

GFPT ANNUAL REPORT 2014



GFPT Public Company Limited

To be a leading food processing company

with fully vertical integrated chicken production
and livestock products.

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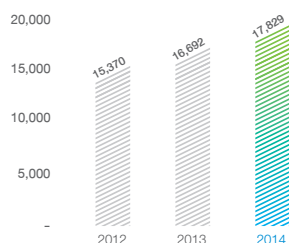
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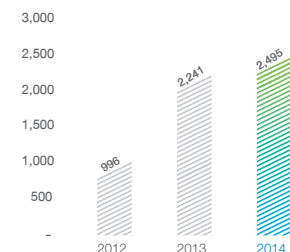
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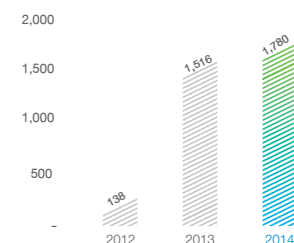
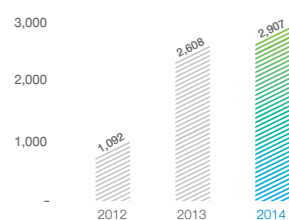
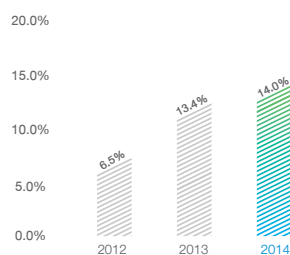
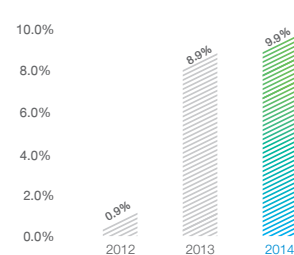
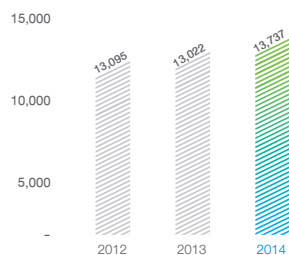
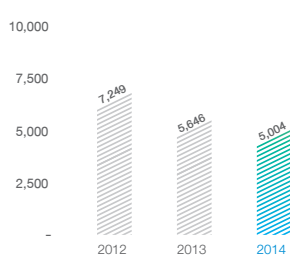
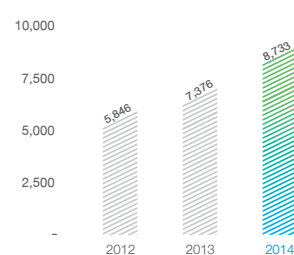
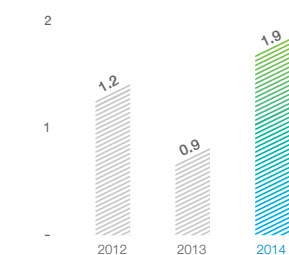
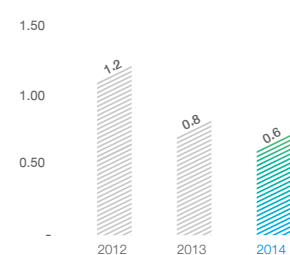
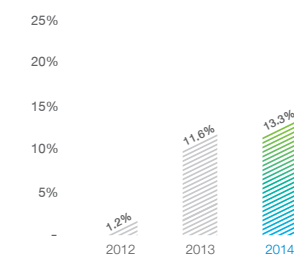
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Financial Highlights

Revenue from Sales (million Baht)

Growth 7%

Gross Profit (million Baht)

Growth 11%

Net Profit (million Baht)

Growth 17%

EBITDA (million Baht)

Gross Profit Margin (%)

Net Profit Margin (%)

Total Assets (million Baht)

Total Liabilities (million Baht)

Shareholders' Equity (million Baht)

Liquidity Ratio (Times)

Debt to Equity Ratio (Times)

Return on Assets (%)


GFPT Public Company Limited and its Subsidiary Companies

Consolidated Operating Result

	2012	2013	2014
Revenue From Sales (Million Baht)	15,370	16,692	17,829
Total Revenue (Million Baht)	15,651	17,004	18,075
Gross Profit (Million Baht)	996	2,241	2,495
Profit From Operation (Million Baht)	197	1,716	1,901
Net Profit (Million Baht)	138	1,516	1,780
Earnings Per Share (Baht Per Share)	0.11	1.21	1.42

Consolidated Financial Position

	2012	2013	2014
Total Current Assets (Million Baht)	5,476	4,646	4,468
Total Assets (Million Baht)	13,095	13,022	13,737
Total Current Liabilities (Million Baht)	4,662	5,088	2,339
Total Liabilities (Million Baht)	7,249	5,646	5,004
Shareholders' Equity (Million Baht)	5,846	7,376	8,733

Financial Ratio

	2012	2013	2014
Liquidity Ratio (times)	1.17	0.91	1.91
Gross Profit Margin (%)	6.48	13.43	13.99
Return on Asset (%)	1.18	11.61	13.30
Debt to Equity Ratio (times)	1.24	0.77	0.57

Message from Chairman



GFPT remains its strong commitment to maintain high standards of operating efficiency and to increase our competitiveness in order to be a leading vertical integrated chicken producer and exporter.

The year 2014 was another successful year for GFPT Group with sustainable growth and competency in its core business. In 2014, the consolidated sales were THB 17,829 million, increased THB 1,137 million or growth rate of 6.81%. The consolidated net income was THB 1,780 million, increased THB 264 million or grew 17.40% from 2013 which established distinctive remark for GFPT Group's operations in our history. Moreover, the Company was very proud and honored to receive the "Best Company Performance Awards", the "Outstanding CEO Awards", and the "Outstanding Investor Relations Awards" in SET Awards 2014 organized by the Stock Exchange of Thailand, the Institute of Directors, and Money & Banking Magazine.

In 2014, our chicken meat processing business grew from previous year both international market and domestic market. We exported fresh frozen and fully cooked chicken products in total volume of 26,200 tons, increased by 16.4% from previous year. We increased chicken export volume in our major markets including countries in the European Unions, Japan, and Singapore. In addition, we expanded to the new market by exporting fresh frozen chicken meat to Malaysia. Moreover, chicken meat and parts sales in domestic market increased due to higher domestic consumption of poultry. The chicken price is relatively cheaper than other types of meat. Chicken meat was widely used as raw material in food services business and QSRs due to its convenience in cooking methods. Thus, chicken meat processing business grew up from previous year at 2.29%.

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The outlook for Thailand's poultry exports in 2015 was promising as Thailand has more market opportunities to export fresh frozen chicken meat to international markets. Beginning with the European Union and Japan, which are two major markets of Thailand's poultry industry, have lifted the ban of importation of Thai fresh frozen chicken since mid-2012 and late-2013 respectively. Similarly, other countries including Russia, South Korea, Canada, Hong Kong, Singapore, and etc. have started to lift the importing ban for Thai raw chicken meat as well. With this great opportunity, the Thai poultry industry expects to increase export volume of processed poultry product about 6-7% to reach 600,000 tons in 2015, which will be at a record high in the Thailand's poultry export history.

In 2015, GFPT remains its strong commitment to maintain high standards of operating efficiency and to increase our competitiveness in order to be a leading vertical integrated chicken producer and exporter. We plan to expand our broiler raising farms, breeding and hatchery facilities, and primary breeding to accommodate the higher demand from international and domestic markets. In addition, we aim for new potential markets for export our chicken products such as Russia and South Korea.

However, the avian influenza outbreak that is still going in various countries including China, Netherlands, Germany, and the United States will be a challenge for this year. Thus, we have prepared for any possible challenges as we have focused on research and development in order to improve production efficiency, safety, and management to attract and satisfy the tastes of consumers in each different market. Moreover, high standard of hygiene and environmental conservation in the production process have to be maintained and consistently improved. Our facilities and processes have been certified and accredited by internal audit, customer audit, and third parties audit, i.e. GMP, HACCP, ISO 9001, ISO 14001, and the British Retail Consortium (BRC). With this consistent development in competitive potentiality, it could be assured that GFPT will achieve more accomplishment to compete in international market.

We also set strategic policy to achieve sustainable growth through the ideology adhere to the corporate social responsibility principle (CSR) in which we aware of society, community, environment, and stakeholders. The company has regularly carried out development activities for the community surrounding each of the company's plant. Furthermore, GFPT has also engaged in a campaign to strengthen the energy-saving consciousness among the company's employees and gave priority to the environmental conservation management so that the environment will be affected as least as possible. One of the environmental conservation projects that have been carried on by the company is the measuring of carbon footprint to assess the emission of greenhouse gas throughout the lifecycle of the company's products. In 2014, we received the rating of "Very Good" level for Corporate Governance Report of Thai Listed Companies (CGR) in 2014, organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). The Company has been maintaining the "Very Good" level for Corporate Governance Report since 2006.

On behalf of the Company's Board of Directors, I would like to thank all shareholders for your trust and confidence in GFPT. We are appreciated our customers and partners for their supports and thanks to the managements and all employees to work hardy for the Company. Their dedications bring proud and success to the Company. All directors, executives, and employees will strive to do business with integrity, transparency, and fairness. Finally, I sincerely hope to get the full support and kind cooperation to continue to drive the sustainable growth of GFPT.

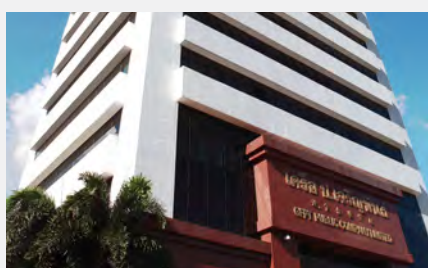


Mr. Prasit Sirimongkolkasem
Chairman

Company Information

GFPT strives to be a leading food processing company with fully vertical integrated chicken production and livestock products.

Issuing Company



GFPT

GFPT Public Company Limited

Type of Business:

Chicken Evisceration, Processed Chicken Food, and By-Products

Head Office:

312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150

Company Certificate No:

0107537001471

Telephone:

0 2473 8000

Facsimile:

0 2473 8398

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

Home Page

www.gfpt.co.th

Subsidiary Company



KT

Krungthai Food Public Company Limited

Type of Business:

Feed Mill and Parent Chicken Farm for Egg Production and Distribution

Head Office:

312 Rama 2 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

Home Page

www.ktfoot.co.th

Subsidiary Company



GP

GP Breeding Company Limited

Type of Business:

Grandparent Chicken Farm for Parent Stock Chicks Production and Distribution

Head Office:

312 Rama 2 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

Subsidiary Company



FKT

Krungthai Farm Company Limited

Type of Business:

Parent Chicken Farm and Hatchery for Chicks Production and Distribution

Head Office:

312 Rama 2 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

Subsidiary Company



MKS

M.K.S. Farm Company Limited

Type of Business:

Broiler Farm

Head Office:

312 Rama 2 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

Subsidiary Company



GFF

GF Foods Company Limited

Type of Business:

Processed Chicken Food

Head Office:

312 Rama 2 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

Associated Company



McKey

McKey Food Services (Thailand) Limited

Type of Business:

Frozen Processed Food

Head Office:

210 Moo 1, Teparak Road K.M. 20.5,
Bangsaothong, 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

Associated Company



GFN

GFPT Nichirei (Thailand) Company 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:

3,014,000,000 Baht

Paid-up Capital:

3,014,000,000 Baht

No. of Shares:

30,140,000 shares

Type of Share:

Common Stock

OTHER INFORMATION

Registrar Name

Thailand Securities
Depository Co., Ltd.

Address

62 The Securities Exchange of
Thailand Building, Ratchadapisek Road,
Klongtoey, Bangkok 10110

Telephone:

0 2229 2800
0 2229 2888

Home Page

www.tsd.co.th

Registrar Debenture

-None-

Auditor

SAM NAK-NGAN A.M.C Co., Ltd.

Address

191 Silom Complex Building,
19th Floor, Silom Road,
Silom, Bangrak, Bangkok 10500

Telephone:

0 2231 3980-7

Facsimile:

0 2231 3988

Home Page

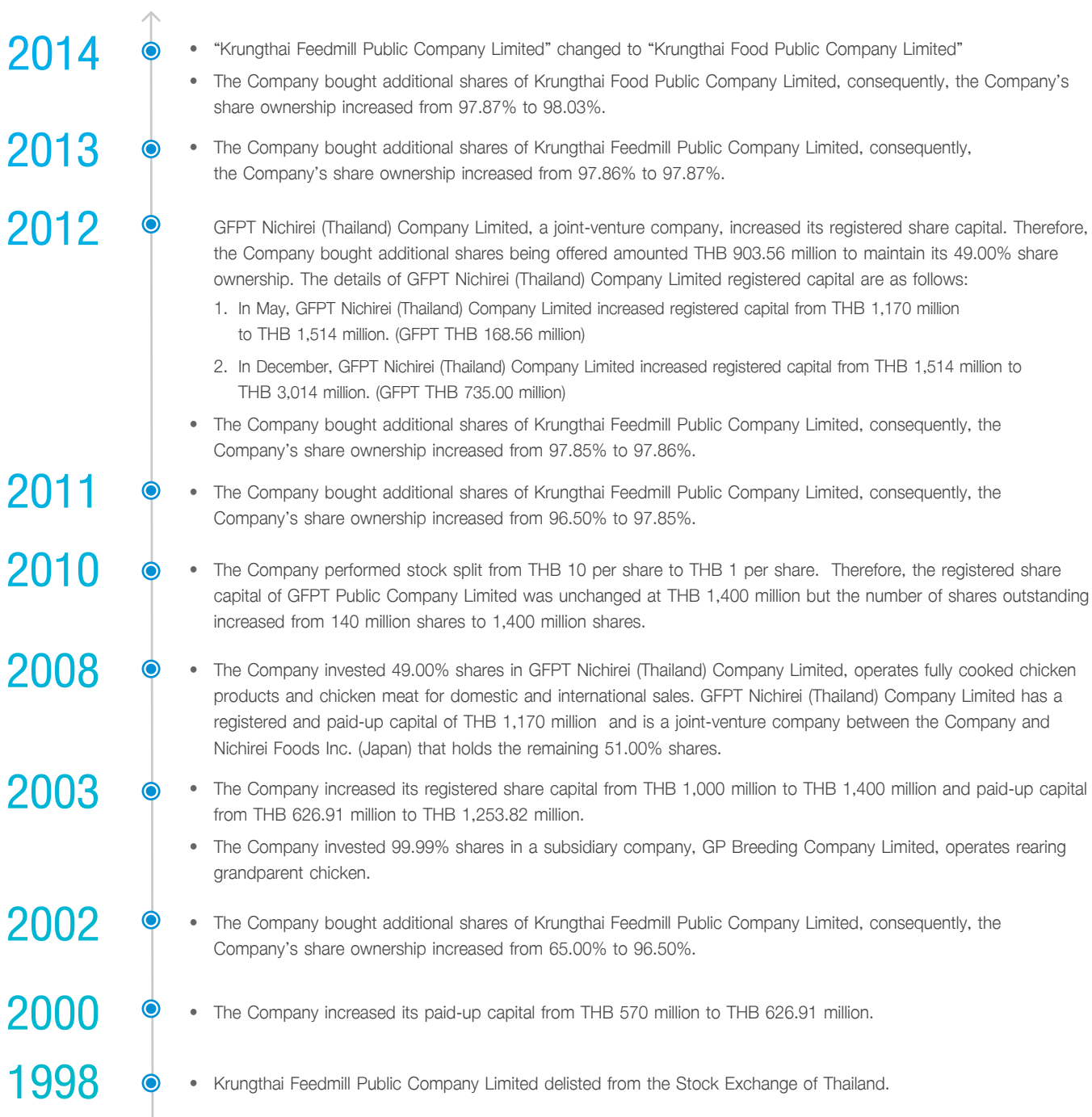
www.amc-mri.com

Group Structure



Major Development of the Company

GFPT Public Company Limited (the “Company”) was incorporated as a juristic person under the Civil and Commercial Code on 25 November 1981. The Company’s major businesses are to manufacture and sell fresh frozen chicken meat and further processing chicken products to both domestic and international markets.



-
- 1994
- GFPT Company Limited changed from being a “Company Limited” to “Public Company Limited”.
 - Krungthai Feedmill Company Limited changed from being a “Company Limited” to “Public Company Limited”.
- 1993
- The Company invested 49.00% shares in McKey Food Services (Thailand) Limited, which manufactures and sells frozen processed food. McKey Food Services (Thailand) Limited has a registered and paid-up capital of THB 100 million and is a joint-venture company between the Company and Keystone Foods Corporation (USA) that holds the remaining 51.00% shares.
- 1992
- The Company was listed in the Stock Exchange of Thailand with the registered share capital of THB 1,000 million and paid-up capital of THB 570 million.
- 1991
- The Company invested 99.99% shares in a subsidiary company, GF Foods Company Limited, operates the production and distribution of processed chicken food.
 - The Company increased its registered share capital from THB 420 million to THB 1,000 million.
 - The Company acquired 65.00% shares in a subsidiary company, Krungthai Feedmill Company Limited, listed in the Stock Exchange of Thailand since 1988, which operates feed mill business.
- 1990
- The Company increased its registered share capital from THB 150 million to THB 420 million to expand the business as an integrated chicken farm and acquired 99.99% shares of 2 subsidiary companies:
 1. Krungthai Farm Company Limited operates parent chicken farm.
 2. M.K.S. Farm Company Limited operates broiler farm.
- 1989
- The Company increased its registered share capital from THB 100 million to THB 150 million in order to expand the production capacity to eviscerate chicken at the rate of 7,200 birds/hour.
 - : In October, the Company’s name changed to “P. Charoen Phan Poultry Company Limited”.
 - : In December, the Company’s name changed to “GFPT Company Limited”.
- 1987
- The Company increased its registered share capital from THB 77.70 million to THB 100 million in order to expand the production capacity to eviscerate chicken at the rate of 6,000 birds/hour.
- 1985
- 2 parties of shareholders; General Foods Poultry Company Limited (New Zealand) and United Trading Corporation (Luxemburg) withdrawn their shares, so, P. Charoen Phan Group purchased all the shares.
- 1981
- Registered in the name of General Foods Poultry (Thai) Company Limited, consisted of 3 parties of shareholders
 1. P. Charoen Phan Feedmill Company Limited (Thailand) holding 51.00%
 2. General Foods Poultry Company Limited (New Zealand) holding 34.00%
 3. United Trading Corporation (Luxemburg) holding 15.00%

Business Operations

GFPT Public Company Limited (“GFPT”) founded in 1981 and became a public company in 1994. Nowadays, 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 chicken production and distribution of frozen chicken meat, processed chicken, and its by-products under the customers’ and company’s brand names for both domestic and overseas markets. In 2014, GFPT has chicken processing capacity of 118,000 tons per year and cooked chicken products capacity of 32,000 tons per year from the plant located at Samutprakarn.

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, grandparent chicken farm, parent chicken farm, broiler farm, feed mill and processed food production.

The GFPT group operates integrated poultry business. Beginning with the investment of 98.03% in Krungthai Food 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 animal feed and aquatic feed. KT distributes animal feed especially chicken feed to the Company’s subsidiaries namely MKS, FKT, GP, and domestic animal raisers. For the aquatic feed, KT distributes to domestic aquatic raisers. In 2014, KT has total capacity of 1 million tons per year. The first feed mill, located at Samutprakarn province, consists of 1 animal feed line and 2 aquatic feed lines, with the total capacity of 599,000 tons. The second feed mill, at Banbueng, Chonburi province, has 1 broiler feed line with the total capacity of 512,000 tons per year. Moreover, KT also operates parent chicken farms to produce fertilized eggs for selling to FKT. In 2014, KT has total capacity of 21 million fertilized eggs from its 3 farm in Chonburi province. There is no conflict of interest between the rests of shareholders and the Company.

The Company invests 99.99% in GP Breeding Company Limited (“GP”), with registered capital 200 million Baht, GP engages in grandparent chicken farming to produce parent day-old-chicks for FKT, KT, and customers. In 2014, GP has total capacity of 1.3 million of parent stocks from its 1 farm in Chonburi province.

The Company invests 99.99% in Krungthai Farm Company Limited (“FKT”), with registered capital of 350 million Baht, FKT engages in parent breeder farming and hatchery business. For the commercial day-old-chicks, FKT purchases parent breeders from GP to produce commercial day-old-chicks and sells to MKS. In addition, FKT also imports the layer breeders to produce layer day-old-chicks and sells to KT and domestic layer farmers. In 2014, FKT produces 107 million commercial day-old-chicks from its 6 farms and 3 million layer day-old chicks from its 1 layer farm in Chonburi province.

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 business by purchasing commercial day-old-chicks from FKT and raising them for 41-43 days. MKS sells broilers to GFPT and GFN (joint venture company). In 2014, MKS has total capacity of 83 million broilers from its 13 farms in Chonburi province. The excess amount of the production will be sold to local market.

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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, meat balls, chicken rolls, and other processed products which are distributed under “GF Foods” brand through fresh markets and wholesalers. In 2014, GFF has total capacity of 11,000 tons per year from 1 factory in Samutprakarn province.

The Company invests 49.00% 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 for export market. McKey’s products are distributed to McDonalds’ restaurants both in Thailand and overseas. In 2014, McKey has a total production of 25,000 tons per

year from 1 factory in Samutprakarn province. There is no conflict of interest between the rest of shareholders and the Company.

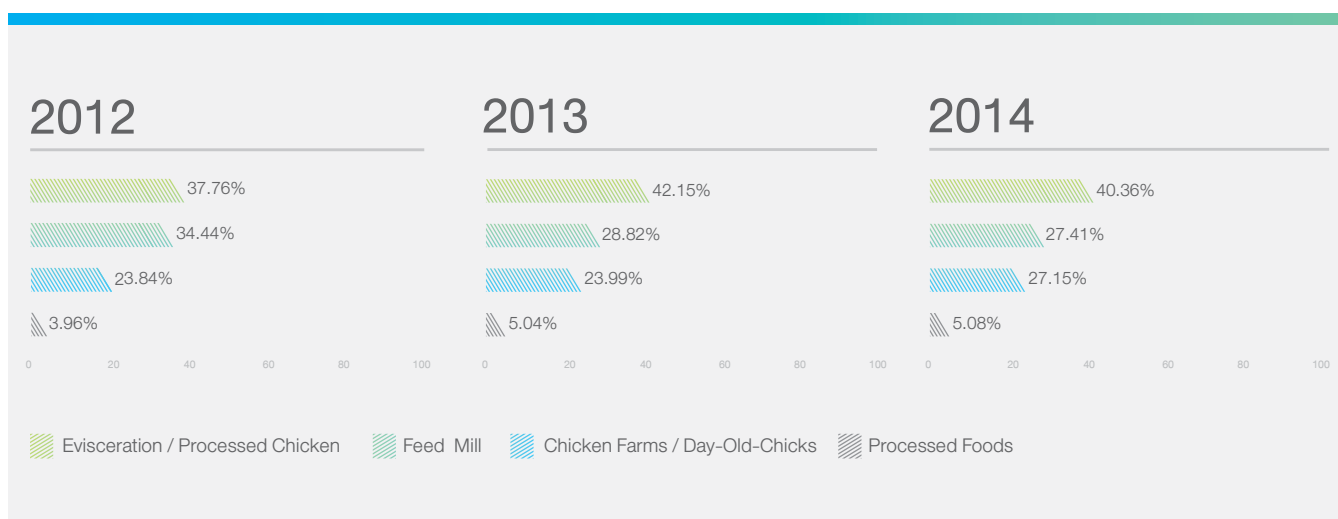
The Company invests 49.00% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration, and processing and distribution for export and domestic markets. The capacity of chicken processing is 67,000 tons per year and the capacity of cooked chicken products is 33,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rest of shareholders and the Company.



Income Structure

In 2014, the revenue of the Company and its subsidiaries consisted of 40.36% from evisceration and processed chicken business, 27.41% from feed mill business, 27.15% from chicken farms and day-old-chicks distribution business and 5.08% from processed foods business. More details are provided in the notes to financial statements no. 29 “Segment Information”

Income Structure Charts



Revenue Breakdown of GFPT and its subsidiaries	Operated by	% of Share holding	2012 Income (MB)	%	2013 Income (MB)	%	2014 Income (MB)	%
Evisceration / Processed Chicken	GFPT		5,803.86	37.76	7,035.44	42.15	7,196.20	40.36
Feed Mill	KT	98.03	5,294.03	34.44	4,811.39	28.82	4,886.72	27.41
Chicken Farms / Day-Old-Chicks	FKT, GP, MKS	99.99	3,664.25	23.84	4,004.94	23.99	4,840.26	27.15
	KT	98.03						
Processed Foods	GFF	99.99	607.67	3.96	840.69	5.04	905.50	5.08
Total			15,369.81	100.00	16,692.46	100.00	17,828.68	100.00

Benefits and Privileges from Board of Investment (BOI) Promotion

The Company, its subsidiaries, and joint ventures were granted investment promotional certificates from the Board of Investment (BOI) as follows:

1) Tax Benefits and Privileges from Investment Promotion as follows:

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
GFPT PCL.	Samutprakarn	1699(3)/2547	Finished Chicken Products	2007 - 2015
		1329(2)/2552	Evisceration Chicken	2011 - 2019
		1051(3)/2553	Finished Chicken Products	2011 - 2019
Krungthai Food PCL.	Chonburi	1429(2)/2546	Seed Eggs	2006 - 2014
		1850(2)/2548	Feed Mill Production and Premix	2009 - 2017
		1173(2)/2553	Feed Mill Production and Premix	2012 - 2020
M.K.S. Farm Co., Ltd.	Chonburi	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	2014 – 2022
		2108(2)/2553	Broiler Farm	2014 – 2022
		1674(2)/2554	Broiler Farm	2014 – 2022
		2106(2)/2553	Broiler Farm	No Income Yet
		2107(2)/2553	Broiler Farm	No Income Yet
Krungthai Farm Co., Ltd.	Chonburi	1187(2)/2553	Chicken Farm	No Income Yet
		1591(2)/2553	Chicken Farm	2013 - 2021
GP Breeding Co., Ltd.	Chonburi	1932(2)/2548	Primary Breeder Farm and Hatchery	2006 - 2014
		1233(2)/2557	Primary Breeder Farm and Hatchery	2014 – 2022
McKey Food Services (Thailand) Ltd.	Samutprakarn	2109(3)/Aor./2553	Finished Chicken Products	2010 – 2016
GFPT Nichirei (Thailand) Co., Ltd.	Chonburi	1977(2)/2552	Evisceration Chicken and Premix	2010 - 2018
		1978(3)/2552	Finished Products and Frozen Chicken	2010 - 2018
		2258(3)/2555	Frozen Cooked Chicken	2013 – 2021
		2225(3)/2557	Finished Products and Frozen Chicken	No Income Yet

2) Benefits and Privileges from Import Duties as follows:

Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
McKey Food Services (Thailand) Ltd.	Samutprakarn	1106/2541	Finished Chicken Products	1998 – 2016 (Renew every 2 years)

Management Discussion & Analysis

Summary of Consolidated Statements of

Financial Position of GFPT Public Company Limited and its Subsidiary Companies as at 31 December 2012, 2013 and 2014

	2012		2013		2014	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	283	2.16	311	2.39	270	1.97
Accounts Receivable-Net	960	7.33	1,101	8.45	905	6.59
Inventories-Net	4,212	32.17	3,217	24.70	3,274	23.83
Other Current Assets	21	0.16	17	0.14	19	0.14
Total Current Assets	5,476	41.82	4,646	35.68	4,468	32.53
Investment in Associated Companies-Net	1,429	10.91	1,616	12.41	1,912	13.92
Grandparent Chickens-Net	38	0.29	46	0.35	71	0.52
Parent Chickens-Net	288	2.20	367	2.82	407	2.96
Investment property-Net	328	2.50	375	2.88	369	2.68
Property, Plant and Equipment-Net	5,225	39.90	5,686	43.66	6,146	44.74
Deferred Tax Assets	226	1.73	241	1.85	299	2.18
Other Non-Current Assets	85	0.65	45	0.35	65	0.47
Total Non-Current Assets	7,619	58.18	8,376	64.32	9,269	67.47
Total Assets	13,095	100.00	13,022	100.00	13,737	100.00
Short-Term Loans from Financial Institutions	3,533	26.98	2,047	15.72	1,177	8.57
Accounts and Notes Payable	1,027	7.84	922	7.08	895	6.52
Current Portion of advance received for rental income from associate	7	0.05	11	0.08	8	0.06
Current Portion of Long-Term Loans	80	0.61	2,080	15.97	230	1.67
Other Current Liabilities	15	0.12	28	0.22	29	0.21
Total Current Liabilities	4,662	35.60	5,088	39.07	2,339	17.03
Long-Term Loans	2,160	16.50	80	0.61	2,167	15.77
Provision for Employee Benefit	271	2.07	293	2.25	315	2.29
Advance Received for Rental Income from Associate	134	1.02	123	0.95	115	0.84
Other Non-Current Liabilities	22	0.17	62	0.48	68	0.50
Total Non-Current Liabilities	2,587	19.76	558	4.29	2,665	19.40
Total Liabilities	7,249	55.36	5,646	43.36	5,004	36.43
Total Shareholders' Equity	5,846	44.64	7,376	56.64	8,733	63.57
Total Liabilities and Shareholders' Equity	13,095	100.00	13,022	100.00	13,737	100.00

Remark: Figures in the 2012 and 2013 consolidated financial statement were restated for comparison.

Comprehensive Income Statements of GFPT Public Company Limited
For the year ended 31 December 2012, 2013, and 2014

	2012		2013		2014	
	MB	%	MB	%	MB	%
Revenue from Sales	15,370	98.20	16,692	98.17	17,829	98.64
Other Income	281	1.80	312	1.83	246	1.36
Total Revenue	15,651	100.00	17,004	100.00	18,075	100.00
Cost of Sales	(14,374)	(91.84)	(14,451)	(84.99)	(15,334)	(84.84)
Selling and Administrative Expenses	(1,006)	(6.43)	(1,058)	(6.22)	(1,165)	(6.44)
Total Expenses	(15,380)	(98.27)	(15,509)	(91.21)	(16,499)	(91.28)
Participating Profit /(Loss) in Associated Companies	(74)	(0.47)	221	1.30	325	1.80
Profit before Financial Costs and Income Taxes	197	1.26	1,716	10.09	1,901	10.52
Financial Costs	(147)	(0.94)	(186)	(1.09)	(145)	(0.80)
Income Tax Revenue (Expenses)	96	0.61	(0)	-	42	0.23
Profit for The Period	146	0.93	1,530	9.00	1,798	9.95
Non-Controlling Interests	(8)	(0.05)	(14)	(0.08)	(18)	(0.10)
Net Profit	138	0.88	1,516	8.92	1,780	9.85

Remark: Figures in the 2012 and 2013 consolidated financial statement were restated for comparison.

Consolidated Cash Flows Statements of GFPT Public Company Limited
For the year ended 31 December 2012, 2013 and 2014

	2012	2013	2014
	MB	MB	MB
Net Cash Provided (Used) from Operating Activities	(135)	3,072	2,513
Net Cash Used in Investing Activities	(1,991)	(1,292)	(1,340)
Net Cash Provided (Used) from Financing Activities	2,230	(1,752)	(1,214)
Net Increase (Decrease) in Cash and Cash Equivalent	104	28	(41)
Cash and Cash Equivalent at the Beginning Balance	179	283	311
Cash and Cash Equivalent at the Ending Balance	283	311	270

Remark: Figures in the 2012 and 2013 consolidated financial statement were restated for comparison.

Financial Ratios of GFPT Public Company Limited and its Subsidiaries

	2012	2013	2014
Liquidity Ratio			
Current Ratio ¹ (times)	1.17	0.91	1.91
Quick Ratio ² (times)	0.26	0.27	0.46
Cash Ratio ³ (times)	(0.04)	0.63	0.68
Account Receivable Turnover ⁴ (times)	17.17	16.04	18.21
Average Collection Period ⁵ (days)	21	22	20
Inventory Turnover ⁶ (times)	73.84	77.24	75.82
Inventory Turnover Period ⁷ (days)	5	5	5
Account Payable Turnover ⁸ (times)	22.26	18.46	22.04
Average Payment Period ⁹ (days)	16	20	16
Cash Cycle ¹⁰ (days)	10	7	9
Profitability Ratio			
Gross Profit Margin ¹¹ (%)	6.48	13.43	13.99
Operating Profit Margin ¹² (%)	1.28	10.28	10.67
Cash Profit Margin ¹³ (%)	(68.49)	179.03	132.17
Net Profit Margin ¹⁴ (%)	0.88	8.91	9.85
Return on Equity or ROE ¹⁵ (%)	2.30	22.93	22.09
Efficiency Ratio			
Return On Assets or ROA ¹⁶ (%)	1.18	11.61	13.30
Return On Fixed Assets ¹⁷ (%)	14.71	30.06	31.52
Total Assets Turnover ¹⁸ (times)	1.34	1.30	1.35
Leverage Ratio			
Debt/Equity Ratio ¹⁹ (times)	1.24	0.77	0.57
Net Debt to Equity Ratio ²⁰ (times)	0.99	0.57	0.41
Interest Coverage Ratio ²¹ (times)	0.08	16.18	16.11
Debt Service Coverage Ratio ²² (times)	(0.02)	0.20	0.20
Dividend Payout Ratio ²³ (%)	0.00	82.12	N/A *

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Remark:

- 1) Current Ratio = Current Assets/ Current Liabilities
- 2) Quick Assets = (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) Cash Profit Margin = EBIT / Net Income
- 14) Net Profit Margin = Net Profit / Total Sales
- 15) Return On Equity or ROE = Net Profit / Average Equity
- 16) Return on Assets or ROA = Net Profit / Average Total Assets
- 17) Return on Fixed Assets = (Net Profit + Depreciation) / Average Total Fixed Assets
- 18) Total Assets Turnover = Sales / Average Total Assets
- 19) Debt/Equity Ratio = Total Debt / Equity
- 20) Net Debt to Equity Ratio = Net Debt / Equity
- 21) Interest Coverage = Cash flow from Operations + Interest Expenses + Tax / Interest Expenses
- 22) Debt Service Coverage = EBITDA / (Debt payment + Capital Expenditure + Investment in Fixed Assets + Dividend Payment)
- 23) Dividend Payout = Dividends / Net Income

* The dividend payout ratio is subject to the resolutions of the AGM 2014

Management Discussion and Analysis

Overview

In 2014, the operational result of GFPT Group continued to grow from its core businesses: chicken processing segment, farm segment, feed segment, and food processing segment. The Company had higher sales volume of chicken processing for export, chicken parts for domestic market, animal feed for domestic market, and live broilers sold to GFN (joint venture). Domestic chicken parts prices increased from the previous year. However, the Emergency Mortality Syndrome (EMS) still affected our shrimp feed business. With aforementioned factors, the Group's total sales in 2014 were THB 17,829 million, went up by THB 1,137 million or accounted for 6.81% growth.

Profit from joint ventures grew 47.06% or went up by THB 104 million to THB 325 million in year 2014. McKey Food Services (Thailand)'s contribution was THB 106 million and GFPT Nichirei (Thailand) was THB 219 million. Their market shares of chicken processing export were 4.02% and 5.64%, respectively.

Net profit of the Group in year 2014 accounted for THB 1,780 million, or 1.42 baht per share, increased by 17.40% from previous year. The remarkable operational result in year 2014 reflected our strategies in market expansion and cost control to achieve our sustainable growth.

Overall Financial Performance and Profitability

Revenue from Sales

The consolidated net sales for fiscal 2014 were THB 17,829 million, increased THB 1,137 million or 6.81%, from fiscal 2013, consisted of chicken processing segment represented 40.36%, feed segment represented 27.41%, farm & day-old-chicks segment represented 27.15%, and processed food segment represented 5.08%.

Chicken Processing Segment

For fiscal 2014, revenue from chicken processing segment represented 40.36%, being the largest portion of GFPT's consolidated net sales amounting THB 7,196 million, an increase of THB 161 million or 2.29% from fiscal 2013. The export volume of chicken meat products in 2014 was 26,200 MT, significantly increase of 3,700 MT or 16.44% from 2013; mainly from higher export volume of chicken products to Japan as Japan had lifted the ban on importing Thai fresh frozen chicken since 25 December 2013. Meanwhile, the Company expanded to export fresh frozen chicken to Malaysia as being a new market.

Feed Segment

Revenue from feed segment in fiscal 2014 represented 27.41% of the consolidated net sales, amounting THB 4,887 million, increased by THB 76 million or 1.58% from fiscal 2013; mostly from increasing in animal feed sales which increased by 8.67%. However, the volume sales of shrimp feed decreased 9.05% as compared to last year due to the Emergency Mortality Syndrome (EMS) outbreak.

Farm & Day-Old-Chicks Segment

The revenue from live broilers and day-old-chicks sales represented 27.15% of the consolidated net sales, amounting THB 4,840 million, an increase of THB 835 million or 20.85% from fiscal 2013; mainly from the increase in volume sales of live broiler to GFN, an increase of THB 521 million or 15.51% from fiscal 2013.

Processed Foods Segment

The processed foods segment's growth looks promising as revenue from food products such as chicken sausages, meatballs, and other processed foods increased. In 2014, the revenue from processed foods was THB 906 million, grew by THB 65 million, a 7.73% increased from fiscal 2013; mainly from higher sales volume of processed foods from our wholesale outlets in provincial area.

In 2014, the Company has opened 12 meat wholesale outlets in 12 provinces. The Company has a plan to continue its expansion of wholesale outlets in preparation for the Asian Economic Community in 2015.

Cost of Sales

Cost of sales for year 2014 was THB 15,334 million, an increase of THB 883 million or 6.11% from fiscal 2013. The cost of goods sold of fiscal 2014 contributed of 86.01% of sales, slightly decreased from 86.57% in fiscal 2013, resulting from increase in average price of soybean meal, a major feed materials, about 13.11%. The cost of sales in year 2014 was lower because of the Company's efficient cost management.

Gross Profit

In fiscal 2014, consolidated gross profit was THB 2,495 million, increased by THB 254 million or 11.30% from fiscal 2013, driven by company's strategy to focus on higher export chicken meat products as they have higher margin and more stable selling price compare to domestic market. The consolidated gross margin slightly improved from 13.43% in fiscal 2013 to 13.99% in fiscal 2014.

Other Income

In fiscal 2014, other income of the Company and its subsidiaries was THB 246 million, dropped by THB 66 million or 20.81% from fiscal 2013, mainly from decreasing of gain in foreign exchange rate by THB 68 million from fiscal 2013. The consolidated other incomes in fiscal 2014 was 1.38% of net sales, slightly decreased from 1.87% in fiscal 2013.

Selling General and Administrative Expenses

The consolidated SG&A expenses in fiscal 2014 totaled THB 1,165 million, increased by THB 107 million or 10.16% from fiscal 2013. The higher expenses were mainly from increasing in freight cost, finished goods storage fee, and utilities expenses as compared to fiscal 2013. The consolidated SG&A expenses in fiscal 2014 were 6.44% of net sales, slightly increased from 6.22% in fiscal 2013.

Business Segment of GFPT and its Subsidiaries	2012		2013		2014	
	MB	%	MB	%	MB	%
Chicken Processing	5,804	37.76	7,035	42.15	7,196	40.36
Feed	5,294	34.44	4,811	28.82	4,887	27.41
Farm and Day-Old-Chicks Sales	3,664	23.84	4,005	23.99	4,840	27.15
Processed Food	608	3.96	841	5.04	906	5.08
Total Sales	15,370	100.00	16,692	100.00	17,829	100.00

Share of Profit from Associated Companies

In fiscal 2014, the Company's share of profit from associates under the equity method in the amount of THB 325 million, an increase of THB 104 million, or 47.06% from fiscal 2013 mainly from the investments in 2 joint ventures. McKey's profit contribution was THB 106 million and GFN's was THB 219 million, went up by 32.21% and 56.28% from fiscal 2013, respectively. GFN boosted up the slaughter capacity from 100,000 birds per day to 120,000 birds per day in the middle of fiscal 2014. GFN also export higher chicken processing products to overseas, compare to fiscal 2013.

Financial Costs

Financial costs of the group include interest paid to financial institutions and related persons. The Company's financial costs in 2014 were THB 145 million, dropped by THB 41 million or 21.63% from fiscal 2013 mainly from the lower amount of short-term loans from financial institutions and lower average borrowing rate. Costs of funds were 4.07% as at December 31, 2014 decreased from December 31, 2013 at 4.41%. The consolidated financial costs of the group in 2014 were 0.80% of net sales, decreased from 1.09% in fiscal 2013.

