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# ANNUAL REPORT 2015

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GFPT PUBLIC COMPANY LIMITED





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A photograph of several yellow ducklings on a bed of straw. The ducklings are fluffy and have orange beaks. One duckling is in the foreground on the right, looking towards the left. Another is in the foreground on the left, looking towards the right. Several others are in the background, some out of focus. The text "HIGH QUALITY AND MOST EFFICIENT BREED" is centered in the middle of the image, flanked by two vertical white lines.

HIGH QUALITY AND  
MOST EFFICIENT BREED

COMMITTED TO  
ENVIRONMENT FRIENDLINESS  
AND SOCIAL RESPONSIBILITY







## GFPT Public Company Limited and its Subsidiary Companies

Consolidated Income Statement	2013	2014	2015
Revenue from Sales (Million Baht)	16,692	17,829	16,466
Total Revenue (Million Baht)	17,004	18,075	16,701
Gross Profit (Million Baht)	2,241	2,493	2,003
Profit from Operation (Million Baht)	1,716	1,901	1,317
Net Profit (Million Baht)	1,516	1,780	1,195
Earnings per Share (Baht per Share)	1.21	1.42	0.95

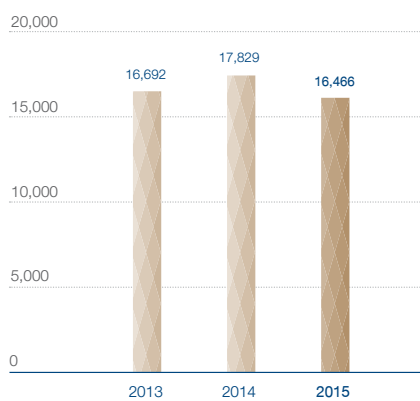
Consolidated Financial Position	2013	2014	2015
Total Current Assets (Million Baht)	4,646	4,468	4,809
Total Assets (Million Baht)	13,022	13,737	14,976
Total Current Liabilities (Million Baht)	5,088	2,339	2,953
Total Liabilities (Million Baht)	5,646	5,004	5,533
Shareholders' Equity (Million Baht)	7,376	8,733	9,443

Financial Ratio	2013	2014	2015
Liquidity Ratio (times)	0.91	1.91	1.63
Gross Profit Margin Ratio (%)	13.43	13.98	12.17
Return on Asset Ratio (%)	11.61	13.30	8.32
Debt to Equity Ratio (times)	0.77	0.57	0.59

# FINANCIAL HIGHLIGHTS

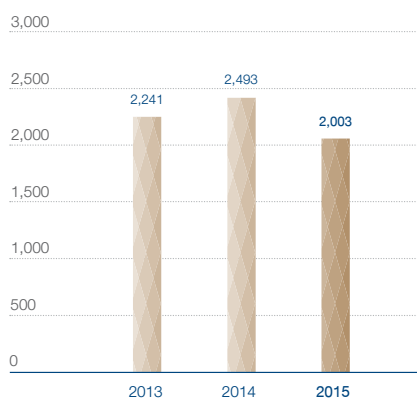
## Revenue from Sales

THB **16,466** million



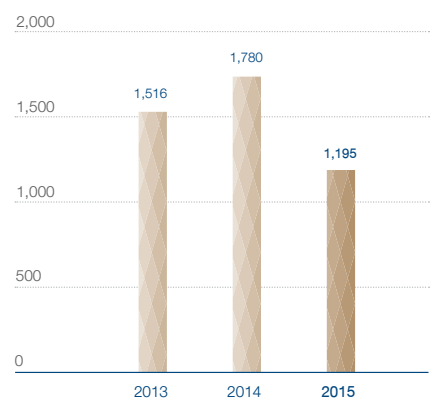
## Gross Profit

THB **2,003** million

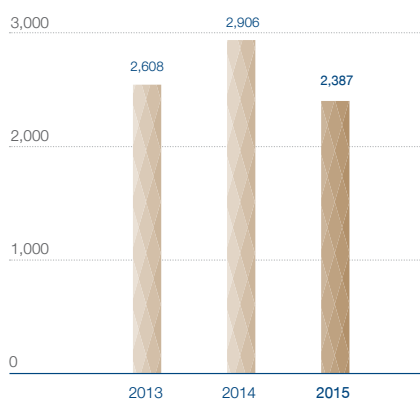


## Net Profit

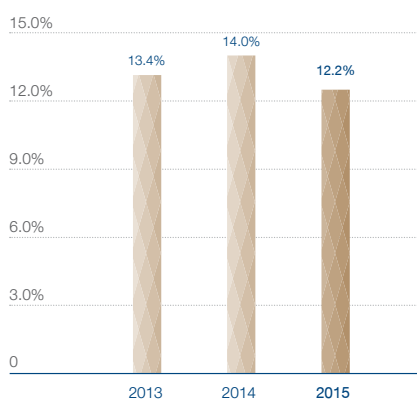
THB **1,195** million



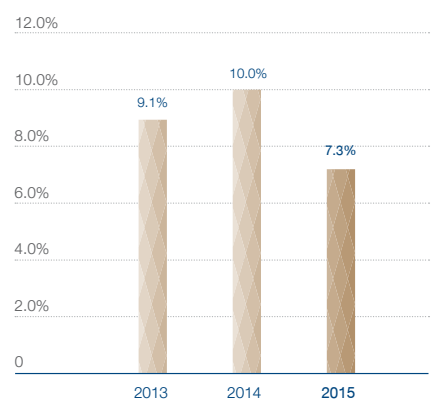
## EBITDA (million Baht)



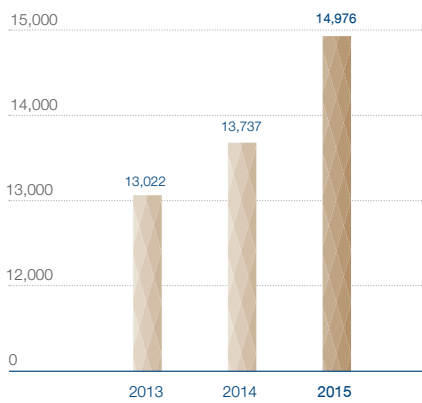
## Gross Profit Margin (%)



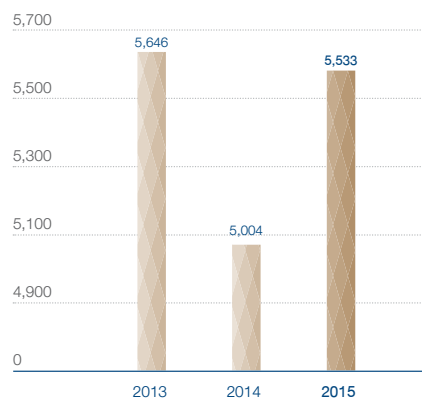
## Net Profit Margin (%)



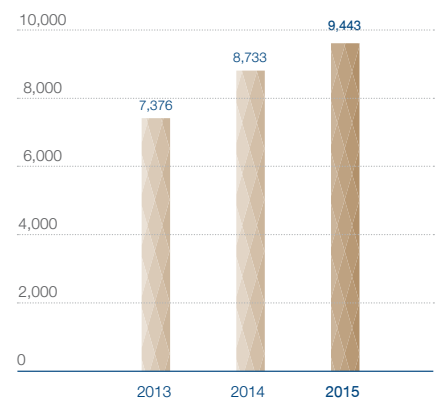
**Total Assets** (million Baht)



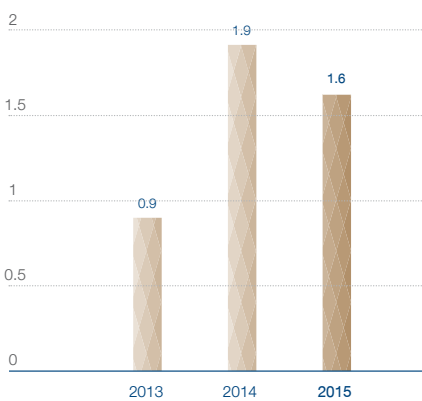
**Total Liabilities** (million Baht)



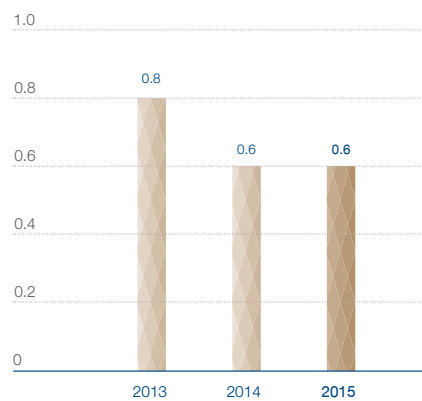
**Shareholders' Equity** (million Baht)



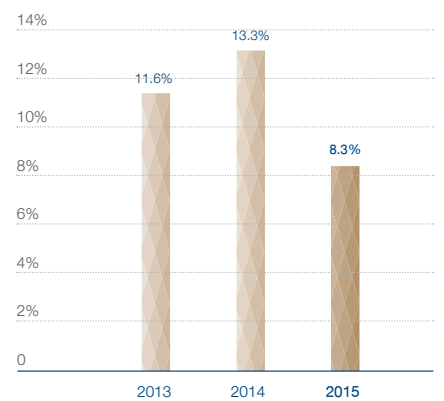
**Liquidity Ratio** (Times)



**Debt to Equity Ratio** (Times)



**Return on Assets** (%)





# MESSAGE FROM CHAIRMAN

Although the growth of Thai economy and export in 2015 was slightly less than expected, the lifting of import ban on Thai frozen chicken meat by the EU and Japan helped raise the chicken meat export. The rise of export mentioned above together with declining oil price was the main factor supporting the Company's business performance.

The business success is the reflection of GFPT policy that emphasizes on food safety and the efficacy of the traceability system. Traceability is the essential mechanism to ensure that our products are safe and meet the expectation of customer on quality standard. It also certifies the potentiality of the Company to meet international 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.

Apart from the strategies aimed at business earning, GFPT also places emphasis on the social responsibility principle. In accordance with this strategy, the Company has regularly carried out the Corporate Social Responsibility programs such as the 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 our operations will affect the environment as least as possible.

Beside the corporate social responsibility, GFPT has placed great importance on countering corruption. The Company has encouraged its personnel at all levels to be aware of corruption in all forms. The Anti-Corruption and Anti-Bribery Policy is incorporated into the Corporate Compliance Policy, which is in accordance with the Corporate Governance Policy and the Company's Code of Conduct. To confirm such intent, GFPT has announced its determination to become a member of the Private Sector Collective Action Coalition Against Corruption (CAC). In order to ensure the consistent with the anti-corruption measures of the CAC, GFPT has issued and proclaimed the additional guidance to be used as standard practice for personnel at all levels.

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



**Mr. Prasit Sirimongkolkasem**  
Chairman

ASSURED TRACEABILITY  
SYSTEM THAT CAN TRACE BACK TO  
AT EVERY STAGE OF PRODUCTION







# COMPANY INFORMATION

	<b>GFPT</b>	<b>KT</b>	<b>GP</b>
<b>Name</b>	GFPT Public Company Limited	Krungthai Food Public Company Limited	GP Breeding Company Limited
<b>Type of Company</b>	Issuing Company	Subsidiary Company	Subsidiary Company
<b>Type of Business</b>	Chicken Evisceration, Processed Chicken Food, and By-Products	Feed Mill and Parent Chicken Farm for Egg Production and Distribution	Grandparent Chicken Farm for Parent Stock Chicks Production and Distribution
<b>Head Office</b>	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
<b>Certificate No.</b>	0107537001471	0107537001463	0105536132457
<b>Telephone</b>	0 2473 8000	0 2473 8000	0 2473 8000
<b>Facsimile</b>	0 2473 8398	0 2473 8398	0 2473 8398
<b>Registered Capital</b>	1,400,000,000 Baht	400,000,000 Baht	200,000,000 Baht
<b>Paid-up Capital</b>	1,253,821,000 Baht	400,000,000 Baht	200,000,000 Baht
<b>No. of Shares</b>	1,253,821,000 shares	40,000,000 shares	20,000,000 shares
<b>Type of Share</b>	Common Stock	Common Stock	Common Stock
<b>Home Page</b>	<a href="http://www.gfpt.co.th">www.gfpt.co.th</a>	<a href="http://www.ktfood.co.th">www.ktfood.co.th</a>	

# COMPANY INFORMATION

	<b>FKT</b>	<b>MKS</b>	<b>GFF</b>
<b>Name</b>	Krungthai Farm Company Limited	M.K.S. Farm Company Limited	GF Foods Company Limited
<b>Type of Company</b>	Subsidiary Company	Subsidiary Company	Subsidiary Company
<b>Type of Business</b>	Parent Chicken Farm and Hatchery for Chicks Production and Distribution	Broiler Farm	Processed Chicken Food
<b>Head Office</b>	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150	312 Rama 2 Road, Bangmod, Jomthong, Bangkok 10150
<b>Certificate No.</b>	0105521016944	0105524028536	0105525001496
<b>Telephone</b>	0 2473 8000	0 2473 8000	0 2473 8000
<b>Facsimile</b>	0 2473 8398	0 2473 8398	0 2473 8398
<b>Registered Capital</b>	350,000,000 Baht	550,000,000 Baht	40,000,000 Baht
<b>Paid-up Capital</b>	350,000,000 Baht	550,000,000 Baht	40,000,000 Baht
<b>No. of Shares</b>	35,000,000 shares	55,000,000 shares	400,000 shares
<b>Type of Share</b>	Common Stock	Common Stock	Common Stock

## McKey

McKey Food Services  
(Thailand) Limited

Associated Company

Frozen Processed Food

210 Moo 1, Teparak Road K.M.20.5,  
Bangsaothong, Bangsaothong,  
Samutprakarn 10540

0115536003282

0 2315 4763-4, 0 2315 4766-7

0 2315 4765

100,000,000 Baht

100,000,000 Baht

1,000,000 shares

Common Stock

## GFN

GFPT Nichirei (Thailand)  
Company Limited

Associated Company

Chicken Evisceration and  
Processed Chicken Food

77 Moo 4, Hang Sung,  
Nong Yai, Chonburi  
20190

0105551130397

038 932 900

038 932 999

3,014,000,000 Baht

3,014,000,000 Baht

30,140,000 shares

Common Stock

## Other Important Information

### Registrar Name

Thailand Securities Depository Co., Ltd.

### Address

93 Ratchadaphisek Road, Dindaeng,  
Dindaeng, Bangkok 10400

### Telephone

0 2009 9000

0 2009 9991

### Home Page

www.set.or.th/tsd

### 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

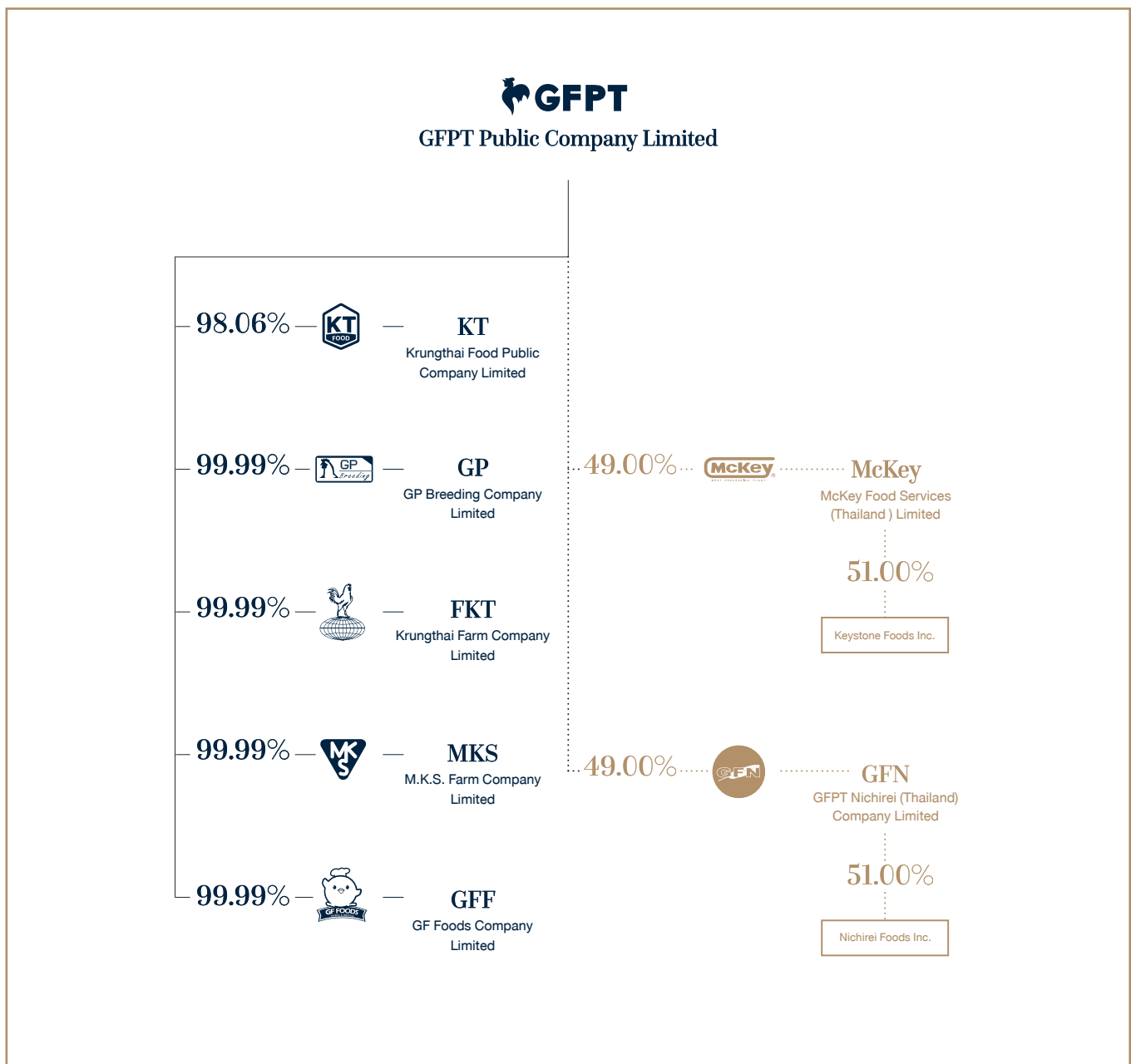
### Facsimile

0 2231 3988

### Home Page

www.amc-mri.com

# GROUP STRUCTURE



Group Structure as at December 31, 2015

# VISION

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

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# MAJOR DEVELOPMENT OF THE COMPANY

**1981**

Registered in the name of General Foods Poultry (Thai) Company Limited

**1985**

P. Charoen Phan Group purchased all the shares.

**1989**

The Company increased its registered share capital from THB 100 million to THB 150 million

The Company's name changed to "P. Charoen Phan Poultry Company Limited" and renamed to "GFPT Company Limited".

**1991**

The Company invested 99.99% shares in a subsidiary company, GF Foods Company Limited

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 Public Company Limited

**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".

**1981**

**1987**

The Company increased its registered share capital from THB 77.70 million to THB 100 million

**1990**

The Company increased its registered share capital from THB 150 million to THB 420 million

The Company invested 99.99% shares in 2 subsidiaries, Krungthai Farm Company Limited and M.K.S. Farm Company Limited.

