office Equipment	139,354,238.90	10,629,652.34	15,993,167.75	(1,872,061.23)	(636,586.25)	163,468,411.51
Vehicles	107,745,802.13	5,323,000.00	1,062,433.00	(3,265,000.00)	-	110,866,235.13
Construction in Progress	477,269,269.81	104,796,881.05	1,586,551.97	(2,039,547.49)	(550,310,531.23)	31,302,624.11
Asset in Transit	1,677.41	2,651,057.56	-	-	(2,652,734.97)	-
Total	2,332,614,321.56	137,192,234.37	565,026,483.93	(7,237,862.93)	(553,960,256.23)	2,473,634,920.70
Accumulated Depreciation :						
Land Improvement	(16,707,979.68)	(1,914,823.43)	-	-	-	(18,622,803.11)
Building and Building Improvement	(326,560,756.28)	(32,798,008.10)	-	-	3,922.70	(359,354,841.68)
Machines and Equipment	(478,366,106.66)	(79,453,199.62)	-	14,418.87	-	(557,804,887.41)
Equipment and Tools	(89,950,130.40)	(9,286,229.97)	-	45,465.62	-	(99,190,894.75)
Office Equipment	(90,518,770.30)	(16,992,936.83)	-	1,871,999.23	630,864.70	(105,008,843.20)
Vehicles	(79,548,061.82)	(11,451,102.53)	-	3,264,999.00	-	(87,734,165.35)
Total	(1,081,651,805.14)	(151,896,300.48)	-	5,196,882.72	634,787.40	(1,227,716,435.50)
Net	1,250,962,516.42					1,245,918,485.20

Depreciation Transferred to Statements of Comprehensive Income

For the year ended December 31,

2011	151,896,300.48
2010	141,485,495.02

- Consolidated Financial Statements

As of December 31, 2011 and 2010, three subsidiary companies guaranteed the credit line to commercial banks and financial institutions with both existing and to be acquired in the future of land and land improvements, machines in the net book value of Baht 261.34 million and Baht 292.73 million respectively, (Note 22).

As of December 31, 2011 and 2010, five subsidiary companies had the assets which had not the depreciation but they still used. The cost price was Baht 2,166.22 million and the net book value was Baht 330,742.00 and the cost price was Baht 1,694.46 million and the net book value was Baht 315,112.00 respectively.

- Separate Financial Statements

As of December 31, 2011 and 2010, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 557.26 million and the net book value was Baht 8,088.00 and the cost price was Baht 498.42 million and the net book value was Baht 7,585.00 respectively.

As of December 31, 2011 and 2010, The Company had land with buildings and improvement, machines and equipment, both existing and to be acquired in the future, as collateral against credit and guarantee (Note 22).



21. Intangible Assets-Net

Consolidated Financial Statements/Separate Financial Statements						
	Balance As of December 31, 2010 Baht	Purchase Baht	Transfer in Baht	Sale Baht	Transfer out Baht	Balance As of December 31, 2011 Baht
Cost :						
Software Royalty	9,277,467.50	4,161,944.12	-	-	-	13,439,411.62
<u>Less Accumulated</u>						
Amortization	(3,264,721.64)	(2,371,248.50)	-	-	-	(5,635,970.14)
Net	6,012,745.86					7,803,441.48

Amortization Expenses was shown in Statements of Comprehensive Income

For the year ended December 31,

2011	2,371,248.50
2010	1,639,383.53

22. Credits and Guarantees

Bank overdrafts, short-term loans and long-term loans from financial institutions, packing credits payable and trust receipts payable of the Group have been collateral by temporary investment, land with building, condominium for rent, machines and equipment both existing and to be acquired in the future of the Company and subsidiary companies, and beneficiary from insurance in assets of the Company and subsidiary companies with the financial institutions.

The Group received the credit in the form of long-term loans from related persons in the amount of Baht 2,000.00 million. Annual interest rate of 6.00% with maturity of 5 years from February 1, 2009 to January 31, 2014, has not any collateral.