Net Profit

The Company's net income during fiscal 2014 was THB 1,780 million, increased in amount of THB 264 million or 17.40% increased from fiscal 2013 of THB 1,516 million (restated). The EPS of fiscal year was THB 1.42 per share. The improved net income of the Company was primarily driven from higher sales volumes and increase of participating profit from associated companies comparing to fiscal 2013. The consolidated net profit margin in fiscal 2014 was 9.85% of net sales, improved from 8.92% in fiscal 2013.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

In 2014, the consolidated EBITDA was THB 2,907 million, an increase of THB 299 million or increased by 11.46% from fiscal 2013. The increasing in EBITDA resulted from the hike in the sales growth and its ability to control cost and expense. The EBITDA margin in fiscal 2014 was 16.31% increased from 15.62% in 2013.

Unit: THB million

	2012	2013	2014
EBIT	197	1,716	1,902
Depreciation Expense	892	888	1,001
Amortization Expense	3	4	4
EBITDA	1,092	2,608	2,907
EBITDA Margin (%)	7.10	15.62	16.31

Return on Equity

In 2014, return on equity of the Company and its subsidiaries was 22.09% slightly decreased from fiscal 2013; resulting from improved efficiency in generating profit, slightly higher utilization of asset, and lower risk from fiscal 2013 as follow:

DuPont Analysis	2012	2013	2014
Return on Equity or ROE ¹⁵ (%)	2.30	22.93	22.09
Operating Profit Margin ¹² (%)	1.28	10.28	10.67
Total Assets Turnover ¹⁸ (times)	1.34	1.30	1.35
Equity Multiplier (times)	1.96	1.98	1.66

Financial Position

Assets

For the consolidated financial statements as of December 31, 2014, total assets of the Company equal to THB 13,737 million including THB 4,468 million (32.53% of total assets) in current assets, THB 6,146 million (44.74% of total assets) in property, plant and equipment (PP&E) - net, THB 1,912 million (13.92% of total assets), in investments in associated companies, THB 478 million (3.48% of total assets) in grandparent chicken and parent chicken-net and THB 733 million (5.33% of total assets) in investment in property and other assets.

Total assets as at December 31, 2014 increased in amount of THB 715 million or 5.50% from 31 December 2013 from increase in PP&E-net of THB 460 million and increase of THB 296 million in investments in associates-net. Nevertheless, there was a decline in accounts receivable-net of THB 195 million.

In 2014, the utilization of assets of the Company and its subsidiaries was highly efficient. The consolidated return on asset was 13.30% times higher than fiscal 2013 at 11.61%.

Trade and other Receivables

In fiscal 2014, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 39 million, increased of THB 2 million from fiscal 2013 of THB 37 million. The allowance for doubtful accounts was at acceptable level of 4.62% of total trade receivables. The average collection period of the Company and its subsidiaries was 20 days in fiscal 2014, slightly decreased from 22 days in fiscal 2013. The account receivable turnover was 18.21 times, increased from 16.04 in fiscal 2013 which reflected the better performance of the Company in turning trade and other receivables into cash faster.

Inventory

In fiscal 2014, the consolidated inventories – net of THB 3,274 million marginally increased about THB 57 million or 1.77% decreased from fiscal 2013; primarily from increasing in raw materials in transit. The inventory turnover was 75.82 times, slightly decreased from fiscal 2013 at 77.24 times. The Company and its subsidiaries recorded allowance for non-movement inventories in amount of THB 3 million and allowance for decline in value of

inventories in amount of THB 21 million which accounted only 0.71% of total inventories value. It showed that the Company could manage inventory appropriately.

Liabilities

As at December 31, 2014, total liabilities of the Company and its subsidiaries in amount of THB 5,004 million comprising of current liabilities of THB 2,339 million or 46.74% of total liabilities, long-term loans of THB 2,167 million or 43.30% of total liabilities, provision for employees benefit of THB 315 million or 6.30% of total liabilities, advance received for rental income from associates of THB 115 million or 2.30% of total liabilities, and other non-current liabilities of THB 68 million or 1.36% of total liabilities.

The total liabilities as at December 31, 2014 decreased by THB 642 million or 11.37% from December 31, 2013 primarily from short-term loans from financial institutions decreased in amount of THB 870 million, however, long-term loans from financial institutions increased in amount of THB 145 million. All short-term and long-term loans of the group are in THB currency only, thus; The Company has no exposure in foreign currency borrowings.

In fiscal 2014, trade and other payables of the Company and its subsidiaries was THB 895 million, decreased in amount of THB 27 million or 2.92% decreased from fiscal 2013. For fiscal 2014, account payable turnover was 22.04 times increased from fiscal 2013 at 18.46 times. The consolidated average payment period in fiscal 2014 was 16 days decreased from 20 days in fiscal 2013.

The consolidated interest-bearing liabilities as at December 31, 2014 were THB 3,574 million, decreased from fiscal 2013 in amount of THB 633 million mainly from the lower repayment of short-term loan from financial institutions in amount of THB 870 million.

Shareholders' Equity

As at December 31, 2014, the consolidated shareholders' equity in amount of THB 8,733 million increased THB 1,357 million or increased 18.40% from December 31, 2013; primarily from the increase in retained earnings in amount of THB 1,780 million as a result of outstanding performance in fiscal 2014. The consolidated book value as at December 31, 2014 was THB 6.97 per share, increased from THB 5.88 per share in fiscal 2013.

Liquidity

Cash Flow Activities

In fiscal 2014, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 2,513 million decreased of THB 559 million from fiscal 2013; resulted primarily from the increasing in inventory. The cash cycle of the Company and its subsidiaries was 9 days in fiscal 2014 longer than the 7 days in fiscal 2013.

In fiscal 2014, the Company and its subsidiaries used cash in its investing activities in amount of THB 1,340 million, increased by THB 48 million from the same period last year. The investing activities was made mostly in the investment in fixed assets in amount of THB 886 million and the grandparent and parent breeder stocks in amount of THB 575 million.

The Company and its subsidiaries used net cash from its financing activities in an amount of THB 1,214 million, decreased by THB 538 million from the same period last year, mainly dividend payment of THB 439 million and interest payment of THB 143 million.

As at December 31, 2014, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 270 million decreased of THB 41 million from fiscal 2013.

Liquidity Ratios

In fiscal 2014, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As at December 31, 2014, the consolidated current ratio was 1.91 times increased from previous year which was only 0.91 times. The quick ratio in fiscal 2014 was 0.46 times increased from fiscal 2013 at 0.27 times. The cash ratio of the Company was 0.68 times improved from previous year of 0.63 times.

Short-term Debt Maturity

As at December 31, 2014, the Company and its subsidiaries' current liabilities of THB 2,339 million comprise of short-term loans from financial institutions of THB 1,177 million, trade payables and other payables THB 895 million, other current liabilities THB 37 million, and the current portion of long-term loans from financial institutions of THB 230 million.

Due to its strong position in cash flow and liquidity, the Company and its subsidiaries can repay the debt obligations including trade payables and other payables, short term loans, the current portion of long-term loans from financial institutions, and interest expenses. The repayment can be made from cash flow from operation activities. In 2014, the consolidated current ratio was 1.91 times, the net debt to equity ratio was low at 0.41 : 1. The Company and its subsidiaries still had available credit line of the revolving short-term borrowings with financial institutions including overdraft and promissory notes in amount of THB 4,263 million and trade finance facilities being letter of credit and trust receipt payables for THB 4,121 million.

Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2014, the consolidated debt to equity ratio was 0.57 : 1 declined from 0.77 : 1 as at December 31, 2013 resulting from improved operating performance and repayment of short-term loan from financial institutions.

As at December 31, 2014, the consolidated interest-bearing liabilities were THB 3,574 million, decreased from THB 4,207 million as at December 31, 2013. The net debt to equity of the Company was considerably low at 0.41 : 1 decreased from 0.57 : 1 in fiscal 2013. In summary, the Company had appropriate capital structure and had less default risk.

Capital Expenditure and Capital Resources

In 2014, the Company made an investment of THB 1,340 million; mostly in purchasing of fixed assets in amount of THB 886 million and grandparent breeder and breeder stocks in amount of THB 575 million.

According to the investment plan in 2014, the Company has continued to expand its broiler production capacity mainly in the grandparent farm, breeder farm, hatchery, broiler farm, and processed food plant (sausage). The investment was paid by cash flow from operations, short-term loans, and long-term loans.

In the few years ahead, the Company already planned for its future growth by emphasis on the upstream expansion of chicken farm areas with the investment budget of THB 800 million per year (same level to investment budget for the past 3 years). However, this investment budget can be adjusted depending on the changes in future situation.

Contractual Obligations

Unit: million Baht

Contractual Obligations	Total	Term of payment			
		Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
The long-term debt obligations	2,397	230	225	-	1,942
The financing lease obligations	-	-	-	-	-
The operating lease obligations	38	14	6	7	11
The acquisition obligations	156	39	117	-	-
The other debt obligations	943	943	-	-	-
Total	3,534	1,226	348	7	1,953

Factors that may affect future operations or financial position

The risk factors that may affect the Company's operation can be classified into 2 groups: internal factors and external factors. The internal risk factors are financial risks, market risks, human resources risks, risks relating to the confidence of consumer in food safety, risks from major shareholders, and risks from fraud and corruption. On the other hand, the external risk factors are disease outbreaks, fluctuations in the prices of feed materials, price volatility of livestock and meat products, price volatility on fuel, change in consumers' behaviour, competition and liberalization of trade and move towards becoming an ASEAN Economic Community (AEC), volatility on foreign exchange rate, volatility on interest rates, and rules and regulations. Nevertheless, the Company has mitigated these risk to be in an acceptable level as shown in the Risk Factors and Risk Management section (page 38).



Business Outlook

The Overview of Broiler Business in 2014 and Prospect for 2015

Situation in 2014

Production

In 2014, 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 it is a source of low cholesterol meat products. However, the occasional recurrences of Avian Flu outbreak in some countries were still obstacle to the expansion of production and export in those contaminated countries.

Total world broiler production was approximately 86.066 million metric tons in 2014, an increase of 1.8 % from the previous year. The United States was still the world's largest broiler raiser followed by China, Brazil, and the European Union respectively.¹

The United States produced approximately 17.254 million metric tons of chicken meat in 2014, an increase of 1.6% from 2013. The chicken meat production in China, the next major producer, decreased from 2013 by 2.6% to 13.000 million metric tons during the same period. Brazil, the world's third largest producer, produced 12.680 million metric tons of chicken meat which increased from 2013 by 3.0%. Lastly, the EU which was the world fourth largest producer produced approximately 10.070 million metric tons of chicken meat in 2014, an increase of 1.7% from the previous year.¹

As for Thailand, approximately 1,209.522 million broilers were raised in 2014 which accounted for about 1.658 million metric tons of chicken meat. The production growth was rather

high at 9.6%,² above the 2013 level. The increase in production was partly aimed to meet the rising export demand caused by the lifting of the ban on Thai frozen chicken meat by the EU and Japan that had been imposed since 2004. The increase was also due to the renewal of the operation of a financial trouble integrated broiler company that was temporarily closed in the late 2013.

Market Situation

Domestic Market

In 2014, Thai economy grew minimally due to some external negative factors such as the slow economic recovery in many countries which are Thai major exporting markets including the European Union and Japan. Moreover, there were also internal negative factors especially the political instability that arose during the latter half of the year. Despite those negative factors, domestic consumption of chicken meat product in 2014 was approximately 1.088 million metric tons which increased by 7.9% from the previous year.³ The increase was a good sign because it revealed that the effects of economic and political turmoil on the broiler industry were rather trivial.

The consistent rise of domestic demand was partly the result of the relatively low price of chicken meat compared to other types of meat products. Since consumption expenditures of most consumers was limited under the situation that they had to face both inflation and economic slowdown, chicken meat 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

¹ USDA Publications <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1488>

² Office of Agricultural Economics http://www2.oae.go.th/forecast/page2_th.html

³ Bureau of Merchandise Trade Administration, Department of Foreign Trade <http://www.dft.go.th/Default.aspx?tabid=444>

because chicken meat was widely used as part of raw material in various chain fast food outlets.

Export Market

Volume of chicken meat export in 2014 was about 578,886 metric tons, an increase of 10.1% from 2013, while its value increased by 22.4% to reach 78,912 million Baht.⁴ The higher rate of increase in export value was due to the higher price of exported chicken meat.

As for the export market, the European Union is the most important market for Thai chicken meat products. In 2014, export of chicken meat products to the European Union was approximately 270,571 metric tons, increased by 10.7% from the previous year and its proportion to overall chicken meat export was remain unchanged from 2013 at approximately 46.7%.⁴ The increase in export was mainly due to the lift of ban on Thai frozen

chicken meat by the EU. Furthermore, the Avian Flu outbreak in some countries helped make the Avian Flu-free products from Thailand highly acceptable.

Export to Japan, the second largest market for Thai chicken meat export, increased by 18.0% from 2013 to reach 249,080 metric tons in 2014. Its share of overall chicken meat export was also increased from 40.2% to 43.0% during the same period.⁴ This increase was primarily due to the lift of the ban on Thai frozen chicken meat products as well, which was confidently labeled as Avian Flu-free.

Besides these two major markets, the export of Thai chicken meat products to other countries in 2014 was approximately 59,235 metric tons, declined by 15.7% from previous year⁴. The decrease was due to the intense competition especially from Brazil. Moreover, the higher price of chicken meat in Japan and the EU also made these two markets more attractive.



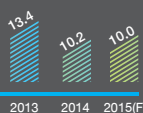
⁴ Thai Broiler Processing Exporters Association <http://www.thaipoultry.org/STATISTIC/tabid/248/Default.aspx>

Export of Thai Chicken Meat Products to Important Markets 2013 – 2015(F)



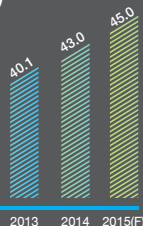
Canada

Other Markets (%)

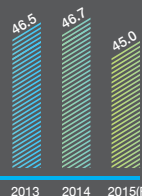


2013 2014 2015(F)

Japan (%)



European Union (%)





- Fresh Frozen Chicken Meat and Fully Cooked Chicken Products
- ▲ Fully Cooked Chicken Products
- Fresh Frozen Chicken Meat

Source: Thai Broiler Processing Exporters Association.
 Remark: 2014 Estimated, 2015 Forecasted

Prospects for 2015

Production

Thai chicken meat production in 2015 tends to increase from 2014 by approximately 2.1%. The estimated production is about 1,235.270 million broilers or 1.693 million metric tons of chicken meat.⁵

The increase in production is partly caused by forecasted recovery of Thai economy from the political turmoil. 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 to be lower than expected. Such obstacles include higher intense competition and trade barriers in the international market. Another risk is the possibility of worldwide droughts that may lead to crop damages and hence the higher prices of animal feed raw materials. As a result, the cost of broiler production may increase.

Market Situation

The expected political stability will help support the growth of Thai economy in 2015. Although the economy may grow minimally, domestic market of chicken meat products is expected to rise favorably in 2015 because chicken meat is a better choice for consumers who prefer rich nutrient diet at a reasonable price. Furthermore, the growth of international tourist as a result of the continued tourism promotion will also help stimulate demand for various types of processed chicken meat products. It is expected that domestic demand for chicken meat in 2015 will be approximately 1.11 million metric tons, an increase of 2.1% from the previous year.⁵

Export market of Thai chicken meat products is also forecasted to increase continuously. However, since the export growth in 2014 is rather high, it is expected that the export growth in 2015 may be slow down slightly and export volume will be about 600,000 metric tons.⁶ The main supporting factor for the growth of chicken meat export is the expected recovery of world economy and confidence of the importers and consumers in the foreign markets on hygienic standard of Thai products. As a result, the ban on Thai frozen chicken meat imposed by many countries since 2004 had been lifted.

⁵ Office of Agricultural Economics http://www2.oae.go.th/forecast/page2_th.html and forecast

⁶ Thai Broiler Processing Exporters Association <http://www.thaipoultry.org/STATISTIC/tabid/248/Default.aspx>

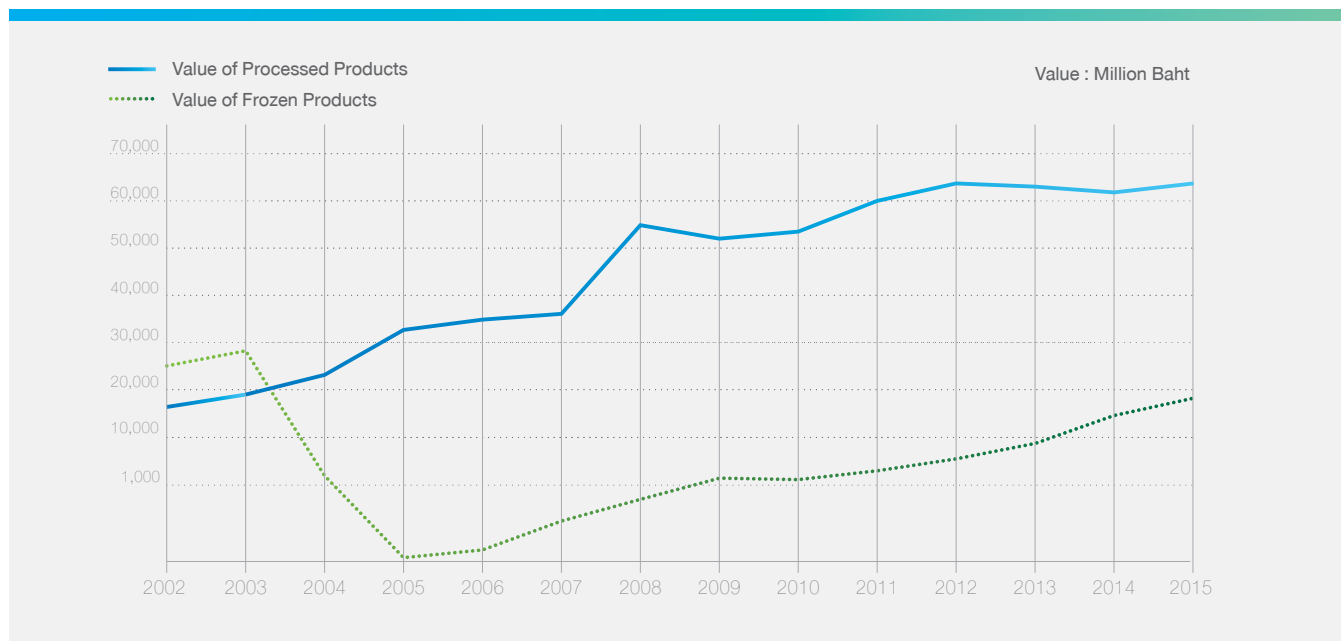
Production and Domestic Consumption

Year	Production (million birds)	Production (metric ton)	Change (%)	Consumption (metric ton)	Change (%)
2009	917.26	1,257,369	N/A	878,008	N/A
2010	970.94	1,330,953	5.85	898,737	2.36
2011	994.32	1,362,997	2.41	896,152	-0.29
2012	1,055.13	1,446,352	6.12	908,251	1.35
2013*	1,103.32	1,512,418	4.57	1,008,012	10.98
2014**	1,209.52	1,657,994	9.63	1,087,994	7.93
2015***	1,235.27	1,693,309	2.13	1,110,841	2.10

Source: Office of Agricultural Economics

Remark: *Primary data, **Estimated data, ***Forecasted data (Company Forecast)

Volume of Thai Chicken Meat Export



Volume and Value of Thai Chicken Meat Export

Unit in Volume: ton ; Unit in Value: million Baht

Year	Frozen		Processed Product		Total	
	Volume	Value	Volume	Value	Volume	Value
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	276,438	31,929	276,534	31,935
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	1,881	435,267	60,290	462,525	62,171
2012	89,411	6,491	462,951	64,394	552,362	70,885
2013	89,092	7,776	436,590	63,168	525,682	70,944
2014	154,416	15,562	424,470	63,350	578,886	78,912
2015*	180,000	18,180	420,000	64,549	600,000	82,729

Source: Thai Broiler Processing Exporters Association.

Remark: * Forecasted

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

Positive Factors

- Fall in oil price not only helped reduce the cost of broiler production and transportation cost but also lowered demand for renewable energy such as gasohol and biodiesel. As a result, prices of crops used to produce these energies would not be driven up like in the past 3-4 years. Since most of these crops are also used as animal feed raw materials, cost of animal feed production should be more reasonable.
- Government measures on the import of animal feed raw materials which are clearer and more relaxed should enhance the efficiency of Thai chicken meat producer in forecasting and planning the cost of animal feed as well as the overall cost of production.
- Countries that were used to impose ban on Thai frozen chicken meat gradually lifted the ban since the Avian flu outbreak in Thailand had been efficiently brought under control. Regain of the frozen chicken meat export would brighten Thai's export outlook especially in its major markets such as The European Union and Japan.
- High standard of Thai chicken meat products and the ability of Thai exporter to develop processed chicken meat products to meet consumer demand are well recognized in the principal and high purchasing power markets such as Japan and the EU. Furthermore, the high standard also raises competitive potential of Thai chicken meat products in other countries including the neighboring ASEAN members, South Africa, the Republic of Korea and Russia.
- Pressure on competition with China has been relaxed since chicken meat export from China still confronts with the problem concerning its hygienic standard. Furthermore, Chinese producers have shifted their target to focus more on domestic market so that the export volume declines.

Negative Factors

- The nationwide increase of minimum wage to 300 Baht per day has raised the production cost of chicken meat products. As a result, the competitiveness of Thai chicken meat export will be reduced when compared to other competing countries which their minimum wages do not change.
- Although the Avian Flu outbreak has been efficiently brought under control in Thailand, the occasional reoccurrence of the outbreak in other countries posted a serious threat to Thai chicken meat export. Therefore, it is the risk that both government and business counterpart have to strictly monitor.
- The economic as well as political turmoil arose in some European countries may reduce economic growth and hence purchasing power of consumers in these major export markets of Thailand. The possibility of economic recession in the EU will post a threat to all Thai exports including chicken meat products.
- Since Thailand still cannot reach the agreement with the European Union to increase import quota of cooked chicken meat, export of this product to the European Union may not be able to increase further because of the high out-of-quota tariff.

Assured the traceability system.

Risk Factors and Risk Management

Nowadays, business trends have changed dramatically and rapidly in both domestic and international markets. Risk management is essential for the Company and its subsidiaries to survive and persist when unexpected situation occurs.

The Company has been continuously and closely monitoring the business situation and risk factors as well as assessing any potential impact to the Company both short term and long term in order to use them as a guide in the risk management. Thus, it is deemed necessary for the Company to have a mechanism to effectively manage and control standards and quality, as well as, prepare to handle risks in advance in order to strengthen the Company's business.

The Company applies the COSO ERM Framework in risk management. The Company has established the Audit and Risk Management Committee to identify risk factors and determined ways to mitigate these risks to the acceptable levels. All departments in the Company are the risk owners and responsible for monitoring and managing the risk.

Nonetheless if the risk factors occur, they may impact the performance and / or the financial position of the Company and / or the ability to achieve its objectives and goals. There may be other unknown risks or risks that may not materially affect the Company at this moment. The main risk factors that may affect the Company consist of two types, internal risk factors and external risk factors. The internal risk factors are the risk that the Company's Board and management try to diminish or eliminate as much as possible, while the external risk factors are the risk that the Company's Board and management have tried to impose management policies to reduce the negative impact as much as possible. The internal and external risks will be discussed in the followings:



1. Internal Risk factors

1.1 Financial Liquidity

This industry requires high investment. If unexpected event occurs, it may cause liquidity problems.

Risk Management

The Company has policy to continually maintain liquidity position by focusing on investment projects with acceptable risk and high feasibility level. In addition, the Company also arranges the revolving credit facility to manage liquidity problem, therefore, the Company is confident that there will be adequate funding when unexpected situation happens.

1.2 Marketing

Marketing is considered to be the important success factor for business; therefore, the Company is committed to build long lasting brand that is continuously acceptable by consumers.

Risk Management

We build the management team to support customers from before-sales service, during-sales service, and after-sales service. This will bring the confidence to consumers. In addition, the Company uses new distribution channels for market expansion such as E – Marketing, Social media, and etc.

1.3 Human Resources

Recruiting good and talented people is difficult but keeping good people is even more difficult. The Company highly focused on retaining human resources that will drive the business to grow.

Risk Management

The Company has provided both opportunities and channels for employees to express their talents which is the main idea to make employees aware of their own value and commitment to develop the Company to steadily and sustainably grow, embed responsibilities to all stakeholders, as well as entrepreneurial spirit.

1.4 The Confidence of Consumer in Food Safety.

The consumer behaviour trend focuses more on fresh, clean, and safety of chicken meat products and cooked products. Therefore, the Company's operations may be affected if the consumers have lower confidence in food safety due to the risk of contaminated products or perishable products; which may occur during any production process and from other raw materials in the production, transportation and storage. Thus, the Company shall implement process that will ensure freshness, cleanliness, and safety of product for consumption.

Risk Management

The Company pays high attention to the food safety. In order to reduce the risk, the Company implemented new technology in the production process to meet international standards and be able to effectively trace the system back for error detection. Therefore, the Company has quality assurance in every production process. The quality control of raw material is done at all stages starting from the receiving of raw materials packaging design, packing, transportation, storage, and handling to ensure that the standard is met. In addition, the Company set out procedure for product compliant and product recall to ensure the safety and confidence of consumers. Thus, it is evident that the Company has been awarded on the quality assessment of various products such as GMP, HACCP, ISO 9001:2000, etc. which is a verification for quality products.

1.5 Administrative Management

As of December 30, 2014, the major shareholder, the Sirimongkolkasem family, holds 696,417,940 shares or 55.54% of total shares of the Company which allows the Sirimongkolkasem family to control the votes in the shareholders' meeting such as the appointment of the Company's directors or other matters that requires majority votes except the matters that need to be approved by 3/4 of the shareholders who attends the Meeting. Thus, the minority shareholders do not have the power to check and balance the vote of the majority shareholders.



Risk Management

The Company has provided explanation to the major shareholder related to the conditions, guidelines including the conservative judgement to obtain the benefits to the Company. The business activities are based on fair, 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.

1.6. Corruption

Corruption is a serious problem in utilizing the Company's resources in order to improve the Company and the country. Although the Company has strict measures and internal control, corruption can possibly occur anytime. Therefore, the Company realized the importance of the cultivation of corporate culture to promote honesty and fidelity of the people; the learning and understanding the root cause of corruption within the Company; in order to develop rigorous corruption prevention to prevent, monitor, and handle the corruption when it occurs. This approach will help to stop the loss of the Company's resources or the benefit leakage of the business transactions.

Risk Management

The Company believes that corruption can be controlled by having a good internal control system including setting segregate organizational structure with clear workflow; encouraging employee's moral and promoting personal development to upkeep business ethics and the Code of Conduct; creating inter-department network; providing a communication channel for corruption complain; setting procedure for complaint's protection and keeping confidential information; having transparent, reliable and fair investigation, monitoring, and control process; and setting punishment method for committees, executives and employees who commit in corruption. The Company highly commits to the compliance with its anti-corruption policy.

2. External Risk Factors

2.1 Disease Outbreaks

The disease outbreaks in animals would affect confidence of the consumer. Although, most animal disease may not be able to infect people directly, it may impact the Company's performance due to the declining in meat consumption. In particular, the avian influenza (AI) outbreak, though has no direct impact on the Company's operation, it significantly impacts the confidence of consumers to avoid consumption of chicken meat. If the outbreak magnifies, it will impact the export market that has trade limit, as a result, the Company cannot operate effectively.

Risk Management

The Company has been monitoring the disease outbreak in animals both domestic and other countries. The Company mitigates the risk of disease outbreak by improving its chicken farm management system and technologies including using the closed chicken houses with Evaporative Cooling System (EVAP) to prevent air that carried germs to the chicken houses. The Company has animal welfare policy and practice that comply with the international standard. There are many measures to prevent disease outbreaks in poultry farms of the Company. The Company has been certified by the Department of Livestock, Ministry of Agriculture and Cooperatives for the good agricultural practices for its integrated chicken farms including breeder farms, hatchery facilities, and broiler farms. In addition, the Company provides up-to-date knowledge about animal diseases to its employees. The Company assures that its employees understand the risk factors, able to assess risks associated with the disease outbreaks, and can perform early warning to prevent the spreading of disease.

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 the generate revenue. For the previous bird flu outbreak, the Company cannot export frozen chicken and processed chicken. But today the situation has returned to normal that the Company can export the frozen chicken. In addition, Japan allows import of poultry from Thailand for both frozen chicken and processed chicken. However, disease outbreak is a factor that cannot be controlled.

2.2 Fluctuations in the Prices of Feed Materials

The price volatility of feed commodities such as corn, soybean meal, and fish meal has an impact on the cost of feed. The commodity price changes according to the volume output in each period and crop season. In addition, the price is also determined by the demand and supply of the world markets as well as domestic market in Thailand. Not only animal feed production but also demand for renewable energy and speculation in commodity futures market also affect the demand of these commodities. These factors may affect the price volatility of raw material. As for the supply side, climate change and natural disaster may contribute in lower crop production. These factors are uncontrollable and unexpected. Therefore, the price volatility of these commodities is the risk that has impact on the Company's performance. If commodities prices increase higher than estimated, 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 high 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 larger storage to store these raw materials and maintain higher stock level. The Company has the feed nutritionists to modify the feed formulation by using other equivalent feed materials. The Company sometimes uses derivative financial instruments to manage its exposure from the price fluctuations of the imported feed materials. When the Company expects that the future commodity prices tend to increase, then, the Company can adjust the selling feed price to compensate with 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 government controls the feed price, the rise in feed price may not compensate the total increasing amount in

2.3 Price Volatility of Livestock and Meat Products

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, 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 revenue of the Company.

Risk Management

The Company mitigates the risk from the price volatility of the chicken meat products by launching new products and adding value in the products to fit the demand of consumers. Nonetheless, the price volatility of day-old-chicks, chicken meat, and chicken parts, may be beyond the control and expectation of the Company.

2.4 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 managing the logistic system. A subsidiary company has 1 feed mill plant at Banbueng, Chonburi Province which is close to its broiler farm facilities, located in Chonburi Province. Due to the shorter distance of the new feed mill, the transportation cost of the chicken feed to the broiler farms of the group was reduced. Previously, the Company could reduce the production cost and transportation cost accordingly.

2.5 Change in Consumers' Behavior

The lifestyle of consumers is changing rapidly, so product development is important. We have to study and understand the consumers' behavior for both domestically and internationally in order to deliver the products that meet consumers' demand and satisfaction.

Risk Management

The Company has a team to study the trend and change of its consumers' behavior both domestic and international markets by focusing on collecting consumer data in depth. The results of the study are used in product development and marketing planning in order to offer the suitable products to fit the need of the customers and also gain their satisfactions. Previously, the Company is able to achieve consumers' demand and satisfaction.

2.6 Competition and liberalization of trade and move towards becoming an ASEAN Economic Community (AEC)

Business is more competitive because there are new companies entering the market, each company focus on increasing sales and profit along with the ASEAN Economic Community (AEC) in 2015. The AEC will ease the flexibility to transfer resources, capital, labor and larger international trade, which results in higher competition by importing from countries which have lower production cost including relocation of production base to the countries with lower wages. These facts will impact the revenues and operations of the Company.

Risk Management

The Company is preparing for price competition, quality, and product differentiation by developing technologies to produce the products that meet the needs of consumers and sufficient for the market demand. Our staff are studying and monitoring the needs of foreign markets and sources of raw materials used in the production from the member countries to find lower price of raw materials with high quality. Also, increase product distribution channels and develop an effective delivery model will help to reduce risks on time management and minimize damage in the products of Company.

2.7 The Volatility on Foreign Exchange Rate

The Company has foreign currencies transactions for both export and import. 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 lower the revenue after converting to Thai Baht. For the import of raw materials that used to produce feed mill, if Thai Baht depreciated, it would increase the cost of raw materials as well. The Company also imports machinery, supply materials, and some equipment from overseas.

Risk Management

The Company and subsidiaries use financial instruments to mitigate the foreign currencies exchange risk by setting a policy to buy forward contracts with several financial institutions to manage the volatility of foreign currencies transactions. As a result, the Company is able to recognize accurate production cost and able to effectively set the selling price. Thus, the Company can ensure that the target profit can be reach as expected. However, the aforementioned forward contracts do 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 on the date of purchase.

2.8 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 a team to closely monitor the trend of interest rates. In addition, the Company sets policy to manage the interest rate risk by using fixed interest rate for its long-term loan to ensure that the cost of funds is comparable to the market rate.

2.9 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 the higher importing standard. The new market expansion is also difficult and time consuming because each country has a policy to protect its livestock industry. The changes in these factors may have an impact on production costs, sales and profitability of the Company in the future either directly or indirectly as well as the competitiveness of the Thai chicken export industry.

Risk Management

To reduce the risk of international trade barriers, the Company continuously concentrates on updating the law and regulations of the international trade in order to develop strategic business direction in accordance with the international regulations. However, the trade barrier is uncontrollable and unpredictable, the risk cannot be fully managed to protect the business operation.



Connected Transactions



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

Procedure for Approval of Inter-Transactions

The Board of Directors considers the potential conflict of interest or related transactions properly under the ethical framework which moderated by the Audit and Risk Management Committee in order to comply with the requirements of the Securities and Exchange Commission, The Stock Exchange of Thailand, and the accounting standards set by the Federation of Accounting Professions. The Board of Directors also considers the disclosure of the transactions 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 directors, executives, or related persons. The transactions are carried out as normal business transaction with fair and proper price as if they are undertaken with other third party.

Reason for Inter-Transactions

In the approval process of the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction which allows the authorized persons to approve within the credit limit. Moreover, the Audit and Risk Management 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 2014, 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, 2014 and 2013, the Company and its subsidiaries had the inter-transactions which were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit and Risk Management Committee, the Audit and Risk Management Committee had opinion that all transactions was carried out as normal business transaction with normal terms and conditions.

Inter-Transactions 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. The inter-transactions shall be considered under the reasonableness and commercial appropriateness to treat shareholders and stakeholders equally 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.

Inter-transactions in the Past Year and the Current Year

For the year 2014 and 2013, the Company and its subsidiaries had the inter-transactions disclosed in the notes to audited financial statements, note. 5.2. Inter-transactions with related companies' details are as follows:

Related Companies / Relationship among the Companies	Type of Transactions	Value of Inter- Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter- Transactions for the year ended December 31, 2014 (Million Baht)		Reasons and Necessity of the Transactions / Pricing Condition
		Separated	Consolidated	Separated	Consolidated	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	223.39	-	631.54	Providing rental office building /
	2. Purchases	-	221.97	-	844.57	Pricing by Independent Appraiser.
	3. Other Income	0.09	17.31	0.30	20.58	Selling broiler /
	4. Rental Income	7.05	15.30	7.05	15.30	Pricing by Contract Price based on Market Price
	5. Other Expense	2.55	78.80	2.62	76.28	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.04	2.54	1.07	2.57	Providing rental farms / Pricing by Contract Price
3. Panalab Co., Ltd. / Common Management	1. Other Income	-	0.06	-	-	Selling plant drug /
	2. Rental Income	-	0.08	-	-	Pricing by Market Price
	3. Other Expenses	-	0.01	-	-	
4. P.Vet. Co., Ltd. / Common Management	1. Sales	-	0.23	-	0.11	Selling animal drug /
	2. Other Income	-	0.02	-	0.05	Pricing by Market Price
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 Contract Price
6. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	2,241.54	-	2,040.00	Expertise in corn supply for feed production / Pricing by Market Price
7. M.K.S. Condotown Co., Ltd. / Common Management	1. Other Income	1.35	1.35	2.23	2.23	Providing rental accommodations /
	2. Rental Income	0.35	0.35	0.35	0.35	Pricing by Market Price
	3. Other Expenses	0.91	0.91	0.37	0.37	
8. Nichirei Foods Inc. / Major Shareholder of joint venture	1. Sales	1,294.18	1,294.18	977.29	977.29	Purchasing Chicken Processing Products /
	2. Other Income	0.31	0.31	1.35	1.35	Pricing by Market Price
9. KEYSTONE FOODS (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	268.96	268.96	186.37	186.37	Purchasing Chicken Processing Products / Pricing by Market Price
10.Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	4.30	4.30	5.10	5.10	Purchasing Chicken Meat Products / Pricing by Market Price
11.Surapon Nichirei Foods Co., Ltd / Shareholding by Nichirei Foods Inc.	1. Sales	378.50	378.50	19.18	19.18	Purchasing Chicken Meat Products /
	2. Other Income	-	-	0.05	0.05	Pricing by Market Price
12.Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	41.50	119.97	38.03	110.53	In 2014, according to the Minutes of Extraordinary General Meeting No.1/2013 dated December 12, 2013, the Company and its subsidiaries were approved to receive financial assistance from related persons to help the Company's liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate of not over 5.50%, maturity at January 2024. In 2013, according to the Minutes of Extraordinary General Meeting No.1/2009 dated January 29, 2009, the Company and its subsidiaries were approved to receive financial assistance from related persons to help the Company's liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate of not over 6.00%, maturity at January 2014.

Shareholding Structure

Shareholding Structure

Company Security

As of December 30, 2014, the Company's registered capital was 1,400,000,000 Baht. 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.

Major Shareholders

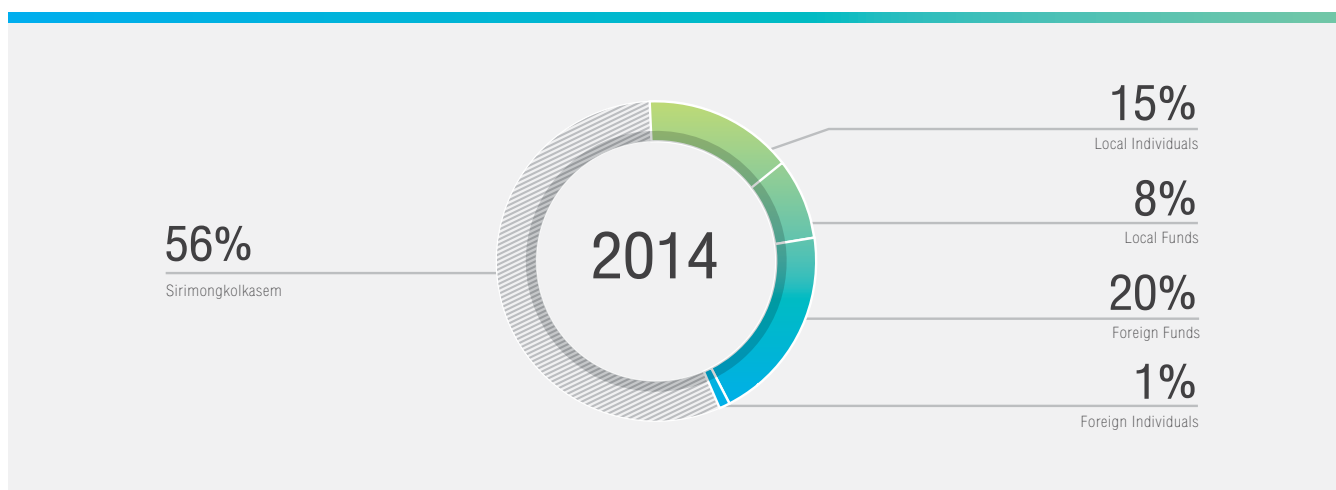
At the closing date of registrar book dated on December 30, 2014, the top ten major shareholders are as follows:

No.	Name of shareholders	No. of shares (shares)	%
1	Sirimongkolkasem Family ⁽¹⁾	696,417,940	55.54%
2	THAI NVDR CO., LTD.	79,924,624	6.37%
3	NICHIREI FOODS INC.	56,716,050	4.52%
4	Mr. Anucha Kittanamongkolchai	44,600,000	3.56%
5	STATE STREET BANK AND TRUST COMPANY	29,891,800	2.38%
6	STATE STREET BANK EUROPE LIMITED	27,081,178	2.16%
7	Mr. Kongphob Limsong	25,065,200	2.00%
8	Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
9	NORBAX INC., 79	20,000,000	1.60%
10	NORTRUST NOMINEES LTD. - CL AC	13,812,821	1.10%
Top 10 Shareholders		1,013,509,613	80.83%

Note:

⁽¹⁾ Sirimongkolkasem family have 21 members (as acting in concert Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247)

Shareholding Structure as of December 30, 2014



Lists of Sirimongkolkasem Family is as follow:

No.	Name of shareholders	No. of shares (shares)	%
1	Mr. Prasit Sirimongkolkasem	220,000,000	17.55%
2	Mr. Virach Sirimongkolkasem	180,000,000	14.36%
3	Mr. Sujin Sirimongkolkasem	132,236,280	10.55%
4	Mr. Pisanu Sirimongkolkasem	80,000,000	6.38%
5	Mr. Jarongkij Sirimongkolkasem	12,279,410	0.98%
6	Mr. Jarongkorn Sirimongkolkasem	12,279,410	0.98%
7	Ms. Wannee Sirimongkolkasem	10,100,000	0.81%
8	Ms. Warisara Sirimongkolkasem	9,049,500	0.72%
9	Ms. Wiwanya Sirimongkolkasem	5,350,000	0.43%
10	Ms. Nisa Sirimongkolkasem	5,196,100	0.41%
11	Mr. Win Parksook	5,100,000	0.41%
12	Mr. Worapath Parksook	5,100,000	0.41%
13	Ms. Jutamas Ingpochai	5,000,000	0.40%
14	Mr. Pongsathorn Ingpochai	4,869,930	0.39%
15	Dr. Anan Sirimongkolkasem	4,134,080	0.33%
16	Mrs. Somsiri Ingpochai	2,500,000	0.20%
17	Ms. Papinya Sirimongkolkasem	2,000,000	0.16%
18	Mrs. Pranee Parksook	1,191,930	0.10%
19	Mr. Jedsada Sirimongkolkasem	31,000	0.00%
20	P. Chareonphan Produces Co., Ltd. *	200	0.00%
21	Mr. Wongsakorn Sirimongkolkasem	100	0.00%
Sirimongkolkasem Family		696,417,940	55.54%

Remark:

* P. Chareonphan Produces Co., Ltd. operates real estates for rent. The shareholders are Sirimongkolkasem family.