**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.

**1993**

The Company invested 49.00% shares in McKey Food Services (Thailand) Limited

**1998**

Krungthai Feedmill Public Company Limited delisted from the Stock Exchange of Thailand.

**2000**

The Company increased its paid-up capital from THB 570 million to THB 626.91 million.

**2002**

The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased from 65.00% to 96.50%.

**2008**

The Company invested 49.00% shares in GFPT Nichirei (Thailand) Company Limited.

**2010**

The Company performed stock split from THB 10 per share to THB 1 per share. Therefore, the registered share capital of GFPT Public Company Limited was unchanged at THB 1,400 million.

**2012**

GFPT Nichirei (Thailand) Company Limited, a joint-venture company, increased its registered share capital. Therefore, the Company bought additional shares being offered amounted THB 903.56 million to maintain its 49.00% share ownership.

The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased from 97.85% to 97.86%.

**2014**

"Krungthai Feedmill Public Company Limited" changed to "Krungthai Food Public Company Limited"

The Company bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased from 97.87% to 98.03%.

**2002****2003**

The Company increased its registered share capital from THB 1,000 million to THB 1,400 million. and paid-up capital from THB 626.91 million to THB 1,253.82 million.

The Company invested 99.99% shares in a subsidiary company, GP Breeding Company Limited.

**2011**

The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, the Company's share ownership increased from 96.50% to 97.85%.

**2013**

The Company bought additional shares of Krungthai Feedmill Public Company Limited, consequently, The Company's share ownership increased from 97.86% to 97.87%

**2015**

The Company bought additional shares of Krungthai Food Public Company Limited, consequently, the Company's share ownership increased from 98.03% to 98.06%.

# 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 brand names for both domestic and overseas markets. In 2015, GFPT has chicken processing capacity of 122,000 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 "GFPT Group" 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.

GFPT group operates integrated poultry business. Beginning with the investment of 98.06% 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 2015, 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 farm to produce fertilized eggs for selling to FKT. In 2015, KT has total capacity of 21 million fertilized eggs from its 3 farms in Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.



The Company invested 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 2015, GP has total capacity of 1.64 million of parent stocks from its 1 farm in Chonburi province.

The Company invested 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 2015, FKT has a total capacity of 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 invested 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 2015, MKS has total capacity of 87 million broilers from its 13 farms in Chonburi province.

The Company invested 99.99% in GF Foods Company Limited (“GFF”), with registered 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 2015, GFF has total capacity of 11,000 tons per year from 1 factory in Samutprakarn province.

The Company invested 49.00% in McKey Food Services (Thailand) 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 2015, McKey has a total capacity of 25,000 tons from 1 factory in Samutprakarn province. There is no conflict of interest between the rest of shareholders and The Company.

The Company invested 49.00% in GFPT Nichirei (Thailand) Company Limited (“GFN”), with registered capital of 3,014 million Baht. GFN engages in chicken evisceration, processing and distribution for domestic and export markets. The capacity of chicken processing is 67,000 tons per year and the capacity of cooked chicken products is 43,000 tons per year from 1 factory in Chonburi province. There is no conflict of interest between the rest of shareholders and The Company.

## 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	Parent chicken farm	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	2015 - 2023

### 2) Benefits and Privileges from Import Duties as follows:

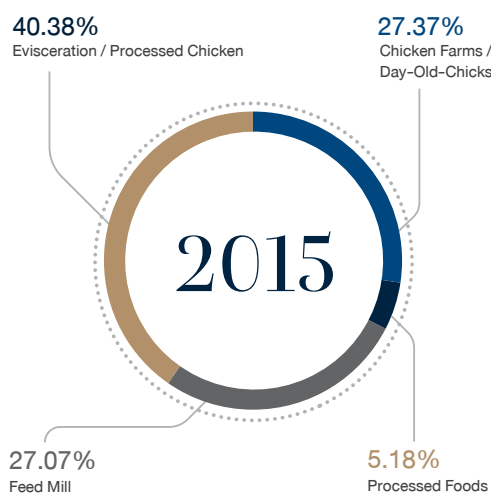
Company	Province	Certificate No.	Type of Promotional Activities	Beginning Year – Ending Year
McKey Food Services (Thailand) Ltd.	Samutprakarn	1106/2541	Finished Chicken Products	1998 - 2016 (Renew every 2 years)



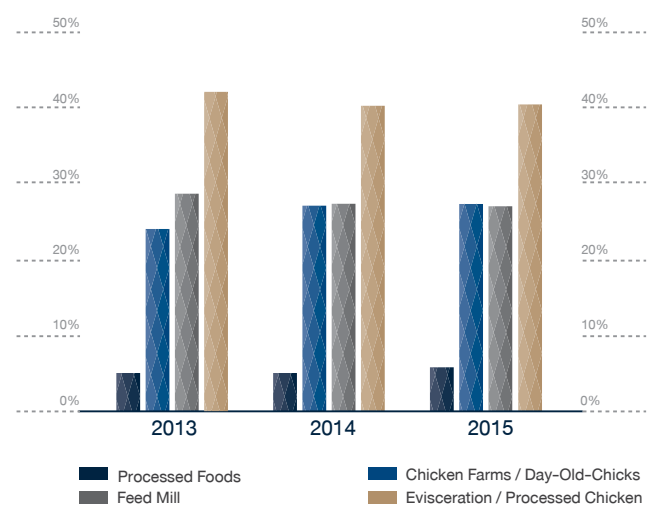
# INCOME STRUCTURE

In 2015, the revenue of the Company and its subsidiaries consisted of 40.38% from evisceration and processed chicken business, 27.07% from feed mill business, 27.37% from chicken farms and day-old-chicks distribution business and 5.18% from processed foods business. More detail are provided in the notes to financial statements no. 29 "Segment Information".

#### Revenue Breakdown of GFPT and its Subsidiaries



#### Income Structure



#### Revenue Breakdown of GFPT and its subsidiaries

Revenue Breakdown of GFPT and its subsidiaries	Operated by	% of Share holding (%)	2013		2014		2015	
			Income (MB)	%	Income (MB)	%	Income (MB)	%
Evisceration and Processed Chicken	GFPT		7,035.44	42.15	7,196.20	40.36	6,648.59	40.38
Feed Mill	KT	98.06	4,811.39	28.82	4,886.72	27.41	4,457.61	27.07
Chicken Farms and Day-Old-Chicks	FKT, GP, MKS	99.99	4,004.94	23.99	4,840.26	27.15	4,507.21	27.37
	KT	98.06						
Processed Foods	GFF	99.99	840.69	5.04	905.50	5.08	853.10	5.18
<b>Total</b>			<b>16,692.46</b>	<b>100.00</b>	<b>17,828.68</b>	<b>100.00</b>	<b>16,466.51</b>	<b>100.00</b>

CHICKEN ARE RAISED  
IN MODERN CLOSED HOUSE  
WITH EVAPORATIVE SYSTEM





# MISSIONS AND STRATEGIES

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



# MANAGEMENT DISCUSSION & ANALYSIS



The MD&A report has been prepared based on the consolidated and separate statements including significant transactions affecting the separated financial statements of financial positions for 2015 of GFPT and its subsidiaries (collectively, “GFPT Group”)

GFPT Public Company Limited, (“GFPT”, “the Company” or “We”) operates fully integrated poultry business involving the production and distribution of feeds, frozen chicken meat, processed chicken and its by-products under both the customers’ and the Company’s brand name for both domestic and overseas markets.

GFPT’s strategy is committed to being one of the leader in the poultry processing industry by focusing on the highest quality of food and safety standards throughout our operation, right from the animal feeds through the end products delivered to our customers.

GFPT Group has policy to mitigate risks from foreign exchange rate volatility, which occurred from export sale and raw material importation by hedging forward contract from several financial institutions.



## Results of Overall Performance

GFPT Group's total sales in 2015 were THB 16,466 million, decreased by THB 1,363 million or 7.64% primarily from chicken processing business. The Company had lower revenue from chicken processing business mainly from decreasing in export volume of chicken meat products and lower price of chicken meat and parts in domestic market.

The participating profit in associated companies was THB 249 million in 2015. A decrease of THB 76 million or 23.58% comparing to the previous year. McKey Food Services (Thailand)'s contribution was THB 185 million and GFPT Nichirei (Thailand)'s contribution was THB 64 million. Their market shares of chicken processing export were 4.29% and 5.56%, respectively.

As a final point, consolidated net profit in 2015 accounted for THB 1,195 million, or 0.95 baht per share, decreased in amount of THB 585 million or 32.85% decreased by THB 1,780 million in 2014.

## Overall Financial Performance and Profitability

### Revenue from Sales

The consolidated net sales for 2015 were THB 16,466 million, a decreased of THB 1,363 million or 7.64%, from 2014, consisted of chicken processing segment represented 40.38%, feed segment represented 27.07%, farm segment represented 27.37%, and processed food segment represented 5.18%.

### Chicken Processing Segment

Revenue from chicken processing segment in 2015 consisted of revenue from chicken direct export, chicken indirect export, and chicken domestic, represented 40.38% of total sales, being the largest portion of GFPT's consolidated net sales amounting THB 6,648 million, a decrease of THB 548 million or 7.61% from 2014. The export volume of chicken meat products in 2015 was 22,100 MT, a decrease of 4,100 MT or 15.65% from 2014; mainly from lower export volume of raw chicken products.

### Feed Segment

Revenue from feed segment in 2015 consisted of revenue from animal feed, fish feed, and shrimp feed, represented 27.07% of the consolidated net sales, amounting THB 4,458 million, decreased by THB 429 million or 8.78% from 2014; mostly from decreasing in shrimp feed and fish feed sales volume which decreased by 21.34% and 9.35%, respectively, as compared to last year due to Illegal Unreported and Unregulated Fishing (IUU Fishing) and Goods & Service Tax (GST) from the European Union (EU). While animal feed sales volume decreased by 6.00%.

### Farm Segment

Revenue from farm segment in 2015 consisted of revenue from selling live broilers to GFN, our joint venture and selling day-old-chicks to domestic market, represented 27.37% of total sales, amounting THB 4,507 million, a decrease of THB 333 million or 6.88% from 2014; mainly from the decrease in sales volume of day-old-chick. However, live broiler sales to GFN has been consecutively increasing since 2010.

### Processed Foods Segment

Revenue from processed food segment consisted of chicken sausage, chicken meatball, and other processed chicken products especially for domestic consumers, represented 5.18% of total sales. In 2015, the revenue from processed foods was THB 853 million, dropped by THB 53 million, or 5.79% decreased from 2014; mainly from 6.46% drop in domestic selling price.



### Cost of Sales

Cost of sales for 2015 was THB 14,463 million, a decrease of THB 873 million or 5.69% from 2014 from decreasing in sales and production volume. The production volume decreased as a result of lower sales volume of chicken export and shrimp feed. The cost of goods sold for 2015 contributed of 87.83% of total sales, slightly increased from 86.02% in 2014.

### Gross Profit

In 2015 consolidated gross profit was THB 2,003 million, decreased by THB 490 million or 19.64% from 2014, primarily from drop in total sales, mostly on revenue from chicken processing segment and feed segment. Consequently, the consolidated gross margin decreased from 13.98% in 2014 to 12.17% in 2015.

### Other Income

In 2015, other income of the Company and its subsidiaries was THB 235 million, dropped by THB 11 million or 4.71% from 2014, mainly from decreasing of gain in foreign exchange rate by THB 17 million from 2014. The consolidated other incomes in 2015 was 1.43% of net sales, slightly increased from 1.38% in 2014.

### Selling General and Administrative Expenses

The Consolidated SG&A expenses in 2015 totaled THB 1,170 million, slightly increased by THB 7 million or 0.59% from 2014. The Consolidated SG&A expenses quite level off because selling expenses declined due to decrease in freight cost. Whilst, loss from sales of retired parent chickens is higher comparing to 2014. The consolidated SG&A expenses in 2015 were 7.11% of net sales, slightly increased from 6.53% in 2014.

### Share of Profit from Associated Companies

In 2015, The Group's share of profit from associates under the equity method in the amount of THB 249 million, a decrease of THB 76 million, or 23.58% from 2014 mainly from profit contributed from GFN was THB 64 million, went down by THB 155 million or 70.66% decreased from 2014.

However, McKey's profit contribution was THB 185 million, an increase of THB 78 million or 73.28% increased comparing to 2014.

## Financial Costs

Financial costs of the group include the interest paid to financial institutions and related persons. The Company's financial costs in 2015 were THB 123 million, dropped by THB 22 million or 15.23% from 2014 mainly from the lower loan amount of related persons and lower interest rate from financial institutions. Costs of funds were 2.97% as at December 31, 2015 decreased from December 31, 2014 at 4.07%. The consolidated financial costs of the group in 2015 were 0.75% of net sales, slightly decreased from 0.82% in 2014.

## Income Tax Revenues (Expenses)

The income tax revenue for 2015 was THB 19 million, decreased by THB 23 million or 53.38% compared to income tax revenue for 2014 which was THB 42 million. A decrease in income tax revenue was impacted by higher corporate income tax expenses comparing to 2014.

## Net Profit

The consolidated net profit for 2015 was THB 1,195 million, decreased in amount of THB 585 million or 32.85% decreased from 2014 of THB 1,780 million. The EPS of 2015 was THB 0.95 per share. The decrease in consolidated net profit was primarily driven from the decrease in revenue from sales, higher percentage cost of goods sold, and lower profit from associated companies comparing to 2014. The consolidated net profit margin in 2015 was 7.26% of net sales, declined from 9.98% in 2014.

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

In 2015, the consolidated EBITDA was THB 2,387 million, a decrease of THB 519 million or decrease by 17.90% from 2014. The decreasing in consolidated EBITDA resulted from lower revenue from sales mainly from decreasing in sales volume. The EBITDA margin in 2015 was 14.49% decreased from 16.31% in 2014.

Unit: THB million

	2013	2014	2015
EBIT	1,716	1,901	1,317
Depreciation Expense	888	1,001	1,065
Amortization Expense	4	4	5
EBITDA	2,608	2,906	2,387
EBITDA Margin (%)	15.62	16.31	14.49

## Return on Equity

In 2015, return on equity of the Company and its subsidiaries was 13.15% decreased from 2014; resulting from lower efficiency in generating profit, slightly lower utilization of asset, and slightly lower risk from 2014 as follow:

DuPont Analysis	2013	2014	2015
Return on Equity or ROE <sup>15</sup> (%)	22.93	22.09	13.15
Operating Profit Margin <sup>12</sup> (%)	10.28	10.67	8.00
Total Assets Turnover <sup>18</sup> (times)	1.30	1.35	1.16
Equity Multiplier (times) (1+DE)	1.98	1.66	1.58

## Financial Position

### Assets

For the consolidated financial statements as of December 31, 2015, total assets of the Company equal to THB 14,976 million including THB 4,809 million (32.11% of total assets) in current assets, THB 6,736 million (44.98% of total assets) in property, plant and equipment (PP&E) - net, THB 2,126 million (14.20% of total assets), in investments in associated companies, THB 486 million (3.24% of total assets) in grandparent chicken and parent chicken-net and THB 819 million (5.47% of total assets) in investment in property and other assets.

Total assets as at December 31, 2015 increased in amount of THB 1,239 million or 9.02% from December 31, 2014 from increasing in PP&E-net of THB 590 million, increased in cash and cash equivalent of THB 323 million, and increased of THB 214 million in investments in associates-net. In 2015, the consolidated return on asset was 8.32% times lower than 2014 at 13.30%.

### Trade and other Receivables

In 2015, the Company and its subsidiaries recorded allowance for doubtful accounts in amount of THB 34 million, decreased of THB 5 million from 2014 of THB 39 million. The allowance for doubtful accounts was at acceptable level of 3.33% of total trade receivables. The average collection period of the Company and its subsidiaries was 20 days in 2015, remained the same in 2014. The account receivable turnover was 17.65 times, decreased from 18.21 times in 2014.

## Inventory

In 2015, the consolidated inventories – net of THB 3,173 million, decreased of THB 101 million or 3.08% decreased from 2014; primarily from decreasing in raw materials in transit. The inventory turnover was 66.93 times, decreased from 2014 at 75.83 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 22 million which accounted only 0.79% of total inventories value. It showed that the Company could manage inventory appropriately.

## Liabilities

As at December 31, 2015, total liabilities of the Company and its subsidiaries in amount of THB 5,533 million comprising of current liabilities of THB 2,953 million or 53.36% of total liabilities, long-term loans of THB 2,075 million or 37.50% of total liabilities, provision for employees benefit of THB 339 million or 6.12% of total liabilities, advance received for rental income from associates of THB 107 million or 1.94% of total liabilities, and other non-current liabilities of THB 59 million or 1.07% of total liabilities.

The total liabilities as at December 31, 2015 increased by THB 529 million or 10.56% from December 31, 2014 primarily from short-term loans from financial institutions increased in amount of THB 610 million, however, long-term loans from related persons decreased in amount of THB 142 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 2015, trade and other payables of the Company and its subsidiaries was THB 814 million, decreased in amount of THB 81 million or 9.15% decreased from 2014. In 2015, account payable turnover was 23.35 times increased from 2014 at 22.04 times. The consolidated average payment period in 2015 was 15 days, slightly decreased from 16 days in 2014.

The consolidated interest-bearing liabilities as at December 31, 2015 were THB 4,145 million, increased from 2014 in amount of THB 571 million mainly from the higher short-term loans from financial institutions in amount of THB 610 million.

## Shareholders' Equity

As at December 31, 2015, the consolidated shareholders' equity in amount of THB 9,443 million increased THB 710 million or increased by 8.13% from December 31, 2014; primarily from the increase in retained

earnings in amount of THB 692 million. The consolidated book value as at December 31, 2015 was THB 7.53 per share, increased from THB 6.97 per share in 2014.

## Liquidity

### Cash Flow Activities

In 2015, the Company and its subsidiaries generated cash flows from operating activities of approximately THB 1,764 million, decreased of THB 749 million from 2014; resulted primarily from the decreasing in trade and other receivables. The cash cycle was 10 days in 2015 longer than the 9 days in 2014.

In 2015, the Company and its subsidiaries used cash in its investing activities in amount of THB 1,386 million, increased by THB 46 million from 2014. The investing activities was made mostly in the investment in fixed assets in amount of THB 924 million and the grandparent and parent breeder stocks in amount of THB 545 million.

The Company and its subsidiaries used net cash in its financing activities in an amount of THB 55 million, significantly decreased by THB 1,159 million from 2014, mainly from dividend payment of THB 501 million, interest payment of THB 124 million and cash payment to related persons of THB 142 million.

As at December 31, 2015, the Company and its subsidiaries' cash position in cash and cash equivalents was THB 593 million, increased of THB 323 million from 2014.

### Liquidity ratios

In 2015, the liquidity of the Company and its subsidiaries was considerably appropriate for its operations and had strong financial position. As at December 31, 2015, the consolidated current ratio was 1.63 times, slightly decreased from previous year which was 1.91 times. The quick ratio in 2015 was 0.53 times increased from 2014 at 0.46 times. The cash ratio of the Company was 0.67 time, slightly decreased from previous year of 0.68 time.