23. Short-Term Loans from Financial Institutions

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31,		As of December 31,	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Short-Term Loans from				
Financial Institutions	180,000,000.00	310,000,000.00	180,000,000.00	280,000,000.00
Trust Receipts Payable	486,223,163.49	142,858,369.47	-	-
Total	666,223,163.49	452,858,369.47	180,000,000.00	280,000,000.00

23.1 Terms and Conditions on Short-Term Loans from Financial Institutions for the Company:

As of December 31, 2011 and 2010, short-term loans from financial institutions in the amount of Baht 180.00 million and Baht 280.00 million respectively, were in the form of promissory notes from several commercial banks with 30 days and in the type of call and 90 days, respectively, at the annual interest rates of 3.20% - 3.64% and 1.78 - 1.95% respectively.

23.2 Terms and Conditions on Short-Term Loans from Financial Institutions for a Subsidiary Company:

As of December 31, 2010, short-term loans from financial institutions in the amount of Baht 30.00 million was in the form of promissory notes with 1 - 3 months at the annual interest rates of 1.50% - 2.10%.

For consolidated financial statements, as of December 31, 2011 and 2010, trust receipts payable with annual interest rates at 1.03% -1.80% and 2.05% - 2.12%, respectively. Under term of trust receipt contract, the Group receives merchandise ordered by using credit of the finance institutes. Hence, the Group constitutes obligation commitment to the finance institutes for such merchandise fee both that kept or disposed.

Credits and guarantees, bank overdrafts and short-term loans from financial institutions, please see the notes to financial statements No.22.

24. Long - Term Loans from Financial Institutions-Net

Consist of:

		Consolidated Financial Statements	
		As of December 31,	
		2011	2010
		Baht	Baht
Long-Term Loans from Financial Institutions		320,000,000.00	557,890,000.00
<u>Less</u> Current Portion of Long - Term Loans		(80,000,000.00)	(143,160,000.00)
Net		240,000,000.00	414,730,000.00

The Movement of Long - Term Loans for the year ended December 31, 2011 and 2010 as follows:

		Consolidated Financial Statements	
		For the year ended December 31,	
		2011	2010
		Baht	Baht
Balance as of Beginning		557,890,000.00	221,050,000.00
Increased for the Period		-	400,000,000.00
Repayment for the Period		(237,890,000.00)	(63,160,000.00)
Balance as of Ending		320,000,000.00	557,890,000.00

- Term and Conditions on Long-Term Loans from Financial Institutions for two Subsidiary Companies

24.1 Terms and Conditions on Long-Term Loans from Financial Institutions for the First Subsidiary Company:

Long-term loans from financial institutions, the credit line of Baht 300.00 million, as of December 31, 2010, credit used amount of Baht 157.89 million, which has been repaid every 3 months, totally 19 installments. The first — eighteenth installments should be paid at Baht 15.79 million and the nineteenth installments should be paid at the whole amount of loan. The first installment will be paid on December 30, 2008. The interest should be paid at monthly basis at the last date of the month. The annual interest rate is fixed rate at THBFIX 1 month plus 1.00% of one financial institution. Presently the Subsidiary Company paid completely.

The whole amount of long-term loans of the subsidiary company, were secured by the existing and to be acquired in the future of land together with the benefits arising from insurance on that building and other assets of the subsidiary companies. The Company and subsidiary companies also pledged their guarantees. Presently the Subsidiary Company is redeeming those security.

24.2 Terms and Conditions on Long-Term Loans from Financial Institutions for the Second Subsidiary Company:

Long-term loans from financial institutions, the credit line of Baht 400.00 million, as of December 31, 2011 and 2010, credit used amount of Baht 320.00 million and Baht 400.00 million respectively and which has been repaid every 3 months, totally 20 installments. Baht 20.00 million per installment commences the first installment repayment on the final business day of the 13th month commenced from the month the first installment loan is withdrawn forwards



and following installments is repayable every final business day of the month that due for repayment while there is interest charged from the first month commenced from the month that the first installment loan is withdrawn — twelve installment in the rate equivalent to interest rate of THBFIX plus interest rate of 1.35% and from the 13th month forwards in the interest rate of THBFIX plus interest rate of 1.75%.

The whole amount of long-term loans of the subsidiary company, There is land plus property that existing and that will be contingent in the future from expansion project of chicken feeding farm production capacity and there is Company jointly guaranteed.

25. Provision for Employee Benefit

The Group applied the accounting for post employment benefits to employees or retirement indemnity following the accounting standard No. 19 "Employee Benefits". The provision of employee benefit will be paid to employees upon retirement from the Group. The retirement indemnity is calculated annually by a qualified actuary in order to determine the present value of the obligation and the current service cost.