Shareholders who have significant influences on the Company's management policy

As of December 30, 2014, the major shareholders who have significant influences on the Company's management policy or operation are:

No.	Name of shareholders	No. of shares (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%

Dividend Payment Policy

Dividend Payment Policy of GFPT Public Company Limited

The dividend policy of GFPT Public Company Limited is “to pay dividend at the rate of not more than 50% of net profit of the Company’s separated financial statement after all deductions as required by law or by the Company, subject to the Company’s cash flow, liquidity, future investment plans of the Company and its subsidiaries, and economic situation.”

Dividend Payment Information

	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012 ⁽²⁾	2013
Earnings per Share – separated financial statement (THB/share)	0.33	0.33	0.38	(0.31)	0.43
Dividend per Share (THB/share)	0.25	0.30	0.33	-	0.35
Dividend Payout Ratio – separated financial statement (%)	75.17%	91.71%	85.89%	-	82.14%

Note:

⁽¹⁾ Earnings per share and dividend per share for fiscal 2009 were restated due to stock-splits from THB 10 per share to THB 1 per share on May 17, 2010.

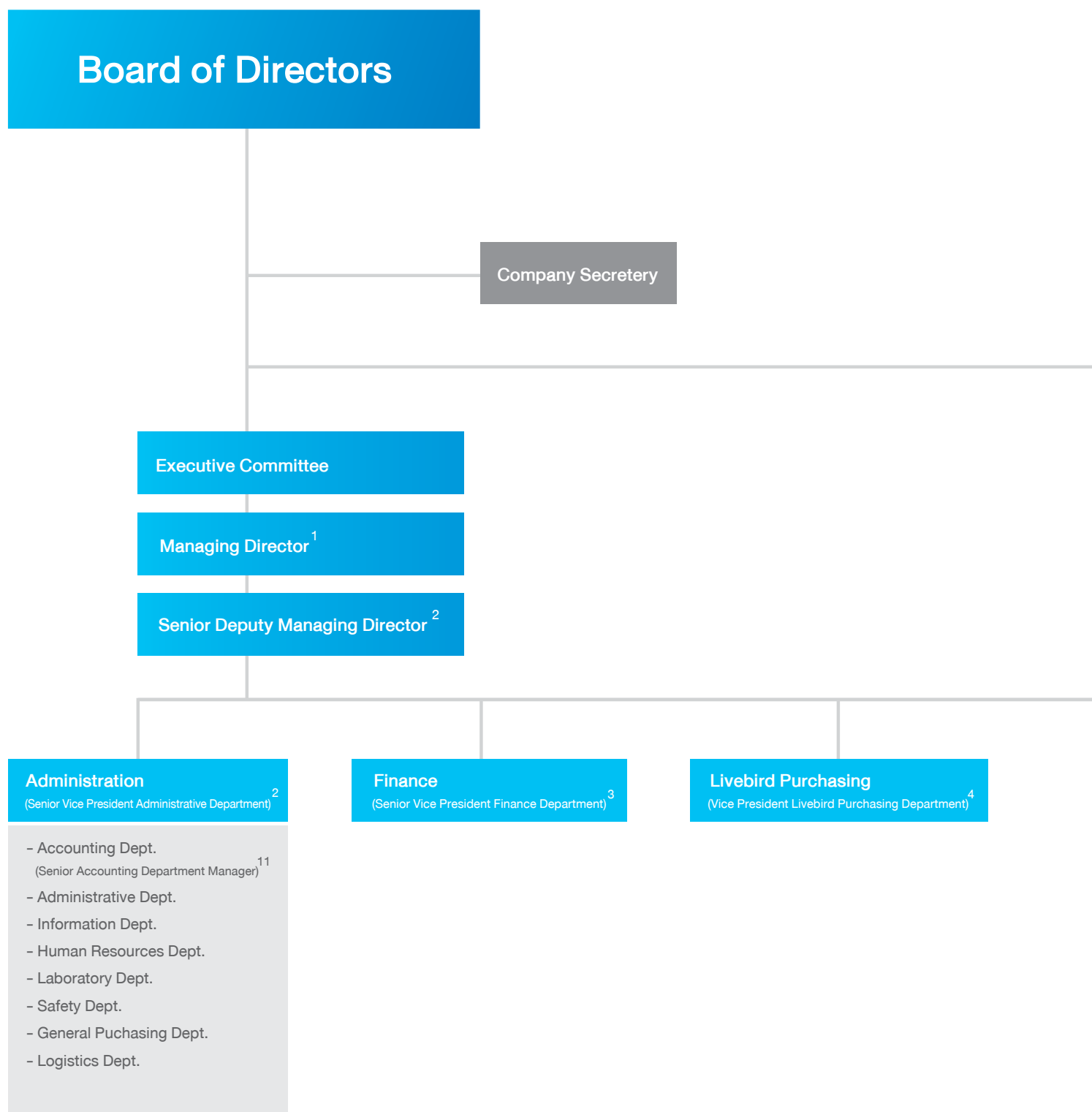
⁽²⁾ Separated dividend payout ratio for fiscal 2011 and fiscal 2012 were restated due to the adoption of Thai Accounting Standard No. 12 on Income Taxes.

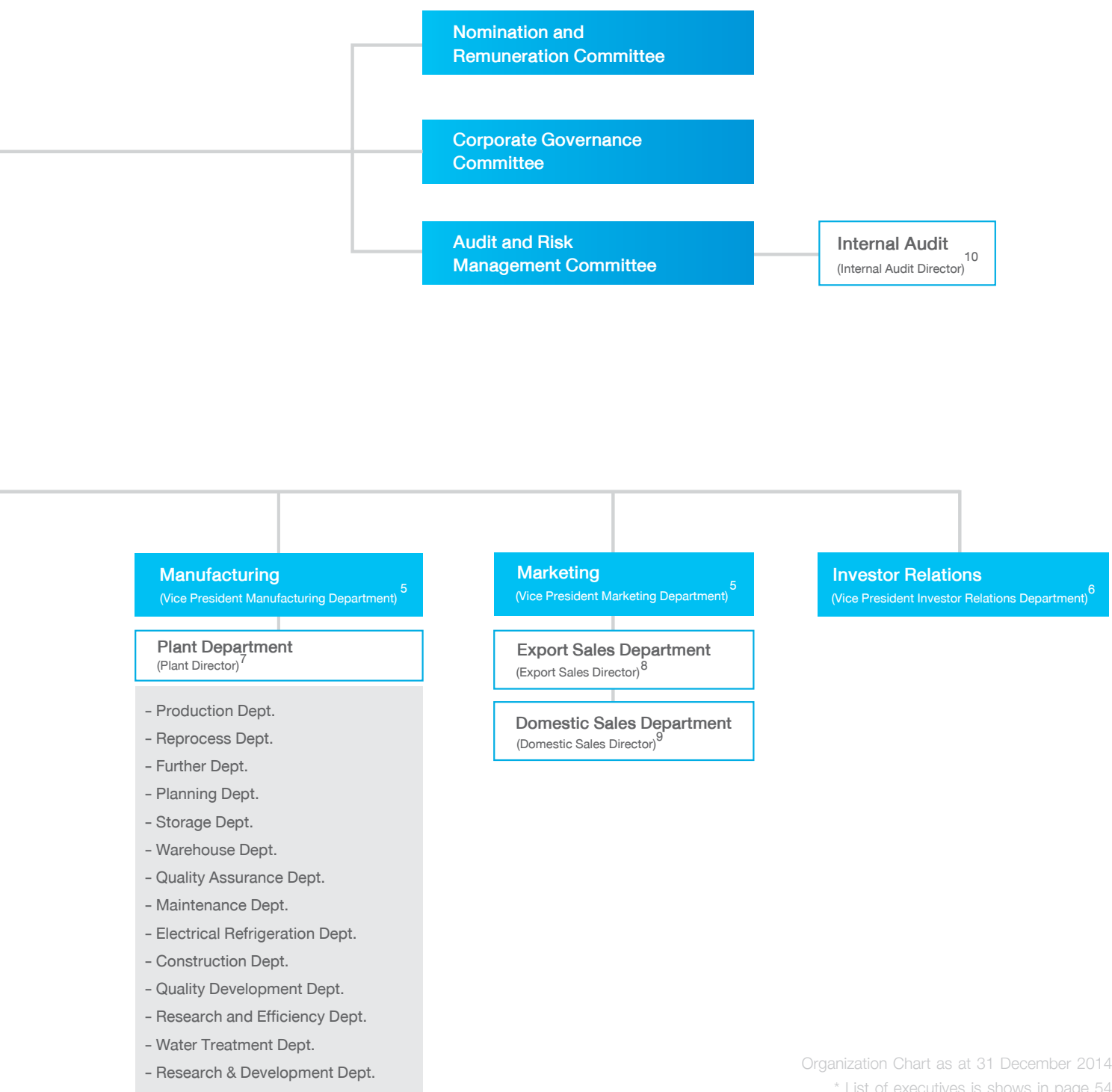
Dividend Payment Policy of Subsidiaries and Joint Ventures

The dividend payment policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, future investment plans of each company, without designated dividend payout ratio. As of December 31, 2014, the Company received the dividend from a joint-venture in amount of THB 29.40 million.

Responsive to customer's needs
and satisfaction.

Organization Chart





Organization Chart as at 31 December 2014

* List of executives is shown in page 54

Management

In 2014, the management structure of GFPT Public Company Limited composes of 1) the Board of Directors, 2) the Audit and Risk Management Committee, 3) the Nomination and Remuneration Committee, 4) the Corporate Governance Committee, and 5) the Executives.

Board of Directors

As of 31 December 2014, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows:

Name - Surname		Title
1. Mr. Prasit	Sirimongkolkasem ⁽¹⁾	Chairman
2. Mr. Virach	Sirimongkolkasem ⁽¹⁾	Vice Chairman Managing Director
3. Dr. Anan	Sirimongkolkasem ⁽¹⁾	Chairman of Executive Committee Senior Deputy Managing Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit and Risk Management Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee
5. Mr. Paramet	Hetrakul	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee
7. Mrs. Somsiri	Ingpochai	Executive Director
8. Ms. Wannee	Sirimongkolkasem	Director
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee

Note: Ms. Jutamas Ingpochai is a Secretary of the Board of Directors.

⁽¹⁾ Being authorized directors of the Company. The Company requires at least 2 out of 3 directors are authorized to sign on behalf of the Company with the Company's seal.

Sub-Committees

Audit and Risk Management Committee (ARC)

As of 31 December 2014, the Audit and Risk Management Committee comprised of 3 directors as follows;

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

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

⁽¹⁾ Audit committee who has extensive knowledge and experiences in reviewing financial statement

⁽²⁾ Audit committee who has extensive knowledge and experiences in legal aspect

Nomination and Remuneration Committee (NRC)

As of 31 December 2014, the Nomination and Remuneration Committee comprised of 5 directors as follows;

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

Note: Mr. Chatchai Ratanawalai is a Secretary of the Nomination and Remuneration Committee

Corporate Governance Committee (CGC)

As of 31 December 2014, the Corporate Governance Committee comprised of 7 directors as follows:

Name – Surname		Title
1. Dr. Sathit	Karanes	Chairman of Corporate Governance Committee
2. Dr. Anan	Sirimongkolkasem	Member of Corporate Governance Committee
3. Mr. Sujin	Sirimongkolkasem	Member of Corporate Governance Committee
4. Ms. Jutamas	Ingpochai	Member of Corporate Governance Committee
5. Mr. Thiti	Wanachate	Member of Corporate Governance Committee
6. Mr. Theerasak	Piamsuphakphong	Member of Corporate Governance Committee
7. Mr. Noparat	Srichan*	Member of Corporate Governance Committee

Note: Mr. Noparat Srichan is a Secretary of the Corporate Governance Committee

GFPT's Executives

In 2014, GFPT has 11 executives as follows:

Name – Surname		Title
1. Mr. Virach	Sirimongkolkasem	Vice Chairman and Managing Director
2. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee Senior Deputy Managing Director and Senior Vice President, Administration Department
3. Mrs. Pranee	Parksook	Senior Vice President, Finance Department
4. Mr. Sujin	Sirimongkolkasem	Vice President, Live-Bird Purchasing Department
5. Mr. Kittichai	Sirimongkolkasem	Vice President, Manufacturing Department and Vice President, 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 Sales Director
9. Mr. Danai	Booncharoensukpisarn	Domestic Sales Director
10. Mr. Theerasak	Piamsuphakphong	Internal Audit Director
11. Ms. Ratchaneegorn	Pavitrpok	Senior Accounting Department Manager

Note: Definition of Executives is according to the Security and Exchange Act with the Company's criteria

Securities Holding Report of Directors and Executives as of 30 December 2014

Name – Surname		Amount (Shares)					
		As of 30 December 2013		As of 30 December 2014		Increase / Decrease	% Shareholding
		Direct	Indirect	Direct	Indirect		
1. Mr. Prasit	Sirimongkolkasem	220,000,000	-	220,000,000	-	-	17.55%
2. Mr. Virach	Sirimongkolkasem	180,000,000	-	180,000,000	-	-	14.36%
3. Dr. Anan	Sirimongkolkasem	4,134,080	-	4,134,080	-	-	0.33%
4. Dr. Sathit	Karanes	-	-	-	-	-	-
5. Mr. Paramet	Hetrakul	50,000	-	50,000	-	-	0.004%
6. Mr. Thanathip	Pichedvanichok	-	-	-	-	-	-
7. Mrs. Somsiri	Ingpochai	2,979,930	-	2,500,000	-	-479,930	0.20%
8. Ms. Wannee	Sirimongkolkasem	10,100,000	-	10,100,000	-	-	0.81%
9. Mr. Sujin	Sirimongkolkasem	222,795,100	-	132,236,280	-	-90,558,820	10.55%
10. Mrs. Pranee	Parksook	11,391,930	-	1,191,930	-	-10,200,000	0.10%
11. Mr. Kittichai	Sirimongkolkasem	-	-	-	-	-	-
12. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
13. Mr. Thiti	Wanachate	-	-	-	-	-	-
14. Mr. Artorn	Uapopol	1,000	-	1,000	-	-	0.0001%
15. Mr. Danai	Booncharoensukpisarn	1,000	-	1,000	-	-	0.0001%
16. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.0001%
17. Ms. Ratchaneegorn Pavitrpok		-	-	-	-	-	-
Total		656,454,040	-	555,215,290	-	-101,238,750	44.28%

Note: Indirect means number of shares held by the spouses and minor children of directors and executives

Board of Directors



1. Mr. Prasit Sirimongkolkasem
Chairman

2. Mr. Virach Sirimongkolkasem
Vice Chairman and
Managing Director

3. Dr. Anan Sirimongkolkasem
Chairman of Executive Committee
Senior Deputy Managing Director

4. Dr. Sathit Karanes
Independent Director
Chairman of Audit and Risk
Management Committee



5. Mr. Parameth Hetrakul
Independent Director
Member of Audit and Risk
Management Committee

6. Mr. Thanathip Pichedvanichok
Independent Director
Member of Audit and Risk
Management Committee

7. Mrs. Somsiri Ingpochai
Executive Director

8. Ms. Wannee Sirimongkolkasem
Director

9. Mr. Sujin Sirimongkolkasem
Director

1. Mr. Prasit Sirimongkolkasem Age : 74 years

Chairman
(The authorized director)

Education / Director Certificate

- Secondary School
- Directors Accreditation Program No. 11/2004

Experience / Other Positions

1. Chairman of Krungthai Food PCL.
2. Chairman of Krungthai Farm Co., Ltd.
3. Chairman of M.K.S. Farm Co., Ltd.
4. Chairman of GF Foods Co., Ltd.
5. Chairman of GP Breeding Co., Ltd.
6. Chairman of P.Charoenphan Feedmill Co., Ltd.
7. Chairman of P.Vet Co., Ltd.
8. Chairman of Panalab Co., Ltd.
9. Chairman of P.Charoenphan Im-Ex Farm Co., Ltd.
10. Chairman of P.Charoenphan G.P. Farm Co., Ltd.
11. Chairman of Krung Thai Aqua-Culture Co., Ltd.
12. Chairman of P.Charoenphan Produce Co., Ltd.
13. Chairman of M.K.S.Condo Town Co., Ltd.
14. Chairman of Julchat Co., Ltd.

Number of
Shareholding 220,000,000 shares (17.55%)
(as of 30 December 2014)

Family Relations Brother of Mr. Virach Sirimongkolkasem
Brother of Dr. Anan Sirimongkolkasem
Brother of Mrs. Somsiri Ingpochai
Brother of Ms. Wannee Sirimongkolkasem
Uncle of Mr. Sujin Sirimongkolkasem

Year of Nomination 27 January 1992 – Present
(23 years)

Training / Seminar in 2014 - none -

2. Mr. Virach Sirimongkolkasem Age : 65 years

Vice Chairman and Managing Director
(The authorized director)

Education / Director Certificate

- Secondary School
- Directors Accreditation Program No. 14/2004

Experience / Other Positions

1. Vice Chairman and M.D. of Krungthai Food PCL.
2. Vice Chairman and M.D. of Krungthai Farm Co., Ltd.
3. Vice Chairman and M.D. of M.K.S. Farm Co., Ltd.
4. Vice Chairman and M.D. of GF Foods Co., Ltd.
5. Vice Chairman and M.D. of GP Breeding Co., Ltd.
6. Vice Chairman and M.D. of P.Charoenphan Feedmill Co., Ltd.
7. Vice Chairman and M.D. of P.Charoenphan Im-Ex Farm Co., Ltd.
8. Vice Chairman and M.D. of P.Charoenphan G.P. Farm Co., Ltd.
9. Vice Chairman and M.D. of Krung Thai Aqua-Culture Co., Ltd.
10. Vice Chairman and M.D. of P.Charoenphan Produce Co., Ltd.
11. Vice Chairman and M.D. of M.K.S.Condo Town Co., Ltd.
12. Vice Chairman and M.D. of Julchat Co., Ltd.
13. Director of Mckey Food Services (Thailand) Ltd.

Number of Shareholding 180,000,000 shares (14.36%)
(as of 30 December 2014)

Family Relations Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination 27 January 1992 – Present
(23 years)

Training / Seminar in 2014 Cobb broiler management

3. Dr. Anan Sirimongkolkasem Age : 63 years

Chairman of Executive Committee
Senior Deputy Managing Director (The authorized director)
Member of Nomination and Remuneration Committee
Member of Corporate Governance Committee

Education / Director Certificate

- Faculty of Doctor of Medicine, Diplomate Thai Board of Ophthalmologist, Ramathibodi Hospital, Mahidol University
- Directors Accreditation Program No. 14/2004

Experience / Other Positions

1. Chairman of Executive Committee and Deputy M.D. of GP Breeding Co., Ltd.
2. Chairman of Executive Committee and Deputy M.D. of Krungthai Farm Co., Ltd.
3. Chairman of Executive Committee and Deputy M.D. of M.K.S. Farm Co., Ltd.
4. Chairman of Executive Committee and Deputy M.D. of GF Foods Co., Ltd.
5. Executive Director of Krungthai Food PCL.
6. Director of P.Charoenphan Feedmill Co., Ltd.
7. Director of P.Vet Co., Ltd.
8. Director of Panalab Co., Ltd.
9. Director of McKey Food Services (Thailand) Ltd.
10. Director of GFPT Nichirei (Thailand) Co., Ltd.
11. Director of Vet pha Co., Ltd.
12. Director of P.Charoenphan Produce Co., Ltd.
13. President of Thai Broiler Processing Exporters Association
14. Director of The Federation of Thai Industries
15. Director of Thai National Shippers' Council

Number of Shareholding 4,134,080 shares (0.33%)
(as of 30 December 2014)

Family Relations Brother of Mr. Prasit Sirimongkolkasem

Year of Nomination 27 January 1992 – Present
(23 years)

Training / Seminar in 2014 - none -

4. Dr. Sathit Karanes

Age : 62 years

Independent Director

Chairman of Audit and Risk Management Committee
Chairman of Nomination and Remuneration Committee
Chairman of Corporate Governance Committee

Education / Director Certificate

- Faculty of Doctor of Medicine, Diplomate Thai Board of General Surgery, and Pediatric Surgery, Mahidol University
- Directors Accreditation Program No. 14/2004
- Audit Committee Program No. 31/2010

Experience / Other Positions

1. Instructor and Doctor of Faculty of Medicine, Ramathibodi Hospital
2. Director of S.V.K. Family Mart Co., Ltd.

Number of Shareholding - none -
(as of 30 December 2014)

Family Relations - none -

Year of Nomination 25 June 1998 – Present
(17 years)

Training / Seminar in 2014 - none -

5. Mr. Parameth Hetrakul

Age : 51 years

Independent Director

Member of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee

Education / Director Certificate

- Master of Business Administration, University of Hartford, Connecticut, USA
- Bachelor Degree in Accountancy, Chulalongkorn University
- CFA, the Institute of Chartered Financial Analysts, Virginia, USA
- Directors Accreditation Program No. 43/2005

Experience / Other Positions

1. Director of DN Broadcast Co., Ltd.
2. Director of Pra Choom Chang Co., Ltd.
3. Director of Agri-Union Co., Ltd.
4. Director of Piyadamansion Co., Ltd.

Number of Shareholding 50,000 shares (0.004%)
(as of 30 December 2014)

Family Relations - none -

Year of Nomination 1 July 2005 – Present
(10 years)

Training / Seminar in 2014 - none -

7. Mrs. Somsiri Ingpochai

Age : 67 years

Executive Director

Education / Director Certificate

- Primary School
- Directors Accreditation Program No. 17/2004

Experience / Other Positions

1. Senior Vice President, Accounting & Finance Department of Krungthai Food PCL.
2. Executive Director of Krungthai Farm Co., Ltd.
3. Director of M.K.S. Farm Co., Ltd.
4. Director of GF Foods Co., Ltd.
5. Director of P.Charoenphan Feedmill Co., Ltd.
6. Director of P.Charoenphan Produce Co., Ltd.
7. Director of P.Vet Co., Ltd.
8. Director of Panalab Co., Ltd.

Number of Shareholding 2,500,000 shares (0.20%)
(as of 30 December 2014)

Family Relations Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination 27 January 1992 – Present
(23 years)

Training / Seminar in 2014 SCB EIC Conference :
Thailand in Transformation

8. Ms. Wannee Sirimongkolkasem

Age : 57 years

Director

Education / Director Certificate

- Bachelor Degree in Education, Srinakharintaraviree University
- Directors Accreditation Program No. 17/2004

Experience / Other Positions

1. Senior Vice President, Import and Chemicals Purchasing Department of Krungthai Food PCL.
2. Director of P.Vet Co., Ltd.
3. Director of Panalab Co., Ltd.

Number of Shareholding 10,100,000 shares (0.81%)
(as of 30 December 2014)

Family Relations Sister of Mr. Prasit Sirimongkolkasem

Year of Nomination 18 April 2003 – Present
(12 years)

Training / Seminar in 2014 SCB EIC Conference :
Thailand in Transformation

6. Mr. Thanathip Pichedvanichok

Age : 50 years

Independent Director

Member of Audit and Risk Management Committee

Member of Nomination and Remuneration Committee

Education / Director Certificate

- Law, LL. M. University of Pennsylvania
- Law, LL. M. Southern Methodist University
- Law, LL. B. Thammasat University
- Directors Accreditation Program No. 78/2009

Experience / Other Positions

1. Director of Thanathip and Partners Legal Counsellors Limited

Number of Shareholding - none -
(as of 30 December 2014)

Family Relations - none -

Year of Nomination 1 July 2008 – Present
(7 years)

Training / Seminar in 2014 - none -

9. Mr. Sujin Sirimongkolkasem

Age : 44 years

Director

Member of Nomination and Remuneration Committee

Member of Corporate Governance Committee

Education / Director Certificate

- Bachelor of Art in Economics, Boston University
- Directors Certification Program No. 33/2003

Experience / Other Positions

1. Vice President, Livebird Purchasing
Department of GFPT PCL.
2. Vice President, Marketing Department of Krungthai Food PCL.
3. Director of P.Vet Co., Ltd.
4. Director of Panalab Co., Ltd.

Number of Shareholding 132,236,280 shares (10.55%)
(as of 30 December 2014)

Family Relations Nephew of Mr. Prasit
Sirimongkolkasem

Year of Nomination 18 April 2003 – Present
(12 years)

Training / Seminar in 2014 Cobb broiler management

Good Corporate Governance

Good Corporate Governance Policy

GFPT Public Company Limited (the “Company”) realizes the importance of Good Corporate Governance and believes that a good management system, a Board of Directors and executives with vision and responsibility, a control mechanism, a balance of power for transparency and accountability, the equitable treatment of shareholders, and respect for the interests of all stakeholders are key factors in adding value and maximizing returns to shareholders of the Company in the long run.

The Company has constructed the Good Corporate Governance policy under the criteria of the Stock Exchange of Thailand¹ and the regulations of the Organization for Economic Co-Operation and Development² (OECD) as a guidance in conducting business for directors, executives, and employees of the Company. The Company will review and revise the principles of Good Corporate Governance policy annually to be appropriate with any changes that may occur from the operation, environment, situation, or laws.

The Board of Directors regularly monitors compliance with Good Corporate Governance. 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.

To abide by the Company’s CG policy, the Company received the rating of “Very Good” level for Corporate Governance Report of Thai Listed Companies (CGR) in 2014, organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). The Company has maintained the “Very Good” level for Corporate Governance Report since 2006.

Compliance with the Good Corporate Governance Policies in the year 2014

Chapter 1 Rights of Shareholders

1.1 Shareholders’ rights protection policy

The Board of Directors values the rights of shareholders and encourages shareholders to exercise their rights including basic rights of the shareholders by law namely the rights to sell, buy, or transfer shares; the right to receive the dividend equally; the right to receive sufficient information; the right to attend shareholders’ meetings the right to propose an agenda; the right to vote at shareholders’ meeting to appoint or dismiss directors; determine the remuneration of directors; the right to appoint auditor and determine the audit fee; and the right to determine issues that fundamentally affect the Company, which may include any changes to the articles of association, memorandum of associations and the decrease or increase in share capital and the approval of any special items.

The Board of Directors also set the best practice to look after the interest of shareholders beyond their basic legal rights by providing the right to get any significant Company information on a timely and sufficient basis such as the results of operations,

analysis of its operations, the credit rating, and newsletter to shareholders via the Company’s Home Page that is accessible and convenient.

In addition, the Board of Director shall not act in any way which violates or deprives the rights of the shareholders.

1.2 Shareholders’ Meeting

The Company has scheduled Annual General Meeting of Shareholders 1 time within 4 months after the fiscal year. If there is an urgent matter that relates to certain conditions, rules or applicable law that needs shareholders’ approval, the Company will call an Extraordinary General Meeting of Shareholders.

The Board of Directors has a policy to support and encourage all types of shareholders, including institutional shareholders to attend the shareholders’ meeting by requiring the invitation letter of Annual General Meeting of Shareholders to clarify on details about registration procedures and documents used to register for each type of shareholders including 3 types of proxy consisting of Form A,

¹ Good Corporate Governance for listed companies B.E. 2535, Corporate Governance Center, the Stock Exchange of Thailand

² Corporate Governance of The Organization for Economic Co-Operation and Development (OECD) 2004

Form B and Form C Meeting documents can be downloaded through Company's website at least 30 days before the meeting. The Company will facilitate the shareholders to exercise their rights to attend and to vote at the meeting and will not take any action to limit the opportunity to access information of the Company.

The Company has complied with the law and the best practices of the AGM Checklist of the SEC, as well as, considered to the rights of shareholders and the equitable treatment of shareholders according to the principles of Good Corporate Governance.

1.2.1 Pre-proceeding of the Meeting

- 1) The Company gives opportunities to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders SEC's News and the Company's Home Page.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET's news. The resolutions include the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and the dividends payment.
- 3) The Company prepares the Notice of the Annual General Meeting of Shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with complete details, including information about the date, time, and location of the meeting, meeting agenda with a statement indicating the reasons and opinion of the Board of Directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance, and the process of voting on each agenda.
- 4) The Company discloses the Notice of Annual General Meeting of Shareholders enclosures through the SET's news and the Company's Home Page at least 30 days before the meeting. The Company sends the Notice and enclosures to the shareholders by registered mail at least 21 days before the meeting, which over the time period set by law. The Notice of Annual General Meeting of Shareholders will be advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 8 days before the meeting.

1.2.2 Proceeding of the Meeting

- 1) The Company sets date, time, and place of the meeting with consideration to the convenience of the shareholders. The place of the meeting is adequate and easy to access (accessible by public bus).
- 2) The Company allows shareholders to register for the meeting 2 hours before the meeting starts and organizes easy document checking system.
- 3) The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A, B, or C (for Custodian) as specified by Department of Business Development or the Proxy Forms provided in the Company's website. The Company encourages shareholders to use Proxy Form B, which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders.
- 4) The Company uses information technology (computer system and barcode) and the ballot (every agenda) at the meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.
- 5) Chairman, directors, chief executive officer, managing directors, Chairman of various committees, and auditors are required to attend the meeting to provide answers to any questions related to their scope of work.
- 6) Volunteers from the meeting (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting or the Extraordinary General Meeting of Shareholders.
- 7) Voting is separated for each matter. For example, for the election of directors, shareholders can vote for each director individually.
- 8) The Company notifies the guideline of the procedure of the meetings, including the procedure of casting vote and the right to vote (shareholders have 1 vote for 1 share), to shareholders at the beginning of the meeting.
- 9) The Chairman of the meeting allocates sufficient time and provides opportunities to shareholders to independently comment and ask questions on matters related to the agenda or to the Company in the meeting.

- 10) The Company holds clear and transparent vote counting and discloses voting results in each agenda at the meeting.
- 11) Agenda other than those specified in the Notice must not be raised and no significant changes may be made to the agendas specified without prior notice to shareholders.

1.2.3 Post-proceeding of the Meeting

- 1) The Company publishes the resolutions of the meeting and voting results of each agenda item through the Stock Exchange of Thailand and the Company's Home Page on the date of the Annual General Meeting of Shareholders.
- 2) The Company prepares minutes of shareholders that are accurate and complete for submission to the Stock Exchange of Thailand and publish on the Company's Home Page within 14 days from the date of the meeting.
- 3) The Company publishes record of each agenda in the webcast to ensure transparency and accountability.

Annual General Meeting of Shareholders 2014

The Annual General Meeting of Shareholders for the year 2014, the Company provided opportunities to shareholders to propose agenda items, nominate candidates for director appointment, and send questions in advance for 3 months before the end of the year during 1 October to 31 December 2013. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 18 February 2014, the Company published the resolution of the Board of Directors regarding the Annual General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2014 Annual General Meeting of Shareholders on 4 April 2014 at 9.30 AM. The Company set the record date, on which shareholders have the rights to attend and to cast vote in the 2014 AGM on 4 March 2014 and collected the names of shareholders pursuant to Section 225 of the SEC Act B.E. 2535 (Amended B.E. 2551) by means of closing the share register book on 5 March 2014.

The Company published the Notice of the 2014 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's news and the Company's website on 4 March 2014 or 31 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2014 Annual

General Meeting to shareholders through registered post since 11 March 2014, or 23 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2014 on Friday, 4 April 2014 at 9.30 AM. at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 446 shareholders attending the meeting in person and by proxy, accounted for 928,425,866 shares representing 74.05% of the shares sold. The Company published the resolutions of the meeting and the voting results of each agenda on 4 April 2014. The minutes of AGM 2014 and the video recording are disclosed through SET's news and the Company's website on 11 April 2014.

For the Annual General Meeting of Shareholders for the year 2014, the Company was assessed the quality of the Annual General Meeting of Shareholders (AGM Assessment) by Thai Investors Association and received 100 full score categorized in the "excellent" level for the 3th consecutive years since 2012.

Chapter 2 Equitable Treatment of Shareholders

The Company realizes the importance of equitable treatment of shareholders both major and minor shareholders. No shareholder shall have any special privileges over other shareholders. The Company undertakes the following actions:

2.1 Measures to prevent the use of inside information

The Company has measures to prevent the use of inside information. The directors, management, employees and stakeholders are not allowed to use inside information to benefit themselves or others. The Company has set the privacy policy, inside information policy and securities trading of directors, executive, and employees in the Company's Code of Ethics that will be granted to directors, executives and employees on the job. It can be summarized as follows:

- Directors, executives and employees at all levels must keep important business information confidential as well as confidential information about the Company and the stakeholders of the Company. The information will not be disclosed to those who are not involved, both inside or outside the Company, or must not be used to seek benefits for themselves and others. This also applies in cases of retirement,

resignation or termination of work from the Company, unless the information is already required by law to be disclosed to third involved party.

- The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent important information from being revealed in the case that directors, executives, employees of the Company use inside information.
- Third party with an opportunity to get involved or obtain inside information needs to sign an agreement to keep the information confidential (Confidentiality Agreement) to ensure that they will take precautions to maintain the confidentiality of inside information in the same manner of the employees of the Company.
- Disclosure of key business information must be made by authorized personnel of the Company. When unauthorized personnel are asked about the Company's information, they should recommend the enquirer to contact the authorized persons.
- The directors, executives, employees and related persons (spouses and minor children) cannot use inside information including the Company's financial statements or other information that may affect the share price of the Company that is undisclosed to the public or to the Stock Exchange of Thailand for their own personal benefit or for the benefit of related persons.
- The directors, executives, employees and related persons (spouses and minor children) who have inside information are prohibited to trade securities of the Company during the period of 1 month before disclosing information to the public and within 24 hours after disclosure (Blackout Period).
- Any directors, executives or employees who have inside information and breach the code of conduct, or behave in a way that will damage the Company, will be punished whether by a warning, cutting wages, suspension without pay or termination.
- Directors and executives (as defined by the SEC and SET) and related persons (spouses and minor children) are required to report holdings of securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535 within 3 days from the date of changing ownership. Also, the change in ownership will have to be notified to the company secretary to record the changes and summarize the securities held by each director and executive individually.

The changes will be informed to the Board of Directors in the next meeting and shall be disclosed in the annual report and Annual Registration Statement (Form 56-1).

For the year 2014, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.

In addition, directors and executives have strictly complied with the Company's Code of Conduct in regard to report the purchases and sales of securities of the Company at least 1 day before and after the actual trading date and the changes in the holding securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535.



2.2 Governance on the Conflict of Interest

The Company operates business which may occur conflict of interest with its directors, executives, managers, and employees. Such conflict of interest may appear in different forms. Therefore for the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

2.2.1 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 people when working on behalf of the Company.

2.2.2 Giving Gifts, Entertainment and Gratuities

The Company has no policy on offering money, incentives or any other special benefits to its business partners, suppliers, customers, creditors or any other people in exchange for business deals, except for providing normal business entertainment, trade discounts or promotional campaigns.

Such practices have been applied in setting the anti-corruption policy of the Company as shown in CSR report.

2.2.3 Outside Directorships

Any directors, executives, managers, or employees who 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 for a directorship of the non-profit organization. Nevertheless, such directorship must not infringe on any related laws or regulations governing the business of the Company. In addition, the involved person shall not use his or her position in the Company to promote any outside businesses.

2.2.4 Engaging in Other Business Outside of the Company and the Subsidiary Companies

Directors, executives, managers and staff members at all levels shall not engage in any other businesses that affect their performances, duties and working hours in the Company and are prohibited from participating in any other businesses which are in competition with the companies in the Group, regardless of whether they get direct or indirect benefit from that business.

2.2.5 Engaging in Business with Companies within the Group

For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engage in the connected transaction. Directors, managers, or employees who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized persons who act 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. The definition of relationships shall be in accordance with "the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of The Securities and Exchange Commission.

2.2.6 Related Party Transactions amongst Companies within the Group

The consideration of related party transactions shall be taken under the conditions and procedures of the Notification of the Board of Governors of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). The connected transaction shall be dealt on a fair and arm's length basis and taking into account the Company's best interests. The stakeholders who have conflict of interest must not participate in the approval or consideration the transaction. The related transactions will be disclosed in the Annual Report and Annual Registration Statement (Form 56-1)

2.3 Conflict of Interest of Directors

The Company has stipulated that the directors and executives, including their related persons³ must prepare and submit a report on the interests, connected transactions and acquisition or disposal of assets belonging to themselves or their related persons to the Company under the Capital Market Commission's and the Stock Exchange of Thailand's regulations. Then the report will be proposed to the Board of Directors' or shareholders' meeting for approval. The directors will not participate or vote on the agenda related to their own interests. The company secretary is responsible for collecting and delivering copies of the report on interests to the Chairman of the Board of Directors and Chairman of the Audit and Risk Management Committee within 7 working days from the date of the receiving of the report.

³ Report of Conflict of Interest of Directors

Chapter 3 Roles of Stakeholders

3.1 Policy on practice to the stakeholders

The Board of Directors is committed to providing stakeholders with equal rights as stipulated by law or as agreed with the Company by having a policy on practice towards the stakeholders as follows:

Shareholders		The Company is committed to creating sustainable growth and returns to shareholders. Taking into account the current and future risks to achieve added value for our shareholders over the long term.
Employees		The Company is committed to treating employees fairly, respectfully, equitably, and professionally so that its employees will have a reasonable salary, personal career development, good quality of life, safeguard at work, and respect of privacy rights of all employees.
Customers		The Company is committed to gaining highest customer satisfaction through continued improvements of product and service quality and to ensuring that our customers receive good quality products and services at reasonable prices, as well as to develop and maintain a sustainable relationship. It also provides a system for monitoring the implementation of work as committed to the customers.
Business Partners		The Company is committed to treating suppliers and partners fairly and equally to establish mutual trust and to provide monitoring systems that will prohibit the disclosure of the business partners' information or any use of its information by illegal means. The Company also has a transparent and fair selection process of suppliers.
Creditors		The Company intends to strictly comply with the terms of contract it enters into and any financial obligations it may have, especially regarding guarantees and event of default payments.
Competitors		The Company is committed to complying with international trade rules and to promoting fair competition. The Company shall not perform any illegal or unethical transaction nor shall allege any defamation towards its competitors without real information.
Communities, Society, and Environment		The Company is committed to conducting business that benefits the economy, society and consciously preserve and protect the environment together with sustainable development of the Company. The Company promotes a spirit of social responsibility in its employees at all levels. The Company welcomes feedback and suggestions from all parts of society to achieve a common approach in the implementation of sustainable business alongside the development of community and society.