### Short-term Debt Maturity

As at December 31, 2015, the Company and its subsidiaries' current liabilities of THB 2,953 million comprise of short-term loans from financial institutions of THB 1,787 million, trade and other payables THB 814 million, other current liabilities THB 69 million, and the current portion of long-term loans from financial institutions of THB 283 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 2015, the consolidated current ratio was 1.63 times, the net debt to equity ratio was low at 0.44: 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 4,341 million and trade finance facilities being letter of credit and trust receipt payables for THB 3,927 million.

### Capital Structure

The Company and its subsidiaries had strong financial position. As at December 31, 2015, the consolidated debt to equity ratio was 0.59: 1, slightly increased from 0.57: 1 as at December 31, 2014.

As at December 31, 2015, the consolidated interest-bearing liabilities were THB 4,145 million, increased from THB 3,574 million as at December 31, 2014. The net debt to equity of the Company was considerably low at 0.44: 1, slightly increased from 0.41: 1 in 2014. In summary, the Company had appropriate capital structure.

### Capital Expenditure and Capital Resources

In 2015, the Company made an investment of THB 1,386 million; mostly in purchasing of fixed assets in amount of THB 924 million and

grandparent breeder and breeder stocks in amount of THB 545 million.

According to the investment plan in 2015, the Company has continued to expand its broiler production capacity mainly in 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 – 1,000 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.

### 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, rules and regulations, and climate changing. Nevertheless, the Company has mitigated these risks to be in an acceptable level as shown in the Risk Factors and Risk Management section (page 54).

### Contractual Obligations

Unit: THB million

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	2,358	283	275	-	1,800
The financing lease obligations	-	-	-	-	-
The operating lease obligations	76	24	39	4	9
The acquisition obligations	98	86	11	1	-
The other debt obligations	710	710	-	-	-
<b>Total</b>	<b>3,242</b>	<b>1,103</b>	<b>325</b>	<b>5</b>	<b>1,809</b>

## Summary of Consolidated Statements of

### Financial Position of GFPT Public Company Limited and its subsidiaries

As at 31 December 2013, 2014 and 2015

	2013		2014		2015	
	MB	%	MB	%	MB	%
Cash and Cash Equivalent	311	2.39	270	1.97	593	3.96
Accounts Receivable & Other Receivable	1,101	8.45	905	6.59	1,027	6.85
Inventories	3,217	24.70	3,274	23.83	3,173	21.19
Other Current Assets	17	0.14	19	0.14	16	0.11
<b>Total Current Assets</b>	<b>4,646</b>	<b>35.68</b>	<b>4,468</b>	<b>32.53</b>	<b>4,809</b>	<b>32.11</b>
Investment in Associated Companies	1,616	12.41	1,912	13.92	2,126	14.20
Grandparent Chickens	46	0.35	71	0.52	99	0.66
Parent Chickens	367	2.82	407	2.96	387	2.58
Investment Property	375	2.88	369	2.68	364	2.43
Property, Plant and Equipment	5,686	43.66	6,146	44.74	6,736	44.98
Deferred Tax Assets	241	1.85	299	2.18	358	2.39
Other Non - Current Assets	45	0.35	65	0.47	97	0.65
<b>Total Non-Current Assets</b>	<b>8,376</b>	<b>64.32</b>	<b>9,269</b>	<b>67.47</b>	<b>10,167</b>	<b>67.89</b>
<b>Total Assets</b>	<b>13,022</b>	<b>100.00</b>	<b>13,737</b>	<b>100.00</b>	<b>14,976</b>	<b>100.00</b>
Short - Term Loans from Financial Institutions	2,047	15.72	1,177	8.57	1,787	11.93
Accounts and Notes Payable	922	7.08	895	6.52	814	5.43
Current Portion of Advance Received for Rental Income from Associate	11	0.08	8	0.06	8	0.05
Current Portion of Long - Term Loans	2,080	15.97	230	1.67	283	1.89
Other Current Liabilities	28	0.22	29	0.21	61	0.41
<b>Total Current Liabilities</b>	<b>5,088</b>	<b>39.07</b>	<b>2,339</b>	<b>17.03</b>	<b>2,953</b>	<b>19.71</b>
Long - Term Loans	80	0.61	2,167	15.77	2,075	13.85
Provision for Employee Benefit	293	2.25	315	2.29	339	2.26
Advance Received for Rental Income from Associate	123	0.95	115	0.84	107	0.72
Other Non - Current Liabilities	62	0.48	68	0.50	59	0.40
<b>Total Non-Current Liabilities</b>	<b>558</b>	<b>4.29</b>	<b>2,665</b>	<b>19.40</b>	<b>2,580</b>	<b>17.23</b>
<b>Total Liabilities</b>	<b>5,646</b>	<b>43.36</b>	<b>5,004</b>	<b>36.43</b>	<b>5,533</b>	<b>36.94</b>
<b>Total Shareholders' Equity</b>	<b>7,376</b>	<b>56.64</b>	<b>8,733</b>	<b>63.57</b>	<b>9,443</b>	<b>63.06</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>13,022</b>	<b>100.00</b>	<b>13,737</b>	<b>100.00</b>	<b>14,976</b>	<b>100.00</b>

Comprehensive Income Statements of GFPT Public Company Limited and its subsidiaries  
For the year ended 31 December 2013, 2014, and 2015

	2013		2014		2015	
	MB	%	MB	%	MB	%
Revenue from Sales	16,692	98.17	17,829	98.63	16,466	98.59
Other Income	312	1.83	246	1.37	235	1.41
<b>Total Revenue</b>	<b>17,004</b>	<b>100.00</b>	<b>18,075</b>	<b>100.00</b>	<b>16,701</b>	<b>100.00</b>
Cost of Sales	(14,451)	(84.99)	(15,336)	(84.84)	(14,463)	(86.60)
Selling and Administrative Expenses	(1,058)	(6.22)	(1,163)	(6.44)	(1,170)	(7.01)
<b>Total Expenses</b>	<b>(15,509)</b>	<b>(91.21)</b>	<b>(16,499)</b>	<b>(91.28)</b>	<b>(15,633)</b>	<b>(93.61)</b>
Share of Profit from Associated Companies	221	1.30	325	1.80	249	1.49
<b>Profit before Financial Costs and Income Taxes</b>	<b>1,716</b>	<b>10.09</b>	<b>1,901</b>	<b>10.52</b>	<b>1,317</b>	<b>7.88</b>
Financial Costs	(186)	(1.09)	(145)	(0.80)	(123)	(0.74)
Income Tax Revenue (Expenses)	(0)	-	42	0.23	19	0.12
<b>Profit for The Year</b>	<b>1,530</b>	<b>9.00</b>	<b>1,798</b>	<b>9.95</b>	<b>1,213</b>	<b>7.26</b>
Non - Controlling Interests	(14)	(0.08)	(18)	(0.10)	(18)	(0.11)
<b>Net Profit</b>	<b>1,516</b>	<b>8.92</b>	<b>1,780</b>	<b>9.85</b>	<b>1,195</b>	<b>7.15</b>

**Remark:** Figures in the 2013 and 2014 consolidated financial statement were reclassified for comparison.

Consolidated Cash Flows Statements of GFPT Public Company Limited and its subsidiaries  
For the year ended 31 December 2013, 2014 and 2015

	2013	2014	2015
	MB	MB	MB
Net Cash Received from Operating Activities	3,072	2,513	1,764
Net Cash Used in Investing Activities	(1,292)	(1,340)	(1,386)
Net Cash Used in Financing Activities	(1,752)	(1,214)	(55)
Net Increase (Decrease) in Cash and Cash Equivalent	28	(41)	323
Cash and Cash Equivalent at the Beginning Balance	283	311	270
<b>Cash and Cash Equivalent at the Ending Balance</b>	<b>311</b>	<b>270</b>	<b>593</b>

## Financial Ratios of GFPT Public Company Limited and its subsidiaries

	2013	2014	2015
<b>Liquidity Ratio</b>			
Current Ratio <sup>1</sup> (times)	0.91	1.91	1.63
Quick Ratio <sup>2</sup> (times)	0.27	0.46	0.53
Cash Ratio <sup>3</sup> (times)	0.63	0.68	0.67
Account Receivable Turnover <sup>4</sup> (times)	16.04	18.21	17.65
Average Collection Period <sup>5</sup> (days)	22	20	20
Inventory Turnover <sup>6</sup> (times)	77.24	75.83	66.93
Average Inventory Turnover Period <sup>7</sup> (days)	5	5	5
Account Payable Turnover <sup>8</sup> (times)	18.46	22.04	23.35
Average Payment Period <sup>9</sup> (days)	20	16	15
Cash Cycle <sup>10</sup> (days)	7	9	10
<b>Profitability Ratio</b>			
Gross Profit Margin <sup>11</sup> (%)	13.43	13.98	12.17
Operating Profit Margin <sup>12</sup> (%)	10.28	10.67	8.00
Cash Profit Margin <sup>13</sup> (%)	179.03	132.17	133.95
Net Profit Margin <sup>14</sup> (%)	8.93	9.85	7.16
Return on Equity or ROE <sup>15</sup> (%)	22.93	22.09	13.15
<b>Efficiency Ratio</b>			
Return On Assets or ROA <sup>16</sup> (%)	11.61	13.30	8.32
Return On Fixed Assets <sup>17</sup> (%)	30.06	31.52	23.25
Total Assets Turnover <sup>18</sup> (times)	1.30	1.35	1.16
<b>Leverage Ratio</b>			
Debt/Equity Ratio <sup>19</sup> (times)	0.77	0.57	0.59
Net Debt to Equity Ratio <sup>20</sup> (times)	0.57	0.41	0.44
Interest Coverage Ratio <sup>21</sup> (times)	15.30	15.52	11.61
Debt Service Coverage Ratio <sup>22</sup> (times)	0.20	0.20	0.12
Dividend Payout Ratio <sup>23</sup> (%)	82.12	65.62	N/A *

**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 / Average 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) Average 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 + Average Inventory Turnover Period - Average Payment Period
- 11) Gross Profit Margin = (Gross Profit / Sales) \* 100
- 12) Operating Profit Margin = (Operating Profit / Sales) \* 100
- 13) Cash Profit Margin = (EBIT / Net Income) \* 100
- 14) Net Profit Margin = (Net Profit / Total Sales) \* 100
- 15) Return On Equity or ROE = (Net Profit / Average Equity) \* 100
- 16) Return on Assets or ROA = (Net Profit / Average Total Assets) \* 100
- 17) Return on Fixed Assets = ((Net Profit + Depreciation) / Average Total Fixed Assets) \* 100
- 18) Total Assets Turnover = Total Revenue / 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) \* 100

\* The dividend payout ratio is subject to the resolutions of the AGM 2016



COMMITMENT TO BE A LEADER IN  
FOOD BUSINESS EMPHASIZING ON  
QUALITY AND FOOD SAFETY STARTING  
FROM FEED TO CONSUMER.



# BUSINESS OUTLOOK

## The Overview of Broiler Business in 2015 and Prospect for 2016

### Situation in 2015

#### Production

In 2015, most of major broiler producing countries were able to expand their broiler productions. The slow growth of world economy helped encourage demand for chicken meat, a cheaper and lower fat content protein food, to replace other types of meat product. Moreover, the growing concern on health among consumers had also helped increase demand for chicken meat as source of low cholesterol meat products. However, the occasional recurrences of Avian Flu outbreak in some parts of the world were still an obstacle to the expansion of production and export in those contaminated countries.

Total world broiler production was approximately 87.94<sup>1</sup> million tons in 2015, an increase of merely 1.61% from the previous year. The United States was still the world's largest broiler raiser followed by Brazil, China, and the European Union respectively.

The United States produced approximately 17.97<sup>1</sup> million tons of chicken meat in 2015, an increase of only 3.86% from 2014. The chicken meat production in Brazil, the next major producer, increased from 2014 by 3.06% to 13.08<sup>1</sup> million tons during the same period. China, the world's third largest producer, produced 13.03<sup>1</sup> million tons of chicken meat which increased from 2014 by 0.19%. Lastly, the EU which was the world fourth largest producer produced approximately 10.60<sup>1</sup> million tons of chicken meat in 2015, an increase of 2.61% from the previous year.

As for Thailand, approximately 1,310.58<sup>2</sup> million broilers were raised in 2015 which accounted for about 1.80<sup>2</sup> million tons of chicken meat, an increase of around 8.35%<sup>2</sup> from 2014. The production growth was partly due to the recurrence of Thai frozen chicken meat export to the EU and Japan after the lifting of the ban on that item in 2004, combined with the expansion of broiler production capacity of domestic producers continuously.

### Market Situation

#### Domestic Market

Thai economy in 2015 grew minimally due to some external negative factors such as the slow economic recovery in many countries which had been Thai major exporting markets including the European Union, the United States and Japan. Moreover, there were also internal negative factors especially the declining of growth and consumption expenditure as a result of decreasing prices of agricultural products which were sources of income for the most part of Thai population. Despite those negative factors, domestic consumption of chicken meat product in 2015 was approximately 1.20<sup>2</sup> million tons which increased by 7.56%<sup>2</sup> from the previous year.

The consistent rising of domestic demand was partly the result of the relatively low price of chicken meat compared with other types of meat products. Since consumption expenditures of most consumers were rather limited during the economic slowdown, chicken would

<sup>1</sup> United States Department of Agriculture <http://usda.mannlib.cornell.edu/usda/current/livestock-poultry-ma/livestock-poultry-ma-10-09-2015.pdf>

<sup>2</sup> Commodity Price Prospect 2016 Report, Office of Agricultural Economics  
[http://www.oae.go.th/download/document\\_tendency/journalofecon2559.pdf](http://www.oae.go.th/download/document_tendency/journalofecon2559.pdf)

clearly be one of their optimum choices of meat consumption. The growing concern on health among Thai consumers also induced them to substitute beef and pork with chicken meat which contain lower fat and lower cholesterol. Furthermore, competition in the growing fast food business was also help raising domestic demand because chicken meat was widely used as part of raw material in various chained fast food outlets. However, the pork price in 2015 was relatively low which affected lower demand of chicken meat.

### Export market

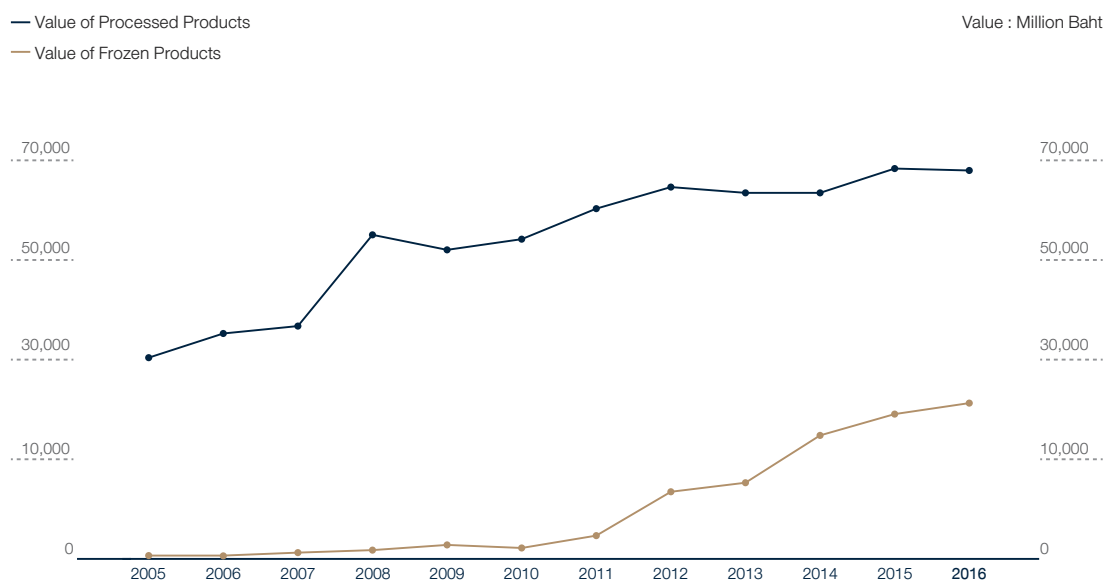
Volume of chicken meat export in 2015 was about 681,073<sup>3</sup> tons, an increase of 17.53%<sup>3</sup> from 2014, while its value increased by 12.58%<sup>3</sup> to reach 88,914<sup>3</sup> million Baht. Although most of the export was still the processed chicken products, export of frozen chicken meat had increased fairly by 38.95%<sup>3</sup> compared with 9.73%<sup>3</sup> increased of processed chicken products export. The increase was caused by the lifting of import ban on Thai frozen chicken meat by the European Union and Japan.

As for the export market, Japan was the most important market of Thai chicken meat products. In 2015, export of chicken meat products to Japan was approximately 325,442<sup>3</sup> tons, an increase of approximately 30.65%<sup>3</sup> from previous year. Its proportion to overall chicken meat export was also increasing from 42.99%<sup>3</sup> in 2014 to 47.78%<sup>3</sup> in 2015. The high export increase was mainly due to the lift of import ban on Thai frozen chicken meat by Japan in 2013. Furthermore, the Avian Flu outbreak in some countries helped make the Avian Flu-free products from Thailand highly acceptable.

Export to the EU, the second largest market of Thai chicken meat export increased by only 3.40%<sup>3</sup> from 2014 to reach 280,345<sup>3</sup> tons in 2015. Its share of overall chicken meat export declined from 46.79%<sup>3</sup> to 41.16%<sup>3</sup> during the same period.

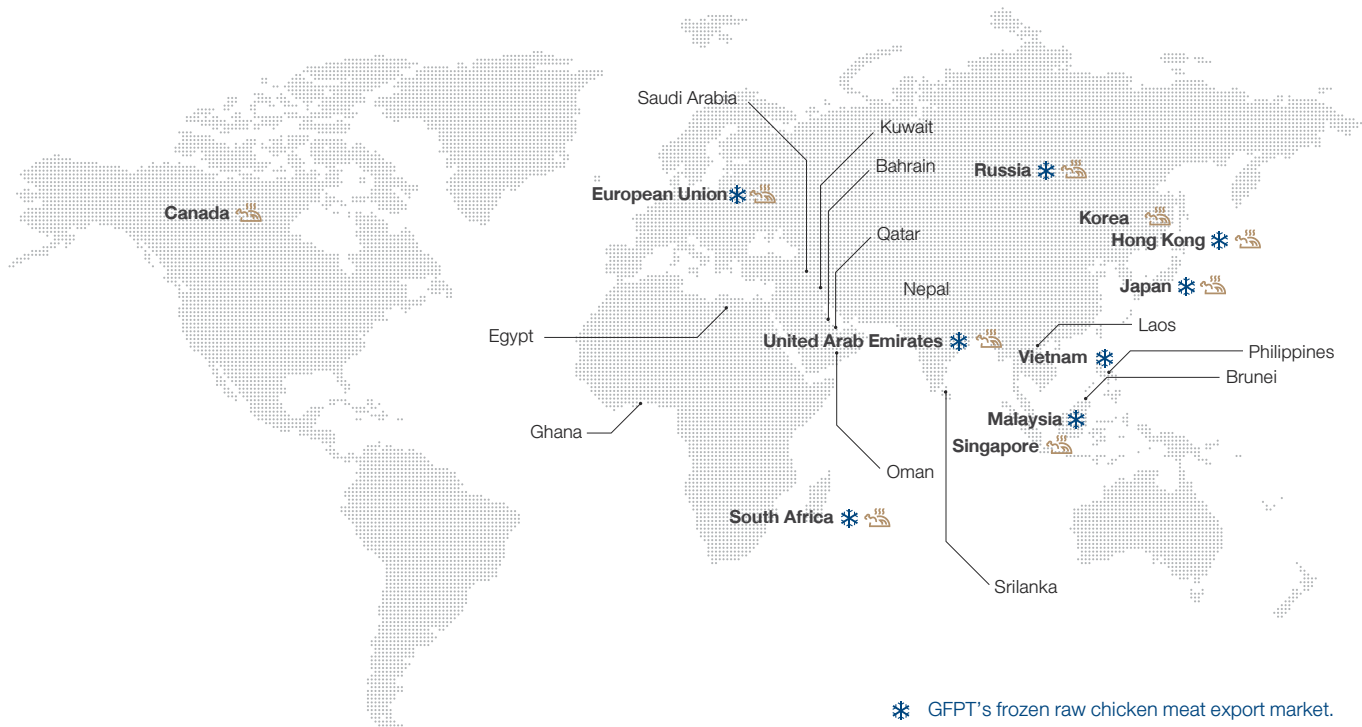
Besides these two major markets, the export of Thai chicken meat products to other countries in 2015 was approximately 75,286<sup>3</sup> tons, an increase of 27.10%<sup>3</sup> from previous year. Despite the intense competition, the Avian Flu outbreak in some major exporting countries helped make Thai products more attractive. Furthermore, the export was also benefited from the continually depreciation of Thai Baht.