Provision for Employee Benefit as follows:

	Consolidated Financial Statements Baht	Separate Financial Statements Baht
Present value of the obligation as of January 1, 2011	230,781,547.00	93,689,719.00
Current service cost	16,006,531.00	6,539,911.00
Interest expenses	8,423,375.00	3,419,625.00
<u>Less</u> Repayment for the Period	(2,017,546.00)	(105,085.00)
Present value of the obligation as of December 31, 2011	253,193,907.00	103,544,170.00

The principal assumptions used for the purposes of the actuarial valuation were as follows:

Discount rate	3.65%
Salary increase rate	5.00%
Employee turnover rate	0.01-1.00%
Retirement age	55 years

26. Share Capital

	For the year ended December 31, 2011			For the year ended December 31, 2010	
	Par Value Baht	Number of Share Shares	Amount Baht	Number of Share Shares	Amount Baht
Authorized Share Capital					
As of January 1,					
- Ordinary	10.00	-	-	140,000,000	1,400,000,000.00
- Ordinary	1.00	1,400,000,000	1,400,000,000.00	-	-
<u>Add</u> Change in Par Value from Baht 10 to Baht 1	1.00	-	-	1,260,000,000	-
As of December 31,					
- Ordinary	1.00	1,400,000,000	1,400,000,000.00	1,400,000,000	1,400,000,000.00

	December 31, 2011			December 31, 2010	
	Par Value Baht	Number of Share Shares	Amount Baht	Number of Share Shares	Amount Baht
Issued and Paid-up Share Capital					
As of January 1,					
- Ordinary	10.00	-	-	125,382,100	1,253,821,000.00
- Ordinary	1.00	1,253,821,000	1,253,821,000.00	-	-
<u>Add</u> Change in Par Value from Baht 10 to Baht 1	1.00	-	-	1,128,438,900	-
As of December 31,					
- Ordinary	1.00	1,253,821,000	1,253,821,000.00	1,253,821,000	1,253,821,000.00

27. Dividend Payment

- 27.1 The Minutes of Annual General Shareholders' Meeting in 2011 dated on April 28, 2011 was approved the dividend payment from the Company's performance in 2010 at Baht 0.30 per share, the number of shares was 1,253,821,000 and amounting to Baht 376.15 million (paid in amount of Baht 376.12 million) , whereby the Company has already paid dividend.
- 27.2 The Minutes of Annual General Shareholders' Meeting in 2010 dated on April 29, 2010 was approved the dividend payment from the Company's performance in 2009 at Baht 2.50 per share, the number of shares was 125,382,100 and amounting to Baht 313.46 million (paid in amount of Baht 313.44 million) and the amount of Baht 3.90 million for legal reserve, whereby the Company has already paid dividend.
- 27.3 The Minute of the General Shareholders' Meeting no. 1/2010 on April 30, 2010, of the MCKEY FOOD SERVICES (THAILAND) LTD., which is associated company, it unanimously resolves to approve the dividend payment of Baht 45.00 per share while the Company receives dividend from such associated company in amount of Baht 22.05 million.
- 27.4 The Minutes of Annual General Shareholders' Meeting in 2010 dated on April 28, 2011, of the KRUNGTHAI FEEDMILL PUBLIC CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 1.00 per share while the Company receives dividend from such subsidiary company in amount of Baht 39.13 million.
- 27.5 The Minutes of the Company's Board of Directors Meeting no. 9/2010 dated on December 2, 2011, of the KRUNGTHAI FEEDMILL PUBLIC CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 2.50 per share while the Company receives dividend from such subsidiary company in amount of Baht 97.85 million.
- 27.6 The Minutes of Annual General Shareholders' Meeting in 2009 dated on April 29, 2010, of the KRUNGTHAI FEEDMILL PUBLIC CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 1.00 per share while the Company receives dividend from such subsidiary company in amount of Baht 38.75 million.
- 27.7 The Minute of the Company's Board of Directors Meeting no. 5/2011 dated on June 13, 2011, of the GP BREEDING CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 1.50 per share while the Company receives dividend from such subsidiary company in amount of Baht 30.00 million.