3.2 Whistle-Blowing Service

The Board of Directors has set out processes and provided channels for receiving and dealing with complaints of stakeholders through various means as follows:

Contact Independent Directors

Email : independentdirectors@gfpt.co.th
Facsimile : 0 2473 8398
Mail : Independent Directors
GFPT Public Company Limited
GFPT Tower, 18th Floor
No. 312 Rama 2 Road, Bangmod,
Jomthong, Bangkok 10150

Contact Board of Directors

Email : bod@gfpt.co.th
Facsimile : 0 2473 8398
Mail : Directors
GFPT Public Company Limited
GFPT Tower, 18th Floor
No. 312 Rama 2 Road, Bangmod,
Jomthong, Bangkok 10150

Contact Corporate Governance Committee

Email : cg@gfpt.co.th
Facsimile : 0 2473 8398
Mail : Corporate Governance committee
GFPT Public Company Limited
GFPT Tower, 18th Floor
No. 312 Rama 2 Road, Bangmod,
Jomthong, Bangkok 10150

The Company has a process in place for dealing with complaints from employees by considering whether the complaint concerns a wrongful act and how serious the offense is in order to impose a fair and accurate penalty. The employees can report complaints or feedback directly through the Company's email.

The Company discloses the process and channels on its Home Page and Annual Reports. To provide confidence for the person who report complaints, the Company strictly keeps all complaints confidential and establishes a process of receiving a complaint and an investigation procedure where the complaints will only be disclosed to the relevant people. The management division will collect complaints and present them to the Audit and Risk Management Committee for its consideration.

In the year 2014, the Company had no complaint in relation to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-executive directors of the Company did not resign due to any CG misconduct. There is no legal dispute on labor issue, consumer right, or business trading activity.

The practices of the Company to its stakeholders in year 2014 are shown in CSR report, page 87-109.



Chapter 4 Disclosure and Transparency

4.1 Disclosure Policy

The Board of Directors discloses all important information including both financial and non-financial information⁴ correctly, timely, and accurately in accordance with regulations of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company (Bor.Jor./Por.23-00) and the Guidelines on Disclosure of Information of Listed Companies (Bor.Jor./Por.11-00), and other state agencies.

In the year 2014, the Company has complied with the principles of Good Corporate Governance. There is no record of delayed report submission under section 56 for both form 56-1 and form 56-2, including quarterly and yearly financial statements.

4.2 Channel Disclosure

The Company provides a wide variety of channels for users to access fairly. The information is published both in Thai and English languages through the following channels:

- 1) SET's news
- 2) Annual Report and Annual Registration Statement (Form 56-1)
- 3) The Company's website (www.gfpt.co.th)

4.3 Information Disclosure Policy or Interview with the Press or Public

The Company has policy to provide information, media advertisement, or public release in a clear and correct manner without misinterpretation. The disclosure information is intended to create better understanding about the Company to all stakeholders based on the aspects of completely, timely, and fairly communication.

4.4 Investor Relations Department

The Company has established an IR Department (Investor Relations) to be responsible for the disclosure of information and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company's Home Page, quarterly performance meeting, analysts meeting, conference call, road show in Thailand and abroad, and etc. The Company also prepares the Management Discussion and Analysis (MD&A) on a quarterly basis and IR Newsletter, which published on SET's website and the Company's website, to provide investors and general public for better understanding of the Company's performance. Unauthorized persons are not allow to provide information to the media or the public in any way which may affect the reputation and business operations of the Company.

Investors may contact the Investor Relations Department at 02 473 8000 or www.gfpt.co.th or email ir@gfpt.co.th.

In the year 2014, the Company had investor relations activities to disclose the Company's information to investors continuously throughout the year. The Company evaluated the effectiveness of the information disclosure, which has been assessed by analysts attended the Company's analyst meetings. The results of the information disclosure from the Company's analyst meeting were satisfactory. In addition, investor relations activities of the Company in the year 2014 are summarized as follows:

Investor relations activities in the year 2014	No. of time
Analyst Meeting	4
Plant Visit	2
Roadshow	5
Local Roadshow	3
One on One Meeting	34

⁴ Minimum data specified in the principles of good corporate governance for listed companies in B.E. 2555, Section 4, Clause 2

Chapter 5 Responsibilities of the Board of Directors

The Board of Directors plays a major role in Corporate Governance to create the highest benefit to the Company. The Company has established the following guidelines:

5.1 Structure of the Board of Directors

5.1.1 Component of the Board of Directors

- 1) The Board of Directors shall consist of at least 5 people but not more than 12 people.
- 2) At least one half of the Board of Directors shall be Thai.
- 3) The Board of Directors shall consist of at least 3 independent directors, and the independent directors' proportion shall be at least one-third of the entire Board of Directors (according to the rules set forth in the Notice No. TorJor. 4/2552).
- 4) The Board of Directors shall have various skills, experience, knowledge and capability that benefit the Company regardless of gender, race, religion, age or other specific qualifications. The Board of Directors shall consist of at least 3 experts in the Company's business, at least 1 expert in law, at least 1 expert in accounting and finance, and at least 1 independent director expert in the Company's industry.
- 5) The Chairman shall not be a president or members of sub-committees or the Managing Director.

As of 31 December 2014, GFPT Public Company Limited has a total of 9 directors consisted of:

- 3 Non-Executive Directors (representing 33.33% of Board of Directors)
- 3 Executive Committees (representing 33.33% of Board of Directors)
- 3 Independent directors (representing 33.33% of Board of Directors)

5.1.2 The Qualifications of Director and The Criteria for Director Selection

- 1) The director shall have qualifications and shall not have qualifications as defined by the Section 68 of Public Limited Company Act B.E. 2535, the Section 89/3 of Securities and Exchange Act B.E. 2535 amended by Securities and Exchange Act (No.4) B.E. 2551, the Notification of the Securities and Exchange No. KorJor. 8/2553 concerning stipulation on distrustful characters of company's director, and the Company's Article of Association.
- 2) The director shall have knowledge, skills and understanding of the nature of Company's business and industry as well as good reputation, ethics, honesty and moral.
- 3) Directors shall not take a position of director in more than 3 Thai listed companies.
- 4) If the directors are appointed as directors or executives in other companies that are not subsidiaries or joint ventures, they shall report to the Company.

5.1.3 The Qualifications of Independent Directors

The qualifications of Independent Directors of the Company shall be as defined in the Notification of the Capital Market Supervisory Board and other future amendments (stricter than the SEC's definition of independent directors)

- 1) Hold share in total not more than 0.5% of the total voting share of the Group, GFPT, its subsidiaries, associated companies, or related companies which may have any conflict of interest. The shares held by related persons are also included.
- 2) Not an executive director or an employee or staff or an advisor receiving salary or have control over GFPT, its subsidiaries, associated companies, or related companies that may have conflict of interest at present and prior being nominated for at least 2 years.
- 3) Not a related person by blood or legal registration, such as father, mother, spouse, sibling, child, spouse of children of the executives, major shareholders, top manager or any nominator to be executive or top manager of GFPT or its subsidiaries.
- 4) Do not have 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.

Not a major shareholder or an executive officer that has business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to being nominated for at least 2 years. The “business relationship” aforementioned includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services, or grant or receipt of financial assistance in the amount of 3% or more of the net tangible assets of the Company or more than 20 million Baht. The transaction amount shall be calculated according to the calculation method for transaction value of connected transactions under the Notification of the Capital Market Advisory Board 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 an auditor of GFPT, its subsidiaries, associated companies, or any juristic person who may have conflicts of interest, a major shareholder (hold more than 10% of total shares including related persons), executive director, top manager 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 at least 2 years.
- 6) Not 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. Not a major shareholder, executive director, top management or partner of the professional advisor unless the foregoing relationship has ended for not less than 2 years.
- 7) Must not be nominated to be a representative of a director, a major shareholder, or a shareholder who is related to a major shareholder of the Company.
- 8) Must not participate in a company operating in the same business and being a competitor of GFPT or its subsidiaries. Not a partner or executive director or employee or staff member or advisor who receives 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 that make him or her incapable of expressing independent opinions about GFPT’s business.

After being nominated, 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, and top manager on the condition of a collective decision.

5.1.4 The Qualification of the Chairman

The Chairman should have the following qualifications:

- 1) Be the senior member
- 2) Be knowledgeable and have good understanding of the Company’s business
- 3) Be accepted by the other directors

5.1.5 Term and Election of Director

One-third of the Board of Directors who has been in office the longest must be retired by rotation at every annual ordinary general meeting of shareholders. If the number of directors to be retired is not a multiple of three, the number of directors closest to one-third shall be retired. However, any retired director may be re-elected to continue his/her office.

For the appointment of directors, anyone who has been proposed to be the directors must pass the process of nomination by the Nomination and Remuneration Committee, consisting of 3 independent directors out of 5 Nomination and Remuneration Committee. The Nomination and Remuneration Committee will propose a list of qualified candidates to the Board of Directors in amount of not less than the amount of retired directors by rotation. The Board of Directors will propose to the Annual General Meeting for the appointment which shareholders can vote to appoint the Board of Directors individually. Anyone who receives the highest number of votes will be appointed as the Board of Directors. The amount of the nominated directors is equal to the number of directors to be elected at that time. In the case of anyone who receives the votes equally which exceed the number of directors to be elected at that time, The Chairman of the meeting will receive additional vote as the decisive vote.

In case of the Board of Directors’ seat is vacant for reasons other than retirement by rotation, the Board of Directors shall elect a person who is qualified and not prohibited by law to be a director unless the available term is less than 2 months. The term of the newly appointed directors will be equal to the remaining term of the former director. The appointment must be approved by a majority vote of at least three-fourth of the remaining directors.

5.1.6 Separation of duties and responsibilities between the Board of Directors and the Executives.

The Company has divided responsibilities between the board and executives clearly as follows:

- 1) The Board is responsible for setting policies and overseeing the operations of the executive in accordance to the policies.
- 2) Executives are responsible for managing the Company in various fields. The Chief Executive Office and other executives will lead the team to manage business in accordance with the policies that cover the following areas:
 - Manage and control the operations related to the general management of the company in order to meet objectives, policies, rules, and regulations of the company.
 - Consider investment plan and present it to the Executives and the Board of Directors for approval.
 - Have authority to act for the Company in accordance with “the authorized approval” in the Company’s policy and procedure.
 - Perform any tasks assigned by the Board of Directors and / or the resolutions of the shareholders meeting of the Company.

Delegation of authority and responsibility to the Chief Executive Officer shall not authorize or mandate the Chief Executive Officer or attorney of the Chief Executive Officer to approve connected transactions or any transactions that may incur conflict of interest to the Company’s and its subsidiaries unless the approval is in accordance with the policies and regulations of the Board of Directors. The connected transactions will be submitted to the Board of Directors and/or the meeting of shareholders for approval as set out by the Stock Exchange of Thailand’s or Office of the Securities and Exchanges Commission’s regulations or other related laws.

5.1.7 Separation of duties and responsibilities between the Chairman and Managing Director

The Company clearly separates the duties of Chairman and Managing Director as follows:

- 1) Chairman is responsible for the followings:
 - Be a leader of the Board of Directors to set out the Company’s policies and director for business operations as well as monitor the management of sub-committees and the Executives to perform their duties in accordance with the Company’s plan and policies.
 - Act as a Chairman of the Board of Directors’ meeting and a Chairman of shareholders’ meeting of the Company.
 - Cast a decisive vote in the event that the votes in the Board of Directors’ meeting are equally divided (no majority vote).
- 2) The Managing Director is responsible for implementing the Board of Directors’ policies.

Therefore, the Chairman and the Managing Director must not be the same person. These 2 positions must be appointed by the Board of Directors.

5.2 Roles, Duties and Responsibilities of the Board of Directors

Roles, Duties and responsibilities of the Board shall cover the followings:

- 1) Perform duties in compliance with the relevant laws, objectives and regulations of the Company, and the resolutions of the shareholders’ meeting with loyalty, care, accountability and ethic. Protect the Company’s best interests based on the Principle of Good Corporate Governance, and protect all shareholders’ interest equally.
- 2) Consider and approve matters relating to the operations of the Company, such as vision, mission, strategies, goals, business plans, financial plans, funding, risks, plans, budgets, etc. including to set up its subsequent annual review for a revision.
- 3) Set the direction of business operations including funding, capital management, risk management and governance.
- 4) Monitor the management to effectively and efficiently implement plans and policies.

- 5) 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, connected transactions, and any transactions that may create conflicts of interest between the Company and the subsidiary companies. These matters shall comply with the regulations of the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET), other relevant laws, and the regulations of the Company.
- 6) Approve financial statements prior to a submission to the Stock Exchange of Thailand.
- 7) Set up a reliable accounting system and financial reports.
- 8) Set up adequate and effective internal control system and risk management, both operational and financial reporting, that can be assessed, monitored and managed.
- 9) Supervise the disclosure of financial reporting in a correct, timely and transparent manner. Set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 10) Consider and appoint sub-committee such as the Audit and Risk Management Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Executives, the management. Define duties and responsibilities of other sub-committees clearly to achieve the Company's objectives. The members of the sub-committees shall mainly consist of independent directors.
- 11) Evaluate the Company's compliance with the Good Corporate Governance policy and consistently review such policy.
- 12) Provide a succession plan and human resource development plan for employee, directors and executives.
- 13) Have authority to define and amend the list of authorized directors.
- 14) Have authority to authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board of Directors. Such power of attorney must contain a clear scope of authority of the authorized person.

5.3 Sub-Committees

The Company has set up sub-committees to assist in screening relevant issues requiring fair judgment. The Company also defines the authority, duties, and responsibilities of each committee. The majority members of each committee must be independent directors and the Chairman of the committee should be an independent director as well.

GFPT has the following sub-committees:

- 1) Audit and Risk Management Committee
- 2) Nomination and Remuneration Committee
- 3) Corporate Governance Committee

5.3.1 Audit and Risk Management Committee

Structure and Qualifications

- 1) The Board of Directors has appointed the Audit and Risk Management Committee.
- 2) The Audit and Risk Management Committee consists of 3 independent directors, at least 1 person must be knowledgeable in accounting and finance.
- 3) The Board of Directors will appoint 1 independent director as Chairman of the Audit and Risk Management Committee.
- 4) The Audit and Risk Management Committee can appoint an employee to act as secretary of the Audit and Risk Management Committee.

Term of office

- 1) Each term of office of the Audit and Risk Management Committee consists of 3 years. The members of the Audit and Risk Management Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Audit and Risk Management Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the end of the director's term of office.
- 3) If a position in the Audit and Risk Management Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a member of Audit and Risk Management Committee. The term of the newly appointed member of Audit and Risk Management Committee shall be equal to the remaining term of the former director.

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

Financial reporting, disclosure and auditing

- 1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be prepared in accordance with the accounting standards, laws and other relevant standards.
- 2) Consider the disclosure of the Company's information in case of related transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of the Stock Exchange of Thailand (SET) to ensure that the aforementioned transaction is reasonable towards the Company's interests and correctly maintains accounting records to be complete and transparent.
- 3) Prepare and publish an Audit and Risk Management Committee Report in the Company's Annual Report and provide comments on the following:
 - 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 and risk management system.
 - An opinion on the suitability of a financial auditor.
 - An opinion about the Company's compliance with the law on securities, the SEC regulations or other laws relating to the Company's business.
 - An opinion on transactions which may have potential conflicts of interest and related party transactions.
 - A general opinion or observations of the ARC while carrying out its duties.
 - Comment about other transactions that shareholders and investors should be aware within the scope of duties and responsibilities assigned by the Board of Directors.
- 4) Consider, select and nominate an independent person to serve as the financial auditor of the Company including any proposal for the auditor's dismissal.
- 5) Consider the remuneration of the financial auditors of the Company.
- 6) Promote independence and provide comments on the suitability of a financial auditor.

Internal audit

- 1) Review the Company's internal control system and internal audit to be adequate, appropriate and effective.
- 2) Supervise the internal audit department in both policy and operational level by approving a charter, independence and the scope and audit plan of the internal audit.
- 3) Ensure that a review of the internal control system by an independent assessor outside of the Company's organization (Independent Quality Assessment Review) is conducted at least every 5 years.
- 4) Approve the annual internal audit plan and budget for the internal audit to ensure efficiency and effectiveness of conducted activities.
- 5) Select the appropriate person to work as the internal auditor including the consideration of a rotation or a dismissal of internal auditors.

Risk Management

- 1) Propose risk management policies and guideline to cover risks that may affect the Company's business such as price risk, market risk, exchange rate risk, liquidity risk, and operational risk to the Board of Directors for its consideration.
- 2) Control, monitor, and evaluate the risk management according to the risk management policy
- 3) Review the adequacy and efficiency of the risk management system and the policy as a whole.
- 4) Review and revise the risk management manual to be up-to-date and appropriate for the business environment and to propose such manual to the Board of Directors for its approval annually.

Others

- 1) Review and amend the Charter of the Audit and Risk Management Committee to be up-to-date and appropriate to the environment of the organization and propose to the Board of Directors for its approval.
- 2) Review to ensure that the Company's is in compliance with the law on securities and exchange, the regulations of the Stock Exchange, and laws relating to the Company's business.
- 3) Perform any other duties as assigned by the Board of Directors from time to time.

Meeting(s) : at least 4 times a year

5.3.2 Nomination and Remuneration Committee

Structure and Qualifications

- 1) The Board of Directors appoints the Nomination and Remuneration Committee
- 2) The Nomination and Remuneration Committee consists of not less than 5 members and at least 3 members must be independent directors.
- 3) The Board of Directors shall appoint 1 independent director as the Chairman of the Nomination and Remuneration Committee
- 4) The Nomination and Remuneration Committee of the Company can appoint an employee to act as the secretary of the Nomination and Remuneration Committee.

Term of office

- 1) Each term of office of the Nomination and Remuneration Committee consists of 3 years. The members of the Nomination and Remuneration Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Nomination and Remuneration Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the director's term of office.
- 3) If a position in the Nomination and Remuneration Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a member of Nomination and Remuneration Committee. The term of the newly appointed member of the Nomination and Remuneration Committee shall be equal to the remaining term of the former director.

The Nomination and Remuneration Committee have the following duties and responsibilities:

Recruitment

- 1) Review the organization structure to be appropriate to the strategic needs of the Company.
- 2) Establish rules and procedures for the recruitment and selection of directors, members of the sub-committees, president, executive and secretary of the Company and to propose such rules and procedure to the Board of Directors or as an agenda at the shareholders meeting for its approval as the case may be.
- 3) Review, select and screen names and profiles of those to be

nominated as directors, member of committees, president, executive and secretary of the Company in the event of a position vacancy and to further propose to the Board of Directors for its approval.

- 4) Disclosure policies and details of the recruitment procedure in the annual report of the Company.
- 5) Provide a criteria for the succession of into the position as the Company's executive and to further propose it for the Board of Directors' consideration.
- 6) Prepare an appropriate succession plan and the continuity of the management for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and to further propose it to the Board of Directors for its approval.
- 7) Determine a criteria to evaluate and evaluating the performance of the Board of Directors annually and to report the result to the Board of Directors.
- 8) Conduct an annual performance evaluation of the Board of Directors and the Chief Executive Officer and to report the result to Board of Directors.
- 9) Provide an annually self-assessment evaluation of the performance of the Nomination and Remuneration Committee and to report the result to the Board of Directors.
- 10) Any other duties regarding recruitment as assigned by the Board of Directors.

Remuneration

- 1) Set out a clear and transparent criteria and policy of the remuneration for the directors, sub-committees, and the executives and to further propose it to the Board of Directors and/or at the shareholder meeting for an approval.
- 2) Recommend the appropriate remuneration for the Board of Directors, sub-committee and the executives as compare to their duties and responsibilities
- 3) Disclose the remuneration policy and the various types of remunerations in the Annual Report of the Company.
- 4) Any other duties regarding selection and remuneration as assigned by the Board of Directors.

Meeting(s) : at least 2 times a year

5.3.3 Corporate Governance Committee

Structure and Qualifications

- 1) The Board appoints the Corporate Governance Committee
- 2) The Corporate Governance Committee consists of 7 members and at least 3 members must be the directors of the Company
- 3) The Board of Directors will appoint 1 independent director as the Chairman of the Corporate Governance Committee.
- 4) The Corporate Governance Committee can appoint an employee to act as the secretary of the Corporate Governance Committee.

Term of Office

- 1) Each term of office of the Corporate Governance Committee consists of 3 years. The members of the Corporate Governance Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Corporate Governance Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the director's term of office.
- 3) If a position in the Corporate Governance Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a member of Corporate Governance Committee. The term of the newly appointed member of the Corporate Governance Committee shall be equal to the remaining term of the former director.

The Corporate Governance Committee has the following duties and responsibilities:

Corporate Governance

- 1) Set the policy and direction of corporate governance of the Company's operation and to propose such policy to the Board of Directors for its approval.
- 2) Regulate, advise, and monitor the Company's compliance towards Corporate Governance Policy, the Code of Conduct, and other related laws.
- 3) Regularly review and update Corporate Governance policies to ensure appropriateness.
- 4) Recommend the requirements of Corporate Governance principles to the Company's directors, management and employees.

- 5) Promote information about Corporate Governance policies and best practices towards the Company's employees.
- 6) Annually issue a report on the Corporate Governance of the Company.

Business Ethics

- 1) Prepare a Code of Conduct ethics handbook to propose to the Board of Directors for its approval.
- 2) Regulate, advise, and monitor the Company's compliance towards the Code of Conduct ethics and other related laws.
- 3) Regularly review and update the code of business ethics handbook to ensure appropriateness.
- 4) Recommend the requirements under the Code of Conduct to the Company's directors, management and employees.
- 5) Handle complaints of any violation of business ethics and to conduct an investigation to clarify facts or doubts in the event of a suspicion of violation.
- 6) Create awareness and train employees to understand business ethics and promote employees to practice and follow the Code of Conduct ethics.
- 7) Annually prepare a report on the Company's business ethics to the Board of Directors for their consideration in the event of significant matters that may affect the Company, including providing an opinion on the Company's practice and to suggest actions to appropriately correct such matter.

Meeting(s) : at least 2 times a year

5.4 Board of Directors' Meeting

5.4.1 Attendance of the Meeting

The Board of Directors shall have regular meetings every month. The meeting schedule is set out in advance since January of each year and designated to be the last Thursday of each month (not less than 6 times per year). The Company Secretary shall notify each director about the schedule and agenda in advance. However, the schedule of meetings can be changed based on the significance of the agenda items to be considered.

The Company will submit reports of the operational performance to the Board of Directors if no meeting was held in that month. The Board of Director, therefore, can consistently and timely monitor, administer and supervise the operation of the management.

For the year 2014, the directors attended the meetings as follow:

Name - Surname	Position	Meetings in 2014				
		BOD	ARC	NRC	CGC	AGM
		Total of 9 times	Total of 4 times	Total of 2 times	Total of 2 times	Total of 1 times
1. Mr. Prasit Sirimongkolkasem	Chairman	9/9	-	-	-	1/1
2. Mr. Virach Sirimongkolkasem	Vice Chairman Managing Director	9/9	-	-	-	1/1
3. Dr. Anan Sirimongkolkasem	Chairman of Executive Committee Senior Deputy Managing Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee	9/9	-	2/2	2/2	1/1
4. Dr. Sathit Karanes	Independent Director Chairman of Audit and Risk Management Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee	9/9	4/4	2/2	2/2	1/1
5. Mr. Paramet Hetrakul	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee	8/9	3/4	2/2	-	1/1
6. Mr. Thanathip Pichedvanichok	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee	8/9	4/4	2/2	-	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 Member of Nomination and Remuneration Committee Member of Corporate Governance Committee	9/9	-	2/2	2/2	1/1

5.4.2 Meeting Agenda

The Chairman, Chairman of Executive Committee and Managing Director will together determine the agenda to ensure that all significant matters are included. The directors have the opportunity to freely propose agendas at the meeting that will benefit the Company.

5.4.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the supporting documents for the meeting to the directors for their consideration at least 5 working days prior to the meeting.

5.4.4 The Meeting

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

5.4.5 Invite management to attend the Meeting

The Board of Directors encourages the invitation of senior management 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 to give the opportunity to meet the Board of Directors for their further consideration of a succession plan.

5.4.6 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 within the scope of the policy and, if necessary, independent opinion from external consultants or specialists can be provided at the cost of the Company.

5.4.7 Meeting with Non-Executive Directors

The Board of Directors encourages non-executive directors to independently meet and discuss interested matters among themselves without the management participation. The results of the meeting should be notified to the Managing Director (not less than 3 times per year).

5.5 Remuneration of the Board of Directors and Executives

5.5.1 Remuneration for Directors

The Board of Directors has delegated to the Nomination and Remuneration Committee the matter of considering the appropriateness of the directors' remuneration for each year. The directors' remuneration shall then be proposed to the Board for Directors and at the Annual General Meeting of Shareholders for a final approval.

The Nomination and Remuneration Committee shall determine the fair remuneration of directors according to policies and guidelines to be comparable to the practices of the industry, experience, duties, accountability, and responsibilities of the role and to be fair and in accordance with the result of their operations.

The Nomination and Remuneration Committee shall also consider director's remuneration by conducting and considering a remuneration survey to assess a reasonable and competitive remuneration.

In 2014, total remuneration for 9 directors was THB 5,395,000 being monthly remuneration and bonus in compliance with the approval of the shareholder's meeting. In addition, some directors received remuneration from subsidiaries of the Company in total amount of THB 520,000. The details of monetary remuneration of each director are shown as follows:

Name-Surname		Remuneration (Unit: Baht)		
		Director and Independent Director of GFPT	Director of Subsidiaries	Total
Mr. Prasit	Sirimongkolkasem	650,000	130,000	780,000
Mr. Virach	Sirimongkolkasem	585,000	130,000	715,000
Dr. Anan	Sirimongkolkasem	585,000	130,000	715,000
Dr. Sathit	Karanes	650,000	-	650,000
Mr. Paramet	Hetrakul	585,000	-	585,000
Mr. Thanathip	Pichedvanichok	585,000	-	585,000
Mrs. Somsiri	Ingpochai	585,000	130,000	715,000
Ms. Wannee	Sirimongkolkasem	585,000	-	585,000
Mr. Sujin	Sirimongkolkasem	585,000	-	585,000

5.5.2 Remuneration for Executives

The Board of Directors has delegated the Nomination and Remuneration Committee to be responsible for considering the appropriateness of executive remuneration as compared to their experience, roles and responsibilities of the scope of work each year, and to subsequently propose to the Board of Directors for their consideration and approval under transparent criteria. The remuneration for executives should be consistent with the results of operations of the Company, individual performance and comparable to normal standards in the agricultural and food industry and leading companies in Thailand by using the result of the survey conducted by the Nomination and Remuneration Committee.

In 2014, the Company made a remuneration of THB 34,906,250 to 10 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

5.6 Performance Evaluation of the Board of Directors, Sub-Committee and the Chairman of Executive Committee

The Nomination and Remuneration Committee set up evaluation of the Board of Directors, Sub-Committee and Chief Executive Officer at least once a year and disclose criteria, procedures, and result of the evaluation in the annual report.

5.6.1 Performance Evaluation of the Board of Directors

Criteria

The Nomination and Remuneration Committee shall set up an annual performance evaluation of the Board of Directors at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand⁵ and to adapt it to fit the Company's structure. The self-assessment serves as a framework to monitor the performance of the duties of the Board of Directors, promote collaborative analysis of the operational results and problems which occurred in the operation of business, create good corporate governance and to subsequently disclose the criteria, procedures, and the evaluation result in the annual report.

Criteria in the performance evaluation of the Board of Directors are as follows:

- 1) Structure and qualifications of the Board of Directors (Group)
- 2) Roles and responsibilities of the Board of Directors (Group)
- 3) Meeting of the Board of Directors (Group)
- 4) Act of duties of directors (Individual)
- 5) Relationship with the management (Group)
- 6) Self-development of directors and development of executives (Group)
- 7) Thai Institute of Directors' assessment of the Corporate Governance of listed companies (Group)

Procedures

The Company shall arrange the performance evaluation of the Board of Directors annually to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to each director and present it to the Nomination and Remuneration Committee and to propose it to the Board of Directors for its consideration. The Company shall also use any recommendations on the performance evaluation to improve effectiveness of the Board of Directors' operation and maximize the benefits of corporate governance.

5.6.2 Performance evaluation of the sub-committee

Criteria

The Board of Directors shall evaluate the performance of each sub-committee at least 1 time per year on their leadership, roles and responsibilities, and to set its policy, practice, meeting, management, and relationships with involved persons.

Procedures

The Company has evaluated the performance of each of the committees annually to analyses the previous year operation. The Company Secretary will distribute the evaluation form to the Chief Executive Officer to evaluate the performance of each sub-committee and present it to the Board of Directors for its consideration.

⁵ Self-evaluation committee (Group), Corporate Governance Center, November B.E.2550

5.6.3 Performance evaluation of the Chief Executive Officer

Criteria

The Board of Directors shall evaluate the performance of the Chief Executive Officer at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of Directors, outsiders, and employees, operational management and relationship with other personnel, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand.⁶

Procedures

The Company has evaluated the performance of Chief Executive Officer annually to analyse the previous year operation. The Company Secretary will distribute the evaluation form to independent directors or non-executive directors or Nomination and Remuneration Committee to evaluate the performance and to subsequently present it to the Board of Directors for its consideration.

For the year 2014, the Company performed the annual performance evaluation of the Board of Directors (as a group and individual), sub-committees, and the CEO. The results of performance evaluations were reviewed and discussed in the Board of Directors' meeting to improve the effectiveness of the Board of Directors' operation.

5.7 Development of Directors and Executives

5.7.1 Orientation

The orientation will be held every time a new director is being appointed⁷ with each new director presented with a Director's Handbook and other useful information in being a director, such as the nature of the Company's business and the direction of the business operation. The Company has assigned the Company Secretary to be in charge of the orientation for new directors.

The orientation will also include presentations by senior management on the Company's information and business.

5.7.2 Succession Plan and Knowledge Development

- 1) The Board of Directors has determined that management is responsible for the development of a succession plan for the Company's uninterrupted operation in case an executive cannot work assume his/her role.
- 2) Chief Executive Officer is responsible for regularly reporting to the Board of Directors on the succession plan to ensure that the Company has a good human resource management for any level of management.
- 3) The Board of Directors has encouraged the training and provision of knowledge for directors, Audit and Risk Management Committee members, Company Secretary, and senior executives about corporate governance principle, duties, and knowledge development to allow on-going improvement of performance of duties and enhance efficiency.



⁶ Evaluation form of the CEO. Corporate Governance Center, B.E.2555

⁷ Board Orientation Guideline B.E. 2556, The Stock Exchange of Thailand

5.8 Internal Audit Department

The Board of Directors established the internal audit department that directly reports to the Audit and Risk Management Committee. The internal audit activities include administrative and operational activities of the business. The internal audit department and the auditor will convene in at least 4 meetings per year with the Audit and Risk Management Committee to report on the review of internal control system, related transactions of the Company, consideration of the nomination and appointment of the auditors, review financial reports, oversee compliance with regulations and policies, and conclusion / opinion of the Audit and Risk Management Committee towards various operations to the Board of Directors.

The Audit and Risk Management Committee has appointed Mr. Theerasak Piamsuphakphong to be a director of internal audit department. The duties and responsibilities are as follows:

- 1) Report on the review of internal control system and related transactions of the Company.
- 2) Consider the nomination and appointment of the independent auditors qualified in accordance to SEC rules.
- 3) Review financial reports.
- 4) Oversee compliance with regulations and company policies.
- 5) Prepare both short term and long term internal audit plan.
- 6) Control internal audit to ensure compliance with the audit plans and standards.
- 7) Review the internal audit plan.
- 8) Prepare and review the annual budget of the internal audit.
- 9) Training and Development Agency audit.
- 10) Perform other tasks as assigned.

Note : Information of Internal Audit Director is shown in the Attachment 3 of Form 56-1

5.9 Company Secretary

The Board of Directors has appointed Ms. Jutamas Ingpochai as Company Secretary on 16 October 2008, under Section 89/15 of the Act of Securities and Exchange Commission Securities and Exchange Act B.E. 2535 amended by Act No. 4 in B.E. 2551. Ms. Jutamas Ingpochai graduated with a doctoral degree in business management and participated in training courses regarding Company Secretary Role such as Company Secretary Program and Fundamental Practice for Company Secretary. The roles and responsibility include:

- 1) Provide basic advice to the directors on the Company's memorandum of association, laws and rules and regulations of the relevant authorities
- 2) Manage and coordinate the Board of Directors' meeting, sub-committees' meeting and the shareholders' meeting in accordance with the objective, memorandum of association, board's resolution, shareholders' resolution and other rules and regulations.
- 3) Prepare minutes of the shareholders' meeting and the board of directors' meeting and monitor the implementation of the resolutions.
- 4) Prepare and file documents, including the directors register, notice of the meeting and minute of the board of directors / shareholders and the annual report of the Company.
- 5) Retain any report on conflict of interest prepared by the directors and executives and to report to the Chairman and Chairman of the Audit and Risk Management Committee within 7 days from the receipt date.
- 6) Ensure that the disclosure and reporting information to the regulatory agencies complies with the relevant laws and regulations.
- 7) Provide training and necessary information to newly appointed directors.
- 8) Provide advice and coordinate with the secretary of the various committees.
- 9) Perform other duties as assigned by the Capital Market Supervisory Board or the Board of Directors.

Note : Information of Company Secretary is shown in the Attachment 1 of Form 56-1

Internal Control



Board of Directors and executives of the Company emphasize on having strong internal control system and risk management in order to mitigate business risks and prevent possible damage.

Internal Control and Risk Management

The Company has set measurable goals and action plans as guidance for operations. The organization structure is set up to support and encourage the management to operate efficiently and effectively in accordance with the regulations and policies. The organization structure is divided into divisions where the Chief Executive Officer is responsible for overseeing the operations. Written policies and procedures are maintained. Training courses are provided to employees to improve skills and understanding. The Company also provides employee handbooks and code of conduct to employees in order to work efficiently.

The Company also authorizes the Audit and Risk Management Committee to oversee appropriateness of internal control system and risk management of the Company and its subsidiaries. The Audit and Risk Management Committee regularly reviews work of internal audit department, risk management department, and auditors; monitors the operation of the Company and its subsidiaries in order to prevent conflicts of interests as well as related transactions to safe guard the Company's assets; reviews the effectiveness of operational control of the Company in various aspects. The Company sets up an independent internal audit department to evaluate operational efficiency and adequacy of the internal control system and risk management based on COSO (The Committee of Sponsoring Organizations of the Tread way Commission) framework and enterprise risk management framework.

Summary of the Company's internal control system and risk management:

- 1) The Company gave importance on risk management whereby the management will analyze and assess risk, and inform the purpose of risk management policies to each department. Each department can use as a guideline for risk assessment such as identifying type of risk, measuring risk, controlling risk, reducing risk, monitoring and evaluating risk. Thus, the Company can manage risks more efficiently. The operational result can achieve to the goals and objectives. And, the Company's resources are effectively utilized.
- 2) The Company has defined the duties and authority powers of the executives and employees in written policy. The separation of duties and line of authorities among workers and supervisors as well as evaluation process can promote check and balance system, enhance business transparency, and prevent fraud. The Company defines operational procedures by considering the benefit of the Company.
- 3) The Company recognizes the importance of developing an information system that provides update, correct, and sufficient information to the executives and the Board of Directors to make decisions.
- 4) The Company reviews its actual operational performance to the target in a quarterly basis. In case that the actual is significantly below target, the management will assign the internal audit team to investigate for possible causes, provide suggestions, and report to the Board of Directors

Audit and Risk Management Committee

The key activities of the Audit and Risk Management Committee during the year 2014 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

- 1) Review the quarterly financial statements and audited financial statements for the accounting period which covers the review of the compliance of accounting standards, the selection of accounting policies, and disclosures in the financial statements.
- 2) Review the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2014.
- 3) Review the independence of the internal audit department and result of the internal audit that carried out during the year including reviewed the adequacy and appropriateness of internal controls and risk management.
- 4) Review legal compliance with the rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.
- 5) Review appropriateness of the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2014. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.
- 6) Review policies and practices of the Company to ensure compliance with good corporate governance of the Company as given by The Stock Exchange of Thailand.
- 7) Review independence, result and opinion of the auditor. Also, propose an appointment of the auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.
- 8) Meeting with the auditors without any executives of the Company to enable the auditor to report freely on events and information about the Company. This includes opinion on the internal control system and risk management.
- 9) Review internal audit charter to be consistent with the practices and laws once a year.

For enterprise risk management, the Company categorizes the risks that may affect the business directly into 5 areas:

1. Strategic Risk

Strategic risk is the risk arising from strategy and policy of the Company, which result from inappropriate strategic plan and inappropriate implementation of strategy. This also includes inconsistencies between policy, goals, strategies, organizational structures, competitive environment, resources, implementation of plan and environment. The Company consistently monitors significant strategy and policies that may affect the business operation in order to achieve the strategic goals.

2. Operational Risk

Operational risk is the risk arising from operation, covering every step of the factors related to process, equipment, information technology and personnel that may affect the performance of the organization. The Company has set clear procedure and measures to oversee the operation of each department that may cause damage to the organization to ensure that the work is correct and appropriate.

3. Financial Risk

Financial risk is the risk arising from insufficient budget, financial problems, including the risks that affect the operating results and financial position of the organization. The Company has to take into account that the source of fund must sufficient and obtainable on a timely basis in order to minimize the risks that may affect the Company's investments.

4. Compliance Risk

Compliance risk is the risk arising from not following the rules, regulations or related laws that may obstruct the business operations. The Company strictly complies with rules (both inside and outside of the Company) and related laws by constantly monitoring and reviewing the operations.

5. Hazard Risk

Hazard risk is the risk that may affect the safety of the employees and assets of the Company. This can be caused by both internal and external factors which the Company has a policy and strict security measures to prevent such risk that may damage the Company.

After reviewing the risks discussed above, the Audit and Risk Management Committee has an opinion that the Company and its subsidiaries maintained appropriate and effective internal control system and risk management. Therefore, the Audit and Risk Management Committee reasonably believes that the financial statements of the Company are reliable and presented fairly. The related transactions that may have conflicts of interest were reasonably executed. The related transactions that are considered being normal business or supporting normal business with general commercial conditions were performed in accordance with the principles approved by the Board of Directors. The related transactions that are considered not being normal business or not supporting normal business were executed under the regulations and guidelines of the Securities and Exchange Commission. The information of the related transactions is disclosed in the notes to the financial statements of the interim and annual financial statements. For compliance with various laws, there was no material breach or non-compliance. The Audit and Risk Management Committee can perform their duties independently.

Internal Control System of the Company covers the following areas:

• A controlled environment

the Company had set up a good internal control environment by defining clear organizational structure, business goals, and Key Performance Indicators (KPI) to evaluate the efficiency of operational performance to be in line with the Company's goals. The Company had written working manual as guideline for the business operations. In addition, the Company encourages management, employees, and its affiliates to recognize the importance of good corporate governance by having business ethics for directors, executives and employees. The Company also encourages training to educate employees on an annual basis. As a result, the operation will be fair and transparent to all stakeholders.

• Risk assessment

The Company's risk management policies are determined by the Risk Management Committee. The Risk Management Committee oversees the implementation of risk assessment to identify and analyze risk factors according to the target level and acceptable level of the Company. The risk factors include strategic, operational,

financial, compliance and hazard. The result of the assessment is reported regularly to the Audit and Risk Management Committee and the risk factors are reviewed annually.

• Control Activities

The Company clearly separates duties and responsibilities of each position. The Company also had operational guideline that suits its operational structure and current practices. The operational performance is regularly reviewed in compliance with the rules, regulations, article of associations and authorization and working manual. This is to ensure that the performance had adequate internal control system and operational efficiency.

• Information Technology (IT) and communication system

The Company realizes the importance of the IT and communication system and continuously encouraged the improvement of the system to ensure that all information is accurate and up-to-date. An efficient and modern IT system is adopted to guarantee the safety of the information. Therefore, the information will be used to make business decisions properly and accurately. Intranet function is initiated as a communication channel within the organization to broadcast policy, regulations and working manual and other bulletins.

• Tracking system and evaluation

The Board of Directors conducts an internal system that covers all fields such as accounting and finance, operation, compliance with laws and regulations and safe guard of assets. The internal audit department was assigned to be in charge of this duty.

• Internal audit of the Company

The Company monitors and evaluates the effectiveness of the internal control process of each department. Each department is appraised by consultant and the results of each department will be officially reported to the management for improvement and monitoring.