### Volume and Value of Thai Chicken Meat Export



<sup>3</sup> Thai Broiler Processing Exporters Association <http://www.thaipoultry.org/STATISTIC/tabid/248/Default.aspx>

## Volume and Value of Thai Chicken Meat Export



Canada	
Saudi Arabia	
European Union	*
Egypt	
Ghana	
Kuwait	
Bahrain	
Qatar	

Nepal	
United Arab Emirates	*
Oman	
South Africa	*
Russia	*
Korea	
Hong Kong	*
Japan	*

Laos	
Vietnam	*
Malaysia	*
Singapore	
Sri Lanka	
Philippines	
Brunei	

## Export of Thai Chicken Meat Products to Important Markets 2014 – 2016(F)



Source: Thai Broiler Processing Exporters Association.

\* Estimated, \*\*Forecasted

## Prospects for 2016

### Production

Thai chicken meat production in 2016 tends to increase from 2015 by approximately 0.50%. The estimated production is about 1,317.13 million broilers or 1.81 million tons of chicken meat. The slightly increasing in production is the result of import ban on the US grandparent stock in the late 2014 due to the Avian Flu outbreak in that country.

The slightly increasing in production is a necessary adjustment process to balance the broiler supply with its demand. It will not affect domestic consumption or export of chicken meat products in the long run. The estimated production is only temporary since the economic growth will help raise the consumption while the export will grow continually because of the competitive potentiality of Thai chicken meat products in the world market.

However, there are many obstacles and risks that may adversely affect the production and push it lower than expectation. Such obstacles include more 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, cost of animal feed and hence the cost of broiler production may increase.

### Market Situation

The expected political stability will help support the growth of Thai economy in 2016. Although the economy may grow minimally, domestic market for chicken meat products is expected to rise because chicken meat is a better choice for consumer who prefers rich nutrient diet at reasonable price. Furthermore, growth of international tourist as a result of the continually 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 2016 will be approximately 1.26<sup>4</sup> million tons, an increase of 5.53%<sup>4</sup> from 2015.

Since the export growth in 2015 is rather high, it is expected that growth in 2016 may be slow down slightly and export volume will increase by 2.78%<sup>5</sup> to approximately 700,000<sup>5</sup> tons. However, there are many supporting factors that may help the growth of chicken meat export especially the expected growth of world economy and confidences of the importers and consumers in foreign markets on hygienic standard of Thai products.



<sup>4</sup> รายงานสถานการณ์สินค้าเกษตรที่สำคัญและแนวโน้ม ปี 2559, สำนักวิจัยเศรษฐกิจการเกษตร สำนักงานเศรษฐกิจการเกษตร [http://www.oae.go.th/download/document\\_tendency/journalofecon2559.pdf](http://www.oae.go.th/download/document_tendency/journalofecon2559.pdf)

<sup>5</sup> Thai Broiler Processing Exporters Association <http://www.thaipoultry.org/STATISTIC/tabid/248/Default.aspx>

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

### Positive Factors

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- Countries that impose import ban on Thai frozen chicken meat have continually lifted those ban due to the efficacy of both the government and Thai private sectors to deal with the Avian Flu outbreak. As a result, the chance of expanding Thai chicken meat export is brightened especially in the major export markets including the EU, Japan and the ASEAN. Moreover, the Avian Flu outbreak in many parts of the world helps make the Avian Flu-free products from Thailand highly competitive.
- Falling oil price not only helped reduce the cost of broiler production and its transportation cost but also lowered demand for renewable energy such as gasohol and biodiesel. As a result, prices of crops used to produce these sources of energy would not be drove 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.
- 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.

### Negative Factors

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- Brazil currency that tends to depreciate will help enhance competitive advantage in chicken meat export of this major exporting country.
- Global warming may lead to severe draught in many parts of the world especially the countries in which animal feed raw materials are largely produced. Lower production of animal feed raw materials will cause their prices to rise so that cost of animal feed as well as cost of broiler raising will inevitably increase.
- Since Thailand still cannot reach the agreement with the European Union to increase its allocated import quota of cooked chicken meat, export of this product to the European Union may not be able to increase further since the out-of-quota tariff is too high.
- The nationwide increase of minimum wage rate to 300 Baht per day has raised the production cost of chicken meat products. As a result, the competitiveness of Thai export will be reduced when compare with other competing countries of which their minimum wage rates do not change.
- Although the Avian Flu outbreak has been efficiently brought under control in Thailand, the occasionally reoccurring of the outbreak in other countries pose a serious threat to Thai chicken meat export. Therefore, it is the risk that both government and its business counterpart have to strictly monitor.

## Production and Domestic Consumption

Year	Production (million birds)	Production (metric tons)	Change (%)	Consumption (metric tons)	Change (%)
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	1,112,435	10.36
2015*	1,310.58	1,796,515	8.35	1,196,515	7.56
<b>2016**</b>	<b>1,317.13</b>	<b>1,805,498</b>	<b>0.50</b>	<b>1,262,667</b>	<b>5.53</b>

Source: Office of Agricultural Economics.

\* Estimated, \*\* Forecasted

## Volume and Value of Thai Chicken Meat Export

Volume: metric tons Value: million Baht

Year	Frozen		Processed Products		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	31,395
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	154,759	15,653	424,707	63,324	579,466	78,977
2015*	215,045	19,655	466,028	69,259	681,073	88,914
<b>2016**</b>	<b>234,000</b>	<b>21,745</b>	<b>466,000</b>	<b>69,255</b>	<b>700,000</b>	<b>91,000</b>

Source: Thai Broiler Processing Exporters Association.

\* Estimated, \*\* Forecasted



A large industrial food processing machine, likely for chicken nuggets, is shown in a factory setting. The machine has a stainless steel body and a green star logo with the text "AL JAFRA" on it. A conveyor belt is visible, carrying several breaded chicken pieces. The machine is equipped with various sensors and cables, including a blue cable connected to a white sensor unit. The background shows a clean, industrial environment with a blue floor.

FOCUSING ON INNOVATION  
AND MODERN PRODUCTION  
TECHNOLOGY

# RISK FACTORS



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 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 Risk

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 Risk

Marketing are 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-sale service, during-sale 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 Risk

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 Risk

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 Risk

As of December 30, 2015, the major shareholder, the Sirimongkolkasem family, holds 700,221,940 shares or 55.85% 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 Risk

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 Risk

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 Risk

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 commodity prices.

### 2.3 Price Volatility of Livestock and Meat Products Risk

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 expectation and the control of the Company.

### 2.4 Price Volatility on Fuel Risk

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 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 Changes in Consumers' Behavior Risk

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) Risk

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 Risk

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 Risk

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 Risk

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.

### 2.10 Climate changing Risk

Natural disasters such as draught, flood, storm, and etc. as a result of climate changing due to global warming will create direct and indirect impact to the Company unavoidably. This impact is concerned as an uncontrollable risk which the damage cannot be defined. Therefore, being ready for climate changing can lower damage the Company may impacted.

#### Risk Management

The Company continuously prepares a counterplan for an emergency case in accordance with business operation master plan. The persons in charge of this counterplan have to monitor seasonal climate and report to the executives for preparation and continuous improvement of the counterplan.

## CHICKEN ARE PROVIDED GOOD ANIMAL WELFARE







# CONNECTED TRANSACTIONS

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

## Procedure for Approval of Inter-Transactions

The Board of Directors considers the potential conflict of interest or related transactions properly under the ethical framework which moderated by the Audit 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 transaction that may have a conflict of interest to the public with accuracy and completeness. The management can execute such transactions, as a general trading. The transactions are undertaken without the influence of their status as being 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 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 2015, 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, 2015 and 2014, 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 Committee which 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 Current Year and the Previous Year

For the year 2015 and 2014, 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 Dec. 31, 2015 (MB.)		Value of Inter-Transactions for the year ended Dec. 31, 2014 (MB.)		Reasons and Necessity of the Transactions / Pricing Condition
		Separated FS.	Consolidated FS.	Separated FS.	Consolidated FS.	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	636.25	-	631.54	Providing rental office
	2. Purchases	-	795.53	-	844.57	building / Pricing by
	3. Other Income	0.33	16.00	0.30	20.76	Independent Appraiser.
	4. Rental Income	7.46	16.40	7.05	15.30	Selling broiler /
	5. Expenses	2.68	75.94	2.62	86.22	Pricing by Contract Price based on Market Price
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.07	2.57	1.07	2.57	Providing rental farms / Pricing by Contract Price
3. P.Vet. Co., Ltd. / Common Management	1. Sales	-	-	-	0.11	Selling animal drug /
	2. Other Income	-	-	-	0.05	Pricing by Market Price
4. 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
5. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	1,608.26	-	2,040.00	Expertise in corn supply for
	2. Other Income	-	0.02	-	-	feed production / Pricing by Market Price
6. M.K.S.Condotown Co., Ltd. / Common Management	1. Other Income	2.45	2.45	2.23	2.23	Providing rental
	2. Rental Income	0.35	0.35	0.35	0.35	accommodations /
	3. Expenses	-	-	0.37	0.37	Pricing by Market Price
7. Nichirei Foods Inc. / Major Shareholder of joint venture	1. Sales	600.11	600.11	977.29	977.29	Purchasing Chicken
	2. Other Income	0.15	0.15	1.35	1.35	Processing Products / Pricing by Market Price

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter-Transactions for the year ended Dec. 31, 2015 (MB.)		Value of Inter-Transactions for the year ended Dec. 31, 2014 (MB.)		Reasons and Necessity of the Transactions / Pricing Condition
		Separated FS.	Consolidated FS.	Separated FS.	Consolidated FS.	
8. KEYSTONE FOODS (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	946.66	946.66	186.37	186.37	Purchasing Chicken Processing Products / Pricing by Market Price
9. Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	3.40	3.40	5.10	5.10	Purchasing Chicken Meat Products / Pricing by Market Price
10. Surapon Nichirei Foods Co., Ltd / Shareholding by Nichirei Foods Inc.	1. Sales 2. Other Income	- -	- -	19.18 0.05	19.18 0.05	Purchasing Chicken Meat Products / Pricing by Market Price
11. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	35.90	99.62	38.03	110.53	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.

# SHAREHOLDING STRUCTURE

## Company Security

As of December 30, 2015, 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

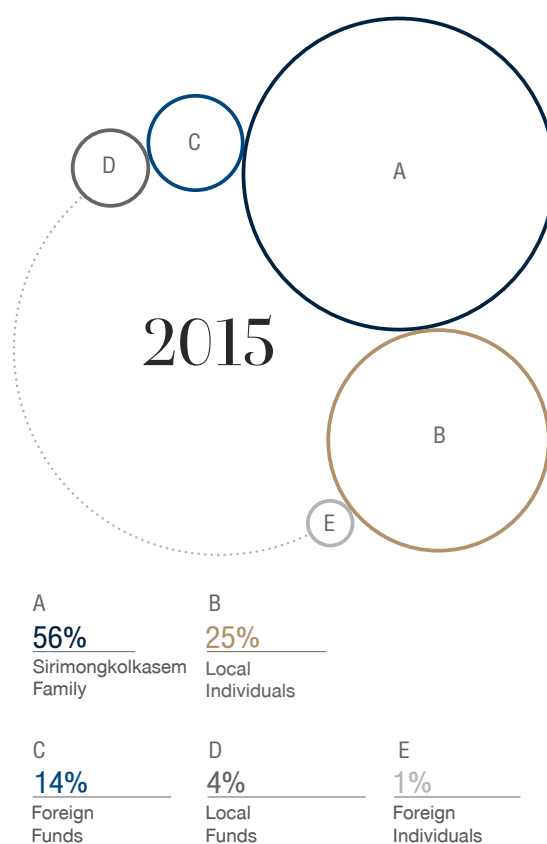
At the closing date of registrar book dated on December 30, 2015, the top ten major shareholders are as follows:

No.	Name of shareholders	No. of shares (shares)	%
1	Sirimongkolasem Family <sup>(1)</sup>	700,221,940	55.85%
2	NICHIREI FOODS INC.	56,716,050	4.52%
3	Ms. Wanna Kittanamongkolchai	40,000,000	3.19%
4	THAI NVDR CO., LTD.	38,512,177	3.07%
5	NORBAX, INC.	28,102,100	2.24%
6	Mr. Kongphob Limsong	25,065,200	2.00%
7	Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
8	Mr. Songkram Cheevaprawatdomrong	14,108,500	1.13%
9	STATE STREET BANK AND TRUST COMPANY	12,210,700	0.97%
10	CHASE NOMINEES LIMITED	12,181,224	0.97%
<b>Top 10 Major Shareholders</b>		<b>947,117,891</b>	<b>75.54%</b>

**Note:** <sup>(1)</sup> Sirimongkolasem family have 27 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, 2015



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

As of December 30, 2015, 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	33,000,000	2.63%
2	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
<b>Total</b>			<b>67,483,580</b>	<b>5.38%</b>

### List of Sirimongkolkasem Family are as follow:

No.	Name of shareholders		No. of shares (shares)	%
1	Mr. Prasit	Sirimongkolkasem	33,000,000	2.63%
2	Mr. Virach	Sirimongkolkasem	30,349,500	2.42%
3	Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
4	Mrs. Somsiri	Ingpochai	2,500,000	0.20%
5	Ms. Wannee	Sirimongkolkasem	10,100,000	0.81%
6	Mr. Sujin	Sirimongkolkasem	59,501,080	4.75%
7	Mrs. Pranee	Parksook	1,191,930	0.10%
8	Mrs. Chonlada	Sirimongkolkasem	73,000,000	5.82%
9	Mr. Pisanu	Sirimongkolkasem	70,000,000	5.58%
10	Mr. Jarongkij	Sirimongkolkasem	12,359,910	0.99%
11	Mr. Jarongkorn	Sirimongkolkasem	12,310,910	0.98%
12	Ms. Nisa	Sirimongkolkasem	44,843,200	3.58%
13	Mr. Kajorn	Sirimongkolkasem	37,400,000	2.98%
14	Ms. Wipawadee	Sirimongkolkasem	37,400,000	2.98%
15	Mr. Jedsada	Sirimongkolkasem	37,452,000	2.99%
16	Mr. Kittichai	Sirimongkolkasem	37,400,000	2.98%
17	Ms. Wiwanya	Sirimongkolkasem	35,889,000	2.86%
18	Ms. Papinya	Sirimongkolkasem	35,350,000	2.82%
19	Ms. Warisara	Sirimongkolkasem	35,875,300	2.86%
20	Mr. Wongsakorn	Sirimongkolkasem	60,000,000	4.79%
21	Ms. Jutamas	Ingpochai	5,000,000	0.40%
22	Mr. Pongsathorn	Ingpochai	4,959,830	0.40%
23	Mr. Win	Parksook	5,105,000	0.41%
24	Mr. Worapath	Parksook	5,100,000	0.41%
25	Ms. Aleena	Sirimongkolkasem	5,000,000	0.40%
26	Mr. Achira	Sirimongkolkasem	5,000,000	0.40%
27	P. Chareonphan Produces Co., Ltd.*		200	0.00%
<b>Sirimongkolkasem Family</b>			<b>700,221,940</b>	<b>55.85%</b>

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

# DIVIDEND PAYMENT POLICY

## Dividend Payment Policy of GFPT Public Company Limited

The dividend payment 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

	2010	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013	2014
Earnings per Share – separated financial statement (THB/share)	0.33	0.38	(0.31)	0.43	0.61
Dividend per Share (THB/share)	0.30	0.33	-	0.35	0.40
Dividend Payout Ratio – separated financial statement (%)	91.71%	85.89%	-	82.14%	65.63%

**Note:** <sup>(1)</sup> 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 since fiscal 2013.

## Dividend Payment Policy of Subsidiaries and Joint Ventures

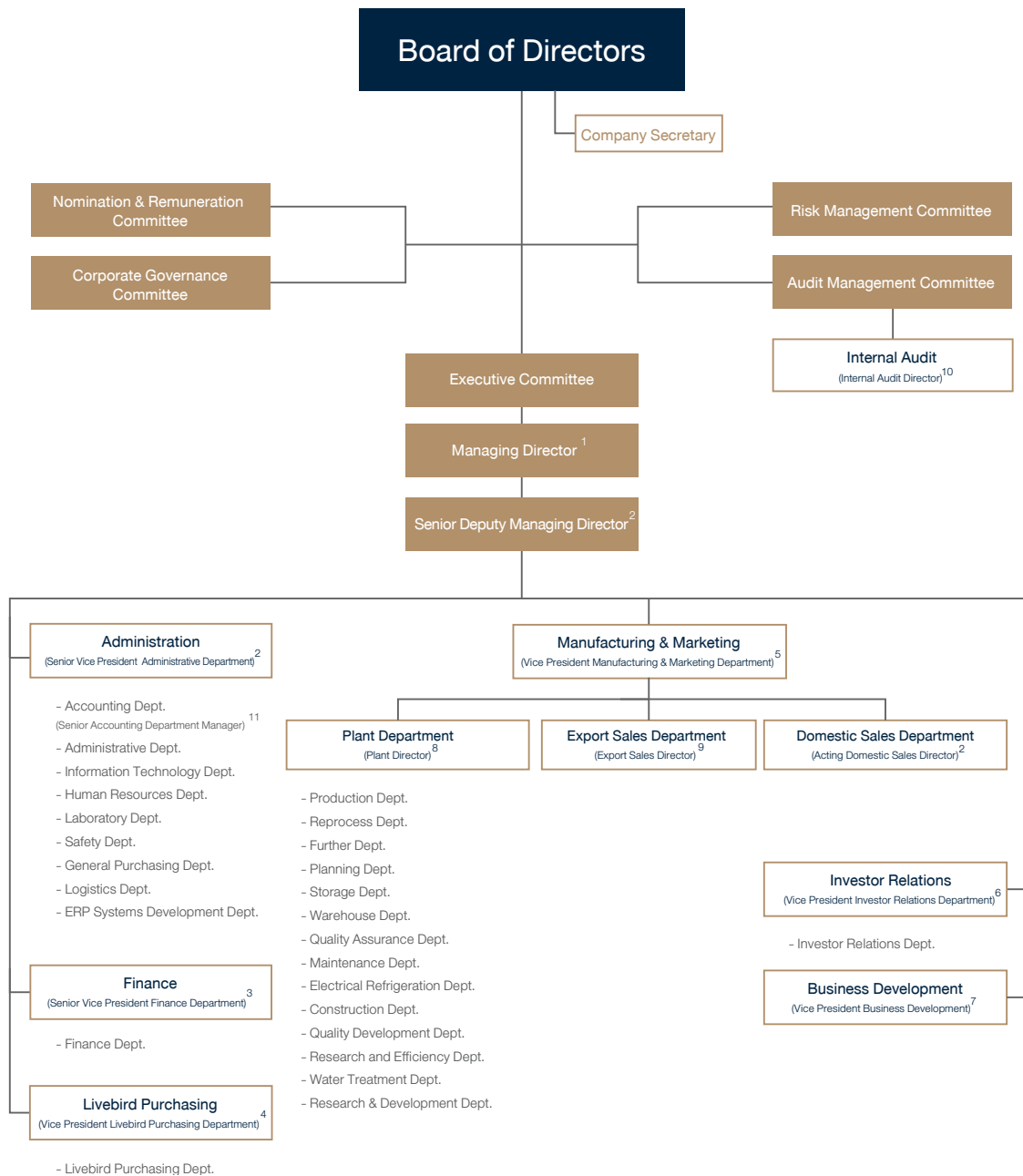
The dividend policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, future investment plans of each company, without designated dividend payout ratio. As of December 31, 2015, the Company received the dividend from a joint-venture company in amount of THB 29.40 million.