- 27.8 The Minute of the Company's Board of Directors Meeting no. 10/2011 dated on November 30, 2011, of the GP BREEDING CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 1.50 per share while the Company receives dividend from such subsidiary company in amount of Baht 30.00 million.
- 27.9 The Minute of the Company's Board of Directors Meeting no. 9/2010 dated on July 9, 2010, of the M.K.S. FARM CO., LTD., which is subsidiary company, it unanimously resolves to approve the dividend payment of Baht 1.95 per share while the Company receives dividend from such subsidiary company in amount of Baht 107.25 million.

28. Management's Remuneration

Management benefit expenses represent the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

29. Financial Costs

Consist of:

	Consolidated Financial Statements For the year ended		Separate Financial Statements For the year ended	
	December 31, 2011 Baht	December 31, 2010 Baht	December 31, 2011 Baht	December 31, 2010 Baht
Fee Co-guarantee Loan Expenses	-	-	704,131.56	2,439,029.05
Fee Bank Expenses	24,272.33	672,190.64	-	-
Interest Expenses- Employee Benefit	8,423,375.00	-	3,419,625.00	-
Interest Expenses	135,806,078.74	134,302,689.92	46,658,224.58	46,570,892.78
	144,253,726.07	134,974,880.56	50,781,981.14	49,009,921.83

30. Income Taxes

For the year ended December 31, 2011, the Company and subsidiary companies calculated income taxes of the net profit from promotional activities under the condition of BOI and calculated corporate income tax of the net profit from without promotional activities at 30% and the Company and subsidiary companies calculated corporate income tax of the net profit from without promotional activities after less and plus the adjustment transactions from the Revenue Code. The significant plus or minus of the adjustment transactions are carry forward loss no exceed 5 years, premium on vehicle depreciation, doubtful accounts, charity and loss from decline in value of inventories.

For the year ended December 31, 2010, the Company calculated income taxes of the net profit from promotional activities under the condition of BOI and calculated corporate income tax of the net profit without promotional activities at 25% which complies with royal decree No.475 to reduce corporate income tax from 30% to 25% of net profit not over Baht 300 million for the 3 consecutively accounting periods commenced from the first accounting period which commenced within or after January 1, 2008, and the subsidiary companies calculated corporate income tax of the net profit from promotional activities under the condition of BOI and calculated corporate income tax of the net profit from without promotional activities at 30% and the Company and subsidiary companies calculated corporate income tax of the net profit from without promotional activities after less and plus the adjustment transactions from the Revenue Code. The significant plus or minus of the adjustment transactions are carry forward loss no exceed 5 years, premium on vehicle depreciation, doubtful accounts, charity and loss from decline in value of inventories etc.

31. Expenses by Nature

Consist of:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the year ended		For the year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	Baht	Baht	Baht	Baht
Changes in Inventories of Finished Goods and Work in Progress	(196,810,592.71)	(2,380,068.08)	(103,088,092.11)	91,296,590.66
Raw Materials and Consumables Used	9,895,762,873.53	8,276,947,840.36	5,159,568,103.79	5,654,087,087.92
Gain (Loss) in Value of Inventories	21,414,980.05	(1,497,029.04)	3,753,980.55	2,825,195.79
Employee Benefit Expenses	1,423,670,942.02	1,343,926,345.93	744,418,207.39	767,212,416.08
Depreciation of Fixed Assets	455,016,073.39	422,591,745.93	163,604,749.87	149,994,065.56
Depreciation of Chicken	364,805,207.68	341,493,418.31	-	-
Amortization Expenses	2,371,248.50	1,639,383.53	2,371,248.50	1,639,383.53
Transportation Expenses	271,149,679.51	294,004,961.04	75,538,308.41	112,702,350.05
Operating Lease Expenses	18,690,130.13	17,731,097.85	7,763,943.95	6,843,093.75
Utility Expenses	463,361,000.74	457,450,938.27	179,071,299.96	202,202,132.28
Fee Expenses	7,551,347.55	8,925,415.98	1,721,710.79	1,696,701.74
Traveling Expenses	24,942,793.93	22,812,204.32	6,886,114.84	4,535,060.51
Sale Promotion Expenses	21,623,270.49	30,136,989.57	928,426.58	1,432,970.72
Loss from Sales of Parent				
Chicken Retirement	-	18,982,387.00	-	-
Loss from Sales of Grandparent Chicken				
Retirement	288,186.22	1,090,033.53	-	-
Loss from Value of Disposal of Chicken	3,732,609.74	2,777,207.42	-	-
Other Expenses	99,911,212.90	73,782,660.14	43,460,379.38	39,799,433.45
	12,877,480,963.67	11,310,415,532.06	6,285,998,381.90	7,036,266,482.04