From above internal control system areas, the Audit and Risk Management Committee proposed to the Board of Directors meeting No.1/2015 on 22 January 2015 to consider the Company's internal control system in which the Board of Directors approved that the internal control and risk management system of the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The system is satisfactory and effective to minimize business risk and prevent the Company's assets from

misuse of executives. The sufficiency of internal control and risk management system is evaluated annually in compliance with the regulations of the Securities and Exchange Commission. In addition, the internal control department reviews and monitors the operations of each department within the Company to ensure compliance with the internal control and risk management practices. In case that the significant error is found, the internal control department will report to the executive committee and the Audit and Risk Management Committee for resolutions.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor audited the quarterly and annual financial statements of the Company and its subsidiaries for fiscal 2014 and had an opinion that no material deficiency found to be impact on the results of the Company.

For investment in various projects of the Company and its subsidiaries, the Audit and Risk Management Committee evaluates the risks prior to obtain the approval from the Board of Directors in order to mitigate the investment risks. However, the Company still continues to monitor the risk management on a regular basis. This is to minimize the risk level to an acceptable level and review risks to be in accordance with the situation every year.

The Board of Directors has appointed Mr.Theerasak Piamsuphakpong to be Director of Internal Audit Department of the Company since January 1, 2011 because he has extensive experience in performing the internal audit and attended training courses related to the internal control practices. He has good understanding in the Company's business and operations. He also passed the selection process by the Audit and Risk Management Committee. Therefore, the Company considered it to be appropriate to appoint him to perform such duties.

However, the Company appreciates the recommendations and comments from the auditor and the Audit and Risk Management Committee to improve the internal controls system and operational risk management to be more efficient and effective.

In addition, the Audit and Risk Management Committee had commented that from the hard work of executives and employees of the Company, the Company will grow satisfactorily, which will allow all stakeholders to receive high and sustainable returns.



Corporate Social Responsibility Report 2014



ABOUT THIS REPORT

Corporate Social Responsibility Report (CSR Report) is prepared annually according to the SEC's Guidelines for Social Responsibility (B.E. 2555);

the Guidelines for CSR Report organized by Thaipat Institute and the SET; and the guideline for Sustainability Report of the Global Reporting Initiatives Guideline (GRI) Version 3.1. The information in this report contains information during the period of 1 January 2014 – 31 December 2014. This CSR report conveys information about our operations, striving to operate and grow our business on the ground of good moral and ethical principles, good corporate governance, and protecting the interests of all stakeholders including the economy, society, and the environment in order to generate shared benefit in both the short and long term and to create sustained growth for the Company.

GFPT has started the process of planning for sustainable development by taking into consideration the framework of the existing businesses and adjusting the business strategy which the Board of Directors established. In order for the organization to achieve its goals, it sets out its corporate vision as follows.

VISION

"GFPT strives to be a leading chicken meat exporter with its fully vertical integrated chicken production"

Missions and Strategies

GFPT outlined its 7 mission statements to achieve the best practice in food production. The Company's strategies are crafted to serve its missions as follow:

Quality	Enhance product quality to international standards Strategy : Selecting the finest raw materials in our food processing factory and placing strictly control in all production processes to ensure that our chicken products meet international standards and are valued by both domestic and international customers.
Food Safety	Achieve confidence through the traceability system Strategy : With our traceability system in place, we can be fully confident to ensure that our products are safe before being delivered to the consumers.
Innovation	New product development using modern technology Strategy : Continuously conducting research and development for new products in addition to adopting advanced technologies to constantly expand its business.
Expertise	Be attentive to the customers' needs to ensure their highest satisfaction Strategy : Encourage the development of each personnel's capabilities in all divisions to become experts in their field of operation and to establish long term stability by creating confidence in a better quality of life with the Company which shall in turn lead the Company to the international level.
Satisfaction	Be attentive to the customers' needs to ensure their highest satisfaction Strategy : Be attentive to the customers' needs as well as offering products which meets international standards at a fair pricing policy.
Alliance	Build long term relationship with business partners Strategy : Establish good relationship on the foundation of trust and fairness to maintain long term business cooperation.
Responsibility	Build awareness and be responsible towards the society and environment Strategy : Establish good principle of morality and an awareness of a responsibility towards the society and environment; maintain a balance between the impact on the environment, society, and economic profits to achieve a sustainable growth of our business.

Business Policies

The Company sets business policy to be 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.









Creating Shared Benefits between the Company and its Stakeholders

The Company believes that to achieve sustainable growth; the Company and its stakeholders must be able to match their interests, reduce problem factors, and strive to achieve improvements to the environment, to create shared benefits to both the Company and its stakeholders. The Company has therefore formulated a sustainable growth plan between the Company and its stakeholders by taking into consideration the interests of all stakeholders as set out below:



Creating Shared Benefits between the Company and its Stakeholders

Stakeholders	Customers	Employees	Shareholders	Business ¹ Partners	Community and Society	Environment
						
Issues	<ol style="list-style-type: none"> 1. Good product quality, safe for consumption, and meet international standards 2. Fair pricing policy 3. On-time delivery 4. Maintain customers' satisfaction 5. Building confidence in the Company's products 	<ol style="list-style-type: none"> 1. Reasonable remuneration (Wage, salary, and other benefits) 2. Working environment is in good condition and safe 3. Provide training and improve employee's competences 4. Career plan and job advancement 	<ol style="list-style-type: none"> 1. Shareholders' wealth maximization 2. Financial return (dividend and capital gain) 3. Operate business with good governance 	<ol style="list-style-type: none"> 1. Trade with fairness, honesty, and transparent. 2. Fair pricing policy 3. Strictly act according to terms of transactions and payment obligations 4. Cooperate in protecting and eradicating all forms of corruption 	<p>Operate business with consideration to improve welfare of nearby community and society as a whole</p>	<p>Operate business with environmental awareness and creating minimal pollution</p>
Policy and Practice	<ol style="list-style-type: none"> 1. Develop quality and safety throughout our food chain constantly with traceable and eco-friendly production process 2. Control cost for fair price 3. Develop and maintain sustainable relationship with customers and keep customer commitment 	<ol style="list-style-type: none"> 1. Respect human rights to employees and workers with fairness 2. Set appropriate and equitable benefits to employees and workers 3. Frequently provide training program to develop employees' competency 4. Provide and support employees and workers to show their competencies and opinions 5. Provide good and safe workplace and environment to support employees' and workers' living standard 6. Respect and understand private rights and basic needs of employees and workers to create good relationship among the organization 	<ol style="list-style-type: none"> 1. Operate business with good governance 2. Operate with integrity and on the basis of good ethics 3. Treat all shareholders equally 	<ol style="list-style-type: none"> 1. Operate business with good corporate governance and comply with Code of Conduct 2. Set anti-corruption policy 3. Set internal control and comply with anti-corruption policy 4. Share, exchange, and provide technology to create reliability and trustworthiness under eco-friendly basis 	<ol style="list-style-type: none"> 1. Set Corporate Social Responsibility Policy 2. Establish procedures and responsible department for receiving complaints, monitoring issues, and reporting progress of complaint handling to management. 	<ol style="list-style-type: none"> 1. Set the environmental policy 2. Establish an environmental management procedure and responsible department in order to study the root-causes of the problem and preventive action in handling activities that may affect the environment. 3. Set compliant channel, procedure, and responsible team to handling complaint and report to management.

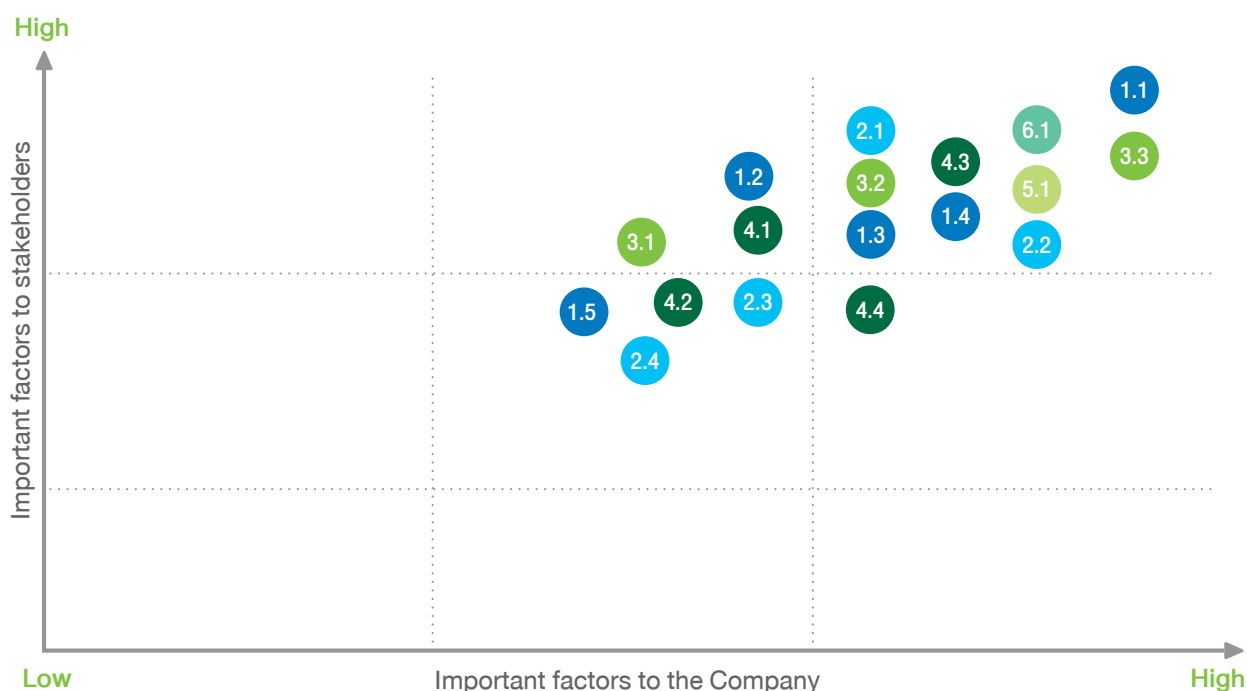
Communication Channels	Progress									
1. Conduct customer satisfaction survey 2. Establish complaint channel and receive feedback 3. Set up customer visit by management to discuss about customer's problem and create good relationship	1. Establish complaint channel and receive feedback 2. Provide trainings, skill development, and personnel's improvement programs 3. Organize labor relations activities i.e. safety-week event, fire evacuation, and new year party 4. Provide standard work operation procedure and code of conduct of the Company 5. Provide announcements to employee	1. Organize shareholders' meeting 2. Disclose the Company's information according to the laws and regulations 3. Provide channel to communicate with the Company Secretary and Investor Relations 4. Provide information through authorized financial analysts regularly 5. Organize investor relation activities including plant visit, local and foreign roadshows, analyst meeting, and one-on-one meeting.	1. Provide complaint channels and receive feedback 2. Disclose business partners policy and practices 3. Executives hold meeting with business partners to create sustainable good relationship and discuss best solution	1. Set up complaint channels and receive feedback 2. Organize activities to improve welfare of nearby community in order to reach good relationship, and gain mutual understanding through information exchange. 3. Establish a community relation team to handling complaints, provide solution, and report to management; as well as organize activities with local communities.	Complaint channels and receive feedback from stakeholders including customer, community, society, government agencies, and private sectors, who concern about environmental issues					
In 2014, the Company conducted customer satisfaction survey. The result showed that customers are highly satisfied with the Company's products and sales services with the satisfaction rate of 91% and 90%, respectively. Customers are willing to repeat the sales and also refer others to purchase the Company's products.	In 2014, the Company employed total of 4,759 people, increase about 292 people or 6.54% from 2013. The 2014 turnover rate was 4.78% reduced 0.78% from 2013. The Company provided good welfare, good quality of work-life, continuously training program, safety and occupational health work environment, drug-free environment, equality employment and treatment. The Company received certificate of "serving persons with disabilities and being negotiator of disabled persons discrimination" from National Office for Empowerment of Persons with Disabilities	In 2014, the Company had net profit in amount of THB 1,779.59 million or equal to THB 1.42 per share, increased about 17.40% from year 2013. The Company was evaluated under the Corporate Governance Corporate Governance Report of Thai Listed Companies (CGR) program and obtained "Very Good" ranking.	In 2014, the Company has no complaint from business partners or complaint relating to its business operations. The Company has announced its intention to be a signatory of the Collective Action Coalition: CAC of Thailand's private sector in fighting against corruption. The Board of the Company set the anti-corruption policy and announces to all employees	In 2014, the Company organized 171 activities relating to community and society. The details of these activities are shown in topic "the Initiative Projects on Youth, Community, and Society" in page 105.	In 2014, the Company started to construction of a new wastewater treatment plant with a capacity of 7,000 cubic meters per day in order to have more effective and modern sewage system.					

¹ Supplier including of goods or service, Debtor, joint venture and operators with both public and private.

Stakeholder's Analysis

From a survey conducted to provide an opportunity to stakeholders to comment and provide their views through various means of communication such as

interviews, questionnaires, dealing with complaints, and attending to queries or other problems, which directly affected the stakeholders, including analysis of information gained from the Company's daily operation. The demands of each stakeholder was obtained by assessing the importance of factors which contributed to shared sustainable growth between the organization and the stakeholders as follows:



Summary of Substantial Issues of Stakeholders

- | | | |
|---|---|---|
| <p>1 Customers</p> <ul style="list-style-type: none"> 1.1 Good product quality, safe for consumption, and meet international standards 1.2 Fair pricing policy 1.3 On-time delivery 1.4 Maintain customers' satisfaction 1.5 Building confidence in the Company's products | <p>2 Employees</p> <ul style="list-style-type: none"> 2.1 Reasonable remuneration (Wage, salary, and other benefits) 2.2 Working environment is in good condition and safe 2.3 Provide training and improve employee's competences 2.4 Career plan and job advancement | <p>3 Shareholders</p> <ul style="list-style-type: none"> 3.1 Shareholders' wealth maximization 3.2 Financial return (dividend and capital gain) 3.3 Operate business with good governance |
| <p>4 Business Partners</p> <ul style="list-style-type: none"> 4.1 Trade with fairness, honesty, and transparent. 4.2 Fair pricing policy 4.3 Strictly act according to terms of transactions and payment obligations 4.4 cooperate in protecting and eradicating all forms of corruption | <p>5 Community and Society</p> <ul style="list-style-type: none"> 5.1 Operate business with consideration to improve welfare of nearby community and society as a whole | <p>6 Environment</p> <ul style="list-style-type: none"> 6.1 Operate business with environmental awareness and creating minimal pollution |

By assessing the most important factors to stakeholders, the Company has developed, encouraged and re-evaluated to improve its business direction and management approach to place high consideration to the importance of each group of stakeholders including customers, employees, shareholders, business partners, communities, and the environment in order to lead to a sustainable development both economically and environmentally.

Procedure for Sustainability

1. Operation of Vertical Integrated Chicken Production

GFPT's core business is to produce chicken meat products; therefore, we believe that delivering good quality products, meeting international standards, and satisfying the customers' needs are the core values and the fundamental factors in achieving the Company's sustainable growth. Over the past 30 years, the Company has improved its chicken meat production process in multiple aspects including: expanding backward integration to become a fully vertical integrated chicken producer, utilizing modern machinery in the production process to increase production efficiency, using nutritious feed in order to obtain nutritious chicken meat, improving feed formula and having effective chicken farming system in order to lower production costs, setting the quality measurement and audit system in every step of production, and having a traceability system in place in order to be able to retrace from the origin of raw materials to the end product sold to customers so that the customers can have greater confidence in the quality of our chicken meat products. The Company's past improvements has been focused on creating greater confidence for customers and consumers that GFPT's chicken meat products are good quality, safe for consumption, and also environmentally friendly.

Responsibility to Customers

As a leading integrated chicken producer, GFPT proactively emphasizes on "food safety and food quality" throughout our food chain as it is essential to our business operations. We demonstrate our commitment to food quality and safety through various dimensions including: knowledge and capable personnel, and rigorous quality assurance measures at every step of the food chain starting from feed materials to finished products. We also communicate with responsibility in order to promote healthy diet and proper nutrition as follows:

Food Quality and Safety throughout our Food Chain

GFPT emphasizes on quality and safety of our feed ingredients and finished products. We implement rigorous feed-to-food quality system in our integrated chicken production starting from feed mill, chicken farm, and chicken processing. We set stringent quality measures on both physical and biological at every step including

sourcing feed materials, feed production, chicken raising, chicken processing, further processing, transportation, and distribution, in order to assure that our chicken meat products are safe. The quality control measures of the key operations are as follow:

Feed Mill

The origin of our food quality and safety starts at the feed mill. We set up "Feed Laboratory" in both locations of our feed mill facilities to test and certify the quality of feed materials, feed productions, and feed products. The feed laboratories endorse the quality standard of the feed products, test feed nutrition, and identify chemicals or residues in feed ingredients in accordance to law and regulations. Our feed laboratories have passed ISO 17025 (General requirements for the competence of testing and calibration laboratories) by the Department of Science Service, Ministry of Public Health.

Chicken Farm

Chicken farm is a key process of our integrated chicken production as chicken is the most important assets. Our chicken shall get healthy and high nutritious feed, have sufficient water, be treated with decent animal welfare, be reared in good environment, and free of diseases. In addition, we set up "Chicken Veterinarian and Technical Team" to monitor animal welfare practice, set measures to control disease prevention, and regulate the use of drugs and vaccines, in accordance with the laws and international standards. Our Chicken Veterinarian and Technical Team pass ISO 9001:2008. The team is responsible in making chicken health check planning, sharing knowledge about animal health and disease preventive protocol to chicken raising operators.

Evaporative Cooling System

Our chicken farm houses are closed evaporative cooling system with ventilation system to prevent any disease carrier. All chicken farm houses are equipped with mechanical systems to deliver feed and water automatically.



Chicken Processing Plant

The chicken processing plant is the most importance as it is the last stage of the production before the products end up with customers and consumers. Therefore food safety and the quality of the chicken meat are strictly controlled in all stages of production before delivering to customers and consumers. In addition to the international standards of food quality inspection systems such as GMP, HACCP, etc., the Company also set up laboratory facilities including a “Chemical Laboratory” to test for pesticide residues, nutrition, and various chemicals; and a “Microbiological Laboratory” to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety of its products.

Our laboratories are accredited with ISO / IEC 17025, which is the international standard certifying the competence of testing and calibration laboratories, being first accredited in 2004. In continually expanding our operations, further accreditation were gained and recently in November 2014, the Company’s laboratories were accredited for 64 tests and calibration focusing on the testing method with fast results in order to reduce storage time. In addition, testing methods which uses fewer chemicals have been developed to minimize handling of chemicals and environmental damage but at the same time maintaining the quality of the test and its accuracy.

Moreover, the Company’s laboratories have been registered as a competent facilities under the ISO / IEC 17025 issued by the National Bureau of Agricultural Commodity and Food Standards (ACFS). The laboratories have also been registered as approved laboratories for the analysis of livestock products for the Department of Livestock Development, Ministry of Agriculture and Cooperatives, which allows the Company to utilize analysis of the Company’s products conducted by its laboratories as approved supporting documents for the application for a Health Certificate from the Department of Livestock Development. Furthermore the Company has also received certification and awards such as:

- Certificate of Excellence for laboratory quality for medical and public health for the year 2011 “Silver” level from the Department of Medical Sciences, Ministry of Public Health
- Certificate of Excellence for laboratory quality for medical and public health for the year 2013 “Gold” level from the Department of Medical Sciences, Ministry of Public Health
- Certificate for medical and health cooperation laboratory year 2013 from the Department of Medical Sciences, Ministry of Public Health
- Commemorative plaque for the Analysis Laboratory of Agricultural Products and Food of the year 2013 from the National Bureau of Agricultural Commodity and Food Standards (ACFS)



Microbiological Laboratory

These awards reflect the Company's development and the maintenance of standards and has continually built our customer's and consumer's trusts.

Standards for Quality Management

Each year, our chicken processing plant has been certified by internal audit, customer audit, and third party audit to assure customers' confidence that the quality of our products including feed, live chicken, chicken meat, and fully cooked chicken products meet international quality standards. The Company has certified the following quality system certification:

- GMP (Good Manufacturing Practice)
- HACCP (Hazard Analysis Critical Control Point)
- BRC Global Food Safety Standard
- ISO 9001 (Quality Management System)
- ISO 14001 (Environmental Management System)
- ISO 17025 (Competence of Testing and Calibration Laboratories)
- ACP (Assure Chicken Production)
- HALAL (Food Permitted under the Islamic Law)
- SQMS (McDonald's Supplier Quality Management System)

Traceability from Feed to Food

Traceability system is the essential mechanism to meet the expectation of customer and consumer and to ensure that our products are safe and meet quality standard. Our products can be traced back to every stage of production with the linkage of production information from feed production, farm operation, and food processing. Thus, we can trace back our products to all stages of production as well as its origin of raw materials.

Meanwhile, the information is linked together from the meat processing plant to transportation, to distribution, and to consumers, thus, we can track product status at any point in the food chain. In case of there is any problem occurred with customers and consumers, we can accurately and timely recall our products. Thus, customers can be assured that our products are 100% safe for consumption.

Our production processes have been accredited by international standards

- | | |
|------------|-------------|
| ✓ GMP | ✓ ISO 14001 |
| ✓ HACCP | ✓ ACP |
| ✓ BRC | ✓ HALAL |
| ✓ ISO 9001 | ✓ SQMS |

Animal Welfare

We recognize the importance of animal welfare. Our chicken farms have followed the standard practices for agricultural animals (Good Agriculture Practices: GAP) as well as standard for agricultural products in regards to animal welfare practice.

We have also been certified for the animal welfare practices in accordance to the Red Tractor Assurance (RTA), which is the standard for the meat production for export throughout the chicken supply chain. Under these standards, the Company has taken all steps in regard to the happiness of chickens throughout the raising period.

For example, chicken must be free from hunger and thirst, the system shall provide enough food and water, environment shall be free from discomfort, free from pain, injury or illness (a preventive system and catching chicken with care), free to live naturally, free from fear and anxiety (the raising conditions do not cause any distress, for instance, chickens catching process).

In compliance with regulations and standards of the Department of Livestock Development, of Agriculture and animal welfare standards, GFPT's animal welfare protocol is very strict covering chicken raising farm, feeding system, health management, disease and illness protection, catching live bird, animal welfare, recorded information, and staffs' and workers' training.

The Company is confident and assured that the Company's products are high quality, hygienic, antibiotics and residue free and safe for consumption in both domestic and international market.

Bio-Security System

GFPT focuses on the implementation of bio-security system in our key operations in order to use as a preventive measure for animal disease outbreak. Our strict bio-security system covers many steps of operations, for example:

- **Chicken Feed**

We have nutritionist experts to research and develop high quality feed formula. Our feed mills operate with modern feed production systems and control by computerized system. Our feed products are safe and meet with the dietary requirement of different chicken's aging.

- **Chicken Farming**

Our chicken farm houses are closed evaporative cooling system with ventilation system to prevent any disease carrier. All chicken houses are equipped with mechanical systems to deliver feed and water automatically. The CCTV systems have been set up in the chicken houses to closely monitor the chicken welfare.

- **Personnel and Vehicles**

We have set strict regulations for personnel and vehicles entering into the farm area. Only farm workers and farm

vehicles are authorized to enter into the farm area. The authorized person must shower, shampoo, disinfect, and change clothes when entering into the farm house. All vehicles must be washed and disinfected to prevent dust, contamination, or any carrier from outside that may cause disease within the farm.

Poultry Compartmentalization

In order to mitigate the risk of avian influenza outbreak, GFPT has implemented the poultry compartmentalization according to guideline of the Department of Livestock Development re : the Compartmentalisation in Poultry Industry in Thailand B.E. 2554 as follow:

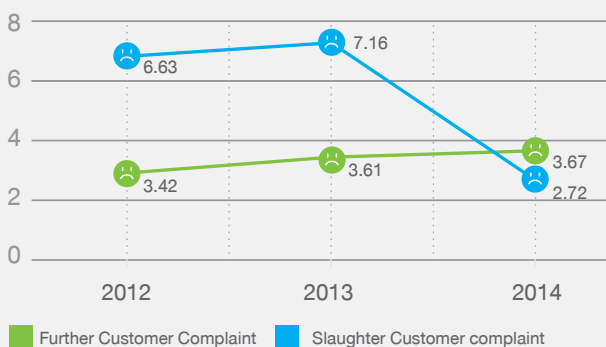
- Set a biosecurity management principle based on Hazard Analysis and Critical Control Point (HACCP) for avian influenza;
- Set the surveillance protocol for avian influenza at the farm site and buffer zone in a radius of 1 km.;
- Set the controlled protocol for avian influenza at the farm site and buffer zone in a radius of 1 km.;
- Set a traceability system

By being determined and attentive in all stages of production in order to meet international standards, in 2014, the Company received good response from both local and foreign customers which is reflected in the continual growth in its revenues and profits (details as shown under the topic "Management's Discussion and Analysis") together with the high satisfaction of the customers and the reduced number of complaints from customers.

Customers' Satisfaction Rate



Complaint Rate (measured by number of complaints from customer per 1,000 tons product)





Broiler farm

2. Ethical and Fair Business Practice

Policy on Ethical and Fair Business Practice

The Company has established guidelines practice of its stakeholders in the Company's Code of Conduct in regard to the stakeholders' responsibility including shareholders, employees, contractors, customers, suppliers, communities, and the environment. We also promote free competition. The Company shall avoid any activity that relates to conflict of interest, violation of intellectual property, and all kinds of corruption. We promote social responsibility at every step of our production chain. (Details are shown in the Company's Code of Conduct)

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 shall be an important factor to add value and maximize returns to shareholders of the Company in the long run.

The Company has constructed the Good Corporate Governance policy under the criteria of the Stock Exchange of Thailand and the regulations of the Organization for Economic Co-Operation and Development (OECD) as guidance in conducting business for directors, executives, and employees of the Company. The Company will review and revise the principles and guidelines of its Good Corporate Governance policy annually so as to be appropriate with any changes that may occur from the operation, environment, situation, or laws.

In 2014, the Company's corporate governance was evaluated under the Corporate Governance Corporate Governance Report of Thai Listed Companies (CGR) program and obtained "Very Good" ranking and received 4 stars from the National CG Committee with a score of 85% from the Thai Institution of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission. It was also evaluated for the quality of the Annual General Meeting for the year 2014 by the Thai Investors Association, the Thai Listed Companies Association, and the SEC with a full score of 100.

In addition, the Company also received the "Best Company Performance Awards" at the SET Awards 2014, organized by the Stock Exchange of Thailand and the Banking and Banking Magazine, and the Company was further nominated for the "Best CEO Awards" and the "Best Investor Relations Awards" reflecting the wide range of quality of the organization which exceeds the nomination requirements.

Compliance with Laws, Rules and Regulation Policy

The Company emphasizes on compliance to laws and regulations that follows the international business ethics. The directors, management and employees must perform within the framework of laws, rules and regulations and will not participate in any action that will violate the law, rules or regulations.

In 2014, the Company did not commit any offense or act which violated the provisions of the Public Company Limited Act or the regulations of governing bodies such as the SEC or the Stock Exchange of Thailand.

Business Ethics Policy

The Company follows principle to operate business with honesty, integrity and ethics, including compliance with the laws, rules and regulations by equally taking into account the rights of stakeholders such as the shareholders, employees, customers, suppliers, creditors, competitors, community, society and the environment. The Company defines and encourages business ethics to the directors, management and employees in the Code of Business Ethics as follows:

Management and Maintain Business Ethics

- Directors, management and employees should understand and strictly follow a code of business ethics, if found to have violated or acted upon on the contrary to the Company's business ethics, appropriate process will be considered. In the event that such action is contrary to regulations and Memorandum of Association, the Company will consider appropriate punishment or penalty to the case.
- Directors, management and employees have signed acknowledgment of business ethics once employed and when changes are made.
- Managers and supervisors have to be role model in practicing business ethics and responsible for monitoring and encouraging subordinates to follow the business ethics.
- Corporate Governance and Business Ethics Committee has been appointed by the Board of Directors and is responsible for reviewing the Business Ethics Handbook to be in accordance with the Company's business, laws and regulations. Corporate Governance and Business Ethics Committee must arrange a meeting at least 2 times per year and reports to the Board of Directors.

Report on Non-compliance of Business Ethics

- Directors, management and employees have obligation to report conduct that may violate the Code of Business Ethics. If witness, pressured or forced to act in contrary to the business ethics, report to the supervisor or the executive or Corporate Governance and Business Ethics Committee ethics case
- The Company has a policy to maintain confidentiality and protect those who report, the whistle blower will not be punished if it is good intention.

Labor Relations Policy

The Company is committed to treat its employees equally, to provide decent working conditions, to offer appropriate benefits, and to provide fair treatment to its employees at all level. Supervisors must be good role model and dependable to its subordinates. The Company also promotes employee engagement activity to establish good relationships.

Workforce Equality and Fairness

GFPT sets employment policy and practice toward equally and fairness to its employees at all level including remuneration, transfer of employee, training, skill development, career advancement, promotion, wellness, health, safety, and labor protection. We set up a Labor Relations unit to responsible for planning, monitoring, and evaluating labor relations activities and also coordinating with other relevant departments.

Human Rights Policy

The Company has a policy to support and respect the protection of the human rights. The business of the Company will not be involved with forced labor or child labor, fair treatment to all stakeholders on the common practical principles by taking into the consideration human dignity, non-discrimination, equal treatment without prejudice regardless of their origin, ethnic, gender, age, color, religion, disability or family status. Promote human rights compliance within the Company and subsidiaries and among its joint venture partners, suppliers and all stakeholders based on international standards. Protect the rights of stakeholders that have been violated by the Company's business operations and compensate at a minimum rate of not less than the rate specified by law.

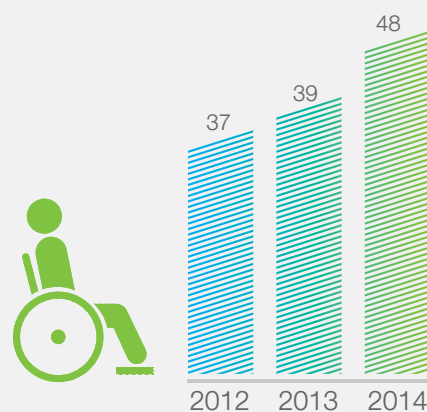
In 2014, the Company did not receive any complaints regarding a violation of human rights in the course of the business operations of the Company whether from inside or outside of the organization. The Company did not have any legal disputes regarding labor laws, consumer rights, or the operation of the Company's business.

Employment of Disabilities Policy

The Company recognizes to improve the quality of life of people with disabilities. Encourage disabilities to have the opportunity to earn income, self-reliance and reduce the burden on families and society, as well as, encouraging people with disabilities, especially for the working age group, to be a part in strengthening their own family's financial status and the country's economy. According to the Persons with Disabilities Empowerment Act B.E. 2550 that aims to promote and improve the lives of people with disabilities includes provisions to adopt measures concerning the promotion and protection of the employment of the disabled.

In 2014, the Company employed a total of 48 disabled workers in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 section 33 and section 35, which requires a ratio of disabled to normal persons of 1 to 100 pursuant to the law.

The Empowerment of Persons with Disabilities (person)



Water treatment system

Employment

The Company has a policy on equality and diversity employment without any discrimination on gender, race, religion and culture.

In 2014, GFPT employed a total of 4,759 people with a diversity of age, gender, level of education, and work tasks.

Return to Work after Maternity Leave Rate

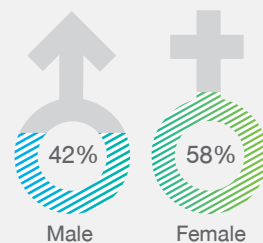
In 2014, a total number of 64 out of 2,748 female employees had taken maternity leave, of which 57 employees return to work after their maternity leave representing 89% of total female employees who took maternity leave.



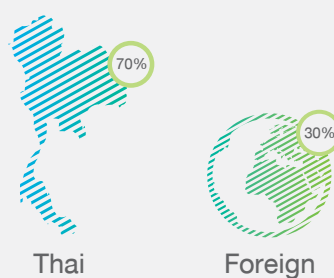
Employment by Year of Services



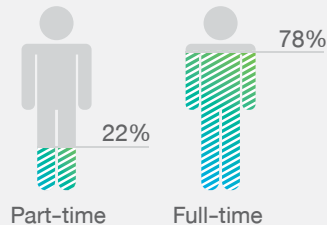
Employment by Gender



Employment by Nationality



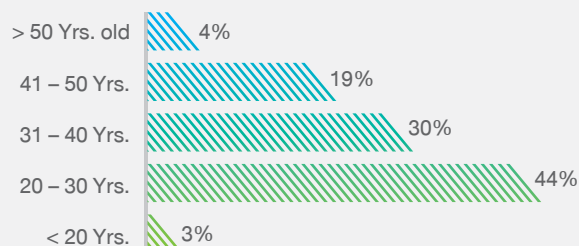
Employment by Type of Worker



Employment by Gender and Type of Worker



Employment by Age Group



Safeguarding of Assets Policy

Assets of the Company include tangible and intangible assets i.e. movable properties, properties, technology, production formula, rights, patent, copyright and confidential information such as business plan, financial forecast and personnel information.

Directors, management and employees at all levels shall have responsibilities for safeguarding, maintaining and maximizing the use of property and fixed assets that belong to the Company in the best interests of the Company and not for their own or other's benefits.

No director, manager or employee may disclose material inside information to the public or gain benefit from the Company's confidential information.

Intellectual Property or Copyright Policy

The Company has policy to comply with applicable laws or regulations relating to intellectual property rights, including patent, copyright, trademark, trade secret and other aspects of intellectual property law, such as the use copyright computer software. All computer software must be audited and installed by the Information Technology Department. Encourage employees to review their work or information that will not infringe the intellectual property of others.

3. Human Resources Policy

Safety and Working Environment Policy

The Company sets occupational health and safety policy to encourage employees to work safely and to have good hygiene in the workplace. The Company shall prevent any possible accidents at its full capacity and to build the safety awareness of its employees and encourage employees to have strong health (and not act in harmful to the health of customer) as well as to maintain a safe and hygienic workplace as follows:

In 2014, the Company received a certificate approving the protection and prevention of drug addicted in the workplace (White Factory) on August 27, 2014 and effective until August 26, 2017.

Fatal Diseases Prevention

The Company shall prevent illness of employees that arise from working environment. We provide knowledge, consulting advice, expert training, publicity through media and activities to our employees and community. We also implement disease preventive program through encourage employee to get vaccination every year.

Safety Policy

The Company encourages all employees to have awareness of safety in the workplace by providing information, training, encouraging all employees to participate in risk analysis and evaluation of the workplace to create a plan to prevent accidents at work, to identify the root of the cause of accidents to prevent repetitive accidents, and to continually encourage projects which promotes safety awareness

In 2014, the Company organized several activities to raise awareness of safety in the workplace as follows:

1) NEAR-MISS Project

To prevent accident from operation based on finding causes to prevent repeat incidents and encouraging all employees to participate in the risk analysis and assessment at workplace.

2) 5S Project

To encourage employee to participate in workplace maintenance and cleanliness.

3) Workplace Safety Week Project

To organize a safety week event every year to educate employees and encourage awareness about possible accidents in the workplace such as the 14th Workplace Safety Week event held on 20-21 November 2014.

4) Safety Training Project

To provide a training program on safety regarding how to safely use equipment during work and what to do in an unexpected event such as the training for basic firefighting skills and evacuation for the year 2014, safety committee training program, safety at work training, etc.

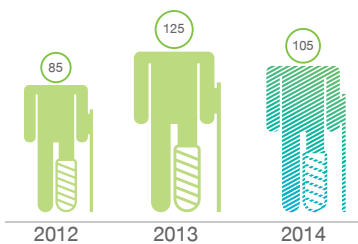
5) Safety Journal Project

To provide a monthly journal to promote knowledge about safety standards and preventive method on the unexpected events. The safety journal is available as hard-copy and online version to all employees.

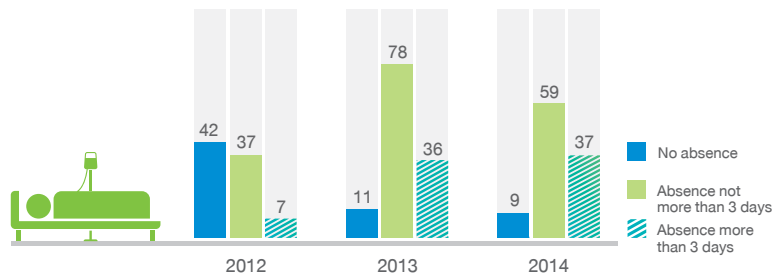
Absence Rate from Injury

In 2013, the Company employed a higher number of foreign workers (MOU contract) causing a higher number of accidents. The Company has therefore implemented a preventive policy against workplace accident and increased the number of hours of training for new workers in order match the increased number of workers. The results were reflected in 2014 where the accident rate and the absence from injury rate dropped.

Accident Rate (times per year)



Absence Rate from Injury



Complaint Channel and Procedure

We provide a channel for complaints to our employees. We set the process to perform when receiving a complaint as well as provide protection and confidentiality of the complainants and informants.

Complaint Channel

The complainant can report a complaint by providing details of the complaint with name and contact information. The complaint can be submitted to the Audit and Risk Management Committee by two channels:

- 1) Complaint box installed at designed location in the factory;
- 2) Intranet site of the Company at **GFPT-Intranet-ส่งข้อร้องเรียน** in which, this complaint will be sent directly to the Human Resource Manager of the Company for forward to the Audit and Risk Management Committee.

Action after Receive the Complaint

Once received the complaint, the Audit and Risk Management Committee will consider the complaint and inform the relevant parties to investigate facts about the complaint and resolve the complaint appropriately. The Audit and Risk Management Committee will periodically monitor the progress of complaint. The relevant parties will notify the result to the complainant within a

reasonable period. The Audit and Risk Management Committee shall report to the Board of Directors.

Protection and Confidentiality of the Complainant

To protect the rights of complainant and relevant informants who acts in good faith, the Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws.

Employees' Compensation and Benefit Policy

The Company has a policy of paying fair compensation as well as strengthens the vocational and career advancement opportunities; provide welfare for employees as required by law, such as Social Security and apart from the law, such as the health and accident insurance to employees in the sales, information technology department and employees working in other provinces. Provide other support including uniform for employees, financial aid, such as support for the funeral of staff's parents and education scholarships for employees' children.

Moreover, the Company also places importance on the well-being of employees outside of working hours. The Company has provided 3 accommodation projects near the workplace with a total of 22 buildings and more than 1,750 rooms to provide convenience, safety, and other amenities including providing an approved day nursery which meets regulatory standards to accommodate the employees' children during working hours.



GFPT Dormitory more than 1,750 rooms

Human Resources Training and Development Policy

The Company has a policy of promoting human resources development by supporting staffs to develop in various areas including expertise, capabilities, positive attitude, moral values, business ethics and teamwork through training, seminars or study trips. The Company focuses to promote the employees from within the organization and assess their performance regularly. This is considered to be an important factor for strong business expansion.

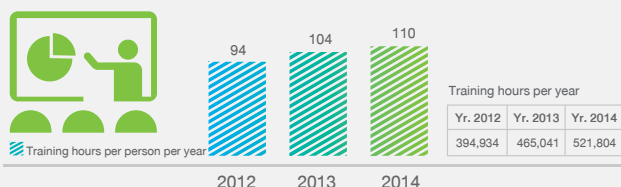
The Company also emphasizes on organizational development and human resources management by focusing on production efficiency, clear roles and job responsibilities, appropriated employee's remuneration, competitive pay structure, and employees' evaluation. The Company has provided various training programs such as company orientation to new employee, leadership, total production system and etc.

Training

The Company has designed and updated its training courses to facilitate its short-term and long-term objective and direction. We focus on the development of employees' skill, competences, experiences, technical know-how, managerial knowledge, and other relevant knowledge for new potential business opportunity. In addition, the Company provides information about human rights including the Labor Protection Act B.E. 2551 (amended) Section 11/1 re: the policy change, as well as labor laws. We also support our employees to join external training and seminar; thus, our employees can share and exchange knowledge and experience with other organizational and applied in the Company.

In 2014, the Company's total number of training hours was 521,804 hours which is an average of 110 hours per employee per year. The curriculum of training included a wide array of skills such as the Executive Development Program, Senior Executive Program, Workplace Safety Training for Management, Defensive Driving, Corporate Social responsibility for sustainable growth, Corporate Governance, Risk Management, Safety, Sanitary, Environmental training, and etc.

Average Employee Training



4. Corporate Social Responsibility

Corporate Social Responsibility Policy

The Company sets the Corporate Social Responsibility Policy (CSR) under the ethical principles to be fair for all stakeholders and apply the principle of good corporate governance practices to maintain the stability of the community, society, economy, and environment that led to the development of sustainable business success.