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Continuously conducting research and development for new products in addition to adopting advanced technologies to constantly expand its business.

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# ORGANIZATION CHART



Organization Chart as at 31 December 2015

\* List of executives is shown in page 74

# MANAGEMENT

In 2015, the management structure of GFPT Public Company Limited composes of  
1) the Board of Directors 2) 5 sub-Committees (the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Risk Management Committee and the Executive Committee) 3) the Executives

## 1. Board of Directors

As of 31 December 2015, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows:

Name - Surname		Title
1. Mr. Prasit	Sirimongkolkasem <sup>(1)</sup>	Chairman
2. Mr. Virach	Sirimongkolkasem <sup>(1)</sup>	Vice Chairman Member of Executive Committee Managing Director
3. Dr. Anan	Sirimongkolkasem <sup>(1)</sup>	Director Chairman of Executive Committee Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee Senior Deputy Managing Director Senior Vice President, Administration Department
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee
5. Mr. Paramet	Hetrakul	Independent Director Chairman of Risk Management Committee Member of Audit Committee Member of Nomination and Remuneration Committee
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee

Name - Surname		Title
7. Mrs. Somsiri	Ingpochai	Director Member of Risk Management Committee Member of Executive Committee
8. Ms. Wannee	Sirimongkolkasem	Director Member of Risk Management Committee
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee Member of Risk Management Committee Member of Executive Committee Vice President, Live-Chicken Purchasing Department

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

<sup>(1)</sup> 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.

## 2. Sub-Committees

### Audit Committee (AC)

As of 31 December 2015, the Audit Committee comprised of 3 directors as follows;

Name - Surname		Title
1. Dr. Sathit	Karanes	Chairman of Audit Committee
2. Mr. Paramet	Hetrakul <sup>(1)</sup>	Member of Audit Committee
3. Mr. Thanathip	Pichedvanichok <sup>(2)</sup>	Member of Audit Committee

**Note:** Mr.Chatchai Ratanawalai is a Secretary of the Audit Committee

<sup>(1)</sup> Audit committee who has extensive knowledge and experiences in reviewing financial statement.

<sup>(2)</sup> Audit committee who has extensive knowledge and experiences in legal aspect

### Nomination and Remuneration Committee (NRC)

As of 31 December 2015, 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 2015, 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

### Risk Management Committee (RMC)

As of 31 December 2015, the Risk Management Committee comprised of 5 directors as follows;

Name – Surname		Title
1. Mr. Paramet	Hetrakul	Chairman of Risk Management Committee
2. Dr. Anan	Sirimongkolkasem	Member of Risk Management Committee
3. Mrs. Somsiri	Ingpochai	Member of Risk Management Committee
4. Ms. Wannee	Sirimongkolkasem	Member of Risk Management Committee
5. Mr. Sujin	Sirimongkolkasem	Member of Risk Management Committee

**Note :** Risk Management Committee was appointed by the resolution of the Board of Directors' Meeting

No. 5/2015, held on 9th July 2015

Mr. Theerasak Piamsuphakphong is a Secretary of the Risk Management Committee

### Executive Committee (EC)

As of 31 December 2015, the Executive Committee comprised of 7 directors as follows;

Name – Surname		Title
1. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee
2. Mr. Virach	Sirimongkolkasem	Member of Executive Committee
3. Mrs. Somsiri	Ingpochai	Member of Executive Committee
4. Mrs. Pranee	Parksook	Member of Executive Committee
5. Mr. Jedsada	Sirimongkolkasem	Member of Executive Committee
6. Mr. Sujin	Sirimongkolkasem	Member of Executive Committee
7. Mr. Wongsakorn	Sirimongkolkasem	Member of Executive Committee

### 3. The Executives

As of 31 December 2015, 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 Senior Vice President, Administration Department and Acting Domestic Sales Director
3. Mrs. Pranee	Parksook	Senior Vice President, Finance Department
4. Mr. Sujin	Sirimongkolkasem	Vice President, Live-Chicken Purchasing Department
5. Mr. Kittichai	Sirimongkolkasem	Vice President, Manufacturing and Marketing Department
6. Ms. Jutamas	Ingpochai	Vice President, Investor Relations Department and Company Secretary
7. Ms. Wipawadee**	Sirimongkolkasem	Vice President, Business Development Department
8. Mr. Thiti	Wanachate	Plant Director
9. Mr. Artorn	Uapopol	Export 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

\*\* Ms. Wipawadee Sirimongkolkasem was appointed to be the Vice President, Business Development Department since 23<sup>rd</sup> February 2015 onwards.

\*\*\* Mr. Danai Booncharoensukpisarn resigned from the Domestic Sales Director of the Company since 1<sup>st</sup> October 2015 onwards.

Securities Holding Report of Directors  
and Executives as of 30 December 2015

Name – Surname		Amount (Shares)					
		As of 30 December 2014		As of 30 December 2015		Increase / Decrease	% Shareholding
		Direct	Indirect	Direct	Indirect		
1. Mr. Prasit	Sirimongkolkasem	220,000,000	-	33,000,000	-	-187,000,000	2.63%
2. Mr. Virach	Sirimongkolkasem	180,000,000	-	30,349,500	-	-149,650,500	2.42%
3. Dr. Anan	Sirimongkolkasem	4,134,080	-	4,134,080	-	-	0.33%
4. Dr. Sathit	Karanes	-	-	-	-	-	0.00%
5. Mr. Paramet	Hetrakul	50,000	-	50,000	-	-	0.004%
6. Mr. Thanathip	Pichedvanichok	-	-	-	-	-	0.00%
7. Mrs. Somsiri	Ingpochai	2,500,000	-	2,500,000	-	-	0.20%
8. Ms. Wannee	Sirimongkolkasem	10,100,000	-	10,100,000	-	-	0.81%
9. Mr. Sujin	Sirimongkolkasem	132,236,280	-	59,501,080	5,000,000	-67,735,200	5.14%
10. Mrs. Pranee	Parksook	1,191,930	-	1,191,930	-	-	0.10%
11. Mr. Kittichai	Sirimongkolkasem	-	-	37,400,000	-	37,400,000	2.98%
12. Ms. Wipawadee	Sirimongkolkasem	-	-	37,400,000	-	37,400,000	2.98%
13. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
14. Mr. Thiti	Wanachate	-	-	-	-	-	0.00%
15. Mr. Artorn	Uapopol	1,000	-	1,000	-	-	0.0001%
16. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.0001%
17. Ms. Ratchaneegorn	Pavitrpok	-	-	-	-	-	0.00%
<b>Total</b>		<b>555,214,290</b>	<b>-</b>	<b>220,628,590</b>	<b>5,000,000</b>	<b>-329,585,700</b>	<b>18.00%</b>

**Note:** The indirect shareholding means number of share hold by the spouse and minor children of directors and executives

# BOARD OF DIRECTORS



1. Mr. Prasit Sirimongkolkasem



2. Mr. Virach Sirimongkolkasem



3. Dr. Anan Sirimongkolkasem



4. Dr. Sathit Karanes



5. Mr. Parameth Hettrakul



6. Mr. Thanathip Pichedvanichok



7. Mrs. Somsiri Ingpochai



8. Ms. Wannee Sirimongkolkasem



9. Mr. Sujin Sirimongkolkasem

**1. Mr. Prasit Sirimongkolkasem**

Age : 75 years

Chairman (The authorized director)

**Education /Director Certificate**

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

**Experience / Other Positions****Listed Company and Public Company Limited**

1. Chairman of Krungthai Food PCL.

**Other Juristic**

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

**Number of Shareholding** 33,000,000 shares (2.63%)  
(as of 30 December 2015)

**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 (24 years)

**Training / Seminar in 2015** - none -

**2. Mr. Virach Sirimongkolkasem**

Age : 66 years

Vice Chairman (The authorized director)  
Member of Executive Committee  
Managing Director

**Education /Director Certificate**

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

**Experience / Other Positions****Listed Company and Public Company Limited**

1. Vice Chairman and Managing Director of Krungthai Food PCL.

**Other Juristic**

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

**Number of Shareholding** 30,349,500 shares (2.42%)  
(as of 30 December 2015)

**Family Relations** Brother of Mr. Prasit Sirimongkolkasem

**Year of Nomination** 27 January 1992 – Present (24 years)

**Training / Seminar in 2015** - none -

**3. Dr. Anan Sirimongkolkasem**

Age : 64 years

Director (The authorized director)  
 Chairman of Executive Committee  
 Member of Nomination and Remuneration Committee  
 Member of Corporate Governance Committee  
 Member of Risk Management Committee  
 Senior Deputy Managing Director  
 Senior Vice President, Administration Department

**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****Listed Company and Public Company Limited**

1. Executive Director of Krungthai Food PCL.

**Other Juristic**

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. Director of P.Charoenphan Feedmill Co., Ltd.
6. Director of P.Vet Co., Ltd.
7. Director of Panalab Co., Ltd.
8. Director of Mckey Food Services (Thailand) Ltd.
9. Director of GFPT Nichirei (Thailand) Co., Ltd.
10. Director of Vet pha Co., Ltd.
11. Director of P.Charoenphan Produce Co., Ltd.
12. President of Thai Broiler Processing Exporters Association
13. Director of The Federation of Thai Industries
14. Director of Thai National Shippers' Council

**Number of Shareholding** 4,134,080 shares (0.33%)  
 (as of 30 December 2015)

**Family Relations** Brother of Mr. Prasit Sirimongkolkasem

**Year of Nomination** 27 January 1992 – Present (24 years)

**Training / Seminar in 2015** - none -

**4. Dr. Sathit Karanes**

Age : 63 years

Independent Director  
 Chairman of Audit 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****Listed Company and Public Company Limited**

- none -

**Other Juristic**

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 2015)

**Family Relations** - none -

**Year of Nomination** 25 June 1998 – Present (18 years)

**Training / Seminar in 2015** - none -

**5. Mr. Parameth Hetrakul**

Age : 52 years

Independent Director  
Chairman of Risk Management Committee  
Member of Audit 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****Listed Company and Public Company Limited**

- none -

**Other Juristic**

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 2015)

**Family Relations** - none -

**Year of Nomination** 1 July 2005 – Present (11 years)

**Training / Seminar in 2015** - none -

**6. Mr. Thanathip Pichedvanichok**

Age : 51 years

Independent Director  
Member of Audit 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****Listed Company and Public Company Limited**

- none -

**Other Juristic**

1. Director of Thanathip and Partners Legal Counsellors Limited

**Number of Shareholding** - none -  
(as of 30 December 2015)

**Family Relations** - none -

**Year of Nomination** 1 July 2008 – Present (8 years)

**Training / Seminar in 2015** - none -

**7. Mrs. Somsiri Ingpochai**

Age : 68 years

Director  
Member of Risk Management Committee  
Member of Executive Committee

**Education /Director Certificate**

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

**Experience / Other Positions****Listed Company and Public Company Limited**

1. Senior Vice President, Accounting & Finance Department of Krungthai Food PCL.

**Other Juristic**

1. Executive Director of Krungthai Farm Co., Ltd.
2. Director of M.K.S. Farm Co., Ltd.
3. Director of GF Foods Co., Ltd.
4. Director of P.Charoenphan Feedmill Co., Ltd.
5. Director of P.Charoenphan Produce Co., Ltd.
6. Director of P.vet Co., Ltd.
7. Director of Panalab Co., Ltd.

**Number of Shareholding** 2,500,000 shares (0.20%)  
(as of 30 December 2015)

**Family Relations** Sister of Mr. Prasit Sirimongkolkasem

**Year of Nomination** 27 January 1992 – Present (24 years)

**Training / Seminar in 2015** - none -

**8. Ms. Wannee Sirimongkolkasem**

Age : 58 years

Director  
Member of Risk Management Committee

**Education /Director Certificate**

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

**Experience / Other Positions****Listed Company and Public Company Limited**

1. Senior Vice President, Import and Chemicals Purchasing Department of Krungthai Food PCL.

**Other Juristic**

1. Director of P.Vet Co., Ltd.
2. Director of Panalab Co., Ltd.

**Number of Shareholding** 10,100,000 shares (0.81%)  
(as of 30 December 2015)

**Family Relations** Sister of Mr. Prasit Sirimongkolkasem

**Year of Nomination** 18 April 2003 – Present (13 years)

**Training / Seminar in 2015** - none -

**9. Mr. Sujin Sirimongkolkasem**

Age : 45 years

Director  
 Member of Nomination and Remuneration Committee  
 Member of Corporate Governance Committee  
 Member of Risk Management Committee  
 Member of Executive Committee  
 Vice President, Live-Chicken Purchasing Department

**Education /Director Certificate**

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

**Experience / Other Positions****Listed Company and Public Company Limited**

1. Director and Vice President, Marketing Department of Krungthai Food PCL.

**Other Juristic**

1. Director of P.Vet Co., Ltd.
2. Director of Panalab Co., Ltd.
3. Director of Krungthai Farm Co., Ltd.
4. Director of M.K.S. Farm Co., Ltd.
5. Director of GF Foods Co., Ltd.
6. Director of GP Breeding Co., Ltd.

**Number of Shareholding** 64,501,080 shares (5.14%)  
 (as of 30 December 2015)

**Family Relations** Nephew of Mr. Prasit Sirimongkolkasem

**Year of Nomination** 18 April 2003 – Present (13 years)

**Training / Seminar in 2015** Thailand CG Forum: Governance as a driving force for business sustainability by The Stock Exchange of Thailand

# HIGHLY COMMITTED TO FOOD SAFETY ASSURANCE





# 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 Thailand<sup>1</sup> and the regulations of the Organization for Economic Co-Operation and Development<sup>2</sup> (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 so as 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](http://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 2015, 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 2015

### 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 right 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; appointment of auditor and determine the audit fee; and determine issues that fundamentally affects the Company, which may include any changes to the articles of association, memorandum of associations and the decrease or increase 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.

<sup>1</sup> Good Corporate Governance for listed companies B.E. 2555, Corporate Governance Center, the Stock Exchange of Thailand

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

## 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, 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 an opportunity 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 thorough SEC's News the Company's Home Page.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET news. The resolution includes the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and 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 to shareholders and enclosures through the SET's news and 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 of shareholders with consideration to the convenience of the shareholders. The place of the meeting is conveniently accessible by various public transportations.
- 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. In addition, shareholders can download Proxy Forms via the Company's website.
- 4) The Company uses information technology (computer systems and bar code) and the ballot (every agenda) at the shareholders' meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.
- 5) Chairman, directors, chief executive officer, managing director, Chairman of various committees, and auditors are required to attend the shareholders' meeting to provide answers to any questions related to their scope of work.

- 6) Volunteers from the meeting of shareholders (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 separate for each matter. For example, for the election of directors, the shareholders can vote for each director individually.
- 8) The Company notifies the guideline of the procedure of the meetings of shareholders, including the procedure of casting vote and the right to vote (with shareholders having 1 vote for 1 share), to the shareholders at the start of the meeting.
- 9) The Chairman of the meeting allocates sufficient time and provides opportunities for shareholders to independently comment and ask questions on matters related to the agenda or to the Company in the shareholders meeting.
- 10) The Company holds clear and transparent vote counting and disclosure of voting results in each agenda at the meeting of shareholders.
- 11) Agenda other than those specified in the Notice of meeting must not be raised and no significant changes may be made to the agendas specified without prior notice to the shareholders.

### 1.2.3 Post-Proceeding of the Meeting

- 1) The Company publishes the resolutions of the shareholders' 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 2015

The General Meeting of Shareholders for the year 2015, the Company provided an opportunity for 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 2014. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 23 February 2015, the Company published the resolution of the Board of Directors regarding the General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2015

Annual General Meeting of Shareholders on 10 April 2015 at 9.30 AM. The Company set the Record Date, on which shareholders have the rights to attend and to cast vote in the 2015 AGM, on 10 March 2015 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 11 March 2015 and dividend payment on 28 April 2015.

The Company published the Notice of the 2015 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 6 March 2015 or 35 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2015 Annual General Meeting to shareholders through registered post since 19 March 2015, or 22 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2015 on Friday, 10 April 2015 at 9.30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 249 shareholders attending the Meeting in person and by proxy, accounted for 849,153,732 shares representing 67.73% of the shares sold. The Company published the resolution of the meeting and the voting results of each agenda on 10 April 2015. The minutes of AGM 2015 and the video recording are disclosed through SET's news and the Company's website on 23 April 2015.

For the Annual General Meeting of Shareholders for the year 2015, 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 4<sup>th</sup> 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 the 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 disclose to third parties involved.
- 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 (spouse 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 (spouse 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 (spouse 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 2015, 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 reporting the purchase and sale 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 may in the course of its operation create a 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 affects 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 engaging in the connected transaction. Director, manager or employees, who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. 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. The pricing policy is based on normal business operations and taking into account of the Company's best interests. The stakeholders who have conflict of interest must not participate in the approval or consideration the transaction. The related party transactions will be disclosed in the annual report and Annual Registration Statement (Form 56-1)

In 2015, there is no directors, executives, or related persons violate connected transaction regulations.