32. Details of Statements of Income Categorized by Activities with Investment Promotional Benefits and Activities without Investment Promotional Benefits

Separate Financial Statements
For the year ended December 31, 2011

	Activities with Investment Promotional Benefits Baht	Activities without Investment Promotional Benefits Baht	Total Baht
Sales	2,296,027,733.52	4,163,880,624.74	6,459,908,358.26
Cost of Sales	(2,006,705,490.53)	(3,974,798,614.39)	(5,981,504,104.92)
GROSS PROFIT	289,322,242.99	189,082,010.35	478,404,253.34
Dividend Income from Subsidiary Companies	-	196,980,006.00	196,980,006.00
Other Income	15,714,667.79	94,743,372.36	110,458,040.15
PROFIT BEFORE EXPENSES	305,036,910.78	480,805,388.71	785,842,299.49
Selling Expenses	(69,590,072.79)	(16,291,899.34)	(85,881,972.13)
Administrative Expenses	(50,482,973.79)	(133,474,618.06)	(183,957,591.85)
Management's Remuneration	(12,320,283.16)	(22,334,429.84)	(34,654,713.00)
Total Expenses	(132,393,329.74)	(172,100,947.24)	(304,494,276.98)
PROFIT BEFORE FINANCIAL COSTS AND INCOME TAXES	172,643,581.04	308,704,441.47	481,348,022.51
FINANCIAL COSTS	(18,003,670.03)	(32,778,311.11)	(50,781,981.14)
PROFIT BEFORE INCOME TAXES	154,639,911.01	275,926,130.36	430,566,041.37
INCOME TAXES	-	(5,058,081.74)	(5,058,081.74)
NET PROFIT	154,639,911.01	270,868,048.62	425,507,959.63

Separate Financial Statements
For the year ended December 31, 2010

	Activities with Investment Promotional Benefits Baht	Activities without Investment Promotional Benefits Baht	Total Baht
Sales	2,602,277,974.07	4,602,678,942.58	7,204,956,916.65
Cost of Sales	(2,202,283,380.74)	(4,515,488,650.95)	(6,717,772,031.69)
GROSS PROFIT	399,994,593.33	87,190,291.63	487,184,884.96
Dividend Income from Associated Company	-	22,050,000.00	22,050,000.00
Dividend Income from Subsidiary Companies	-	145,995,955.45	145,995,955.45
Other Income	54,328,269.06	68,080,682.30	122,408,951.36
PROFIT BEFORE EXPENSES	454,322,862.39	323,316,929.38	777,639,791.77
Selling Expenses	(107,694,159.73)	(16,555,265.86)	(124,249,425.59)
Administrative Expenses	(49,441,028.43)	(121,992,706.33)	(171,433,734.76)
Management's Remuneration	(8,138,566.44)	(14,672,723.56)	(22,811,290.00)
Total Expenses	(165,273,754.60)	(153,220,695.75)	(318,494,450.35)
PROFIT BEFORE FINANCIAL COSTS AND INCOME TAXES	289,049,107.79	170,096,233.63	459,145,341.42
FINANCIAL COSTS	(17,687,179.54)	(31,322,742.29)	(49,009,921.83)
PROFIT BEFORE INCOME TAXES	271,361,928.25	138,773,491.34	410,135,419.59
INCOME TAXES	-	-	-
NET PROFIT	271,361,928.25	138,773,491.34	410,135,419.59

33. Presentation of Financial Data Segregated by Business Sector

The information on business sector operation of the Company and subsidiary companies was as follows:

Consolidated Financial Statements										
	For the year ended December 31, 2011								(Unit : Million Baht)	
	Evisceration Chicken	Hatchery Farm	Broiler Farm	Feed Mill	Parent Chicken	Chick Distribution	Processed Food Production and Distribution	Grandparent Chicken	Eliminate	Total
Sales - General Customers	6,101.15	303.67	2,180.39	4,838.82	2.25	291.72	456.75	39.28	-	14,214.03
- Transfer between Sectors	358.76	1,389.59	4,128.61	5,340.69	229.82	-	12.14	132.51	(11,592.12)	-
	6,459.91	1,693.26	6,309.00	10,179.51	232.07	291.72	468.89	171.79	(11,592.12)	14,214.03
Profit from Operation	280.28	103.86	36.03	922.86	81.96	61.95	1.31	64.73		1,552.98
Participating Loss in Associated Companies										(111.29)
Interest Income										2.05
Financial Costs										(144.25)
Income Taxes										(76.75)
Profit from Non-Controlling Interests										(19.35)
Net Profit of GFPT PCL.										1,203.39
Assets by Business Sector										
- Fixed Assets	1,074.40	377.70	1,657.64	1,197.93	123.61	-	14.99	215.74		4,662.01
- Center Fixed Assets	299.91	2.28	0.62	64.55	-	-	7.64	0.06		375.06
- Other Assets	528.27	406.29	620.62	2,212.13	67.73	24.15	26.49	56.29		3,941.97
Common Assets										1,089.36
Total Assets										10,068.40

Consolidated Financial Statements										
	For the year ended December 31, 2010								(Unit : Million Baht)	
	Evisceration Chicken	Hatchery Farm	Broiler Farm	Feed Mill	Parent Chicken	Chick Distribution	Processed Food Production and Distribution	Grandparent Chicken	Eliminate	Total
Sales - General Customers	7,040.91	169.42	271.11	4,319.61	1.30	400.99	247.46	21.68	-	12,472.48
- Transfer between Sectors	164.05	1,063.88	4,754.09	4,364.01	189.65	101.50	6.96	125.66	(10,769.80)	-
	7,204.96	1,233.30	5,025.20	8,683.62	190.95	502.49	254.42	147.34	(10,769.80)	12,472.48
Profit from Operation	286.59	26.72	3.76	863.20	43.26	107.77	5.29	44.69		1,381.28
Participating Loss in Associated Companies										(1.52)
Interest Income										0.52
Financial Costs										(134.97)
Income Taxes										(57.85)
Profit from Non-Controlling Interests										(21.15)
Net Profit of GFPT PCL.										1,166.31
Assets by Business Sector										
- Fixed Assets	1,057.65	326.86	1,462.64	1,026.61	138.12	-	15.28	234.43		4,261.59
- Center Fixed Assets	299.70	0.34	0.22	39.78	-	-	1.99	0.01		342.04
- Other Assets	504.20	385.13	481.38	1,858.31	66.50	21.90	19.66	55.35		3,392.43
Common Assets										1,220.38
Total Assets										9,216.44



The Company and subsidiaries companies are engaged of Evisceration Chicken, Hatchery Farm, Broiler Farm, Feed Mill, Parent Chicken and Chick Distribution, Processed Food Production and Distribution and Grandparent Chicken Profit (loss) on each type of business arises from total sales less cost of sales and selling and administrative expenses of each business.

Basis in the determination of transferred prices between sectors of the Company and its subsidiaries and associated companies (see note to financial statements Note. 9.1)

Basis in the determination of transferred prices between sectors of subsidiary and associated companies incurred between each other which is materialized as follows:

Pricing Policy

Sales	Agreement Price, Reference to Market Price
Purchases	Agreement Price, Reference to Market Price
Other Income	Cost Price and Market Price

For the year ended December 31, 2011 and 2010, the Company and subsidiary companies had domestic sales and export sales as follows:

	(Unit : % of Net Total Sales)	
	Consolidated Financial Statements	
	For the year ended December 31,	
	2011	2010
Domestic Sales - Net	86.72	78.84
Export Sales - Net	13.28	21.16

34. Financial Instruments

34.1 Policy on Financial Risk Management

The Group has the policy to decrease financial risk by using financial instruments such as to make forward contract of foreign currency, to make fixed interest rate contracts in replacement of floating market rate. However the Group has no policy to use financial instruments for speculating or for trading.