Anti-Corruption

The Company has announced its intention to be a signatory of the Collective Action Coalition: CAC of Thailand's private sector in fighting against corruption. The Company has also conducted risk management in corruption, and set out an anti-corruption policy and proposed to the Directors of the Company for their consideration. In this regard, the Company announces its policy to all employees from their induction as well as set out plans for the development of anti corruption policies to possible related persons of the Company in the future.

Anti-Corruption Policy

"No board of directors, executives or employees of the GFPT Public Company Limited and its subsidiaries shall commit or

approve of fraud and corruption in all its forms, both directly and indirectly, to gain personal benefits or the benefits of their family, friends, acquaintances, either as recipients or provider, or offer bribes whether with money or non-monetary forms.

This anti-corruption policy applies to all businesses and all sectors whether inside or outside of GFPT Public Company Limited and its subsidiaries. An assessment of employees' conducts in accordance with the policy shall be conducted on a regular basis, as well as regular reviews of practices and work regulation to be in accordance with any changes in the Company's business and the relevant laws."

Details, definition, practices, and communication channels are published on www.gfpt.co.th

In 2014, the Company has no issue or deficiency in relation to the litigation charges involving anti-competition, discredit, monopoly trading, discrimination, and corruption. The Company has no fine or non-monetary penalty due to the illegal action, not comply with the applicable law, or violation of business ethics.

The Initiative Projects on Youth, Community, and Society

In 2014, the Company has implemented projects and activities for the community and society as follows:



Earth Day Activity



National Children's Day Activity



GFPT to children for a dream ride to school



Generous Senior treating Junior Event



Blanket and Cloths Donation



Community Relations Activity



Generous Senior treating Junior Event



Project to promote dialogue for reconciliation

1. Promoting youth for the quality of society

The Company believes that “youth are the pillars of tomorrow’s society”. The Company recognizes the importance of children and youth. In addition to supporting its cooked chicken products, the Company provides educational tools and equipment to youth. The Company also encourages social activities for local communities and remote communities by focusing on the knowledge development of youth to be the quality person in the society as well as encouraging the youth to express themselves creatively through various projects with a total of 53 activities such as the National Children’s Day on 18 January 2014 at Condo Bangsaotong, The Generous Senior treating Junior Event – Lagoonrdsiri School, the bike donation project “from GFPT to children for a dream ride to school,” to pupils of Lagoonrdsiri in Samutprakarn, book donation to the project “Encourage juniors to read with GFPT” for local schools and around the borders of the 3 southern provinces with a total of 26 schools, provided scholarships, Medicine Alumni of Ramathibodi, supported activities of donations to orphans at the Alkawthar foundation building etc.

2. Creating a good society

The Company has a policy of supporting the disadvantaged in the rural and challenged areas and those affected by disasters. The Company also has a policy of improving the quality of life of the surrounding community and also those further away to have a good quality of life, protecting the environment, and therefore the Company has through its own activities, government agencies, charitable organizations, and non-profit organizations, a total of 64 activities such as the support for the Royal project of house repairs charity, support for the project of building the Police Hospital Center in the south, donated dialysis machines to the Kidney Foundation of Thailand, support the education of veterinary science at the Faculty of Veterinary Medicine, Chulalongkorn University, organized the National Labour day at Condo Bangsaotong, support the sterilization of dogs around waste waters behind the Company’s factory, Earth Day (Throwing EM Ball to increase oxygen in the communal canal with the village and community in the vicinity of the plant), the project to promote dialogue for reconciliation (in Bangsaotong and Srisa Charakae Yai), the activity to celebrate the birthday of Queen Sirikit of 2014 at Bang Pla, etc.

3. Promote religion and Thai culture

Religion and culture are important institutions in the society which have strong influence in people’s beliefs, values and behaviors as a way of life of the individual in the society. The Company recognizes that Thai society is influenced by the religion, and therefore, places importance on the support and preservation of Buddhism as well as the continuous support for Thai arts and culture. The Company has organized activities related to promoting religion and Thai culture through government agencies, charities, and non-profit organization with a total number of 54 activities.



Promote religion Event

5. Environmental Responsibility

Environmental Policy

The Company committed to operate business together with control pollution and protect the environment. The Company's environment policy is as follow:

**“Efficiently utilize resources and energy,
Prevent pollution, operates by law,
Consistently create awareness”**

Resources Utilization Policy Awareness

The Company encourages directors, management and employees at all levels in the organization to use resources efficiently and maximize efficiency and effectiveness. The Company communicates, educates, supports, and creates awareness to employees and related parties to fully utilize and manage the resources for the benefit of the Company.

In addition, the Company has established an environmental management structure to effectively support the implementation and also required all departments to perform their activities in accordance with the laws.

The Company has been accredited for the environmental management standard including ISO14001 and OHSAS 18001 by the independent auditor. The Company communicates its activities on the environmental management through various internal and external channels.

In 2014, the Company carried out activities and projects related to environmental management as follows:

Resource and Environmental Management

The Company focuses on the use of resources effectively with maximum benefits as it is a significant cost of the integrated production process. Effective uses of resource also produce less impact on environment and climate change.



The training for basic firefighting skills and evacuation



Workplace Safety Week Project



The training for basic firefighting skills and evacuation

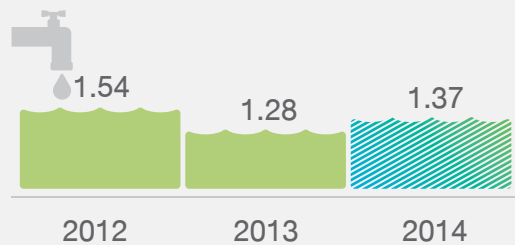
Water Consumption

(million cubic meter)



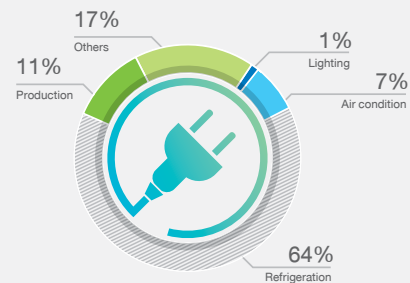
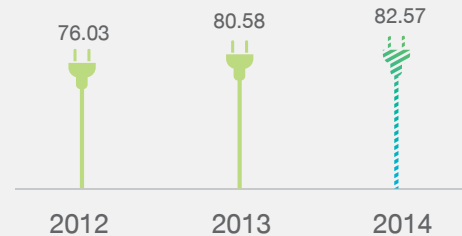
Waste Water

(million cubic meter)



Electricity Consumption

(million Kilowatts-Hr./Year)



Water Resource

Water resource is an important component in our chicken production. We set appropriate measures for water usage in every production process. We use information system to analyze and control water consumption. We also focus on production improvement, process development, and production technology to reduce water consumption and efficiently use of water resources.

In 2014, our water consumption was in amount of 1.65 million cubic meter, decreased 2.8% from last year.

Energy

The Company continuously focuses on efficient energy consumption and energy conservation by using information system to analyze and control energy consumption in the production process; meanwhile, the machines, equipment, and production process are designed for maximum efficiency with minimal energy consumption.

In addition, the Company promotes energy-saving activities such as using the LED 19,20W lights in the production line replacing the fluorescent light 36W, replaced the evaporative

condenser used in refrigeration systems for a higher performance to allow a reduction in the use of electricity of the compressor, the introduction of automatic lighting system in the office building, and VDO Tele-Conference, which will save electricity and electricity expenses as well as reducing the environmental impact which is caused by transportation.

In 2014, the electricity utilization was in amount of 82.57 million kilowatts, increased 2.5% from last year, being 64% use in cooling system and 11% use in production process.

Electricity Consumption

The energy conservation policy is set as a guideline for the implementation of energy consumption to effectively utilization and maximizes benefit. The Company set the energy conservation policy as part of the operation. We continue to improve the efficiency of energy usage by setting energy conservation measure annually, and communicating to all employees to understand and practice properly. The Company supports the energy conservation in terms of human resources, budget, training, and others to improve the energy management. The policy and implementation plan of the energy conservation is annually reviewed and updated.

Pollution and Waste Management

Air Pollution

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2014, the level of contaminants in the air such as dust, nitrogen oxides, sulfur dioxide, carbon monoxide, and the opacity of all units, was lower than the standard required by law.

Water Pollution

The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant.

The wastewater from the production and consumption per day, is at an average of 4,500 cubic meters per day and the capacity of the Company's water treatment plant can treat up to 5,000 cubic meters per day of wastewater with an average volume of 4,000 cubic meters per day of treated water, which passes the regulatory standard, is released and an average of 500 cubic meters per day is recycled.

In 2014, the Company began the development of a 7,000 cubic meters per day water treatment plant to have a modernized sewage system, be more effective, and to be able to match the increased usage of water for future expansions of the Company's business.

Noise Pollution

The Company measured the voice quality in the atmosphere (Ambient noise measurement) to measure the 24 hours average factory noise level and the level of disturbance. The level of noise must be in accordance with the law and shall be assessed by the authorized person from the Department of Industry. In 2014, the result of the measurement found that the 24-hour average noise levels at measurement points are below legal thresholds.

The result of air quality test at various check points

	Test results	Standard Measure
Dust (mg/m ³)	1.641 – 234.520	320.00
Sulfur dioxide (ppm)	3.053 – 5.642	60.00
Nitrogen oxides (ppm)	4.410 – 9.711	200.00
Carbon monoxide (ppm)	2.055 – 3.013	690.00
Opacity (%)	1.3 – 5.9	10.00

The result of measure the 24 hours average factory noise level and the level of disturbance.

	Entrance area	Back area
Average Volume in 24 hours. (Leq)	64.5	69.4
Standard	70.0	70.0
Noise level (dBA)	7.7	6.1
Standard	10.0	10.0

Wastes

The Company has classified wastes in accordance with the law and sets up the protection system of environmental contamination starting from wastes storage, wastes transportation, and wastes displacement, hazardous wastes management, and wastes segregation. The Company sets up the internal wastes management system to collect the amount of wasted generated in a monthly basis. The wastes data is properly gathered and submitted to the authorized Wastes Management Company registered to the Department of Industrial, Ministry of Industry. The wastes data can be traced back for the whole system as follows:

- **Hazardous wastes** such as used solvent, decadent bulbs, contaminated container, used lubricant, sent to the Wastes Management Company.
- **General waste** (not hazardous wastes) such as plastic bags, paper, steel scrap, stainless steel scrap, sent to the wastes recycling company.

In 2014, the Company had no legal disputes in regard to emissions and waste or environmental impact from their operations, including not being fined for violating any environmental laws and regulations.

4 Rs Project

The Company has established guidelines for the waste management within the plant by using the concept of **4Rs (Reduce/ Reuse/ Recycle/ Repair)** to apply in the chicken production process. The Reduce, Reuse, Recycle, and Repair (Total Productive Management: TPM) can be applied to minimize the impact on the environment and efficient utilization of resources. GFPT's Plant has operated the 4 Rs Project as follows:

- **Reduce:** to reduce the use of wood pallet by reusing with regular monitor the quality
- **Reuse:** to reuse one-sided used paper
- **Recycle:** to use the water from wastewater treatment for cleaning roads and washing the machines outside the production line
- **Repair:** to perform machine maintenance program annually

Report of the Audit and Risk Management Committee

Dear Shareholders

The Audit and Risk Management Committee of GFPT Public Company Limited is composed of 3 independent directors. Each member of the Audit and Risk Management Committee is independent and knowledgeable in finance discipline, law discipline, and managerial discipline. The Audit and Risk Management Committee is composed of Dr. Sathit Karanes, Chairman of Audit and Risk Management Committee, Mr. Paramet Hetrakul, member of Audit and Risk Management Committee, and Mr. Thanathip Pichedvanichok, member of Audit and Risk Management Committee. Members of the Audit and Risk Management Committee have qualification as defined by the regulations of the Audit Committee of the Stock Exchange of Thailand. More importantly, the Audit and Risk Management Committee is not appointed to protect the interests of directors or major shareholders in particular.

As assigned by the Board of Directors, the Audit and Risk Management Committee's scope of work, duties and responsibilities are to review GFPT's consolidated and separated financial statements in compliance with the accounting policy and compliance with the regulations of the Stock Exchange of Thailand and other relevant laws. In addition, the Audit and Risk Management Committee is responsible for the accountability in internal control management and good corporate governance in both of financial system and operational 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 2014, the Audit and Risk Management Committee held 4 meetings. The Audit and Risk Management Committee discussed with the management, the Internal Audit teams, and the Company's auditor in related matters as follows:

1. A review of accuracy, completeness and credibility of the financial statements

In 2014, the Audit and Risk Management Committee reviewed the Quarterly and Year End financial statements of the Company, both the separated and consolidated basis, together with the auditors (internal and external auditors) and management for integrity and propriety prior to proposing them to the Board for Directors 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 and Risk Management Committee has opinion that the separated and consolidated financial statements reported to the SET and the public in the year 2014 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 users.

2. Connected transactions or transactions that may have conflict of interests.

The Audit and Risk Management Committee has considered and commented about the connected transactions or transactions that may have conflict of interests of the Company and its subsidiaries with caution, justification and taking into account of the interests of the Company's stakeholders including adequate information disclosure under the terms assigned by SET.

3. A review of risk management

The Audit and Risk Management Committee has considered the risk management policy, planning, and risk management practices that may occur including a review of the risk management arising from both internal and external factors by meeting with the management of the Company and also verifying and reviewing the efficiency and appropriateness of the risk management process regularly in each quarter includes providing suggestion for improvement.

4. A review of internal control of the Company

The Audit and Risk Management Committee, the external auditors, and the internal audit department of the Company have reviewed the Company's internal control system, which is consistent with the adequacy and effectiveness as well as encourage quality improvement of personnel and audit procedures in accordance with professional standards based on the Internal Auditor's report for the year 2014. Moreover, the Audit and Risk Management Committee visited the Company's actual operations in order to understand the process of the Company and provided valuable suggestions to improve the internal control system. The Audit and Risk Management 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 in compliance with the law set by the Securities and Exchange Commission. There is no significant weakness or deficiencies, which is in consistent with the evaluation of the auditor. The Audit and Risk

Management Committee has opinion that the Company and its subsidiaries have appropriate, adequate, and efficient internal control system, which consists of general business conditions and risk assessment in the areas of manufacturing, marketing, finance, information systems, and communications.

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

The Company monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures its compliance. The Audit and Risk Management Committee monitored and reviewed that the Company has complied with relevant laws and regulations of the SEC and SET, as well as other laws related to the business of the Company. The Audit and Risk Management Committee has an opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company and effective in the year 2014.

6. Overseeing company internal audit function

The Audit and Risk Management Committee oversees the internal audit to ensure that internal audit is effective and efficient to maximize the benefits of the Company and shareholders. The Audit and Risk Management Committee reviews the scope of work, obligations, and responsibilities of the Internal Audit Department and also reviews and approves the annual internal audit plan of the Company and its subsidiaries. In the review, the Audit and Risk Management Committee considered the adequacy of internal audit staff, audited on areas that relates to risks assessment, reviewed the independence of internal audit, and provided useful suggestions for continuous improvement. In addition, the Audit and Risk Management Committee has also emphasized the role of the internal audit by using the following principle such as operating system and preventive. Internal audit personnel have to keep pace with business changes and continuous self-improvement to accommodate with the business direction of the organization.

7. Suitability of the external auditor

The Audit and Risk Management Committee monitored the suitability of the external auditor by reference to the audit work quality, audit team competence and auditor independence in which independent feedback on the audit result and internal control environment was obtained. Moreover, the Audit and Risk Management Committee considered the scope and responsibilities of the external auditor including the appropriateness of the remuneration of the external auditors and compare with other external auditors including the performance of the external auditors in previous accounting period. So the Audit and Risk Management Committee proposed the external auditor from SAM NAK-NGAN A.M.C. Co., Ltd. to be the Company's auditor for the year 2015,

and the appropriate auditor fee to the Board of Directors that will be proposed to the Annual General Shareholders' Meeting.

8. Self-assessment of the Audit and Risk Management Committee

The Audit and Risk Management Committee performed self-assessment based on the composition of the Audit and Risk Management Committee, meeting attendance, overall performance of the committee, and the relationship between management and external auditors according to the good practice of the Stock Exchange of Thailand and the Charter of the Audit and Risk Management Committee. The Audit and Risk Management Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Audit and Risk Management Committee. It contributed to strengthen the good corporate governance. The Audit and Risk Management Committee has an opinion that the Audit and Risk Management 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 provided useful comments and suggestions to all stakeholders.

In summary, the Audit and Risk Management 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 and Risk Management Committee



Mr. Paramet Hetrakul
Member of Audit and Risk
Management Committee



Mr. Thanathip Pichedvanichok
Member of Audit and Risk
Management Committee

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the separated and the consolidated financial statements of the Company and its subsidiaries as well as financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with the accounting standard, the financial reporting standards, the interpretation and accounting practices set by Federation of Accounting Professions, the related regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and the generally accepted accounting principles of Thailand. The consolidated and separated financial statements of the Company and its subsidiaries have applied appropriate accounting policies, thoughtful judgment, and best estimation. Material 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 the accounting records are accurate, complete, and adequate to safeguard its assets and to identify any weakness, and to prevent any fraud or any material deficiency in the operations. The Board of Directors understands the importance of business's integrity and ethics; thus, the Board regularly analyzed the possible impacts of business risks and mitigated the risk factors into a reasonable level.

The Board of Directors has appointed an Audit and Risk Management 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 and Risk Management Committee's Report in this annual report.

The consolidated and separated financial statements of the Company and its subsidiaries were audited by the auditor from SAM NAK-NGAN A.M.C. Co., Ltd. The Audit and Risk Management Committee provided the sufficient and adequate information and documents to the auditor in accordance with auditing standards. The auditor's comments on the consolidated and separated financial statements of the Company and its subsidiaries are shown in 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. It is confidence that the consolidated and separated financial statements of GFPT Public Company Limited and its subsidiaries for the year ended December 31, 2014 is reliable in accordance with generally accepted accounting principles, laws, and related regulations.



Dr. Anan Sirimongkolkasem
Chairman of Executive
Committee



Mr. Virach Sirimongkolkasem
Managing Director

Audit Fee

Mr. Ampol Chamnongwat, the authorized auditor No. 4663 from SAM NAK-NGAN A.M.C. Co., Ltd. was the auditor of the Company and its subsidiaries for the accounting period of the year 2014.

The Company and its subsidiaries paid the audit fee to SAM NAK-NGAN A.M.C. Co., Ltd. for the accounting period of the year 2014. The detail is shown as follows:

1. Audit fee

The Company and its subsidiaries paid the audit fee for the accounting period of the year 2014 in amount of 2,480,000.00 Baht, as shown in the following detail:

	Audit fee (Baht)
The audit fee of the Company	805,000.00
The audit fee of 5 subsidiaries	1,675,000.00

2. Non-audited fee

The Company and its subsidiaries did not have any non-audit fee in accounting period of the year 2014.

Financial Statements

GFPT Public Company Limited
YEAR 2014

AUDITOR'S REPORT

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

I have audited the accompanying consolidated and the separate financial statements of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies and also of GFPT PUBLIC COMPANY LIMITED only, respectively, which comprise the consolidated and the separate statements of financial positions as at December 31, 2014, and the related consolidated and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of these consolidated and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these consolidated and the separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial

statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial position of GFPT PUBLIC COMPANY LIMITED and its subsidiary companies and also of GFPT PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2014, and of their consolidated and the separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter and event

Without expressing a qualified opinion on the above financial statements, I would like to draw attention to the matter as explained in Notes to financial statements No. 2.5 noting that the Company have updated the list of deferred tax assets on 2012 in the consolidated financial statements for the year ended December 31, 2013 and the consolidated statements of financial position as at January 1, 2013 and December 31, 2013, presented herein for comparison, have been retrospectively adjusted for the effect of the reversal of the allowance for impairment of investments in associates are recorded by the equity method. I have audited the relevant adjustments and in my opinion, those adjustments are fairly appropriate.

SAM NAK-NGAN A.M.C. Co., Ltd.



Mr. Ampol Chamnongwat

Certified Public Accountant (Thailand)

Registration No. 4663

Bangkok, February 16, 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at

Current assets

Non-current assets

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	As at		
		December 31, 2014	December 31, 2013	January 1, 2013
			(Restated)	(Restated)
<u>Liabilities and shareholders' equity</u>				
Current liabilities				
Short-term loans from financial institutions	16 and 17	1,177,050,250.14	2,046,894,386.21	3,532,732,267.60
Trade and other payables	5.1 and 18	895,463,773.65	922,441,312.52	1,027,454,470.99
Current portion of advance received				
for rental income from associate	5.1	7,850,000.00	11,023,559.80	6,931,558.00
Current portion of long-term loans				
from financial institutions	16 and 19	230,000,000.00	80,000,000.00	80,000,000.00
Current portion of long-term loans				
from related persons	5.1	-	2,000,000,000.00	-
Current income tax payable		2,141,060.40	3,784,423.52	229,823.36
Other current liabilities		26,425,416.76	23,783,050.97	14,828,964.12
Total current liabilities		2,338,930,500.95	5,087,926,733.02	4,662,177,084.07
Non-current liabilities				
Long-term loans from financial institutions - net	16 and 19	225,000,000.00	80,000,000.00	160,000,000.00
Long-term loans from related persons	5.1	1,942,100,000.00	-	2,000,000,000.00
Employee benefit obligations	20	315,127,893.31	292,256,087.27	270,724,632.45
Advance received for rental income from associate	5.1	115,133,333.20	122,983,333.20	134,006,893.00
Other non-current liabilities	21	68,133,518.40	62,220,793.12	22,256,874.05
Total non-current liabilities		2,665,494,744.91	557,460,213.59	2,586,988,399.50
Total liabilities		5,004,425,245.86	5,645,386,946.61	7,249,165,483.57

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	As at		
		December 31, 2014	December 31, 2013	January 1, 2013
		(Restated)	(Restated)	
Shareholders' equity				
Share capital	22			
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
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
Premium on ordinary shares	23	525,000,000.00	525,000,000.00	525,000,000.00
Retained earnings				
Appropriated				
Legal reserve	23	140,000,000.00	140,000,000.00	140,000,000.00
Unappropriated		6,707,190,519.92	5,366,342,818.35	3,850,476,757.43
Other components of shareholders' equity		7,247,293.16	3,014,870.22	2,919,780.34
Total shareholders' equity of company		8,633,258,813.08	7,288,178,688.57	5,772,217,537.77
Non-controlling interests		99,723,373.36	87,951,399.11	73,997,049.51
Total shareholders' equity		8,732,982,186.44	7,376,130,087.68	5,846,214,587.28
Total liabilities and shareholder's equity		13,737,407,432.30	13,021,517,034.29	13,095,380,070.85

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
SEPARATE STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		As at	
	Notes	December 31, 2014	December 31, 2013
<u>Assets</u>			
Current assets			
Cash and cash equivalents		84,981,497.83	95,399,945.47
Trade and other receivables - net	5.1 and 6	354,639,163.45	502,185,720.22
Short-term loans to subsidiary	5.1	-	10,000,000.00
Inventories - net	7	369,391,752.87	441,414,326.97
Other current assets		11,925,262.98	13,223,009.73
Total current assets		820,937,677.13	1,062,223,002.39
Non-current assets			
Investments in associates - net	8	1,525,859,700.00	1,117,712,771.81
Investments in subsidiaries - net	9	1,664,518,042.35	1,661,941,542.35
Investment property - net	12	217,715,957.97	229,937,961.49
Property, plant and equipment - net	13	1,218,899,287.39	1,220,271,359.35
Deferred tax assets	14	205,250,387.51	250,134,426.74
Intangible assets - net	15	11,980,669.15	10,027,972.67
Other non-current assets		34,971,653.00	21,715,089.73
Total non-current assets		4,879,195,697.37	4,511,741,124.14
Total assets		5,700,133,374.50	5,573,964,126.53

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

SEPARATE STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

As at			
	Notes	December 31, 2014	December 31, 2013
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Short-term loans from financial institutions	16 and 17	980,000,000.00	1,500,000,000.00
Trade and other payables	5.1 and 18	223,834,432.13	259,177,094.72
Current portion of advance received			
for rental income from associate	5.1	7,850,000.00	11,023,559.80
Current portion of long-term loans			
from financial institutions	16 and 19	150,000,000.00	-
Current portion of long-term loans			
from related persons	5.1	-	692,200,000.00
Other current liabilities		10,007,467.74	8,556,048.90
Total current liabilities		1,371,691,899.87	2,470,956,703.42
Non-current liabilities			
Long-term loans from financial institutions	16 and 19	225,000,000.00	-
Long-term loans from related persons	5.1	670,200,000.00	-
Employee benefit obligations	20	127,514,467.76	118,376,925.62
Advance received for rental income from associate	5.1	115,133,333.20	122,983,333.20
Other non-current liabilities	21	14,851,121.70	11,308,699.88
Total non-current liabilities		1,152,698,922.66	252,668,958.70
Total liabilities		2,524,390,822.53	2,723,625,662.12

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

SEPARATE STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		As at	
	Notes	December 31, 2014	December 31, 2013
Shareholders' equity			
Share capital	22		
Authorized share capital			
1,400,000,000 ordinary shares @ Baht 1.00		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
Premium on ordinary shares	23	525,000,000.00	525,000,000.00
Retained earnings			
Appropriated			
Legal reserve	23	140,000,000.00	140,000,000.00
Unappropriated		1,256,921,551.97	931,517,464.41
Total shareholders' equity		3,175,742,551.97	2,850,338,464.41
Total liabilities and shareholder's equity		5,700,133,374.50	5,573,964,126.53

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, 2014

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
			(Restated)		(Restated)
Revenue from sales		17,828,681,524.75	16,692,466,404.40	7,870,605,001.82	7,686,708,947.93
Cost of sales		(15,334,147,010.10)	(14,451,112,629.63)	(7,142,325,412.77)	(6,923,843,085.47)
Gross profit		2,494,534,514.65	2,241,353,774.77	728,279,589.05	762,865,862.46
Dividend income from subsidiary and associate		-	-	29,399,940.00	64,299,919.50
Income from the reversal of the allowance for impairment of investments in associates		-	-	408,146,928.19	-
Gain from exchange rate		23,160,592.23	91,325,789.86	14,459,639.09	60,716,402.44
Other income		223,619,766.99	220,321,542.49	118,634,713.54	97,056,020.55
Selling expenses		(532,929,345.76)	(494,112,185.90)	(133,797,071.46)	(122,611,740.40)
Administrative expenses		(632,353,835.07)	(563,736,403.35)	(276,703,308.44)	(246,000,618.47)
Share of profit from associates		325,544,559.09	220,715,470.79	-	-
Financial costs		(145,406,193.15)	(185,526,491.57)	(79,390,223.18)	(91,289,486.75)
Profit before income tax		1,756,170,058.98	1,530,341,497.09	809,030,206.79	525,036,359.33
Income tax revenues (expenses)	26	42,000,619.78	(298,986.19)	(44,884,039.23)	9,211,389.48
Profit for the year		1,798,170,678.76	1,530,042,510.90	764,146,167.56	534,247,748.81
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,798,170,678.76	1,530,042,510.90	764,146,167.56	534,247,748.81
Profit attributable to :					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,779,589,781.57	1,515,866,060.92		
Non-controlling interests		18,580,897.19	14,176,449.98		
		1,798,170,678.76	1,530,042,510.90		
Basic earnings per share	28				
GFPT PUBLIC COMPANY LIMITED (Unit : Baht)		1.42	1.21	0.61	0.43

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, 2014

Consolidated financial statements

	Notes	Retained earnings					Other component of equity		Non-controlling interests	Total	Total	(Unit : Baht)
		Issued and paid-up share capital	Share premium account	Appropriated legal reserve	Unappropriated	Change in shareholding ratio in subsidiary company under common control	Total					
Balance as at January 1, 2013		1,253,821,000.00	525,000,000.00	140,000,000.00	3,944,350,550.91	2,919,780.34	5,866,091,331.25	73,997,049.51	5,940,088,380.76			
Changes in shareholders' equity for the year	2.5	-	-	-	(93,873,793.48)	-	(93,873,793.48)	-	(93,873,793.48)			
Ending balance as at January 1, 2013 (Restated)		1,253,821,000.00	525,000,000.00	140,000,000.00	3,850,476,757.43	2,919,780.34	5,772,217,537.77	73,997,049.51	5,846,214,587.28			
Discount from purchasing the investment in subsidiary		-	-	-	-	95,089.88	95,089.88	-	95,089.88		95,089.88	
Non-controlling interests of subsidiary decrease		-	-	-	-	-	-	(222,100.38)	(222,100.38)		(222,100.38)	
Comprehensive income for the year (Restated)		-	-	-	1,515,866,060.92	-	1,515,866,060.92	14,176,449.98	1,530,042,510.90		1,530,042,510.90	
Ending balance as at December 31, 2013 (Restated)		1,253,821,000.00	525,000,000.00	140,000,000.00	5,366,342,818.35	3,014,870.22	7,288,178,688.57	87,951,399.11	7,376,130,087.68		7,376,130,087.68	
Discount from purchasing the investment in subsidiary		-	-	-	-	4,232,422.94	4,232,422.94	-	4,232,422.94		4,232,422.94	
Non-controlling interests of subsidiary decrease		-	-	-	-	-	-	(6,808,922.94)	(6,808,922.94)		(6,808,922.94)	
Dividend payment	24	-	-	-	(438,742,080.00)	-	(438,742,080.00)	-	(438,742,080.00)		(438,742,080.00)	
Comprehensive income for the year		-	-	-	1,779,589,781.57	-	1,779,589,781.57	18,580,897.19	1,798,170,678.76		1,798,170,678.76	
Ending balance as at December 31, 2014		1,253,821,000.00	525,000,000.00	140,000,000.00	6,707,190,519.92	7,247,293.16	8,633,258,813.08	99,723,373.36	8,732,982,186.44		8,732,982,186.44	

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, 2014

Separate financial statements						(Unit : Baht)
	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2013		1,253,821,000.00	525,000,000.00	140,000,000.00	397,269,715.60	2,316,090,715.60
Comprehensive income for the year		-	-	-	534,247,748.81	534,247,748.81
Ending balance as at December 31, 2013		1,253,821,000.00	525,000,000.00	140,000,000.00	931,517,464.41	2,850,338,464.41
Dividend payment	24	-	-	-	(438,742,080.00)	(438,742,080.00)
Comprehensive income for the year		-	-	-	764,146,167.56	764,146,167.56
Ending balance as at December 31, 2014		1,253,821,000.00	525,000,000.00	140,000,000.00	1,256,921,551.97	3,175,742,551.97

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax	1,756,170,058.98	1,530,341,497.09	809,030,206.79	525,036,359.33
Adjustment to profit before income tax for cash				
Depreciation-grandparent chickens	58,485,117.28	49,266,996.27	-	-
Depreciation-parent chickens	382,275,504.59	316,019,765.50	-	-
Depreciation-investment property	5,505,163.39	5,306,550.60	12,336,769.84	12,173,099.95
Depreciation	554,769,247.57	517,405,143.97	164,429,693.14	159,840,334.68
Amortization expenses	4,363,799.09	3,738,842.63	4,363,799.09	3,738,842.63
(Gain) loss from assets dilapidation	1,367,697.23	455,612.56	(1,904,749.72)	(59.07)
Doubtful debts-trade and other receivables	2,436,463.80	5,231,652.28	-	-
Reversal of loss from impairment in investments in associate	-	-	(408,146,928.19)	-
Loss from sales of retired grandparent chickens	284,388.61	510,918.35	-	-
(Gain) loss from sales of retired parent chickens	2,322,139.29	(20,144,169.39)	-	-
Loss from value of disposal of chicks	2,697,850.03	1,836,129.80	-	-
Reversal of loss from decline in value of inventories	(7,933,511.22)	(4,270,997.51)	(1,922,349.32)	(7,252,565.98)
Reversal of loss from decline in office supplies	(78,937.05)	(4,118.97)	-	-
Reversal of loss from allowance for impairment in investment property	(50,950.00)	-	-	-
(Gain) loss from sales of investment property	(43,350.00)	-	-	661,645.97
Gain from sales property, plant and equipment	(3,837,974.91)	(3,444,703.70)	(8,398.82)	(1,676,315.68)
Gain from unrealized exchange rate	(441,200.00)	(3,601,984.53)	(404,758.81)	(4,877,588.58)
Average tax miss	-	26,783.28	-	-
Dividend income from subsidiary	-	-	-	(29,999,989.50)
Dividend income from associate	-	-	(29,399,940.00)	(34,299,930.00)
Employee benefit obligation	25,920,976.04	25,966,186.82	11,088,992.14	11,586,332.80
Advance received for rental income	(11,023,559.80)	(6,931,558.00)	(11,023,559.80)	(6,931,558.00)
Leasehold recognized as revenue	(1,323,147.54)	(220,524.58)	-	-
Interest income	(1,496,202.13)	(1,357,522.84)	(506,109.50)	(759,852.20)
Interest expense	144,056,193.15	185,526,491.57	72,798,309.45	84,712,466.29
Share of gain from associates	(325,544,559.09)	(220,715,470.79)	-	-
Profit from operating activities before changes in operating assets and liabilities	2,588,881,207.31	2,380,941,520.41	620,730,976.29	711,951,222.64

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities (continue)				
(Increase) decrease in operating assets				
Trade and other receivables	194,084,209.23	(141,006,823.90)	147,919,556.95	(133,454,969.05)
Inventories	(192,441,973.95)	945,103,856.55	74,170,982.71	29,481,354.42
Other current assets	3,134,499.30	5,121,166.54	1,519,279.30	(3,580,082.80)
Other non-current assets	(8,953,498.69)	(1,749,832.08)	(811,600.41)	2,005,637.99
Increase (decrease) in operating liabilities				
Trade and other payables	(56,832,187.18)	(176,090,063.90)	(46,632,805.51)	(303,350,336.06)
Other current liabilities	2,642,365.79	8,954,086.85	1,451,418.84	4,115,889.45
Employee benefit obligation	(3,049,170.00)	(4,434,732.00)	(1,951,450.00)	(3,096,048.00)
Other non-current liabilities	7,235,872.82	40,184,443.65	3,542,421.82	735,162.19
Cash received from operating activities	2,534,701,324.63	3,057,023,622.12	799,938,779.99	304,807,830.78
Cash received from interest income	1,496,202.13	1,357,522.84	506,109.50	759,852.20
Cash received from income tax	27,326.07	26,680,300.62	-	26,680,300.62
Cash payment in income tax	(22,997,690.45)	(13,211,232.68)	(2,303,670.13)	(2,082,137.58)
Net cash received from operating activities	2,513,227,162.38	3,071,850,212.90	798,141,219.36	330,165,846.02
Cash flows from investing activities				
Cash received from dividend from investments in subsidiary	-	-	-	29,999,989.50
Cash received from dividend from investments in associate	29,399,940.00	34,299,930.00	29,399,940.00	34,299,930.00
Cash received from short-term loans in subsidiary	-	-	10,000,000.00	-
Cash payment in investments in subsidiary	(2,576,500.00)	(127,000.00)	(2,576,500.00)	(127,000.00)
Cash received from redemption of long-term investments	5,000.00	-	-	-
Cash received from sales of retired grandparent chickens	4,681,401.30	2,828,896.50	-	-
Cash payment in investments in grandparent chickens	(84,597,532.11)	(56,160,049.64)	-	-
Cash received from sales of retired parent chickens	107,612,775.60	90,192,512.00	-	-
Cash payment in investments in parent chickens	(490,761,203.58)	(399,740,271.64)	-	-
Cash received from sales of investment property	400,000.00	-	-	225,140.18
Cash payment in purchase of investment property	(114,766.32)	(86,001,286.98)	(114,766.32)	(5,201,286.98)
Cash received from sales of property, plant and equipment	19,713,286.28	19,162,484.70	3,816,191.32	1,711,065.45
Cash payment in purchase of property, plant and equipment	(886,242,858.34)	(859,640,938.49)	(153,149,406.94)	(86,491,726.95)
Cash payment in purchase of intangible assets	(6,316,495.57)	(5,775,793.13)	(6,316,495.57)	(5,775,793.13)
Cash payment from purchases of intangible assets awaiting installation	(10,362,825.28)	(15,706,662.44)	(10,362,825.28)	(15,706,662.44)
Cash payment in interest expenses capitalize to assets	(20,909,065.12)	(15,806,668.76)	(2,671,935.34)	-
Net cash used in investing activities	(1,340,068,843.14)	(1,292,474,847.88)	(131,975,798.13)	(47,066,344.37)

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Decrease in trust receipt payables	(49,875,546.26)	(1,490,905,925.30)	-	-
Cash received from short-term loans from financial institutions	8,645,000,000.00	13,185,000,000.00	6,850,000,000.00	11,150,000,000.00
Cash payment in short-term loans from financial institutions	(9,465,000,000.00)	(13,180,000,000.00)	(7,370,000,000.00)	(11,370,000,000.00)
Cash received from long-term loans from financial institutions	450,000,000.00	-	450,000,000.00	-
Cash payment in long-term loans from financial institutions	(155,000,000.00)	(80,000,000.00)	(75,000,000.00)	-
Cash received from long-term loans from related persons	318,000,000.00	49,000,000.00	16,000,000.00	35,000,000.00
Cash payment in long-term loans from related persons	(375,900,000.00)	(49,000,000.00)	(38,000,000.00)	(35,000,000.00)
Cash payment in interest expenses	(142,513,551.09)	(185,842,276.00)	(70,841,788.87)	(84,660,203.33)
Cash payment for dividends	(438,742,080.00)	-	(438,742,080.00)	-
Non controlling interests in dividend	-	(10.50)	-	-
Net cash used in financing activities	(1,214,031,177.35)	(1,751,748,211.80)	(676,583,868.87)	(304,660,203.33)
Net increase (decrease) in cash and cash equivalents	(40,872,858.11)	27,627,153.22	(10,418,447.64)	(21,560,701.68)
Cash and cash equivalent at the beginning of the period	310,602,430.95	282,975,277.73	95,399,945.47	116,960,647.15
Cash and cash equivalent at the ending of the period	269,729,572.84	310,602,430.95	84,981,497.83	95,399,945.47

Additional disclosure :

1. Items not affecting cash flow are as follows :-

- Purchases of grandparent chickens which had not yet been paid	10,826,397.12	-	-	-
- Sale of parent chickens retirement which had not yet been received	760,873.00	-	-	-
- Purchases of parent chickens which had not yet been paid	-	42,040,000.00	-	-
- Depreciation transfer to grandparent chickens	3,728,715.28	4,146,453.52	-	-
- Depreciation transfer to parent chickens	31,439,708.06	23,113,945.44	-	-
- Transfer of investment property to property, plant and equipment	-	55,540,800.00	-	55,540,800.00
- Transfer of property, plant and equipment to investment property	-	2,035,830.00	-	2,035,830.00
- Transfer of inventories to property, plant and equipment	155,224,197.16	63,596,165.60	-	-
- Transfer of property, plant and equipment to inventories	949,026.43	2,563,052.07	-	-
- Transfer of property, plant and equipment to expenses	13,960,779.87	8,274,428.07	226,059.29	1,360,052.80
- Purchases of property, plant and equipment which had not yet been paid	17,684,492.14	28,054,394.21	9,365,380.97	7,788,838.18
- Interest expense includes the cost of property, plant and equipment	20,837,407.24	15,889,395.34	2,671,935.34	-

2. Cash and cash equivalent items consisted of :-

- Cash	580,040.00	5,568,461.00	52,040.00	4,837,961.00
- Cheques on hand	7,973,097.00	23,872,863.00	-	-
- Bank deposits	261,176,435.84	281,161,106.95	84,929,457.83	90,561,984.47
	269,729,572.84	310,602,430.95	84,981,497.83	95,399,945.47

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

GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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, Thailand.

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 statement preparation

2.1 The financial statements are issued for reporting purposes to be used in Thailand are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language

The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals ("FAP") established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies

- 2.2 During the year, the Group adopted a number of new and revised Thai financial reports standards (TFRS) and interpretations, issued by the FAP, that is effective for fiscal years beginning on or after January 1, 2014, as listed below.