### 2.3 Conflict of interest of Directors

The Company has stipulated that the directors and executives, including their related persons<sup>3</sup> 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 Committee within 7 working days from the date of the receiving of the report.



<sup>3</sup> 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 on providing stakeholders with equal rights as stipulated by law or as agreed with the Company such as human rights, environmental management, and etc. 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 and benefits, personal career development, good quality of life, and 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 that is provided 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 by considering partner's business strategy that comply with the Company's.



**Creditors** : The Company intends to strictly comply with the terms of contracts it enters into and any financial obligations including debt repayment, loans, interests that 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 it allege any defamation towards its competitors without real information.



**Communities, Social 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 of its employees at all levels by supporting its employees to join social activities. 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 society and environment.

Referring to the practices of the Company to its stakeholders, the study of relationship between the Company and the various groups of its stakeholders in 2015 is shown in the Company's Sustainability Report on the Company's website ([www.gfpt.co.th](http://www.gfpt.co.th)) under "Corporate Governance" section.

### 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, 18<sup>th</sup> 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, 18<sup>th</sup> 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, 18<sup>th</sup> Floor  
 No. 312 Rama 2 Road, Bangmod,  
 Jomthong, Bangkok 10150

When Independent Directors, directors, Corporate Governance Committee, or any other related persons receive complaint from stakeholders, the Company will primarily consider the matter of the complaint. If the complaint relates to corporate governance or code of conduct, the complaint will be reported to the Corporate Governance Committee to consider and investigate. If the complaint is about fraud or corruption, the complaint will be forwarded to the internal audit department to investigate and further report to the Audit Committee.

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 to build confidence in protection measure and the confidentiality of the complainant. The employees can report complaints or feedback directly through various channels such as comment box,

internal online system (intranet), the Company's e-mail, or send a letter to related departments of the Company such as Human Resource Department, and/or Internal Audit Department as described in the Code of Conduct of the Company. All employees are informed and acknowledge about the complaint process and the Code of Conduct during their orientation.

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 be only be disclosed to the relevant people.

In 2015, 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.

## Chapter 4 Disclosure and Transparency

### 4.1 Disclosure Policy

The Board of Directors discloses all important information including both financial and non-financial information<sup>4</sup> 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 and the Guidelines on Disclosure of Information of Listed Companies and other state agencies.

In the year 2015, 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:

<sup>4</sup> Minimum data specified in the principles of good corporate governance for listed companies in B.E. 2555, Section 4, Clause 2, page 13.

- 1) SET's news
- 2) Annual Report and Annual Registration Statement (Form 56-1)
- 3) Company's website (www.gfpt.co.th) in 2015, the Company has provided communication channel "Subscribe to our news" through the Company's website for our shareholders and investors to regularly update news and information of the Company.

#### 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, 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 2015, 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 2015 are summarized as follows:

Investor relations activities in 2015	No. of time
Analyst Meeting	4
Plant / Company Visit	1
Roadshow	4
Local Roadshow	2
One on One Meeting	45

## 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 nationals.
- 3) The Board of Directors shall consist of at least 3 independent directors, and the independent directors' pro-portion shall be at least one-third of the entire Board of Directors (according to the rules set forth in the Notice No. Tor.Jor. 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 consists of at least 3 experts in the Company's business, at least 1 expert in law, at least 1 expert in account-ing 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 2015, there are 9 directors consist 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 percent 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 to 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 percent 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 at least 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 Managing Director 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 Executive Committee 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 resolution of the shareholders meeting of the Company.

Delegation of authority and responsibility to the Managing Director shall not authorize or mandate the Managing Director or attorney of the Managing Director 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 follow:

- 1) Chairman is responsible for the followings:
  - Be a leader of the Board to set out the Company's policies and director for business operations as well as monitor the management of sub-committees and 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 Committee, the Nomination and Remuneration Committee, Corporate Governance Committee, Executive Committee, management. Define duties and responsibilities of other sub-committees clearly to achieve the Company's objectives. The members of the sub-committee 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 5 sub-committees:

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

#### 5.3.1 Audit Committee

##### Structure and Qualifications

- 1) The Board of Directors has appointed the Audit and Risk Committee.
- 2) The Audit 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 Committee.
- 4) The Audit and 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 Committee consists of 3 years. The members of the Audit Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Audit 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 Committee. The term of the newly appointed Member of Audit Committee shall be equal to the remaining term of the former director.

#### The Audit 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 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 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.

#### Others

- 1) Review and amend the Charter of the Audit 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) Review to ensure that the Company's is in compliance with the Corporate Governance Policy and the Code of Conduct including the whistle blowing as well as the fraud and corruption.

- 4) 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 in accordance with the procedures for the recruitment as well as the reliable database such as The Securities and Exchange Commission (SEC)'s website, IOD Chartered Director, and Thai Institute of Directors (IOD)'s website.
- 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, advice, 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, advice, and monitor the Company's compliance towards the code of business 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

#### **5.3.4 Risk Management Committee**

##### **Structure and Qualifications**

- 1) The Board of Directors has appointed the Risk Management Committee.
- 2) The Risk Management Committee, there are 5 directors consists of 1 independent director and 4 directors or executives (include Managing Director or Chairman of Executive Committee).
- 3) The Board of Directors will appoint 1 independent director as Chairman of the Risk Management Committee.
- 4) The Risk Management Committee can appoint 1 employee to act as the Secretary of the Risk Management Committee.

##### **Term of office**

- 1) Each term of office of the Risk Management Committee consists of 3 years. The members of the Risk Management Committee, who are retired from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The 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 Risk Management Committee becomes vacant, the Board of Directors shall elect a person who is qualified and not prohibited by law to become a member of the Risk Management Committee. The term of the newly appointed member of the Risk Management Committee shall be equal to the remaining term of the former director.

##### **Duties and Responsibilities:**

- 1) Consider policy of risk management, risk appetite and risk tolerance, and also conduct risk management manual.
- 2) Communicate risk management policy and manual to all business units as a risk owner, and also provide risk assessment and key risk indicators.
- 3) Control, monitor, and evaluate the risk management of each business unit, and also provide prevention and means to reduce risk.
- 4) Review the adequacy and efficiency of the risk management system and policy then constantly report to the Audit Committee.

- 5) Review and revise the risk management manual annually to be up-to-date and appropriate for the business environment.

**Meeting** : at least 1 time a year

### 5.3.5 Executive Committee

#### Structure and Qualifications

- 1) The Board of Directors has appointed the Executive Committee
- 2) The Executive Committee consists of Board of Directors, Managing Director, Deputy Managing Director, Company executives, and external qualified persons.

#### Term of office

- 1) Each term of office of the Executive Committee consists of 3 years. The members of the Executive Committee, who are retired from office by rotation, may be reappointed by the Board of Directors for another term.

#### Duties and Responsibilities:

- 1) Specify target and related policy to present to the Board of Directors.
- 2) Consider necessary issues to present to the Board of Directors excluding other unrelated duties of itself.
- 3) Conduct the guideline provided by the Board of Directors including the command, communication, planning, and the Company's operations in accordance with the policies determined by the Board of Directors.
- 4) Have authority to consider operational issues and to appoint or assign other person to perform as executive properly.
- 5) Have authority to adjust plan and budget of any company's projects
- 6) Have authority to decide practices, rules, and regulations of the Company's operations
- 7) Have authority to follow up any departments of the Company to achieve goals and plans
- 8) Suggest, advise, guideline to the Managing Director and working group as assigned

**Meeting(s)** : at least 12 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.

### 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). In 2015, non-executive directors had 4 meeting without the management participation.



For the year 2015, the directors attended the meetings as follow:

Name-Surname	Position	BOD	AC	NRC	CGC	RMC	EC	AGM
		Total of 9 times	Total of 4 times	Total of 2 times	Total of 2 times	Total of 1 time	Total of 9 times	Total of 1 time
1. Mr. Prasit Sirimongkolkasem	- Chairman	8/9	-	-	-	-	-	1/1
2. Mr. Virach Sirimongkolkasem	- Vice Chairman - Executive Committee	9/9	-	-	-	-	9/9	1/1
3. Dr. Anan Sirimongkolkasem	- Director - Chairman of Executive Committee - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee - Member of Risk Management Committee	9/9	-	2/2	2/2	1/1	9/9	1/1
4. Dr. Sathit Karanes	- Independent Director - Chairman of Audit 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 - Chairman of Risk Management Committee - Member of Audit Committee - Member of Nomination and Remuneration Committee	9/9	4/4	2/2	-	1/1	-	1/1
6. Mr. Thanathip Pichedvanichok	- Independent Director - Member of Audit Committee - Member of Nomination and Remuneration Committee	9/9	4/4	2/2	-	-	-	1/1
7. Mrs. Somsiri Ingpochai	- Director - Member of Risk Management Committee - Executive Committee	9/9	-	-	-	1/1	9/9	1/1
8. Ms. Wannee Sirimongkolkasem	- Director - Member of Risk Management Committee	9/9	-	-	-	1/1	-	1/1
9. Mr. Sujin Sirimongkolkasem	- Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee - Member of Risk Management Committee - Executive Committee	9/9	-	2/2	2/2	1/1	7/7*	1/1

**Note:** Mr. Sujin Sirimongkolkasem has been appointed to be a member of executive committee since 23 February 2015.

## 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 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 2015, 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 610,000.

### 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 2015, the Company made a remuneration of THB 39,257,072.90 to 10 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

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	90,000	675,000

## 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 as a group and individual (self-assessment) at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand<sup>5</sup> 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 (Group) are as follows:

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

#### Performance evaluation criteria for individual director (self-assessment) are as follows:

- 1) Structure and qualifications of the Board of Directors
- 2) Meeting of the Board of Directors
- 3) Roles and responsibilities of the Board of Directors

#### 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 as a group and individual (self-assessment) and propose 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's 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 based on the board self-assessment guidance by the Stock Exchange of Thailand<sup>6</sup> including the structure and qualifications of each sub-committee, the meeting of sub-committee, roles, duties, and responsibilities of each sub-committee to consider, review, and perform appropriately.

#### Procedures

The Company has evaluated the performance of each of the committees annually to analyze 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.

### 5.6.3 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.<sup>7</sup>

<sup>5</sup> Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (Attachment 1 & Attachment 4)

<sup>6</sup> Self-evaluation committee, Corporate Governance Development for Capital Markets, February B.E.2558. (Attachment 3)

<sup>7</sup> Evaluation form of the CEO, Corporate Governance Center, B.E.2554

## Procedures

The Company has evaluated the performance of Chief Executive Officer annually to analyze 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 2015, the Company performed the annual performance evaluation of the Board of Directors (as a group and individual) including sub-committees, and the CEO. The results of performance evaluations derives higher than 90% which reflected the satisfaction in overall performance in 2015. The results were reviewed and discussed in the Board of Directors' meeting (No.1/2016) held on 28 January 2016 to improve the effectiveness of the Board's operation.

## 5.7 Development of Directors and Executives

### 5.7.1 Orientation

The orientation will be held every time a new director is being appointed<sup>8</sup> 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 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.

In 2015, directors and company secretary attended Thailand CG Forum on topic "Governance as a driving force for business sustainability" and Directors Forum 2/2015 on the topic "Building Better Board through Effective Independent Director".

## 5.8 Internal Audit Department

The Board of Directors established the internal audit department that directly reports to the Audit 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 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 Committee towards various operations to the Board of Directors.

The Audit 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 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 for the year 2015

<sup>8</sup> Board Orientation Guideline B.E. 2556, The Stock Exchange of Thailand.



### 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 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 for the year 2015

# RESPONSIVE TO CUSTOMERS' NEEDS AND SATISFACTIONS





# INTERNAL CONTROL AND RISK MANAGEMENT



Board of Directors and executives of the Company emphasize on having effective internal control system and risk management in order to mitigate business risks and prevent possible damage. 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 Managing Director 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 authorize the Audit Committee to oversee appropriateness of internal control system and risk management of the Company and its subsidiaries. The Audit Committee and the Risk Management Committee regularly review work of internal audit, and risk management functions; 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 Treadway 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 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 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.
- 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 2015. 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 guideline 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.

### Risk Management Committee

- 1) Consider policy of risk management, risk appetite and risk tolerance, and also conduct risk management manual.
- 2) Communicate risk management policy and manual to all business units as a risk owner, and also provide risk assessment and key risk indicators.
- 3) Control, monitor, and evaluate the risk management of each business unit, and also provide prevention and means to reduce risk.
- 4) Review the adequacy and efficiency of the risk management system and policy then constantly report to the Audit Committee.
- 5) Review and revise the risk management manual annually to be up-to-date and appropriate for the business environment.

### Audit Committee and Risk Management Committee

The key activities of the Audit Committee and the Risk Management Committee during the year 2015 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

#### Audit Committee

- 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 2015.
- 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.

For enterprise risk management, the Company categorized 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. For foreign exchange rates risks, the Company has financial transactions in both local and foreign currency. The Company has financial plans for several situations to prevent the risk that may occur. The Company also uses financial instruments to hedge such risks i.e. forward contract and others.

#### 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 Committee and Risk Management Committee have an opinion that the Company and its subsidiaries maintained appropriate and effective internal control system and risk management. Therefore, the Audit Committee 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 Committee 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 Committee 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 Committee proposed to the Board of Directors meeting No.1/2016 on 28 January 2016 to consider the Company's internal control system. The Board of Directors has evaluated the internal control system and a review of the management with the same opinion as the Audit Committee that the internal control and risk management system of the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The Company has provided adequate personnel to implement the system effectively and effective to minimize business risk and prevent Company's assets from misuse of executives as well as any transactions with persons who may have conflicts of interest and related persons sufficiently. The sufficiency of internal control and risk management system is evaluated annually and 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 Committee 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 year 2015 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 Committee 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 Company's business and operations. He also passed the selection process by the Audit 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, the Audit Committee and Risk Management Committee to improve the internal controls system and operational risk management to be more efficient and effective.

In addition, the Audit Committee 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.





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# CORPORATE SOCIAL RESPONSIBILITY

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GFPT PUBLIC COMPANY LIMITED



# OVERVIEW

Following the incorporation of the Corporate Social Responsibility Report (CSR Report) as part of the Annual Report since the year 2014, the Company has now started producing a separate Sustainability Report which is prepared in accordance to the Global Initiatives Guideline (GRI) Version 4 pursuant to the GRI Content Index, as disclosed at the end of this report, to convey information about GFPT Public Company Limited's operations and our responsibility towards economics, social, and environmental factors, including the interests of all stakeholders, which follows the organization's business policy of being a leader in the industry of a fully integrated production and processing of animal and agricultural products emphasizing on the safety and traceability of our products as well as being responsible towards the environment and the society. The procedure for sustainability for the year 2015 are as follows:

# PROCEDURE FOR SUSTAINABILITY

## 01

### 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 towards 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 steps 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:

### Quality control from producer to consumers.



## 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.

**Feed mill facilities have been accredited by international standards.**

- ✓ GMP
- ✓ HACCP
- ✓ ISO 9001
- ✓ ISO 22000



**ISO/IEC 17025: General requirements for the competence of testing and calibration laboratories.**

Laboratory animal feed company. Modern, accurate and accurate and has been certified according to the ISO 17025 laboratory of 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 receives healthy and high nutritious feed, sufficient water, be treated with decent animal welfare, be reared in good environment (Environmental Enrichment), and free of diseases. In addition, we set up “**Chicken Veterinarian**

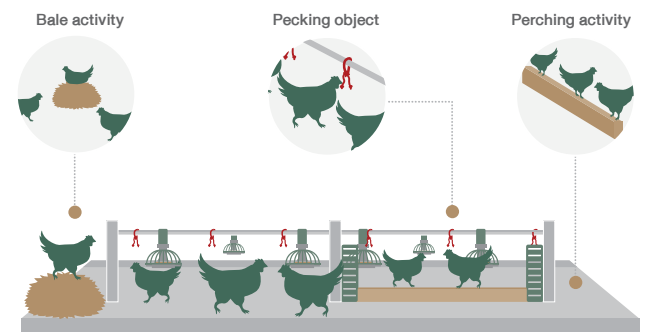
**and Technical Team**” to monitor animal welfare practice, set measures to control disease prevention, and regulate the use of drugs and vaccines, in accordance with the laws and international standards. Our Chicken Veterinarian and Technical Team pass ISO 9001:2008. The team is responsible in making chicken health check planning, sharing knowledge about animal health and disease preventive protocol to chicken raising operators.

## Evaporative Cooling System

Controlled feeding system and automatic water and ventilation system and can prevent disease vectors.



## Environmental Enrichment



Environmental Enrichment in rearing chicken is the promotion of animal welfare to chicken by providing a good environment and the necessary tools to promote chickens to act and show their natural instincts such as providing fodder or grass for the chicken to walk or sleep on or to clinch onto the fodder. Such activities will promote the chicken to be stronger, healthier, less stressful and cause less fear towards the chickens

## Quality and Safety



### 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 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).

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

Laboratory Excellence Award from ACFS. The Award of Excellence for the quality of laboratory medicine and public health.



### 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)

The Company has been accredited by certification in all stages of chicken production.

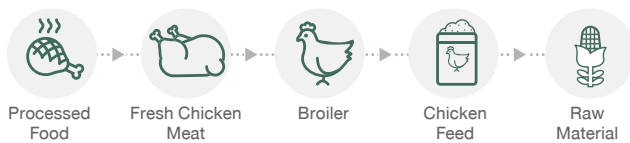
- |            |             |
|------------|-------------|
| ✓ GMP      | ✓ ISO 14001 |
| ✓ HACCP    | ✓ ACP       |
| ✓ BRC      | ✓ HALAL     |
| ✓ ISO 9001 | ✓ SQMS      |

## 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.

### Traceability



## 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 confidence and assurance that the Company's products are high quality, hygienic, antibiotics and residue free and safe for consumption in both domestic and international markets.

### Animal welfare



## 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

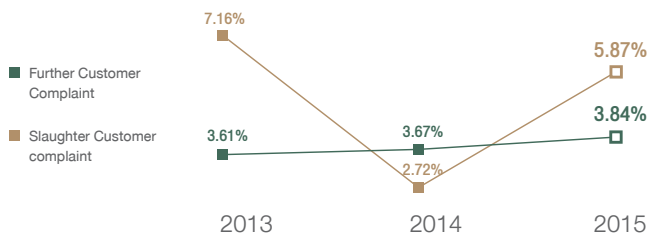
In order to mitigate the risk of avian influenza outbreak, GFPT has implemented the poultry compartmentalization according to guideline of the Department of Livestock Development re: the Compartmentalization in Poultry Industry in Thailand B.E. 2554 as follow:

- 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 2015, the Company received good response from both local and foreign customers which is reflected in the Company's performance (details as shown under the topic "Management's Discussion and Analysis") together with the high satisfaction of the customers and the number of complaints from customers.

### Complaint Rate

(number of complaints from customers per 1,000 tonnes of production)



### Customer's Satisfaction Rate





## 02

### 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 2015, the Company's Corporate Governance was evaluated under the 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 89% 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 2015 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 SET AWARDS 2015 in the category of Best Investor Relations Awards amongst listed companies having a market value between 10,000-30,000 million Baht as organized by the Stock Exchange of Thailand and the Money and Banking Magazine.