34.2 Risk on Interest Rates

The interest rate risk is the risk from the future movements in market interest rates which will be affected the results of the Group operations and their cash flows. The Group had assets and liabilities which it may have risk on interest rate as follows:

	Consolidated Financial Statements			
	Amount		Amount	
	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	Million Baht	Million Baht	%	%
Cash Deposit — Savings Account	90.71	106.00	0.75	0.25
Government Bond-debt instruments 90 days	10.00	-	3.10	-
Bank Overdraft	-	-	6.375-7.90	6.12-6.75
Short-Term Loans from Financial Institutions	180.00	310.00	3.20-3.64	1.50-2.10
Trust Receipts Payable	486.22	142.86	1.03-1.80	2.05-2.12
Long-Term Loans from Financial Institutions	320.00	557.89	2.17-5.19	2.12-5.50
Long-Term Loans from Related Persons	2,000.00	1,998.10	6.00	6.00

	Separate Financial Statements			
	Amount		Amount	
	As of December 31,		As of December 31,	
	2011 Million Baht	2010 Million Baht	2011 %	2010 %
Cash Deposit — Savings Account	30.89	35.17	0.75	0.25
Bank Overdraft	-	-	6.625-7.90	6.15-6.75
Short-Term Loans from Financial Institutions	180.00	280.00	3.20-3.64	1.78-1.95
Short-Term Loans from Subsidiary Company	-	5.00	-	2.00
Long-Term Loans from Related Persons	692.20	692.20	6.00	6.00

34.3 Risks on Exchange Rate

The Group had policy to decrease any risks on foreign exchange rate, which occurred from sale and payment on goods by hedging forward contract from several financial institutions as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Assets				
Value of Foreign Exchange Forward Contract (Million USD)	13.39	20.04	13.39	20.04
(Million EURO)	0.67	6.34	0.67	6.34
Value of Foreign Exchange Contract (Million Baht)	444.15	868.30	444.15	868.30
Fair Value of Foreign Exchange Contract (Million Baht)	457.74	861.81	457.74	861.81

The fair value of foreign exchange forward contract computed by using rates determined by those counter contract party banks as of the date in the statements of financial position.

Other than that were hedged by derivative financial instruments. The Group had assets and liabilities that were not hedged by derivative financial instruments were as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Assets that were not Hedged by Derivative Financial Instruments				
(Million USD)	0.03	-	-	-
(Million EURO)	0.28	-	0.28	-
Liabilities that were not Hedged by Derivative Financial Instruments				
(Million USD)	0.40	8.49	-	-
(Million YEN)	5.29	-	5.29	-



34.4 Risks on Credit Term

The Company has a low risk for credit term on goods for exporting customers because most of the customers transfer money before goods are sent and the rest is sold by opening letter of credit issued to the Company which can be cashed at the bank as soon as goods are sent. For domestic customers, retailers were paid by cash only whereas wholesalers were given credit on a case by case basis depending on their turnover of goods and the payment ability. For subsidiary company had risks on credit term which given credit term to customers on a case by case basis and assets guarantee. The uncollectible debt from general accounts receivable, the company reviewed and recorded the allowance from doubtful debts. The accounts receivable from related companies, had not any risks on payment because the credit term was in the due period and high liquidity.

34.5 Fair Value

Due to the fact that financial assets and liabilities are mainly short term type and long term type have an interest rate at nearby the rate in the market rate. The Group believes that book values of assets and liabilities do not significantly differ from their fair values.

35. The Spread of Bird Flu Problems

At present, Thai still faces the problems of the spread of Avian Flu. The major importers such as Japan, European countries, Singapore, South Korea, Hong Kong etc., permitted to import only cooked chicken products so it will not impact on the Company's performance.

36. Contingent Liabilities and Obligations

36.1 In addition to the liabilities shown in the statements of financial position, the Group had other contingent liabilities and obligations as follows:

Consolidated Financial Statements		
As of December 31,		
	2011	2010
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Guarantee	88.47	70.34
Letter of Credit (Unused)	1,814.63	2,137.10
Guarantee on Bank Credit with Subsidiary Companies		
- Credit Line Baht 1,398.57 Million, Credit Used	320.00	-
- Credit Line Baht 1,303.41 Million, Credit Used	-	587.89
Joint Guarantee on Bank Credit with Subsidiary Companies		
- Credit Line Baht 1,311.08 Million, Credit Used	-	-
- Credit Line Baht 1,302.13 Million, Credit Used	-	-