<u>Reference standard No.</u>	<u>Name</u>
The Conceptual financial Reporting Standards (Revised 2014)	
<u>Thai Accounting Standards (TAS)</u>	
TAS No. 1 (Revised 2012)	Presentation of Financial Statements
TAS No. 7 (Revised 2012)	Statement of Cash Flows
TAS No. 12 (Revised 2012)	Income Taxes
TAS No. 17 (Revised 2012)	Leases
TAS No. 18 (Revised 2012)	Revenue
TAS No. 19 (Revised 2012)	Employee Benefits
TAS No. 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS No. 24 (Revised 2012)	Related Party Disclosures
TAS No. 28 (Revised 2012)	Investments in Associates
TAS No. 31 (Revised 2012)	Interests in Joint Venture
TAS No. 34 (Revised 2012)	Interim Financial Reporting
TAS No. 36 (Revised 2012)	Impairment of Assets
TAS No. 38 (Revised 2012)	Intangible Assets
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS No. 2 (Revised 2012)	Share-based Payment
TFRS No. 3 (Revised 2012)	Business Combinations
TFRS No. 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS No. 8 (Revised 2012)	Operating Segments
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC No. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC No. 4	Determining Whether an Arrangement Contains a Lease
TFRIC No. 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC No. 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC No. 10	Interim Financial Reporting and Impairment
TFRIC No. 12	Service Concession Arrangement
TFRIC No. 13	Customer Loyalty Programmers

Reference standard No.NameThai Financial Reporting Interpretations (TFRIC) (Continue)

TFRIC No. 17	Distributions of Non-cash Assets to Owners
TFRIC No. 18	Transfers of Assets from Customers

Thai Accounting Standard Interpretations (TSIC)

TSIC No. 15	Operating Leases-Incentives
TSIC No. 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC No. 29	Service Concession Arrangement : Disclosure
TSIC No. 32	Intangible Assets-Website Costs

Accounting treatment guidance

Accounting treatment guidance for stock dividends

The Company's and its subsidiaries' management will adopt the above Thai Financial Reporting Standards, Thai Financial Reporting Interpretations and Accounting Treatment Guidance relevant to the Company and its subsidiaries in the preparation of the financial statements. They will not have any significant impact on the financial statements for the period in which they are initially applied.

In addition to the above new and revised TFRS, the FAP has issued and revised Thai financial reports standards (TFRS) that have not been adopted in the preparation of these financial statements as listed below.

Reference standard No.NameYear
effectiveThai Accounting Standards (TAS)

TAS No. 1 (Revised 2014)	Presentation of Financial Statements	2015
TAS No. 2 (Revised 2014)	Inventories	2015
TAS No. 7 (Revised 2014)	Statement of Cash Flows	2015
TAS No. 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS No. 10 (Revised 2014)	Events after the Reporting Period	2015
TAS No. 11 (Revised 2014)	Construction Contracts	2015
TAS No. 12 (Revised 2014)	Income Taxes	2015
TAS No. 16 (Revised 2014)	Property, Plant and Equipment	2015
TAS No. 17 (Revised 2014)	Leases	2015
TAS No. 18 (Revised 2014)	Revenue	2015
TAS No. 19 (Revised 2014)	Employee Benefits	2015
TAS No. 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS No. 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS No. 23 (Revised 2014)	Borrowing Costs	2015

<u>Reference standard No.</u>	<u>Name</u>	<u>Year effective</u>
<u>Thai Accounting Standards (TAS) (Continue)</u>		
TAS No. 24 (Revised 2014)	Related Party Disclosures	2015
TAS No. 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS No. 27 (Revised 2014)	Separate Financial Statements	2015
TAS No. 28 (Revised 2014)	Investments in Associates and Joint Ventures	2015
TAS No. 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS No. 33 (Revised 2014)	Earnings per Share	2015
TAS No. 34 (Revised 2014)	Interim Financial Reporting	2015
TAS No. 36 (Revised 2014)	Impairment of Assets	2015
TAS No. 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS No. 38 (Revised 2014)	Intangible Assets	2015
TAS No. 40 (Revised 2014)	Investment Property	2015
<u>Thai Financial Reporting Standards (TFRS)</u>		
TFRS No. 2 (Revised 2014)	Share-based Payment	2015
TFRS No. 3 (Revised 2014)	Business Combinations	2015
TFRS No. 4 (Revised 2014)	Insurance Contracts	2016
TFRS No. 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS No. 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS No. 8 (Revised 2014)	Operating Segments	2015
TFRS No. 10	Consolidated Financial Statements	2015
TFRS No. 11	Joint Arrangements	2015
TFRS No. 12	Disclosure of Interests in Other Entities	2015
TFRS No. 13	Fair Value Measurement	2015
<u>Thai Accounting Standard Interpretations (TSIC)</u>		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	2015
<u>Thai Financial Reporting interpretations (TFRIC)</u>		
TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015

<u>Reference standard No.</u>	<u>Name</u>	<u>Year effective</u>
<u>Thai Financial Reporting interpretations (TFRI) (Continue)</u>		
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (Revised 2014)	2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Revised 2014)	2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	2015

The Company's and its subsidiaries' management will adopt the above Financial Reporting Standards and interpretation relevant to the Company and its subsidiaries in the preparation of the financial statements of the Company and its subsidiaries when they become effective. In addition, the Company's and its subsidiaries' management have assessed the effects of these standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

- 2.3 The Company's have been reclassified contain items in the financial statement to correspond with the presentation of the current financial statement with no effect to the reported for the year ended or share holders' equity. The reclassifications have the following details.

	(Unit Baht)					
	Consolidated financial statements			Separate financial statements		
	Before readjustment	Readjustment increase (Decrease)	After readjustment	Before readjustment	Readjustment increase (Decrease)	After readjustment
Statements of financial position as at January 1, 2013						
Current portion of advance received						
for rental income from associate	-	6,931,558.00	6,931,558.00	-	-	-
Advance received for rental income from associate	140,938,451.00	(6,931,558.00)	134,006,893.00	-	-	-
Statements of financial position as at December 31, 2013						
Trade and other payables	921,118,164.98	1,323,147.54	922,441,312.52	-	-	-
Current portion of advance received						
for rental income from associate	-	11,023,559.80	11,023,559.80	-	11,023,559.80	11,023,559.80
Advance received for rental income from associate	134,006,893.00	(11,023,559.80)	122,983,333.20	134,006,893.00	(11,023,559.80)	122,983,333.20
Other non-current liabilities	63,543,940.66	(1,323,147.54)	62,220,793.12	-	-	-

	Consolidated financial statements			Separate financial statements		
	Before	Readjustment	After	Before	Readjustment	After
	readjustment	increase (Decrease)	readjustment	readjustment	increase (Decrease)	readjustment
Statements of income for the year ended December 31, 2013						
Revenue from sales	16,699,034,128.53	(6,567,724.13)	16,692,466,404.40	-	-	-
Cost of sales	(14,418,324,536.22)	(32,788,093.41)	(14,451,112,629.63)	-	-	-
Selling expenses	(533,468,003.44)	39,355,817.54	(494,112,185.90)	-	-	-

- 2.4 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. The significant estimates and assumptions are as follows:-

Lease agreement

In determining whether a lease is to be classified as an operating lease or financing lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful debt

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduction of Inventories to become Net Realizable Value

In estimating the reduction of inventories to become net realizable value, the management uses the discretion in estimating the net realizable value of inventories. The sum of money expected to receive from inventories is considered from the change in sale price or cost directly related to the events occurring after of report period.

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

Allowances for decline in value of dilapidated inventories and non-movement inventories are estimated from inventories which are subject to dilapidation and non-movement.

Grandparent Chickens and Parent Chickens and Depreciation

In calculating the depreciation, the management is necessary to perform the estimation on the standard of expected products and residual value when the age of giving produce of grandparent chickens and parent chickens was due. Besides, the residual value must be revised if any change occurs. The management has to verify the residual value of grandparent chickens and parent chickens with the indication of residual value on the first day of giving produce of grandparent chickens and parent chickens and the residual value on the date which is the end of report period. If the residual value changes more than the specified level, the residual value must be changed for the calculation of depreciation of grandparent chickens and parent chickens. The management is requires judgments regarding forecast of future revenues and expense related to grandparent chickens and parent chickens.

Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment properties, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties, property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Estimate on employee benefit obligations

Provisions for post employment benefits are calculated by actuarial techniques, of which assumptions consist of discount rate, salary increation rate, turnover rate and related demographic factors. To indicate discount rate, the management considers interest rate reflecting present economic situation. However, actual post employment benefits may differ from the estimates.

Other estimates are disclosed under related caption in these notes to financial statements.

Goodwill

Measurement subsequent initial recognition, goodwill should be tested of impairment annually whether or not there is any indication that it may be impaired by comparing the carrying amount with the recoverable amount.

- 2.5 The Company, which adjustment for deferred tax assets on January 1, 2013 in consolidated financial statements as a result of the reversal of the allowance for impairment of investments in associates are recorded by the equity method, the effect can be shown as follows:-

	(Unit : Baht)		
	Consolidated financial statements		
	Before readjustment	Readjustment	After readjustment
Statements of financial position as at January 1, 2013			
Deferred tax assets decrease	320,437,297.42	(93,873,793.48)	226,563,503.94
Retained earnings decrease	3,944,350,550.91	(93,873,793.48)	3,850,476,757.43
Statements of financial position as at December 31, 2013			
Deferred tax assets decrease	322,435,790.92	(81,629,385.64)	240,806,405.28
Retained earnings decrease	5,447,972,247.48	(81,629,429.13)	5,366,342,818.35
Non-controlling interests increase	87,951,355.62	43.49	87,951,399.11
Statements of comprehensive income for the year ended			
December 31, 2013			
Income tax revenues (expenses)	(12,543,394.03)	12,244,407.84	(298,986.19)
Comprehensive income	1,517,798,103.06	12,244,407.84	1,530,042,510.90
Basic earning per share (Baht/share)	1.20	0.01	1.21

3. Basis of the consolidated financial statements preparation

3.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of five subsidiary companies (collectively called the “the Group”) The detail of structure and shareholding ratio of the Group is as follows:-

<u>Name of company</u>	<u>Incorporated in the country</u>	<u>Type of business</u>	<u>Percentage of shareholding</u>	
			<u>2014</u>	<u>2013</u>
M.K.S. FARM CO., LTD.	Thailand	Broiler farm	99.9999	99.9999
KRUNGTHAI FARM CO., LTD.	Thailand	Parent chickens farm and chicks distribution	99.9999	99.9999
KRUNGTHAI FOOD PUBLIC CO., LTD.	Thailand	Production and distribution feed mill and parent chickens farm	98.0338	97.8666
GF FOODS CO., LTD.	Thailand	Production and distribution of processed food	99.9999	99.9999
GP BREEDING CO., LTD.	Thailand	Grandparent chickens farm	99.9999	99.9999

3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.

3.4 The accounting periods of subsidiary companies ended the same date as that of GFPT PUBLIC COMPANY LIMITED

3.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

The significant accounting policies of the Group can be summarized as follows:-

4.1 Cash and cash equivalents

Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.

4.2 Trade and other receivables

Trade accounts receivable and other accounts receivable are shown at net realizable value. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments from the uncollectability of each account receivable. Bad debts are written off when incurred.

4.3 Inventories

Inventory is reflected by value in accordance with the cost price or net realizable value whichever is lower which the cost price calculates 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.

4.4 Investments

Investments in subsidiaries

According to the separate financial statements investments in subsidiaries are recorded at cost method deducted by allowance for impairment of investments.

Investments in associates

According to the separate financial statements investments in associates are recorded at cost method deducted by allowance for impairment of investments and according to the consolidated financial statements are recorded at equity method.

4.5 Grandparent chickens and parent chickens

- Grandparent chickens and parent chickens are recorded at cost after deduction accumulated depreciation and the depreciation are calculated from cost after deduction of residual value by the estimated the production and the impairment of grandparent chickens and parent chickens (if any).
- Rearing grandparent chickens and parent chickens are recorded at cost price and included expenses which occurred during rearing period of grandparent chickens and parent chickens.
- Retired grandparent chickens and parent chickens are recognized as a gain or loss from sales of retired grandparent chickens and parent chickens in the statement of comprehensive income.

4.6 Investment property

The Group investment property is their owned land and building 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 depreciation on a straight-line method over their approximate useful-life as follows:-

- | | |
|---------------------|----------|
| - Poultry houses | 20 Years |
| - Condominium units | 20 Years |
| - Factory buildings | 20 Years |

4.7 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 depreciation on a straight-line method over their approximate useful-life as follows:-

- | | |
|-----------------------------|-------------|
| - Land improvements | 20 Years |
| - Building and improvements | 20 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.

4.8 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.

4.9 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.

4.10 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.

4.11 Impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Goodwill and other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of recoverable amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The 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 loss

- The loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized. The carrying amount of the asset not exceed just to be the carrying amount that would have been (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

4.12 Trade and other payables

Trade and other payables were shown in cost value.

4.13 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 obligation calculated by the Group's management in accordance with the actuarial technique and the present value of the defined benefit obligation 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.

4.14 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.

4.15 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.

4.16 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 returns are received.
- Dividend Income are recognized when the right to receive the dividends is established.

4.17 Recognition of expenses

- Expenses are recognized on an accrual basis.
- Payments made under operating leases are recognized on a straight-line basis over the term of the lease.

4.18 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognizes deferred tax assets for all deductible temporary differences and tax losses they carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

4.19 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net profit (loss) 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.

4.20 The related parties and related companies

The related parties and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

4.21 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.

4.22 Financial instruments

Financial instruments, financial assets were shown in the statements of financial position composed of cash and cash at banks and trade and other receivables. Financial liabilities were shown in the statements of financial position composed of trade and other payables. The accounting policy of each item would be disclosed in separated items.

5. Inter-transaction with related companies

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, associate companies, related companies and related persons are summarized below :-

5.1 Inter-assets and liabilities

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	3,220,961.34	2,552,280.00
GF FOODS CO., LTD.	-	-	27,190,278.96	38,037,429.31
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	69,992,634.02	55,694,155.67	69,992,634.02	55,694,155.67
GFPT NICHIREI (THAILAND) CO., LTD.	159,673,795.51	177,493,174.55	-	-
Related companies				
NICHIREI FOODS INC.	62,527,332.72	88,852,443.05	62,527,332.72	88,852,443.05
KEYSTONE FOODS (AP) LIMITED	41,999,386.15	55,709,611.85	41,999,386.15	55,709,611.85
SURAPON NICHIREI FOODS CO., LTD.	-	4,475,270.00	-	4,475,270.00
SURAPON FOODS PUBLIC CO., LTD.	513,600.00	442,908.00	513,600.00	442,908.00
P.CHAROEN PHAN FEEDMILL CO., LTD.	-	109,726,158.00	-	-
P.VET. CO., LTD.	-	59,266.67	-	-
Total	334,706,748.40	492,452,987.79	205,444,193.19	245,764,097.88
Other receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	135,921.10	267,238.64
M.K.S. FARM CO., LTD.	-	-	183,583.41	219,731.14
KRUNGTHAI FARM CO., LTD.	-	-	116,635.45	119,964.97
GP BREEDING CO., LTD.	-	-	44,297.40	24,952.40

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	10,294,201.18	8,318,724.64	10,294,201.18	8,318,724.64
GFPT NICHIREI (THAILAND) CO., LTD.	3,163,584.00	3,074,568.49	226,200.00	395,994.69
Related companies				
M.K.S. CONDOTOWN CO., LTD.	58,024.02	51,060.40	58,024.02	51,060.40
P.CHAROEN PHAN FEEDMILL CO., LTD.	22,411.15	689,751.56	22,411.15	-
P.VET. CO., LTD.	-	1,512.40	-	-
Total	13,538,220.35	12,135,617.49	11,081,273.71	9,397,666.88
Short-term loans to				
Subsidiaries				
Balance as at beginning	-	-	10,000,000.00	10,000,000.00
Increase	-	-	-	-
Decrease	-	-	(10,000,000.00)	-
Balance as at ending	-	-	-	10,000,000.00
Advance payment				
Subsidiary				
GF FOODS CO., LTD.	-	-	1,073,623.80	1,173,793.09
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	45,638.54	37,884.99	-	-
Total	45,638.54	37,884.99	1,073,623.80	1,173,793.09
Prepaid expenses				
Related Company				
P.CHAROEN PHAN PRODUCE CO., LTD.	623,380.94	623,380.94	623,380.94	623,380.94
Deposit payment				
Related Companies				
P.CHAROEN PHAN FEEDMILL CO., LTD.	2,104,400.00	2,104,400.00	911,000.00	911,000.00
P.CHAROEN PHAN PRODUCE CO., LTD.	125,000.00	125,000.00	-	-
M.K.S. CONDOTOWN CO., LTD.	111,000.00	111,000.00	111,000.00	111,000.00
Total	2,340,400.00	2,340,400.00	1,022,000.00	1,022,000.00
Trade and notes payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	17,294,153.46	49,664,385.76
KRUNGTHAI FARM CO., LTD.	-	-	1,783,654.87	3,662,086.77
GF FOODS CO., LTD.	-	-	426,825.00	529,030.00

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	1,499,685.00	1,481,210.00	700,390.00	321,350.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	56,565,586.32	77,442,794.11	-	-
Total	58,065,271.32	78,924,004.11	20,205,023.33	54,176,852.53
Accrued expenses				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	302,428.23	343,924.26
M.K.S. FARM CO., LTD.	-	-	79,551.52	112,896.86
KRUNGTHAI FARM CO., LTD.	-	-	79,551.50	112,896.87
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.	1,238,279.99	-	-	-
Related Company				
M.K.S. CONDOTOWN CO., LTD.	-	76,963.91	-	76,963.91
Total	1,238,279.99	76,963.91	461,531.25	646,681.90
Other payables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	74,705.00	69,538.69
KRUNGTHAI FARM CO., LTD.	-	-	4,530.00	5,240.00
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	1,069,200.26	2,099.43	1,069,200.26	2,099.43
GFPT NICHIREI (THAILAND) CO., LTD.	-	66,340.00	-	66,340.00
Total	1,069,200.26	68,439.43	1,148,435.26	143,218.12
Deposit income				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	25,000.00	25,000.00
M.K.S. FARM CO., LTD.	-	-	140,000.00	140,000.00
Total	-	-	165,000.00	165,000.00

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Advance received for rental income				
Subsidiary				
M.K.S. FARM CO., LTD.	-	-	25,000.00	25,000.00
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.				
Balance as at beginning	122,983,333.20	134,006,893.00	122,983,333.20	134,006,893.00
Beginning of current portion	11,023,559.80	6,931,558.00	11,023,559.80	6,931,558.00
<u>Less</u> Advance received for rental income				
recognized as revenue in the year	(11,023,559.80)	(6,931,558.00)	(11,023,559.80)	(6,931,558.00)
Current portion	(7,850,000.00)	(11,023,559.80)	(7,850,000.00)	(11,023,559.80)
Balance as at ending	115,133,333.20	122,983,333.20	115,133,333.20	122,983,333.20
Total	115,133,333.20	122,983,333.20	115,158,333.20	123,008,333.20
Long-term loans from directors in				
Parent Company				
Balance as at beginning	-	692,200,000.00	-	692,200,000.00
Beginning of current portion	692,200,000.00	-	692,200,000.00	-
Increase	16,000,000.00	35,000,000.00	16,000,000.00	35,000,000.00
Decrease	(38,000,000.00)	(35,000,000.00)	(38,000,000.00)	(35,000,000.00)
Redemption	(690,200,000.00)	-	(690,200,000.00)	-
Renewal promissory notes	690,200,000.00	-	690,200,000.00	-
Total	670,200,000.00	692,200,000.00	670,200,000.00	692,200,000.00
<u>Less</u> Current portion	-	(692,200,000.00)	-	(692,200,000.00)
Balance as at ending	670,200,000.00	-	670,200,000.00	-
Subsidiaries				
Balance as at beginning	-	682,900,000.00	-	-
Beginning of current portion	693,900,000.00	-	-	-
Increase	241,000,000.00	11,000,000.00	-	-
Decrease	(224,900,000.00)	-	-	-
Redemption	(808,900,000.00)	-	-	-
Renewal promissory notes	808,900,000.00	-	-	-
Total	710,000,000.00	693,900,000.00	-	-
<u>Less</u> Current portion	-	(693,900,000.00)	-	-
Balance as at ending	710,000,000.00	-	-	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Related persons in subsidiaries				
Balance as at beginning	-	624,900,000.00	-	-
Beginning of current portion	613,900,000.00	-	-	-
Increase	61,000,000.00	3,000,000.00	-	-
Decrease	(113,000,000.00)	(14,000,000.00)	-	-
Redemption	(500,900,000.00)	-	-	-
Renewal promissory notes	500,900,000.00	-	-	-
Total	561,900,000.00	613,900,000.00	-	-
<u>Less</u> Current portion	-	(613,900,000.00)	-	-
Balance as at ending	561,900,000.00	-	-	-
Total	1,942,100,000.00	-	670,200,000.00	-

As at December 31, 2014 and 2013, the whole amount of short-term loans to subsidiary company has loans in form of promissory note in the type of call, carried interest rate at 2.50% and 3.10% per annum, respectively.

As at December 31, 2014, the whole amount of long-term loans from related persons which are in form of promissory note will be gradually matured within 2024, carried interest rate at 5.50% per annum.

As at December 31, 2013, the whole amount of long-term loans from related persons which are 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 subsidiaries 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 pays interest every month, has no collateral.

The resolutions of the Extra-Ordinary Meeting No. 1/2013 dated December 12, 2013, was approved GFPT Public Company Limited and subsidiaries 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 5.50% with maturity of 10 years from February 1, 2014 to January 31, 2024, and pays interest every month, has no collateral.

5.2 Inter-revenues and expenses

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		for the year ended December 31,			
	Pricing policy	2014	2013	2014	2013
Inter-transaction with subsidiaries					
(Eliminated from consolidated financial statements)					
Sales	Agreement price, reference to market price	-	-	674,401,842.06	651,265,182.24
Purchase	Agreement price, reference to market price	-	-	4,934,418,238.62	4,738,163,187.97
Interest income	Annual interest rate at 2.50% and 3.10%	-	-	116,575.36	310,000.01
Rental income	Contract price	-	-	2,340,000.00	2,340,000.00
Other income	Cost price and agreement price	-	-	18,606,917.73	17,849,734.09
Dividend received	Approved of director’s meeting	-	-	-	29,999,989.50
Other expenses	Cost price	-	-	6,080,939.24	7,475,715.17
Inter-transaction with associates					
Sales	Agreement price, reference to market price	5,017,308,680.76	4,304,772,668.29	1,141,130,720.92	949,051,626.82
Purchase	Agreement price, reference to market price	54,390,285.00	88,290,628.00	14,214,590.00	53,773,388.00
Rental income	Contract price	18,287,183.40	13,438,327.80	18,287,183.40	13,438,327.80
Other income	Cost price and market price	155,114,723.79	137,585,333.41	122,428,023.79	108,150,543.41
Dividend received	Approved of shareholder’s meeting	29,399,940.00	34,299,930.00	29,399,940.00	34,299,930.00
Other expenses	Cost price	2,118,650.27	892,429.72	1,939,850.27	892,429.72
Inter-transaction with related companies					
Sales	Agreement price, reference to market price	1,819,576,647.39	2,169,556,162.03	1,187,933,611.39	1,945,935,237.48
Purchase	Agreement price, reference to market price	2,884,569,297.54	2,463,507,766.65	-	-
Other income	Cost price and market price	24,269,400.89	19,036,597.90	3,929,277.30	1,746,691.90
Rental expenses	Contract price	18,701,213.00	18,749,528.31	8,467,853.00	8,438,168.31
Other expenses	Cost price and market price	76,659,218.33	79,718,532.68	2,991,287.73	3,465,869.61
Inter-transaction with related persons					
Interest expense capitalized to statement of comprehensive income	Annual interest rate at 5.50% and 6.00%	97,029,919.30	108,364,604.55	36,679,202.41	41,504,876.33
Interest expenses capitalized to cost of assets		13,503,760.26	11,607,120.55	1,349,649.28	-

5.3 Management benefit expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the year ended December 31,</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	64,750,845.00	61,564,085.00	39,617,240.00	35,977,112.00
Post-employment benefits	1,029,813.00	1,022,672.00	684,010.00	684,010.00
Total	65,780,658.00	62,586,757.00	40,301,250.00	36,661,122.00

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.

5.4 Relationship among the Companies

Consist of :-

<u>Company's Name</u>	<u>Relationship</u>
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 FOOD PUBLIC CO., LTD. (Formerly Krunghai 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.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 FOODS INC.	Related company by major shareholding of associated company
KEYSTONE FOODS (AP) LTD.	Related company with associated company by common Parent company 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, shareholders and related persons with directors and shareholders

6. Trade and other receivables-net

Consisted of:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade receivable-related parties	334,706,748.40	492,452,987.79	205,444,193.19	245,764,097.88
Trade receivable-other parties	423,513,868.73	536,212,081.79	129,927,318.01	239,422,765.99
Notes receivable-other parties	93,724,795.00	77,403,237.00	-	1,316,788.00
Total Trade and notes receivables	851,945,412.13	1,106,068,306.58	335,371,511.20	486,503,651.87
<u>Less</u> Allowance for doubtful accounts	(39,341,605.18)	(36,894,889.38)	-	-
Total Trade and notes receivables-net	812,603,806.95	1,069,173,417.20	335,371,511.20	486,503,651.87
Other receivable-related parties	13,538,220.35	12,135,617.49	11,081,273.71	9,397,666.88
Other receivable-other parties	1,446,216.51	442,196.50	10,099.40	28,234.89
Advance payment-related parties	45,638.54	37,884.99	1,073,623.80	1,173,793.09
Advance payment-other parties	7,141,920.30	2,844,493.64	84,200.00	29,350.00
Prepaid expenses	21,517,556.74	15,395,649.85	6,393,407.34	4,640,232.49
Accrued income	49,245,327.64	921,201.45	625,048.00	412,791.00
Total Other receivables	92,934,880.08	31,777,043.92	19,267,652.25	15,682,068.35
<u>Less</u> Allowance for doubtful accounts	(191,692.00)	(201,944.00)	-	-
Other receivables-net	92,743,188.08	31,575,099.92	19,267,652.25	15,682,068.35
Total Trade and other receivables-net	905,346,995.03	1,100,748,517.12	354,639,163.45	502,185,720.22

Trade and notes receivables were classified by aging as follows:-

6.1 Trade receivable-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade and notes receivables within due period	327,063,910.34	405,169,713.47	197,556,885.13	224,906,045.48
Trade and notes receivables over due period				
- Less than 3 months	7,638,552.84	87,283,274.32	7,883,022.84	20,858,052.40
- More than 3 months	4,285.22	-	4,285.22	-
Total	334,706,748.40	492,452,987.79	205,444,193.19	245,764,097.88

6.2 Trade receivable-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade and notes receivables within due period	304,205,733.29	369,688,459.64	108,052,841.32	184,908,628.10
Trade and notes receivables over due period				
- Less than 3 months	171,563,939.36	206,887,456.29	21,874,476.69	55,830,925.89
- More than 3 months	41,468,991.08	37,039,402.86	-	-
Total	517,238,663.73	613,615,318.79	129,927,318.01	240,739,553.99
<u>Less</u> Allowance for doubtful accounts	(39,341,605.18)	(36,894,889.38)	-	-
Net	477,897,058.55	576,720,429.41	129,927,318.01	240,739,553.99

The normal credit term granted to customers of the Group is 1-180 days.

The movement of allowance for doubtful debts-trade and other receivables-third parties for the year ended December 31, 2014 are as follows:-

(Unit: Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning balance	37,096,833.38	-
Additions during the period	9,757,510.50	-
Collect during the period	(6,453,478.70)	-
Bad debts written off	(867,568.00)	-
Ending balance	39,533,297.18	-

Management of the Company believes that the allowance for doubtful accounts recorded as sufficient in the circumstances present.

7. Inventories-net

Consisted of:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods-processed chicken products	145,049,400.24	101,165,310.37	144,483,410.65	105,162,731.53
Finished goods-feed mill	78,060,488.36	80,162,333.43	-	-
Finished goods-chicks	49,642.88	1,277.18	-	-
Raw materials	1,431,015,299.32	1,747,939,967.51	21,251,284.36	19,679,549.76
Raw materials in transit	329,913,065.47	52,200,016.08	-	-
Work in process	198,859,900.78	315,279,691.18	162,542,181.01	281,238,117.95
Seed eggs and eggs during hatching	96,787,675.83	78,282,521.96	-	-
Rearing chicken	400,535,537.84	331,526,231.69	-	-
Medical supplies, supplies and others	617,491,072.06	541,775,000.32	53,540,416.09	49,681,816.29
Total	3,297,762,082.78	3,248,332,349.72	381,817,292.11	455,762,215.53
<u>Less</u> Allowance for decline in value of				
non-movement inventories	(2,878,872.85)	(3,135,146.11)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of inventories	(20,583,653.10)	(28,260,891.06)	(9,546,666.39)	(11,469,015.71)
Net	3,274,299,556.83	3,216,936,312.55	369,391,752.87	441,414,326.97

Cost of inventories recognized as an expense and are included in cost of goods sold account for the year ended on December 31, 2014 and 2013 are as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the year ended on December 31,</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cost of goods sold	15,342,080,521.32	14,455,383,627.14	7,144,247,762.09	6,931,095,651.45
The reduction in net worth is expected to be received				
(reversal)	(7,933,511.22)	(4,270,997.51)	(1,922,349.32)	(7,252,565.98)
Net	15,334,147,010.10	14,451,112,629.63	7,142,325,412.77	6,923,843,085.47

For the years ended on December 31, 2014 and 2013 the movement of allowance for non-movement inventories and allowance for decline in value of inventories was as follows:-

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the year ended December 31,</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Allowance for decline in value of non-movement inventories-beginning	(3,135,146.11)	(3,139,476.62)	(2,878,872.85)	(2,878,872.85)
Reversed/sold during the period	256,273.26	4,330.51	-	-
Allowance for decline in value of non-movement inventories-ending	(2,878,872.85)	(3,135,146.11)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value-beginning	(28,260,891.06)	(32,527,558.06)	(11,469,015.71)	(18,721,581.69)
Increased during the period	(42,895.39)	(8,743,515.09)	-	-
Reversed/Sold during the period	7,720,133.35	13,010,182.09	1,922,349.32	7,252,565.98
Allowance for decline in value-ending	(20,583,653.10)	(28,260,891.06)	(9,546,666.39)	(11,469,015.71)

8. Investments in associates-net

As at December 31, 2014 and 2013, the Company had investments in associates as follows:-

(Unit : Baht)

<u>Name of company</u>	<u>Consolidated financial statements</u>							
	<u>Paid-up</u>		<u>% Share</u>		<u>Equity method</u>		<u>Dividend</u>	
	<u>share capital</u>		<u>-holding</u>		<u>As at December 31,</u>		<u>for the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Investments in associates								
- MCKEY FOOD SERVICES (THAILAND) LTD.	100,000,000.00	100,000,000.00	49.00	49.00	483,813,688.99	406,731,555.81	29,399,940.00	34,299,930.00
- GFPT NICHIREI (THAILAND) CO., LTD.	3,014,000,000.00	3,014,000,000.00	49.00	49.00	1,428,059,302.80	1,208,996,816.89	-	-
Total					1,911,872,991.79	1,615,728,372.70	29,399,940.00	34,299,930.00

For the years ended on December 31, 2014 and 2013 the movements in investments in associates accounted by using the equity method were as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>	
	<u>for the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Investments in associates-beginning	1,615,728,372.70	1,429,312,831.91
Add Share of net profit of investments-equity method	325,544,559.09	220,715,470.79
Less Received from dividend from investments in associate	(29,399,940.00)	(34,299,930.00)
Investments in associates-ending	1,911,872,991.79	1,615,728,372.70

(Unit : Baht)

Name of company	Separate financial statements							
	Paid-up		% Share		Cost method		Dividend	
	share capital		-holding		As at December 31,		for the year ended December 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Investments in associates								
- MCKEY FOOD SERVICES								
(THAILAND) LTD.	100,000,000.00	100,000,000.00	49.00	49.00	49,000,000.00	49,000,000.00	29,399,940.00	34,299,930.00
- GFPT NICHIREI								
(THAILAND) CO., LTD.	3,014,000,000.00	3,014,000,000.00	49.00	49.00	1,476,859,700.00	1,476,859,700.00	-	-
Total					1,525,859,700.00	1,525,859,700.00	29,399,940.00	34,299,930.00
Less Allowance for Impairment					-	(408,146,928.19)	-	-
Net					1,525,859,700.00	1,117,712,771.81	29,399,940.00	34,299,930.00

The movement of allowance for impairment of investments in associate for the year ended December 31, 2014 and 2013 are as follows:-

(Unit: Baht)

	Separate financial statements	
	for the year ended December 31,	
	2014	2013
Beginning balance	408,146,928.19	408,146,928.19
Reversal during the year	(408,146,928.19)	-
Ending balance	-	408,146,928.19

For the year ended December 31, 2014, GFPT INCHIREI (THAILAND) CO., LTD. (the Associate Company) has gain from operation, the management see that business profits of the Associate Company has been improving continuously. Therefore, the Company reversed allowance for impairment of investments in associates and then recognized income from the reversal of allowance for impairment of investments in associates in the statement of comprehensive income for the year ended December 31, 2014

The aggregated amounts of assets, liabilities, revenue and profit of associates are as follows:-

(Unit : Baht)

<u>Associates</u>	<u>As at</u>		<u>For the year ended</u>	
	<u>December 31, 2014</u>		<u>December 31, 2014</u>	
	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total revenue</u>	<u>Net profit</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	1,511,628,010.27	523,151,115.59	3,893,103,016.69	217,622,994.37
GFPT NICHIREI (THAILAND) CO., LTD.	3,303,752,938.20	388,574,733.38	6,708,439,502.08	445,093,729.69

(Unit : Baht)

<u>Associates</u>	<u>As at</u>		<u>For the year ended</u>	
	<u>December 31, 2013</u>		<u>December 31, 2013</u>	
	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total revenue</u>	<u>Net profit</u>
MCKEY FOOD SERVICES (THAILAND) LTD.	1,259,373,355.07	428,519,454.76	3,232,441,019.16	164,408,329.99
GFPT NICHIREI (THAILAND) CO., LTD.	3,031,521,831.98	561,437,356.85	5,769,765,820.63	289,038,002.04

9. Investments in subsidiaries-net

As at December 31, 2014 and 2013 the Company had investments in subsidiaries as follows:-

(Unit : Baht)

<u>Name of company</u>	<u>Separate financial statements</u>							
	<u>Paid-up</u>		<u>% Share</u>		<u>Cost method</u>		<u>Dividend</u>	
	<u>share capital</u>		<u>-holding</u>		<u>As at December 31,</u>		<u>for the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Investments in subsidiaries								
- M.K.S. FARM CO., LTD.	550,000,000.00	550,000,000.00	99.99	99.99	549,999,910.00	549,999,910.00	-	-
- KRUNGTHAI FARM CO., LTD.	350,000,000.00	350,000,000.00	99.99	99.99	349,999,910.00	349,999,910.00	-	-
- KRUNGTHAI FOOD								
PUBLIC CO.,LTD.	400,000,000.00	400,000,000.00	98.0338	97.8666	524,019,227.35	521,442,727.35	-	-
- GF FOODS CO., LTD.	40,000,000.00	40,000,000.00	99.99	99.99	39,999,100.00	39,999,100.00	-	-
- GP BREEDING CO., LTD.	200,000,000.00	200,000,000.00	99.99	99.99	200,499,895.00	200,499,895.00	-	29,999,989.50
Total					1,664,518,042.35	1,661,941,542.35	-	29,999,989.50

For the year ended December 31, 2014 the Company additional investment in KRUNGTHAI FOOD PUBLIC CO., LTD. which is a subsidiary for 66,900 shares in the amount of Baht 2.58 million. The proportion of shareholding increases from 97.8666% to 98.0338%. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 4.23 million, representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

For the year ended December 31, 2013 the Company additional investment in KRUNGTHAI FOOD PUBLIC CO., LTD. which is a subsidiary for 2,600 shares in the amount of Baht 0.13 million. The proportion of shareholding increases from 97.8601% to 97.8666%. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 0.10 million, representing in the shareholder's equity as it is considered as the change of shareholders after the control in such subsidiary.

10. Grandparent chickens-net

Consisted of:-

	(Unit : Baht)		
	Consolidated Financial Statements		
	Grandparent Chickens	Grandparent Chickens During Rearing	Total
Cost :-			
As at January 1, 2013	51,049,076.44	12,914,375.64	63,963,452.08
Purchase	-	56,160,049.64	56,160,049.64
Transfer in	56,266,003.91	-	56,266,003.91
Depreciation transferred to costs of rearing	-	4,146,453.52	4,146,453.52
Sale	(51,049,076.44)	-	(51,049,076.44)
Transfer out	-	(56,266,003.91)	(56,266,003.91)
As at December 31, 2013	56,266,003.91	16,954,874.89	73,220,878.80
Purchase	-	84,597,532.11	84,597,532.11
Transfer in	60,784,279.73	-	60,784,279.73
Depreciation transferred to costs of rearing	-	3,728,715.78	3,728,715.78
Sale	(56,266,003.91)	-	(56,266,003.91)
Transfer out	-	(60,784,279.73)	(60,784,279.73)
As at December 31, 2014	60,784,279.73	44,496,843.05	105,281,122.78
Accumulated depreciation :-			
As at January 1, 2013	(25,810,750.22)	-	(25,810,750.22)
Depreciation for the year	(49,266,996.27)	-	(49,266,996.27)
Depreciation for sale /retirement	47,709,261.59	-	47,709,261.59
As at December 31, 2013	(27,368,484.90)	-	(27,368,484.90)
Depreciation for the year	(58,485,117.28)	-	(58,485,117.28)
Depreciation for sale /retirement	51,300,214.00	-	51,300,214.00
As at December 31, 2014	(34,553,388.18)	-	(34,553,388.18)
Book value net :-			
As at December 31, 2013	28,897,519.01	16,954,874.89	45,852,393.90
As at December 31, 2014	26,230,891.55	44,496,843.05	70,727,734.60
Depreciation was shown in statements of comprehensive Income for the year :-			
Ended December 31, 2013			49,266,996.27
Ended December 31, 2014			58,485,117.28

11. Parent chickens-net

Consisted of:-

(Unit : Baht)

	Consolidated financial statements		
	Parent chickens	Parent chickens during rearing	Total
Cost :-			
As at January 1, 2013	323,356,353.59	117,152,295.24	440,508,648.83
Purchase	-	441,780,271.64	441,780,271.64
Transfer in	387,832,920.41	-	387,832,920.41
Depreciation transferred to costs of rearing	-	23,113,945.44	23,113,945.44
Sale	(372,428,072.32)	-	(372,428,072.32)
Transfer out	-	(387,832,920.41)	(387,832,920.41)
As at December 31, 2013	338,761,201.68	194,213,591.91	532,974,793.59
Purchase	-	501,587,600.70	501,587,600.70
Transfer in	596,419,320.26	-	596,419,320.26
Depreciation transferred to costs of rearing	-	31,439,708.06	31,439,708.06
Sale	(489,046,862.69)	-	(489,046,862.69)
Transfer out	-	(596,419,320.26)	(596,419,320.26)
As at December 31, 2014	446,133,659.25	130,821,580.41	576,955,239.66
Accumulated depreciation :-			
As at January 1, 2013	(152,685,153.48)	-	(152,685,153.48)
Depreciation for the year	(316,019,765.50)	-	(316,019,765.50)
Depreciation for sale /retirement	302,379,729.71	-	302,379,729.71
As at December 31, 2013	(166,325,189.27)	-	(166,325,189.27)
Depreciation for the year	(382,275,504.59)	-	(382,275,504.59)
Depreciation for sale /retirement	378,351,074.80	-	378,351,074.80
As at December 31, 2014	(170,249,619.06)	-	(170,249,619.06)
Book value net :-			
As at December 31, 2013	172,436,012.41	194,213,591.91	366,649,604.32
As at December 31, 2014	275,884,040.19	130,821,580.41	406,705,620.60

Depreciation was shown in statements of comprehensive Income for the year :-

Ended December 31, 2013	316,019,765.50
Ended December 31, 2014	382,275,504.59

12. Investment property-net

Consisted of:-

(Unit : Baht)

	Consolidated financial statements		
	Land and improvements	Building	Total
Cost :-			
As at January 1, 2013	237,327,509.80	104,330,336.12	341,657,845.92
Purchase	80,800,000.00	5,201,286.98	86,001,286.98
Transfer in	20,000,000.00	2,035,830.00	22,035,830.00
Transfer out	(55,540,800.00)	-	(55,540,800.00)
As at December 31, 2013	282,586,709.80	111,567,453.10	394,154,162.90
Purchase	-	114,766.32	114,766.32
Sale	(356,650.00)	-	(356,650.00)
As at December 31, 2014	282,230,059.80	111,682,219.42	393,912,279.22
Depreciation :-			
As at January 1, 2013	(43,460.00)	(12,363,812.80)	(12,407,272.80)
Depreciation for the year	(48,497.55)	(5,258,053.05)	(5,306,550.60)
As at December 31, 2013	(91,957.55)	(17,621,865.85)	(17,713,823.40)
Depreciation for the year	(48,497.55)	(5,456,665.84)	(5,505,163.39)
As at December 31, 2014	(140,455.10)	(23,078,531.69)	(23,218,986.79)
Allowance for impairment of assets :-			
As at January 1, 2013	(1,315,342.00)	(82,299.66)	(1,397,641.66)
(Increase) decrease during the year	-	-	-
As at December 31, 2013	(1,315,342.00)	(82,299.66)	(1,397,641.66)
(Increase) decrease during the year	50,950.00	-	50,950.00
As at December 31, 2014	(1,264,392.00)	(82,299.66)	(1,346,691.66)
Net book value :-			
As at December 31, 2013	281,179,410.25	93,863,287.59	375,042,697.84
As at December 31, 2014	280,825,212.70	88,521,388.07	369,346,600.77

(Unit : Baht)

	Separate financial statements		
	Land and improvements	Building	Total
Cost :-			
As at January 1, 2013	181,094,608.57	272,719,233.72	453,813,842.29
Purchase	-	5,201,286.98	5,201,286.98
Transfer in	-	2,035,830.00	2,035,830.00
Sale	-	(4,812,914.05)	(4,812,914.05)
Transfer out	(55,540,800.00)	-	(55,540,800.00)
As at December 31, 2013	125,553,808.57	275,143,436.65	400,697,245.22
Purchase	-	114,766.32	114,766.32
Transfer in	-	-	-
Sale	-	-	-
Transfer out	-	-	-
As at December 31, 2014	125,553,808.57	275,258,202.97	400,812,011.54
Depreciation :-			
As at January 1, 2013	(43,460.00)	(162,425,651.68)	(162,469,111.68)
Depreciation for the year	(48,497.55)	(12,124,602.40)	(12,173,099.95)
Transfer out	-	3,926,127.90	3,926,127.90
As at December 31, 2013	(91,957.55)	(170,624,126.18)	(170,716,083.73)
Depreciation for the year	(48,497.55)	(12,288,272.29)	(12,336,769.84)
As at December 31, 2014	(140,455.10)	(182,912,398.47)	(183,052,853.57)
Allowance for Impairment of Assets :-			
As at January 1, 2013	(43,200.00)	-	(43,200.00)
(Increase) Decrease during the year	-	-	-
As at December 31, 2013	(43,200.00)	-	(43,200.00)
(Increase) Decrease during the year	-	-	-
As at December 31, 2014	(43,200.00)	-	(43,200.00)
Net book value-			
As at December 31, 2013	125,418,651.02	104,519,310.47	229,937,961.49
As at December 31, 2014	125,370,153.47	92,345,804.50	217,715,957.97

- Consolidated financial statements

As at December 31, 2014 and 2013, one subsidiary company pledged investment property at cost value of Baht 0.88 million for both years to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

- Separate financial statements

As at December 31, 2014 and 2013, the Company pledged investment property at cost value of Baht 279.56 million and Baht 279.44 million, respectively to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

- Consolidated financial statements

As at December 31, 2014 and 2013, which its investment property which had the fair value amount of Baht 872.54 million and Baht 872.85 million, respectively.