#### 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 2015, 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 its employees equally, with fairness, and at all levels 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 be responsible for the planning, monitoring, and evaluating of labor relations activities and also to coordinate with other relevant departments.

#### Human Rights Policy

The Company has a policy to support and respect the protection of 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.

### Social Accountability Policy

The Company accepts and trusts a group of partner companies to proceed on behalf of the Company in acting in compliance with international standards regarding "Ethics of business operators towards employees at the work place having a Social Accountability system" and therein set the Social Accountability Policy as **"acting in principle of human rights pursuant to international standards, law, and ethics of business operators towards employees"**

The Company has set a policy of following the Universal Declaration of Human Rights in carrying out any activities, operating within international standards, laws, ethics of business operators towards employees at the workplace, encouraging the improvement of operation quality, being safe and having responsibility towards society and the environment as much as possible, and organising continuous training, communication, auditing, and evaluation.

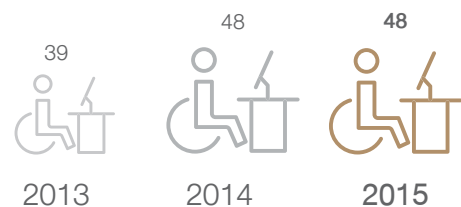
In 2015, the Company acted fairly and equally without any bias to its labour and all level of employees and did not receive any complaints regarding a violation of human rights in the course of the business operations of the Company whether from inside or outside of the organization. The Company did not have any legal disputes regarding labor laws, forced labour or slavery, child labour, 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 2015, the Company employed a total of 48 disabled workers as well as granted concessions, arranged places for products of persons with disabilities, employed sign language interpreters under sub-contracts with other agencies and caregivers 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 (persons)



### 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

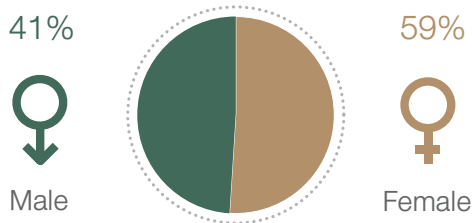
The Company has policy to comply with applicable laws or regulations relating to intellectual property rights, including patent, copyright, trademark, trade secret and other aspects of intellectual property law, such as the use copyright computer software. All computer software must be audited and installed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

## Employment

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

In 2015, GFPT employed a total of 4,703 people with a diversity of age, gender, level of education, and work tasks.

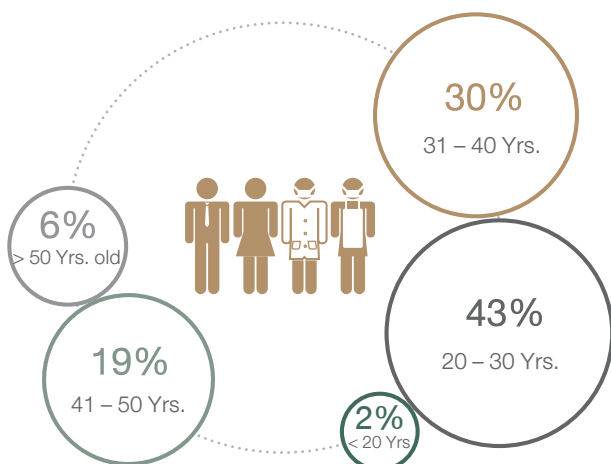
### Employment by Gender



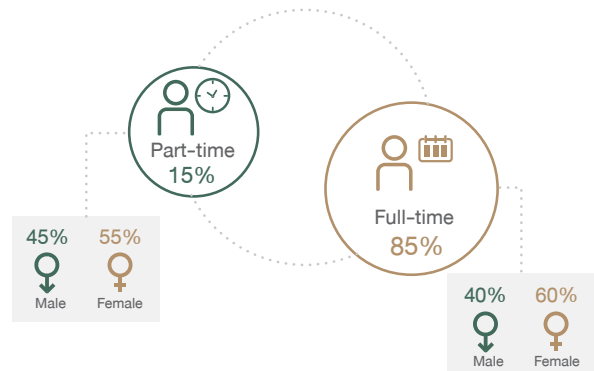
### Employment by Nationality



### Employment by Age Group



### Employment by Gender and Type of Worker



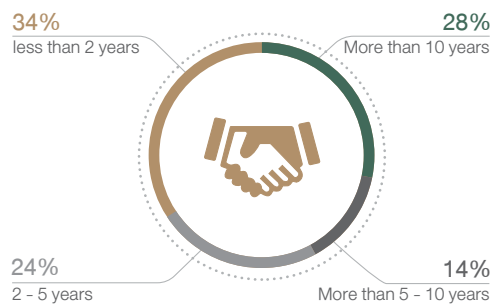
### Rate of Return after Maternity Leave

In 2015, a total number of 103 out of 2,770 female employees had taken maternity leave, of which 91 employees return to work after their maternity leave representing 88% of total female employees who took maternity leave.

### Rate of Return after Maternity Leave



### Employment by Year of Services



## 03

## 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.

## 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.

## 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 15th Workplace Safety Week event held on 20-21 November 2015.

## 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, 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.

## Safety Training Project



such as safety officer in the workplace training for managerial positions, forklift training, leaked chemical emergency training, and annual fire evacuation drill.

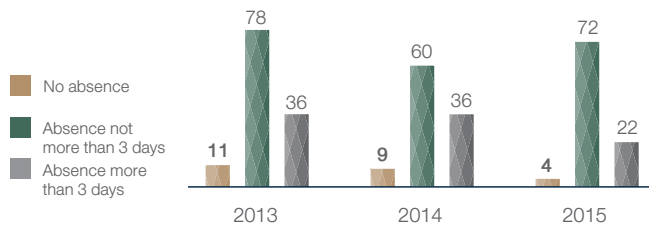
### Absence Rate from Injury

As the Company has implemented a preventive policy against workplace accident, the results were reflected in 2015 where the accident rate and the absence from injury rate again dropped consecutively from the previous year.

#### Accident Rate (times per year)



#### Absence Rate from Injury (times per year)



	No absence			Absence not more than 3 days			Absence more than 3 days		
	M	F	Total	M	F	Total	M	F	Total
2013	7	4	11	53	25	78	26	10	36
2014	5	4	9	35	25	60	19	17	36
2015	2	2	4	46	26	72	14	8	22

### 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 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 Committee.**

### Action after Receive the Complaint

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



### Human Resources Training and Development Policy

The Company has a policy of promoting human resources development by supports staff 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.

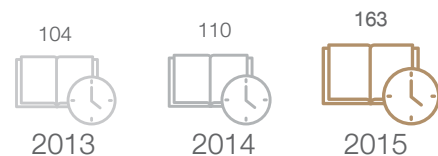
The Company also emphasizes on organizational development and human resources management by focusing on production efficiency, clear roles and job responsibilities, appropriated employee's remuneration, competitive pay structure, and employees' evaluation. The Company has provided various training programs such as company orientation to new employee, leadership, total production system 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 2015, the Company's total number of training hours was 535,131 hours which is an average of 163 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 per employee per year (hours/person/year)



	2013	2014	2015
Number of training hours	465,041	521,804	535,131

## 04

## 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 which presently the Company has proceeded to support its subsidiaries and joint companies in GFPT group to act in compliance with the Company's Anti-Corruption Policy prior to proceeding to engage with our business partners and other stakeholders to jointly act in compliance with the CAC of Thailand's private sector in fighting against corruption.

#### 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](http://www.gfpt.co.th)

In 2015, 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 (CSR after process)

In 2015, the Company has implemented projects and activities for the community and society as follows:

#### 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 chicken eggs and cooked chicken products, the Company provides scholarships, educational tools and equipment to youth such as the eggs for lunch program for Muenjit School in Chonburi to improve the quality of life of local communities' kindergarten and primary school students and the Scholarship program for GFPT group employee's children to incentivizes and encourage its employees. 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 51 activities such as the National Children's Day at around 25 communities and schools, "Sports Night" program, supporting musical knowledge at Sathit Wat Pra Sri Mahataj School, Ratchapatnakorn University, futsal competition for the Klongplu Subdistrict Administrative Organization, Chonburi, and the support for the National Professional Skill Competition in the faculty of technical architecture at the Chonburi University Technical College.

#### 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 55 activities such as the Earth

Day (Throwing EM Ball to increase oxygen in the communal canal with the village and community in the vicinity of the plant), supporting various projects such as the help for children suffering from AIDS "Mother to Child" project, the Buddhism for life of Thailand Foundation and Wat Prabart Namphu, Lopburi, the support for victims of cold weather through the Thai army, along with other activities such as the activity to celebrate the birthday of Queen Sirikit of 2015 at Bang Pla, the donation for victims affected by the Nepal earthquake, the yearly employee activity of donating blood through the blood bank, Faculty of Medicine Siriraj Hospital, Mahidol University which received a "helping the sickened" shield of honour from Maha Vajiralongkorn, Crown Prince of Thailand on the 24th September 2015.

### 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 67 activities.

#### Promoting for the quality of society



such as national children's day activity, the generous senior treating junior event, earth day activity, meeting between operator and the community activity, blanket and cloths donation with royal thai armed forces, mother's day activity, and religion activity.

## 05

## 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

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.

## Environmental Management

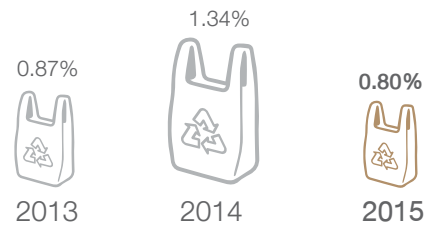


In 2015, the Company carried out activities and projects related to environmental management as follows:

## 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 such as the project to reduce plastic bag waste which is a project that encourages employees to be careful and reduce mistakes in operation during packaging to reduce wasteful costs and plastic bags used.

## Amount of plastic bag waste bag Amount of product (bag/kg.)



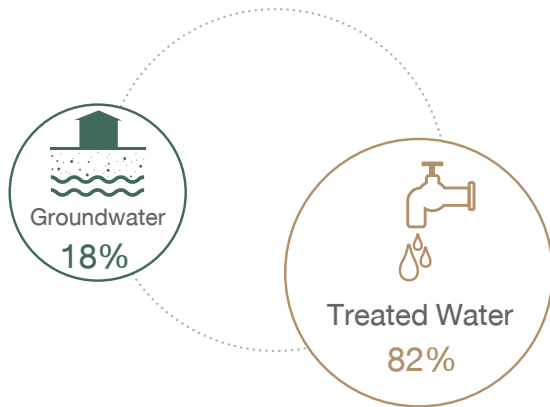
## Water Resource

Water resource is an important component in our chicken production. We set appropriate plans and 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.

Water used in the production and operation of the Company are both sourced from treated water and ground water. The Company has acquired an approval permit from the Bureau of Groundwater Control, Department of Groundwater Resources, to use groundwater from 2 sources to carry out its industrial operation in total of 2,560 cu.m.



The following illustrates various source of water used and the amount of treated water and groundwater used for the year 2015



**Water Consumption** (million cubic meter)



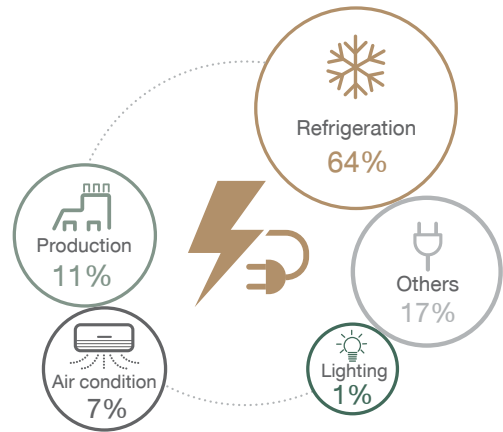
## Energy

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.

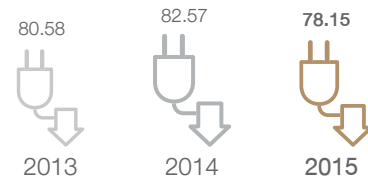
In addition, the Company promotes energy-saving activities such as using the LED 19,20W lights in the production line replacing the fluorescent light 36W, replaced the evaporative condenser used in refrigeration systems for a higher performance to allow a reduction in the use of electricity of the compressor, 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 2015, the electricity utilization was in amount of 78.15 million kilowatts, decreased 5.35% from last year, being 64% use in cooling system and 11% use in production process.

## Source of Consumption



**Electricity Consumption** (million Kilowatts-Hr. / Year)



## 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. We view energy conservation as the responsibility of executives and all employees who all must set a policy and cooperate in carrying it out as well as following up and reporting to the Energy conservation committee. 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.

In 2015, the Company set 2 energy conservation policies:

- 1) **Project to reduce pressure refrigerant of the condenser** which is an energy conservation policy regarding electricity by changing evaporative condenser to be more efficient in cooling the temperature of the ammonia chemical and increasing the operating efficiency of the compressor, the electricity consumption of the Further Refrigeration System used in food production was reduced by 8% per unit per year.
- 2) **Project to improve the heat insulation of the steam pipe into the cooker** which is an energy conservation policy regarding heating by improving 5 units of the pipe's insulation which inputs steam to the cooker or the chicken feather incineration machine, the amount of petrol used was reduced as well as a reduction of heat loss by 78% per year.

## 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 2015, 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.

#### The result of air quality test at various check points.

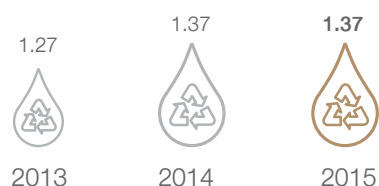
	Test results	Standard Measure
Particulate (mg/m <sup>3</sup> )	1.860 – 205.786	320.00
Sulfur Dioxide (ppm)	2.861 – 3.692	60.00
Oxide of Nitrogen (ppm)	< 4.410 – 69.130	200.00
Carbon Monoxide (ppm)	< 0.107 – 0.139	690.00
Opacity (%)	5.5 – 6.1	10.00

### 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 7,000 cubic meters per day of wastewater with an average volume of 4,020 cubic meters per day of treated water, which passes the regulatory standard, is released and an average of 300-500 cubic meters per day is recycled.

#### Waste Water (million cubic meter)



### Noise Pollution

The Company measured the voice quality in the atmosphere (Ambient noise measurement) to measure the 24 hours a weighted Equivalent Continuous Sound Level and Annoyance noise. 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 2015, the result of the measurement found that the 24-hour average noise level at measurement points is below legal thresholds.**

	Entrance area	Back area
Average Volume in 24 hours. (Leq)	70.0	68.2
Standard	70.0	70.0
Noise Level (dBA)	9.9	9.0
Standard	10.0	10.0

## Wastes

The Company has classified wastes in accordance with the law and set 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.

A summary of the total amount of waste, sewage waste which are dangerous and not dangerous for the year 2015 is as follows:

Type	Quantity (Tons)
Flour waste, expired flour	230.53
Metal scrap	64.46
Stainless scrap	11.84
Excess paper objects	180.14
Used plastic bags (for chicken scraps)	315.60
Old vegetable oil	124.01
Waste water scum	6,439.21
Oil lubricant including its container	8.76
Lab waste	0.47
Contaminated containers	0.273
Dysfunctioning light bulbs	0.25

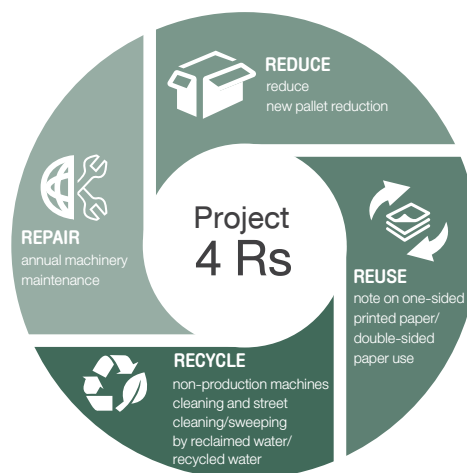
In 2015, the Company had no legal disputes in regard to emissions and waste or environmental impact from their operations, including not being fined for violating any environmental laws and regulations.

## 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

## 4 Rs Project



# REPORT OF THE AUDIT COMMITTEE



## Dear Shareholders

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

As assigned by the Board of Directors, the Audit Committee's scope of work, duties and responsibilities are to review GFPT'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 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 2015, the Audit Committee held 4 meetings. The Audit 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 2015, the Audit 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 approval. The review focused on material accounts, changes, adjustments, provisions, estimates as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. From the reviews conducted, the Audit Committee has opinion that the separated and consolidated financial statements reported to the SET and the public in the year 2015 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 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 internal control of the Company

The Audit 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 2015. Moreover, the Audit 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 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 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.

### 4. 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 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 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 2015.

### 5. Overseeing company internal audit function

The Audit 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 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 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 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.

### 6. Suitability of the external auditor

The Audit Committee monitored the suitability of the external auditor by reference to the audit work quality, audit team competence and auditor independence in which independent feedback on the audit result and internal control environment was obtained. Moreover, the Audit 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 Committee proposed the external auditor from SAM NAK-NGAN A.M.C. Co., Ltd. to be the Company's auditor for the year 2016, and the appropriate auditor fee to the Board of Directors that will be proposed to the Annual General Shareholders' Meeting.

## 7. Self-assessment of the Audit Committee

The Audit Committee performed self-assessment based on the composition of the Audit 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 Committee. The Audit Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Audit Committee. It contributed to strengthen the good corporate governance. The Audit Committee has an opinion that the Audit Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There is no limitation in obtaining information from the management, employees, and related person as well as provided useful comments and suggestions to all stakeholders.