	As of December 31,	
	2011 Million Baht	2010 Million Baht
Letter of Guarantee	41.77	28.76
Letter of Credit (Unused)	73.66	125.33
Guarantee on Bank Credit with Subsidiary Companies		
- Credit Line Baht 1,398.57 Million, Credit Used	320.00	-
- Credit Line Baht 1,303.41 Million, Credit Used	-	587.89
Joint Guarantee on Bank Credit with Subsidiary Companies		
- Credit Line Baht 1,311.08 Million, Credit Used	-	-
- Credit Line Baht 1,302.13 Million, Credit Used	-	-

- 36.2 As of December 31, 2011 and 2010, one subsidiary company had obligation to buy back live-chicken under the contract agreement of day-old-chicks and also guarantee the purchasing price. The contract agreement had conditions to buy back at 95% of the number of day-old-chicks in amount of Baht 29.59 million and Baht 16.20 million respectively.
- 36.3 As of December 31, 2011 and 2010, one subsidiary company had obligation to buy back layer chicken under the contract agreement of layer day-old-chicks and also guarantee the purchasing price at Baht 93, Baht 114 and Baht 93 respectively. The contract agreement had conditions to buy back at 95% of the number of layer day-old-chicks in the amount of Baht 10.76 million and Baht 7.73 million respectively.
- 36.4 One subsidiary company had constitutes obligation commitment that will have to repay service fee of high speed signal with one company in one version from August 21, 2009 to August 20, 2012. The total payment of the lease agreement as follows :

	As of December 31, 2011 Million Baht	As of December 31, 2010 Million Baht
Within 1 year	0.24	0.36
Over 1 -5 years	-	0.24
Total	0.24	0.60

- 36.5 As of December 31, 2011 and 2010, one subsidiary company had constitutes obligation asset purchase agreement in the amount of EURO 1.71 million, equally.
- 36.6 The Group had obligation to lease land, lease office building, lease factory building, lease farm and lease a building from the subsidiary companies, related companies for 3 years period and lease a building from outsider for 2 years and 3 years period. The total payment of the lease agreement are as follows:

	As of December 31, 2011 Million Baht	As of December 31, 2010 Million Baht
Within 1 year	11.69	17.05
Over 1 -5 years	3.54	9.83
Total	15.23	26.88

- 36.7 One subsidiary company made an agreement to lease land for chicken farm operation with a related company for 20 years period since October 1. 2003 to September 30. 2023. and the monthlv rental rate is Baht 40.000.00.



When the agreement is finished, lessee will sell poultry houses and equipment which located on that land to lesser.
The total payment of the lease agreement as follows :

	As of December 31, 2011 <u>Million Baht</u>	As of December 31, 2010 <u>Million Baht</u>
Within 1 year	0.48	0.48
Over 1 -5 years	1.92	1.92
Over 5 -10 years	2.40	2.40
Over 10 years	0.84	1.32
Total	5.64	6.12

36.8 As of December 31, 2011 and 2010, a subsidiary had obligation capital expenditure in amount of USD 593,544.10 and USD 123,044.60 respectively.

36.9 As of December 31, 2011, a subsidiary had obligation to entried into the sale and purchase agreement for the fan shutters with one company in the amount of Baht 34.90 million. The subsidiary company paid deposit amount of Baht 23.22 million and still had obligation to pay at Baht 11.68 million.

36.10 The Company made an agreement to lease land from one related company for constructing condominiums for employees to rent with 20 years period since August 1, 2007 onwards, the whole rental value was Baht 22.38 million. The total payment of the lease agreement as follows :

	As of December 31, 2011 <u>Million Baht</u>	As of December 31, 2010 <u>Million Baht</u>
Within 1 year	1.02	1.02
Over 1 -5 years	4.33	4.22
Over 5 -10 years	5.77	5.72
Over 10 years	6.31	7.49
Total	17.43	18.45

37. Capital Management

The primary objectives of the Company's and its subsidiaries capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As of December 31, 2011 and 2010, debt to equity ratio in the consolidated financial statements are 0.68 : 1 and 0.71 : 1, respectively, and the separate financial statements are 0.45 : 1 and 0.43 : 1, respectively.

38. Approval of the Financial Statements

The financial statements have been approved to issue by the board of directors' the Company on February 23, 2012.



บริษัท จีเอฟพีที จำกัด (มหาชน)

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