- Separate financial statements

As at December 31, 2014 and 2013, which its investment property which had the fair value amount of Baht 620.23 million for both years.

13. Property, plant and equipment-net

Consisted of:-

(Unit : Bahl)

Consolidated financial statements									
Cost :-	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress	Total
As at January 1, 2013	486,693,057.74	5,291,520,586.59	2,478,757,767.01	845,998,859.84	360,696,021.03	653,978,315.92	1,042,639.00	667,769,051.38	10,786,456,298.51
Purchase	44,680.00	1,012,784.53	40,491,449.64	26,230,855.34	21,768,042.25	52,491,640.40	-	745,711,253.04	887,750,705.20
Transfer in	63,883,728.33	267,845,993.75	154,256,655.23	38,567,589.19	5,007,824.36	58,081,264.89	-	91,848,712.04	679,491,767.79
Sales/written-off	-	(4,858,914.05)	(5,264,465.48)	(2,470,412.16)	(4,541,244.41)	(13,699,538.57)	-	(14,698,540.04)	(45,533,134.71)
Transfer out	-	(2,035,830.00)	-	-	-	-	-	(542,254,460.44)	(544,290,290.44)
As at December 31, 2013	550,621,466.07	5,553,484,620.82	2,668,241,406.40	908,326,892.21	382,930,643.23	750,851,662.64	1,042,639.00	948,376,015.98	11,763,875,346.35
Purchase	493,864.35	-	25,099,694.08	16,129,164.13	19,526,397.78	62,533,339.93	32,635.00	780,112,255.21	903,927,350.48
Transfer in	-	764,302,130.90	174,372,106.64	91,716,398.05	5,805,698.88	21,405,053.31	-	182,438,189.79	1,240,039,577.57
Sales/written-off	-	(58,301,801.54)	(1,639,544.01)	(4,950,539.56)	(5,101,886.77)	(25,773,820.01)	-	(8,686,883.36)	(104,454,475.25)
Transfer out	-	-	-	-	(28,298.54)	(8,009,727.31)	-	(1,067,624,370.60)	(1,075,662,396.45)
As at December 31, 2014	551,115,330.42	6,259,484,950.18	2,866,073,663.11	1,011,221,914.83	403,137,554.58	801,006,598.56	1,075,274.00	834,615,207.02	12,727,725,402.70
Accumulated depreciation:-									
As at January 1, 2013	(20,719,150.79)	(2,501,866,222.87)	(1,634,394,435.21)	(684,122,939.28)	(261,573,394.45)	(457,826,565.92)	(1,004,539.84)	-	(5,561,507,248.36)
Depreciation for the year	(2,245,249.40)	(215,834,832.87)	(152,867,398.50)	(62,688,896.45)	(41,388,793.82)	(70,234,679.68)	(29,371.12)	-	(545,289,221.84)
Depreciation for sale/written-off assets	-	3,958,717.96	5,186,018.13	2,347,494.21	4,115,371.24	13,699,537.57	-	-	29,307,139.11
Depreciation for transfer out	-	47,489.94	(47,489.94)	-	-	-	-	-	-
As at December 31, 2013	(22,964,400.19)	(2,713,694,847.84)	(1,782,123,305.52)	(744,464,341.52)	(298,846,817.03)	(514,361,708.03)	(1,033,910.96)	-	(6,077,489,331.09)
Depreciation for the year	(2,530,205.55)	(233,886,222.65)	(166,774,966.74)	(69,062,739.97)	(37,110,471.68)	(82,090,085.48)	(12,273.16)	-	(591,466,965.23)
Depreciation for transfer in	-	-	-	(6,965,569.62)	-	-	-	-	(6,965,569.62)
Depreciation for sale/written-off assets	-	96,440.47	532,172.01	4,337,025.24	4,630,983.96	22,939,363.21	-	-	32,535,984.89
Depreciation for transfer out	-	54,675,481.76	-	15,858.63	-	6,949,710.99	-	-	61,641,051.38
As at December 31, 2014	(25,494,605.74)	(2,892,809,148.26)	(1,948,366,100.25)	(816,139,767.24)	(331,326,304.75)	(566,562,719.31)	(1,046,184.12)	-	(6,581,744,829.67)
Allowance for impairment of assets:-									
As at December 31, 2013	(43,200.00)	-	-	-	-	-	-	-	(43,200.00)
As at December 31, 2014	(43,200.00)	-	-	-	-	-	-	-	(43,200.00)
Book value net :-									
As at December 31, 2013	527,613,865.88	2,839,789,772.98	886,118,100.88	163,862,550.69	84,083,826.20	236,489,954.61	8,728.04	948,376,015.98	5,686,342,815.26
As at December 31, 2014	525,577,524.68	3,366,675,801.92	917,707,562.86	195,082,147.59	71,806,249.83	234,443,789.25	29,089.88	834,615,207.02	6,145,937,373.03
For the year ended December 31, 2013									
Depreciation was shown in statements of comprehensive income									517,405,143.97
Depreciation transferred to costs of rearing									272,600,398.96
Depreciation transferred to costs of construction in progress									620,908.45
For the year ended December 31, 2014									
Depreciation was shown in statements of comprehensive income									554,769,247.57
Depreciation transferred to costs of rearing									351,688,423.84
Depreciation transferred to costs of construction in progress									1,529,293.82

Depreciation was shown in statements of comprehensive income for the year

- Consolidated financial statements

For the year ended December 31, 2014 and 2013, three subsidiary companies a cost of borrowings to cost of construction in progress amount of Baht 18.16 million and Baht 15.89 million, respectively, The cost of borrowings from the for general objectives is calculated from the rate of cost setting which is the rate of weighted average interest in each month of loan for general objectives. In 2014, the interest rate was 2.20%-6.00% per annum and in 2013, the interest rate was 2.68%-6.00% per annum.

As at December 31, 2014 and 2013, guaranteed the credit line to commercial banks and financial institutions with both existing and to be acquired in the future of land and land improvement, machines in the cost price was Baht 927.29 million and the book value of Baht 205.75 million and the cost price was Baht 985.48 million and the book value of Baht 227.46 million, respectively, (Note 16).

As at December 31, 2014 and 2013, five subsidiary companies had the assets which had not the depreciation but they still used. The cost price was Baht 2,755.01 million and the book value was Baht 358,549 and the cost price was Baht 2,627.55 million and the book value was Baht 355,706 respectively.

- Separate financial statements

As at December 31, 2014 and 2013, The Company had land with buildings and improvement, machines and equipment, both existing and to be acquired in the future, as collateral against credit line to commercial banks and financial institutions. (Note 16).

As at December 31, 2014 and 2013, The Company had the assets which had not the depreciation but they still used. The cost price was Baht 823.35 million and the book value was Baht 11,283 and the cost price was Baht 766.82 million and the book value was Baht 9,094 respectively.

14. Deferred tax assets

Deferred tax assets and liabilities as December 31, 2014 and 2013 were as follows:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax assets	299,062,034.37	240,806,405.28	205,250,387.51	250,134,426.74
Deferred tax liabilities	(100,800.00)	-	-	-
Net	298,961,234.37	240,806,405.28	205,250,387.51	250,134,426.74

(Unit : Baht)

Movements in total deferred tax assets and liabilities for the years ended December 31,
2014 and 2013 were as follows:-

(Unit : Baht)

	Consolidated financial statements			Separate financial statements		
	As at January 1, 2014	(Charged) / credited to statements of comprehensive income (Note 26)	As at December 31, 2014	As at January 1, 2014	(Charged) / credited to statements of comprehensive income (Note 26)	As at December 31, 2014
Deferred tax assets						
Trade and other receivables	6,278,546.82	(636,832.52)	5,641,714.30	-	-	-
Inventories	4,013,715.55	(1,725,255.94)	2,288,459.61	2,757,036.43	(1,185,355.04)	1,571,681.39
Investments in subsidiaries and associates	16,785,536.90	-	16,785,536.90	98,414,922.54	(81,629,385.64)	16,785,536.90
Grandparent chicken	-	3,888,721.78	3,888,721.78	-	-	-
Parent chicken	16,927,023.72	2,314,022.99	19,241,046.71	-	-	-
Property, plant and equipment	474,914.61	(162,001.81)	312,912.80	-	-	-
Employee benefit obligations	51,942,302.09	2,802,998.94	54,745,301.03	21,705,647.91	832,411.89	22,538,059.80
Tax losses carried forward for not more than five years	144,384,365.59	51,773,975.65	196,158,341.24	127,256,819.86	37,098,289.56	164,355,109.42
Total	240,806,405.28	58,255,629.09	299,062,034.37	250,134,426.74	(44,884,039.23)	205,250,387.51
Deferred tax liabilities						
Trade and other payables	-	(100,800.00)	(100,800.00)	-	-	-
Net	240,806,405.28	58,154,829.09	298,961,234.37	250,134,426.74	(44,884,039.23)	205,250,387.51

(Unit : Baht)

	Consolidated financial statements			Separate financial statements		
	As at January 1, 2013	(Charged) / credited to statements of comprehensive income (Note 26)	As at December 31, 2013	As at January 1, 2013	(Charged) / credited to statements of comprehensive income (Note 26)	As at December 31, 2013
Deferred tax assets						
Trade and other receivables	7,260,640.94	(982,094.12)	6,278,546.82	-	-	-
Inventories	7,353,543.95	(3,339,828.40)	4,013,715.55	4,372,250.13	(1,615,213.70)	2,757,036.43
Investments in subsidiaries and associates	19,303,367.44	(2,517,830.54)	16,785,536.90	113,177,160.92	(14,762,238.38)	98,414,922.54
Parent chicken	20,379,952.23	(3,452,928.51)	16,927,023.72	-	-	-
Property, plant and equipment	732,453.88	(257,539.27)	474,914.61	-	-	-
Employee benefit obligations	56,835,067.13	(4,892,765.04)	51,942,302.09	24,076,191.39	(2,370,543.48)	21,705,647.91
Tax losses carried forward for not more than five years	114,698,478.37	29,685,887.22	144,384,365.59	99,297,434.82	27,959,385.04	127,256,819.86
Total	226,563,503.94	14,242,901.34	240,806,405.28	240,923,037.26	9,211,389.48	250,134,426.74

15. Intangible assets-net

Consist of :

(Unit : Baht)

	Consolidate/ separate financial statements
	Software royalty
Cost: -	
As at January 1, 2013	16,621,297.99
Purchase	5,775,793.13
As at December 31, 2013	22,397,091.12
Purchase	6,316,495.57
As at December 31, 2014	28,713,586.69
Accumulated Amortization: -	
As at January 1, 2013	(8,630,275.82)
Amortization expenses	(3,738,842.63)
As at December 31, 2013	(12,369,118.45)
Amortization expenses	(4,363,799.09)
As at December 31, 2014	(16,732,917.54)
Book value net: -	
As at December 31, 2013	10,027,972.67
As at December 31, 2014	11,980,669.15
Amortization in statements of comprehensive income	
For the year ended December 31, 2013	3,738,842.63
For the year ended December 31, 2014	4,363,799.09

16. Credits and guarantees from financial institutions

Bank overdrafts, short-term loans and long-term loans from financial institutions, packing credits payables and trust receipts payables of the Group have been collateral by 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 Group with the financial institutions.

As at December 31, 2014 The Group received the credit in the form of long-term borrowings from related persons in the amount of Baht 2,000.00 million. Annual interest rate of 5.50% with maturity of 10 years from February 1, 2014 to January 31, 2024, has not any collateral.

As at December 31, 2013 the Group received the credit in the form of long-term borrowings 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.

17. Short-term loans from financial institutions

Consisted of:-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term loans from financial institutions	1,175,000,000.00	1,995,000,000.00	980,000,000.00	1,500,000,000.00
Trust receipt	2,050,250.14	51,894,386.21	-	-
Total	1,177,050,250.14	2,046,894,386.21	980,000,000.00	1,500,000,000.00

17.1 Terms and conditions on short-term loans from financial institutions was as follow :

- Consolidated financial statements

As at December 31, 2014, and 2013, the two subsidiary companies have short-term loans from financial institutions in the amount of Baht 195.00 million and Baht 495.00 million, respectively, were in the form of promissory notes from commercial banks with a month, and 1 - 2 months, at the annual interest rates of 2.20%-2.30% per annum and 2.68%-2.80% per annum, respectively.

- Separate financial statements

As at December 31, 2014, and 2013, short-term loans from financial institutions, amount of Baht 980.00 million and Baht 1,500.00 million, respectively, were in the form of promissory notes from several commercial banks with 30 days and the type of call, at the annual interest rates of 2.20%-2.35% per annum and 2.68%-2.75% per annum, respectively.

17.2 Trust receipts payables

For consolidated financial statements, as at December 31, 2013, trust receipts payables with annual interest rates at 2.60% per annum. 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 borrowings from financial institutions, please see the notes to financial statements No. 16.

18. Trade and other payable

Consisted of:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade accounts payable-related parties	58,065,271.32	78,924,004.11	20,205,023.33	54,176,852.53
Trade accounts payable-other parties	607,673,813.62	646,875,875.76	113,759,593.81	112,593,818.21
Total trade accounts payable	665,739,084.94	725,799,879.87	133,964,617.14	166,770,670.74
Other accounts payable-related parties	1,069,200.26	68,439.43	1,148,435.26	143,218.12
Other accounts payable-other parties	2,745,289.54	1,254,898.86	11,013,587.18	10,971,486.06
Payable for asset purchased	79,329,938.09	47,279,731.64	9,365,380.97	7,788,838.18
Accrued expenses-related parties	1,238,279.99	76,963.91	461,531.25	646,681.90
Accrued expenses-other parties	135,822,935.81	136,026,489.22	64,082,220.50	67,109,859.05
Prepaid received	9,519,045.02	11,934,909.59	3,798,659.83	5,746,340.67
Total other accounts payable	229,724,688.71	196,641,432.65	89,869,814.99	92,406,423.98
Total trade and other accounts payable	895,463,773.65	922,441,312.52	223,834,432.13	259,177,094.72

19. Long-term loans from financial institutions

Consisted of:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Long-term loans from financial institutions	455,000,000.00	160,000,000.00	375,000,000.00	-
<u>Less</u> Current portion of long-term loans	(230,000,000.00)	(80,000,000.00)	(150,000,000.00)	-
Net	225,000,000.00	80,000,000.00	225,000,000.00	-

The movement of long-term loans for the year ended December 31, 2014 and 2013 are as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the year ended December 31,</u>		<u>for the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Beginning balance	160,000,000.00	240,000,000.00	-	-
Increase for the year	450,000,000.00	-	450,000,000.00	-
Repayment for the year	(155,000,000.00)	(80,000,000.00)	(75,000,000.00)	-
Ending balance	455,000,000.00	160,000,000.00	375,000,000.00	-

- Consolidated financial statements

Long-term loans from financial institutions of the subsidiary company, the credit line of Baht 400.00 million, as at December 31, 2014 and 2013, amount of Baht 80.00 million and Baht 160.00 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 borrowings of the subsidiary company, There is land plus building 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.

- Separate financial statements

As at December 31, 2014, Long-term loans from financial institutions of the company, the credit line of Baht 450.00 million, amount of Baht 375.00 million, and which has been repaid every 3 months, totally 12 installments. Baht 37.50 million per installment commences the first installment repayment on July, 2014, the interest rate of 3.71% per annum

20. Employee benefits obligations

Employee benefit obligation were as follows:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Beginning present value of the obligation	292,256,087.27	270,724,632.45	118,376,925.62	109,886,640.82
Current service cost	15,936,492.76	16,556,961.88	6,799,301.09	7,622,043.18
Interest expenses	9,984,483.28	9,409,224.94	4,289,691.05	3,964,289.62
<u>Less</u> repayment for the period	<u>(3,049,170.00)</u>	<u>(4,434,732.00)</u>	<u>(1,951,450.00)</u>	<u>(3,096,048.00)</u>
Ending present value of the obligation	315,127,893.31	292,256,087.27	127,514,467.76	118,376,925.62

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

21. Other non-current liabilities

Consisted of:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred repayment of leasehold	38,812,327.88	40,135,475.42	-	-
<u>Less</u> Current portion for deferred repayment of leasehold	<u>(1,323,147.54)</u>	<u>(1,323,147.54)</u>	<u>-</u>	<u>-</u>
Net	37,489,180.34	38,812,327.88	-	-
Deposit	30,644,338.06	23,408,465.24	14,851,121.70	11,308,699.88
Total	68,133,518.40	62,220,793.12	14,851,121.70	11,308,699.88

The movement of deferred repayment of leasehold for the year ended December 31, 2014 and 2013 are as follows:-

	(Unit : Baht)	
	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Deferred repayment of leasehold-beginning	40,135,475.42	40,356,000.00
<u>Less</u> Leasehold recognized as revenue in the period	(1,323,147.54)	(220,524.58)
Deferred repayment of leasehold-ending	<u>38,812,327.88</u>	<u>40,135,475.42</u>

As at December 31, 2014 and 2013 the deferred leasehold rights of a subsidiary. The reward of a land lease agreement with the Company. The term of the lease is 30 years commencing on the date of maturity of 6 months after the date of registration of the lease at the land office completed onwards. ("The agreement date"), which recognize rental income from the lease of such land on a straight line. Since the date the land lease became effective on October 31, 2013 the value to be paid until the end of the contract.

	(Unit :Million baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>
Within 1 year	1.51	1.51
1-5 years	6.20	6.05
5 years onwards	49.11	50.77
Total	<u>56.82</u>	<u>58.33</u>

22. Share capital

Changes in equity for the year ended December 31, 2014 are as follows:-

	Number of Share (Unit : Shares)	Ordinary Shares (Unit : Baht)
Authorized Share Capital (Par Value 1.00 Baht)		
As at January 1, 2014	1,400,000,000	1,400,000,000.00
Shares issued during the period	-	-
As at December 31, 2014	1,400,000,000	1,400,000,000.00
Issued and Paid-up Share Capital (Par Value 1.00 Baht)		
As at January 1, 2014	1,253,821,000	1,253,821,000.00
Shares issued during the period	-	-
As at December 31, 2014	1,253,821,000	1,253,821,000.00

The primary objective of the Group' capital management is to maintain its ability to continue as a going concern and to maintain an appropriate capital structure and to maintain ratio of debt to equity to not exceeding the compliance with the loan agreements.

As at December 31, 2014 and 2013, in the consolidated financial statements, the debt to equity ratio is 0.57:1 and 0.77:1, respectively and the separate financial statements' the debt to equity ratio is 0.79:1 and 0.96:1, respectively.

23. Share premium and legal reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

24. Dividend payment

The minutes of annual general shareholders' meeting in 2014 dated on April 4, 2014 was unanimously approved the dividend payment from the Company's performance in 2013 at Baht 0.35 per share, the number of shares was 1,253,821,000 and amounting to Baht 438.84 million (paid in amount of Baht 438.74 million), whereby the Company has already paid dividend.

25. Expenses by nature

Consist of:

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Changes in inventories of finished goods and work in progress	(2,252,004.81)	24,152,291.08	79,375,257.82	41,062,624.34
Raw materials and consumables used	12,253,502,554.02	11,661,839,806.53	5,786,423,516.50	5,701,326,700.01
Reverse loss in value of non-movement inventories	(7,933,511.22)	(4,270,997.51)	(1,922,349.32)	(7,252,565.98)
Employee benefit expenses	1,946,830,467.39	1,772,099,892.06	1,027,609,417.33	947,260,391.15
Management's remuneration	65,780,658.00	62,586,757.00	40,301,250.00	36,661,122.00
Depreciation	560,274,410.96	522,711,694.57	176,766,462.98	172,013,434.63
Depreciation of chickens	440,760,621.87	365,286,761.77	-	-
Amortization expenses	4,363,799.09	3,738,842.63	4,363,799.09	3,738,842.63
Transportation expenses	322,866,138.62	304,740,849.54	111,564,246.25	102,274,544.65
Operating lease expenses	23,031,050.27	22,433,292.25	8,520,653.00	8,490,968.31
Utility expenses	662,589,046.58	612,050,884.66	249,431,639.45	233,129,060.80
Fee expenses	8,614,628.30	10,993,174.45	3,775,019.20	2,731,047.46
Traveling expenses	26,203,265.49	28,024,998.64	5,542,450.09	4,794,029.46
Sale promotion expenses	12,713,550.05	10,254,334.09	851,437.02	715,194.13
Loss from sales of grandparent chickens retirement	284,388.61	510,918.35	-	-
Loss from sales of parent chickens retirement	2,322,139.29	-	-	-
Loss from value of destroy of chickens	2,697,850.03	1,836,129.80	-	-
Doubtful accounts (reverse)	2,436,463.80	5,231,652.28	-	-
Other expenses	174,344,674.59	104,739,936.69	60,222,993.26	45,510,050.75
Total	16,499,430,190.93	15,508,961,218.88	7,552,825,792.67	7,292,455,444.34

26. Income tax (revenues) expenses

Income tax recognized in profit or loss for the year ended December 31, 2014 and 2013

with the following details:-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax expense	16,154,209.31	14,541,887.53	-	-
Deferred tax expense (Note 14)				
Movements in temporary differences	(58,154,829.09)	(43,794,662.71)	44,884,039.23	(40,636,133.47)
Income tax rate reduction	-	29,551,761.37	-	31,424,743.99
Total	(42,000,619.78)	298,986.19	44,884,039.23	(9,211,389.48)

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>2014</u>		<u>2013</u>	
Accounting profit (loss) before tax	556,327,111.57	252,703,095.22	666,418,680.23	(141,382,320.90)
Applicable tax rate	0%	20%	0%	20%
Accounting profit before tax multiplied by applicable tax rate	-	50,540,619.04	-	(28,276,464.18)
Tax effect of income and expenses that are not considered				
As income tax expense as follows.				
Depreciation of cars worth more than 1 million baht	-	648,829.46	-	522,760.71
Reversal loss on devaluation of inventories	-	(1,185,355.04)	-	(1,044,920.20)
Reversal loss on impairment of investments	-	(81,629,385.64)	-	-
Employee benefit obligations	-	832,411.89	-	769,829.30
dividends	-	(5,879,988.00)	-	(12,859,983.90)
Tax losses brought forward	-	(127,256,819.86)	-	(86,345,595.49)
Tax losses not yet used	-	164,355,109.42	-	127,256,819.86
Other	-	(425,421.27)	-	(22,446.10)
Total	-	-	-	-
Effects of charges in the applicable tax rates effects of	-	-	-	(31,424,743.99)
Changes in temporary differences	-	(44,884,039.23)	-	40,636,133.47
Income tax revenues (expenses) shown in the statement of				
comprehensive income	-	(44,884,039.23)	-	9,211,389.48

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

27. Promotional privileges

The Group was granted investment promotional certificates. It obtained benefits and privileges under sections 25, 26, 28, 31 paragraph 1, 31 paragraph 2, 31 paragraph 3, 31 paragraph 4, 34, 36(1), 36(2) and 37 of the Investment Promotion Act B.E. 2520 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 Group 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
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

The subsidiary companies

Certificate No.	Date	Type of promotional activities	The first date	The expiry date
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
1173(2)/2553	February 16, 2010	Feed mill production and premix	July 12, 2012	July 11, 2020
1932(2)/2548	October 11, 2005	Parent chicken farm	September 9, 2006	September 8, 2014
1233(2)/2557	February 25, 2014	Parent chicken farm	December 1, 2014	November 30, 2022
1632(2)/2546	November 11, 2003	Broiler farm	May 12, 2005	May 11, 2013
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
1591(2)/2553	June 8, 2010	Chicken Farm	August 22, 2013	August 21, 2021
2108(2)/2553	October 19, 2010	Broiler Farm	August 28, 2014	August 27, 2022
1898(2)/2553	August 24, 2010	Broiler Farm	August 30, 2014	August 29, 2022
1674(2)/2554	June 9, 2011	Broiler Farm	December 23, 2014	December 22, 2022
1187(2)/2553	February 24, 2010	Chicken 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	-
1022(2)/2555	January 12, 2012	Broiler Farm	None Income Yet	-

(Unit : Baht)

Separate financial statements

For the year ended December 31, 2014

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	4,803,988,649.47	3,066,616,352.35	7,870,605,001.82
Cost of sales	(3,970,349,625.24)	(3,171,975,787.53)	(7,142,325,412.77)
Gross profit (loss)	833,639,024.23	(105,359,435.18)	728,279,589.05
Income from the reversal of the allowance for impairment of investments in associates	-	408,146,928.19	408,146,928.19
Gain on exchange rate	11,795,212.01	2,664,427.08	14,459,639.09
Other revenues	4,618,136.44	143,416,517.10	148,034,653.54
Selling expenses	(108,226,059.22)	(25,571,012.24)	(133,797,071.46)
Administrative expenses	(137,464,351.46)	(139,238,956.98)	(276,703,308.44)
Financial cost	(48,034,850.43)	(31,355,372.75)	(79,390,223.18)
Profit before income tax	556,327,111.57	252,703,095.22	809,030,206.79
Income tax expenses	-	(44,884,039.23)	(44,884,039.23)
Profit for the year	556,327,111.57	207,819,055.99	764,146,167.56

(Unit : Baht)

Separate financial statementsFor the year ended December 31, 2013

	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>promotional benefits</u>	<u>promotional benefits</u>	
Revenue from Sales	4,611,100,019.89	3,075,608,928.04	7,686,708,947.93
Cost of sales	(3,722,205,329.25)	(3,201,637,756.22)	(6,923,843,085.47)
Gross profit (loss)	888,894,690.64	(126,028,828.18)	762,865,862.46
Gain on exchange rate	59,166,104.21	1,550,298.23	60,716,402.44
Other revenues	2,123,639.84	159,232,300.21	161,355,940.05
Selling expenses	(110,277,927.36)	(12,333,813.04)	(122,611,740.40)
Administrative expenses	(119,248,243.63)	(126,752,374.84)	(246,000,618.47)
Financial cost	(54,239,583.47)	(37,049,903.28)	(91,289,486.75)
Profit (loss) before income tax	666,418,680.23	(141,382,320.90)	525,036,359.33
Income tax revenues	-	9,211,389.48	9,211,389.48
Profit (loss) for the year	666,418,680.23	(132,170,931.42)	534,247,748.81

28. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the year.

Consolidated financial statementsSeparate financial statementsFor the year ended December 31,

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the year (Unit : Baht)	1,779,589,781.57	1,515,866,060.92	764,146,167.56	534,247,748.81
Number of issued and paid-up ordinary shares				
(Unit : Shares)	1,253,821,000	1,253,821,000	1,253,821,000	1,253,821,000
Basic earnings per share (Baht/Share)	1.42	1.21	0.61	0.43

29. Segment information

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

The information on business sector operation of the Company and its subsidiaries was as follows:-

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2014									
	Evisceration chicken	Broiler farm	Feed mill	Parent chickens	Chicks distribution	Processed food production and distribution	Grandparent chickens	Eliminate	Total
Sales - General customers	7,196.20	3,915.33	4,886.72	524.27	309.60	905.50	91.06	-	17,828.68
- Transfer between sectors	674.40	4,513.79	6,572.19	1,794.89	-	7.98	147.08	(13,710.33)	-
	7,870.60	8,429.12	11,458.91	2,319.16	309.60	913.48	238.14	(13,710.33)	17,828.68
Profit (loss) from operation	448.56	(19.00)	870.79	100.43	79.92	7.30	88.04		1,576.04
Share of profit from associates									325.54
Financial cost									(145.41)
Income tax revenue									42.00
Profit of non-controlling interests									(18.58)
Profit of GFPT PUBLIC COMPANY LIMITED									1,779.59
Assets by business sector									
- Fixed assets	975.23	2,113.54	1,280.04	1,040.42	-	50.55	358.62		5,818.40
- Center fixed assets	243.67	0.58	78.90	1.11	-	3.24	0.04		327.54
- Other assets	1,039.14	835.02	2,289.34	674.80	16.69	52.45	134.77		5,042.21
Common assets									2,549.26
Total assets									13,737.41

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2013									
	Evisceration chicken	Broiler farm	Feed mill	Parent chickens	Chicks distribution	Processed food production and distribution	Grandparent chickens	Eliminate	Total
Sales - General customers	7,035.44	3,397.49	4,811.39	481.18	101.03	840.69	25.24	-	16,692.46
- Transfer between sectors	651.27	4,253.28	6,351.54	1,653.86	-	8.59	135.82	(13,054.36)	-
	7,686.71	7,650.77	11,162.93	2,135.04	101.03	849.28	161.06	(13,054.36)	16,692.46
Profit from operation	548.12	85.82	708.70	82.03	18.89	1.39	50.21		1,495.16
Share of profit from associates									220.72
Financial cost									(185.53)
Income tax expense									(0.30)
Profit of non-controlling interests									(14.18)
Profit of GFPT PUBLIC COMPANY LIMITED									1,515.87
Assets by business sector									
- Fixed assets	950.60	1,821.57	1,256.05	1,009.43	-	62.40	233.84		5,333.89
- Center fixed assets	269.67	0.38	76.97	1.27	-	4.12	0.04		352.45
- Other assets	1,204.45	747.96	2,420.58	613.46	10.55	54.20	86.61		5,137.81
Common assets									2,197.37
Total assets									13,021.52

Basis in the determination of transferred prices between sectors of the Company and its subsidiaries and associates (see note to financial statements Note. 5.2).

Basis in the determination of transferred prices between sectors of subsidiaries and associates incurred between each other which is materialized as follows:-

<u>Description</u>	<u>Pricing policy</u>
Sales	Agreement price, reference to market price
Purchase	Agreement price, reference to market price
Other income	Cost price and market price

For the year ended December 31, 2014 and 2013, the Group had domestic sales and export sales as follows:-

	(Unit : % of net total sales)	
	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Domestic sales-net	79.82	81.18
Export sales-net	20.18	18.82

30. Financial instruments

30.1 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.

30.2 Risks 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:-

(Unit : Baht)

Consolidated financial statements							
As at December 31, 2014							
	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Within 1 year to 5 years	More than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	146,939,842.90	122,789,729.94	269,729,572.84	0.125-0.50
Trade and other receivables	-	-	-	-	905,346,995.03	905,346,995.03	-
	-	-	-	146,939,842.90	1,028,136,724.97	1,175,076,567.87	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,175,000,000.00	-	-	-	2,050,250.14	1,177,050,250.14	2.20-2.35
Trade and other payables	-	-	-	-	895,463,773.65	895,463,773.65	-
Long-term loans from financial institutions	150,000,000.00	225,000,000.00	-	80,000,000.00	-	455,000,000.00	THBFIX+1.75-3.71
Long-term loans from related persons	-	-	1,942,100,000.00	-	-	1,942,100,000.00	5.50
	1,325,000,000.00	225,000,000.00	1,942,100,000.00	80,000,000.00	897,514,023.79	4,469,614,023.79	

(Unit : Baht)

Consolidated financial statements							
As at December 31, 2013							
	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Within 1 year to 5 years	More than 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	176,035,911.03	134,566,519.92	310,602,430.95	0.10-0.60
Trade and other receivables	-	-	-	-	1,100,748,517.12	1,100,748,517.12	-
	-	-	-	176,035,911.03	1,235,315,037.04	1,411,350,948.07	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	2,045,000,000.00	-	-	-	1,894,386.21	2,046,894,386.21	2.68-2.80
Trade and other payables	-	-	-	-	922,441,312.52	922,441,312.52	-
Long-term loans from financial institutions	-	-	-	160,000,000.00	-	160,000,000.00	THBFIX+1.75
Long-term loans from related persons	2,000,000,000.00	-	-	-	-	2,000,000,000.00	6.00
	4,045,000,000.00	-	-	160,000,000.00	924,335,698.73	5,129,335,698.73	

(Unit : Baht)

Separate financial statements

As at December 31, 2014

	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Within 1 year to 5 years	More than 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	66,274,513.96	18,706,983.87	84,981,497.83	0.375
Trade and other receivables	-	-	-	-	354,639,163.45	354,639,163.45	-
	-	-	-	66,274,513.96	373,346,147.32	439,620,661.28	
Financial liabilities							
Short-term loans from financial institutions	980,000,000.00	-	-	-	-	980,000,000.00	2.20-2.35
Trade and other payables	-	-	-	-	223,834,432.13	223,834,432.13	-
Long-term loans from financial institutions	150,000,000.00	225,000,000.00	-	-	-	375,000,000.00	3.71
Long-term loans from related persons	-	-	670,200,000.00	-	-	670,200,000.00	5.50
	1,130,000,000.00	225,000,000.00	670,200,000.00	-	223,834,432.13	2,249,034,432.13	

(Unit : Baht)

Separate financial statements

As at December 31, 2013

	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Within 1 year to 5 years	More than 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	74,715,487.76	20,684,457.71	95,399,945.47	0.50
Trade and other receivables	-	-	-	-	502,185,720.22	502,185,720.22	-
Short-term loans to subsidiary	10,000,000.00	-	-	-	-	10,000,000.00	3.10
	10,000,000.00	-	-	74,715,487.76	522,870,177.93	607,585,665.69	
Financial liabilities							
Short-term loans from financial institutions	1,500,000,000.00	-	-	-	-	1,500,000,000.00	2.68-2.75
Trade and other payables	-	-	-	-	259,177,094.72	259,177,094.72	-
Long-term loans from related persons	692,200,000.00	-	-	-	-	692,200,000.00	6.00
	2,192,200,000.00	-	-	-	259,177,094.72	2,451,377,094.72	

30.3 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 for sale and payment on goods and raw materials as follows:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>				
Value of foreign exchange forward contract				
(Million USD)	9.87	28.37	9.87	28.37
(Million EURO)	-	5.51	-	5.51
Value of foreign exchange contract (Million Baht)	327.56	1,157.44	327.56	1,157.44
Fair value of foreign exchange contract (Million Baht)	328.57	1,194.42	328.57	1,194.42
<u>Liabilities</u>				
Value of foreign exchange forward contract				
(Million USD)	15.50	0.21	-	-
(Million EURO)	0.16	-	-	-
Value of foreign exchange contract (Million Baht)	522.03	7.04	-	-
Fair value of foreign exchange contract (Million Baht)	523.59	7.05	-	-

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 liabilities that were not hedged by derivative financial instruments were as follows:-

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Liabilities that were not hedged by derivative financial instruments				
(Million USD)	0.33	3.49	-	0.02
(Million EURO)	0.06	-	0.06	-
(Million YEN)	-	0.80	-	0.80

30.4 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 subsidiaries 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 trade receivables, the company reviewed and recorded the allowance from doubtful debts. The trade receivables from related companies, had not any risks on payment because the credit term was in the due period and high liquidity.

30.5 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 value of assets and liabilities do not significantly differ from their fair value.

31. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2014, and 2013, the Group held other obligations as follows:-

31.1 Obligation of credit lines for loans from financial institutions:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>					
	<u>As at December 31,</u>					
	<u>2014</u>			<u>2013</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	340.00	94.86	245.14	325.00	91.69	233.31
Letters of credit and trust receipt	4,725.04	604.15	4,120.89	4,404.12	1,192.79	3,211.33
Bank overdraft	237.00	-	237.00	227.00	-	227.00
Short-term loans	5,201.15	1,175.00	4,026.15	4,876.75	1,995.00	2,881.75
Long-term loans	455.00	455.00	-	160.00	160.00	-
Forward foreign exchange contract	4,042.30	588.09	3,454.21	3,813.17	223.37	3,589.80
Packing credit	360.00	-	360.00	360.00	-	360.00

(Unit : Million Baht)

Separate financial statements

As at December 31,

	<u>2014</u>			<u>2013</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	59.99	41.77	18.22	59.99	41.77	18.22
Letters of credit and trust receipt	120.94	54.71	66.23	75.90	5.17	70.73
Bank overdraft	81.00	-	81.00	81.00	-	81.00
Short-term loans	2,552.62	980.00	1,572.62	2,240.06	1,500.00	740.06
Long-term loans	375.00	375.00	-	-	-	-
Forward foreign exchange contract	1,430.43	222.46	1,207.97	1,434.25	215.79	1,218.46
Packing credit	360.00	-	360.00	360.00	-	360.00

31.2 The Group has material obligation with related companies, person and other companies under the agreement as follows:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
The agreement of buy back broiler and layer chickens	33.78	44.68	-	-
Service fee of high speed signal	0.56	0.02	-	-
Rental fee:-				
Within 1 year	14.21	20.82	5.35	8.24
1-5 years	13.62	22.94	5.06	9.11
Over 5 years	10.63	12.41	8.82	10.13
Total rental fee	38.46	56.17	19.23	27.48

31.3 The Group has obligation of capital expenditure as follows:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Obligation of capital expenditure	121.20	120.83	116.06	115.69

32. Approval of financial statements

These financial statements have been approved for issuance by GFPT PUBLIC COMPANY LIMITED authorized directors on February 16, 2015.



GFPT Public Company Limited

GFPT TOWER 312 Rama II Road, Bangmod, Jomthong, Bangkok 10150

Tel : +66 2473 8000 Fax: +66 2473 8398 | www.gfpt.co.th