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



Dr. Sathit Karanes  
Chairman of Audit Committee

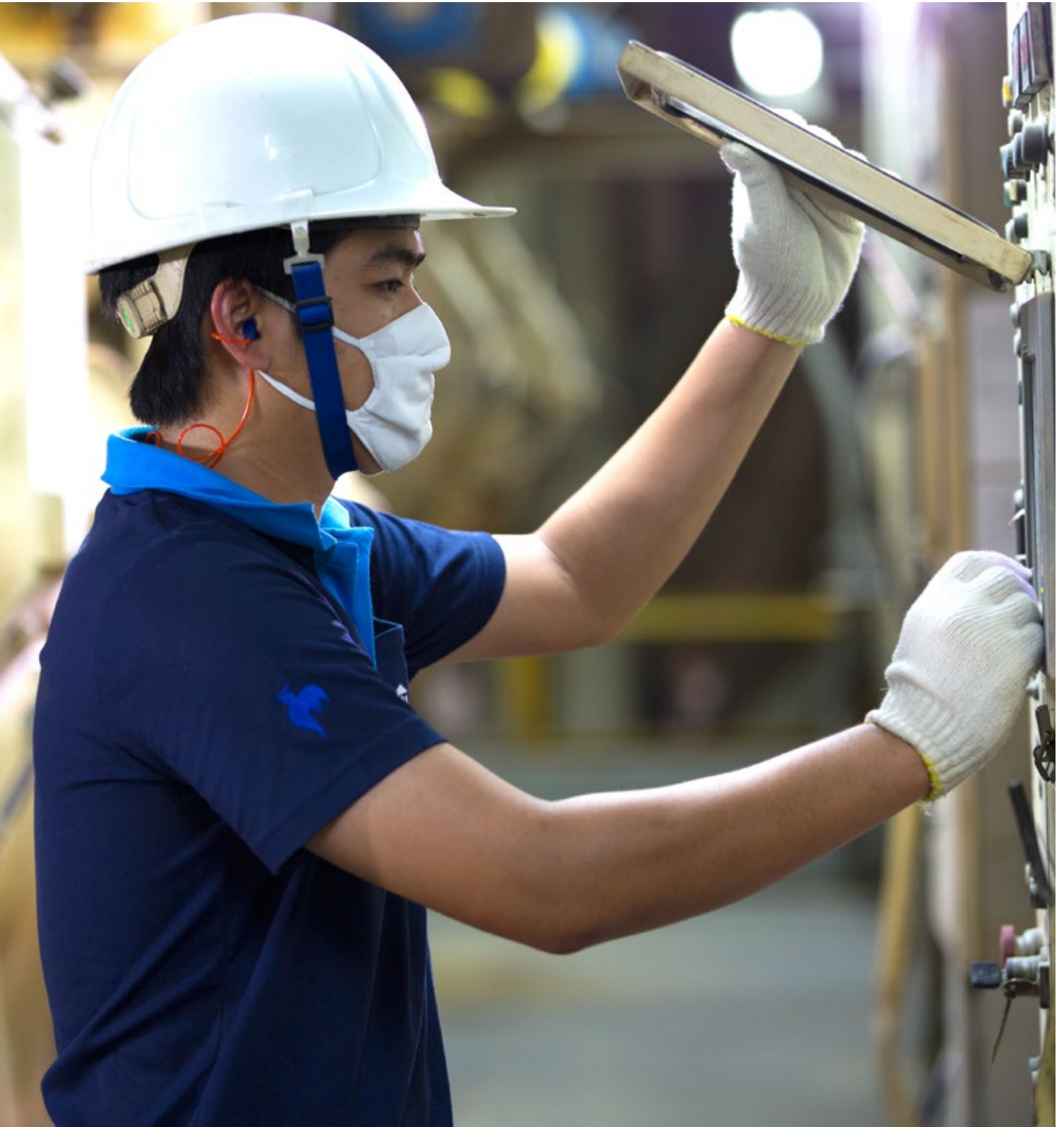


Mr. Parameth Hetrakul  
Audit Committee



Mr. Thanathip Pichedvanichok  
Audit Committee





# REPORT OF THE RISK MANAGEMENT COMMITTEE

## Dear Shareholders

The Risk Management Committee of GFPT Public Company Limited consists of 5 members, Mr. Paramet Hetrakul, independent director and Chairman of Risk Management Committee and 4 executives consisting of 1. Dr. Anan Sirimongkolkasem, 2. Mrs. Somsiri Ingpochai, 3. Ms. Wannee Sirimongkolkasem, and 4. Mr. Sujin Sirimongkolkasem. Each member has appropriate qualification as required by law and the regulations. More importantly, the Risk Management Committee is not appointed to protect the interests of directors or major shareholders.

As assigned by the Board of Directors, the Risk Management Committee's scope of work, duties and responsibilities are to supervise and monitor the performance of the Risk Management Department, review the policy and monitor risk management framework and risk management plan, indicate assessment on risk management, and report the effectiveness and efficiency of risk management. In addition, the Risk Management Committee is responsible 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 2015, the Risk Management Committee held 1 meeting which all members attended the meeting. The Risk Management Committee discussed with the management, the Internal Audit teams, and the Company's auditor in related matters as follows:

## 1. The Risk Management of the Company

The Board of Directors appointed the Risk Management Committee (RMC) to help the Audit Committee in order to monitor risk management tasks of all business units to operation efficiently and to mitigate any risk which either could cause "opportunity" or "threat". The Risk Management Committee will specify risk, assess risk appetite, monitor and report risk issue, avoid mistake, reduce unexpected impact, and encourage good corporate governance to be more transparent and efficient.

## 2. Duties and Responsibilities

The Risk Management Committee has considered the policy of risk management, risk appetite, risk tolerance, communicate risk management policy and guidelines for risk management to all departments in the organization as the risk owner and providing Risk Assessment, Key Risk Indicators, and monitoring and evaluating the risk management of each department in an organization as well as provide suggestion for risk prevention and risk reduction into an acceptable level.

## 3. A review of risk management

The 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. Self-assessment of the Risk Management Committee

The Risk Management Committee performed self-assessment based on the composition of the 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 Risk Management Committee. The Risk Management Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Risk Management Committee. It contributed to strengthen the good corporate governance. The Risk Management Committee has an opinion that the 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 Risk Management Committee has performed well as assigned by the Board of Directors and followed up the result of risk management consistently. The Company commits to manage risk efficiently to comply with the practices of good corporate governance, internal control, law, and related regulations.

Mr. Paramet Hetrakul

Chairman of Risk Management Committee

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of GFPT 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 Committee to review the accounting policies, the quality of financial statements, internal control system, internal control, risk management, and information disclosure of inter-transaction. The comments on these issues are readily included the Audit Committee'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 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 of GFPT 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, 2015 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 2015.

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 2015. 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 2015 in amount of 2,630,000.00 Baht, as shown in the following detail:

	Audit fee (Baht)
The audit fee of the Company	840,000.00
The audit fee of 5 subsidiaries	1,790,000.00

## 2. Non-Audit fee

The Company and its subsidiaries did not have any non-audit fee in accounting period of the year 2015.



# 2015 FINANCIAL ANNUAL REPORT



GFPT PUBLIC COMPANY LIMITED

# 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, 2015, 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, 2015, and of their consolidated and the separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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



**Mr. Ampol Chamnongwat**

Certified Public Accountant (Thailand) Registration No. 4663  
Bangkok, February 18, 2016

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

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>Assets</u>					
Current assets					
Cash and cash equivalents		592,491,996.56	269,729,572.84	58,221,693.08	84,981,497.83
Trade and other receivables	5.1 and 6	1,026,632,798.90	905,346,995.03	496,762,274.19	354,639,163.45
Inventories	7	3,173,497,023.76	3,274,299,556.83	404,349,243.28	369,391,752.87
Other current assets		16,270,661.65	19,410,393.78	11,403,475.56	11,925,262.98
Total current assets		4,808,892,480.87	4,468,786,518.48	970,736,686.11	820,937,677.13
Non-current assets					
Investments in associates	8	2,126,555,408.47	1,911,872,991.79	1,525,859,700.00	1,525,859,700.00
Investments in subsidiaries	9	-	-	1,664,891,542.35	1,664,518,042.35
Grandparent chickens	10	98,823,846.24	70,727,734.60	-	-
Parent chickens	11	386,892,292.13	406,705,620.60	-	-
Investment property	12	364,313,808.73	369,346,600.77	207,162,191.70	217,715,957.97
Property, plant and equipment	13	6,735,987,460.09	6,145,937,373.03	1,319,266,837.01	1,218,899,287.39
Deferred tax assets	14	358,169,807.78	298,961,234.37	278,134,534.71	205,250,387.51
Intangible assets	15	12,755,017.24	11,980,669.15	12,755,017.24	11,980,669.15
Goodwill		1,294,911.36	1,294,911.36	-	-
Other non-current assets		82,634,918.01	51,793,778.15	43,119,252.20	34,971,653.00
Total non-current assets		10,167,427,470.05	9,268,620,913.82	5,051,189,075.21	4,879,195,697.37
Total assets		14,976,319,950.92	13,737,407,432.30	6,021,925,761.32	5,700,133,374.50

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

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

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	16 and 17	1,787,097,195.68	1,177,050,250.14	1,480,000,000.00	980,000,000.00
Short-term loans from subsidiary	5.1	-	-	20,000,000.00	-
Trade and other payables	5.1 and 18	813,536,636.66	895,463,773.65	561,885,021.36	223,834,432.13
Current portion of advance received					
for rental income from associate	5.1	7,850,000.00	7,850,000.00	7,850,000.00	7,850,000.00
Current portion of long-term loans					
from financial institutions	16 and 19	283,320,000.00	230,000,000.00	283,320,000.00	150,000,000.00
Current income tax payable		29,628,233.88	2,141,060.40	-	-
Other current liabilities		31,130,277.12	26,425,416.76	12,292,553.70	10,007,467.74
Total current liabilities		2,952,562,343.34	2,338,930,500.95	2,365,347,575.06	1,371,691,899.87
Non-current liabilities					
Long-term loans from financial institutions	16 and 19	275,020,000.00	225,000,000.00	275,020,000.00	225,000,000.00
Long-term loans from related persons	5.1	1,800,000,000.00	1,942,100,000.00	651,200,000.00	670,200,000.00
Employee benefit obligations	20	338,882,357.00	315,127,893.31	143,074,649.00	127,514,467.76
Advance received for rental income					
from associate	5.1	107,283,333.20	115,133,333.20	107,283,333.20	115,133,333.20
Other non-current liabilities	21	59,322,270.13	68,133,518.40	15,270,070.33	14,851,121.70
Total non-current liabilities		2,580,507,960.33	2,665,494,744.91	1,191,848,052.53	1,152,698,922.66
Total liabilities		5,533,070,303.67	5,004,425,245.86	3,557,195,627.59	2,524,390,822.53

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

## GFPT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
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	1,400,000,000.00
Issued and paid-up share capital					
1,253,821,000 ordinary shares @ Baht 1.00		1,253,821,000.00	1,253,821,000.00	1,253,821,000.00	1,253,821,000.00
Premium on ordinary shares	23	525,000,000.00	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	140,000,000.00
Unappropriated		7,399,599,172.86	6,707,190,519.92	545,909,133.73	1,256,921,551.97
Other components of shareholders' equity		8,319,880.06	7,247,293.16	-	-
Total shareholders' equity of company		9,326,740,052.92	8,633,258,813.08	2,464,730,133.73	3,175,742,551.97
Non-controlling interests		116,509,594.33	99,723,373.36	-	-
Total shareholders' equity		9,443,249,647.25	8,732,982,186.44	2,464,730,133.73	3,175,742,551.97
Total liabilities and shareholder's equity		14,976,319,950.92	13,737,407,432.30	6,021,925,761.32	5,700,133,374.50

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, 2015**

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue from sales		16,466,514,004.60	17,828,681,524.75	7,221,813,751.39	7,870,605,001.82
Cost of sales		(14,463,261,509.26)	(15,335,937,434.50)	(7,191,194,929.71)	(7,142,325,412.77)
Gross profit		2,003,252,495.34	2,492,744,090.25	30,618,821.68	728,279,589.05
Dividend income from associate		-	-	29,399,940.00	29,399,940.00
Income from the reversal of the allowance for impairment of investments in associate		-	-	-	408,146,928.19
Gain from exchange rate		6,276,901.57	23,160,592.23	7,601,840.41	14,459,639.09
Other income		228,881,045.29	223,619,766.99	111,401,991.71	118,634,713.54
Selling expenses		(484,146,949.90)	(531,138,921.36)	(106,852,465.21)	(133,797,071.46)
Administrative expenses		(686,239,237.09)	(632,353,835.07)	(275,385,650.97)	(276,703,308.44)
Share of profit from associates		248,793,054.44	325,544,559.09	-	-
Financial costs		(123,260,469.37)	(145,406,193.15)	(77,264,746.82)	(79,390,223.18)
Profit (loss) before income tax		1,193,556,840.28	1,756,170,058.98	(280,480,269.20)	809,030,206.79
Income tax revenues (expenses)	27.1	19,580,460.70	42,000,619.78	72,710,890.20	(44,884,039.23)
Profit (loss) for the year		1,213,137,300.98	1,798,170,678.76	(207,769,379.00)	764,146,167.56
Profit attributable to :					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,194,917,501.72	1,779,589,781.57		
Non-controlling interests		18,219,799.26	18,580,897.19		
		1,213,137,300.98	1,798,170,678.76		
Basic earnings (loss) per share	28				
GFPT PUBLIC COMPANY LIMITED (Unit : Baht)		0.95	1.42	(0.17)	0.61
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial profit (loss) arising from defined benefit plan		5,876,165.31	-	(1,984,616.24)	-
Income tax relevance with other comprehensive income	27.2	(2,230,127.72)	-	173,257.00	-
Share of other comprehensive loss of associate		(4,710,697.76)	-	-	-
Other comprehensive income-net of tax		(1,064,660.17)	-	(1,811,359.24)	-
Total comprehensive income for the year		1,212,072,640.81	1,798,170,678.76	(209,580,738.24)	764,146,167.56
Total comprehensive income attributable to:					
Equity holders of the GFPT PUBLIC COMPANY LIMITED		1,193,840,332.94	1,779,589,781.57		
Non-controlling interests		18,232,307.87	18,580,897.19		
		1,212,072,640.81	1,798,170,678.76		

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, 2015**

Consolidated financial statements										(Unit : Baht)
	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Other component of equity		Total	Non-controlling interests	Total
				Appropriated legal reserve	Unappropriated	Change in shareholding ratio in subsidiary companies under common control				
Balance as at January 1, 2014		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
Profit for the year		-	-	-	1,779,589,781.57		-	1,779,589,781.57	18,580,897.19	1,798,170,678.76
Other comprehensive income for the year		-	-	-	-		-	-	-	-
Total comprehensive income for the year		-	-	-	1,779,589,781.57		-	1,779,589,781.57	18,580,897.19	1,798,170,678.76
Discount from purchasing the investment in subsidiary		-	-	-	-		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)
Dividend payment	25	-	-	-	-	(438,742,080.00)	-	(438,742,080.00)	-	(438,742,080.00)
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
Profit for the year		-	-	-	1,194,917,501.72		-	1,194,917,501.72	18,219,799.26	1,213,137,300.98
Other comprehensive income for the year		-	-	-	(1,077,168.78)		-	(1,077,168.78)	12,508.61	(1,064,660.17)
Total comprehensive income for the year		-	-	-	1,193,840,332.94		-	1,193,840,332.94	18,232,307.87	1,212,072,640.81
Discount from purchasing the investment in subsidiary		-	-	-	-		1,072,586.90	1,072,586.90	-	1,072,586.90
Non-controlling interests of subsidiary decrease		-	-	-	-		-	-	(1,446,086.90)	(1,446,086.90)
Dividend payment	25	-	-	-	-	(501,431,680.00)	-	(501,431,680.00)	-	(501,431,680.00)
Balance as at December 31, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	7,399,599,172.86		8,319,880.06	9,326,740,052.92	116,509,594.33	9,443,249,647.25

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, 2015**

Separate financial statements

	Notes	Issued and paid-up share capital	Share premium account	Retained earnings		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2014		1,253,821,000.00	525,000,000.00	140,000,000.00	931,517,464.41	2,850,338,464.41
Profit for the year		-	-	-	764,146,167.56	764,146,167.56
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	764,146,167.56	764,146,167.56
Dividend payment	25	-	-	-	(438,742,080.00)	(438,742,080.00)
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
Loss for the year		-	-	-	(207,769,379.00)	(207,769,379.00)
Other comprehensive income for the year		-	-	-	(1,811,359.24)	(1,811,359.24)
Total comprehensive income for the year		-	-	-	(209,580,738.24)	(209,580,738.24)
Dividend payment	25	-	-	-	(501,431,680.00)	(501,431,680.00)
Balance as at December 31, 2015		1,253,821,000.00	525,000,000.00	140,000,000.00	545,909,133.73	2,464,730,133.73

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before income tax	1,193,556,840.28	1,756,170,058.98	(280,480,269.20)	809,030,206.79
Adjustment to profit (loss) before income tax for cash				
Depreciation-grandparent chickens	73,871,157.14	58,485,117.28	-	-
Depreciation-parent chickens	407,577,262.48	382,275,504.59	-	-
Depreciation-investment property	5,505,528.60	5,505,163.39	10,554,566.27	12,336,769.84
Depreciation	578,003,233.57	554,769,247.57	147,941,715.11	164,429,693.14
Amortization expenses	4,887,957.40	4,363,799.09	4,887,957.40	4,363,799.09
(Gain) loss from assets dilapidation	4,878,809.48	1,367,697.23	2.00	(1,904,749.72)
(Reversal) Doubtful debts-trade and other receivables	(5,596,277.20)	2,436,463.80	-	-
Reversal of loss from impairment in investments in associate	-	-	-	(408,146,928.19)
Loss from sales of retired grandparent chickens	2,329,849.91	284,388.61	-	-
Loss from sales of retired parent chickens	39,540,850.57	2,322,139.29	-	-
Loss from value of disposal of chicks	1,297,922.67	2,697,850.03	-	-
(Reversal) Loss from decline in value of inventories	1,558,197.61	(7,933,511.22)	(181,456.84)	(1,922,349.32)
Reversal of loss from decline in office supplies	-	(78,937.05)	-	-
Reversal of loss from allowance for impairment in investment property	(472,736.56)	(50,950.00)	(800.00)	-
Reversal from allowance for property, plant and equipment	(800.00)	-	-	-
Gain from sales of investment property	-	(43,350.00)	-	-
Gain from sales of property, plant and equipment	(908,536.85)	(3,837,974.91)	(1,488,526.82)	(8,398.82)
(Gain) loss from unrealized exchange rate	109,955.62	(441,200.00)	(311,576.77)	(404,758.81)
Dividend income from investments in associate	-	-	(29,399,940.00)	(29,399,940.00)
Employee benefit obligations	37,984,065.00	25,920,976.04	18,361,961.00	11,088,992.14
Advance received for rental income	(7,850,000.00)	(11,023,559.80)	(7,850,000.00)	(11,023,559.80)
Leasehold recognized as revenue	(1,323,147.54)	(1,323,147.54)	-	-
Interest income	(1,147,767.80)	(1,496,202.13)	(269,757.18)	(506,109.50)
Interest expense	122,260,469.37	144,056,193.15	70,035,132.50	72,798,309.45
Share of profit from associates	(248,793,054.44)	(325,544,559.09)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	2,207,269,779.31	2,588,881,207.31	(68,200,992.53)	620,730,976.29

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities (continue)				
(Increase) decrease in operating assets				
Trade and other receivables	(115,372,019.29)	194,084,209.23	(141,805,603.36)	147,919,556.95
Inventories	(156,217,094.43)	(192,441,973.95)	(34,776,033.57)	74,170,982.71
Other current assets	5,394,818.88	3,134,499.30	(1,772,138.27)	1,519,279.30
Other non-current assets	(27,039,347.25)	(8,953,498.69)	3,720,511.12	(811,600.41)
Increase (decrease) in operating liabilities				
Trade and other payables	(126,946,821.13)	(56,832,187.18)	333,788,524.45	(46,632,805.51)
Other current liabilities	4,704,860.36	2,642,365.79	2,285,085.96	1,451,418.84
Employee benefit obligation	(8,353,436.00)	(3,049,170.00)	(4,786,396.00)	(1,951,450.00)
Other non-current liabilities	(7,488,100.73)	7,235,872.82	418,948.63	3,542,421.82
Cash received from operating activities	1,775,952,639.72	2,534,701,324.63	88,871,906.43	799,938,779.99
Cash received from interest income	1,147,767.80	1,496,202.13	269,757.18	506,109.50
Cash received from income tax	3,550,883.49	27,326.07	-	-
Cash payment in income tax	(16,808,444.92)	(22,997,690.45)	(2,211,764.09)	(2,303,670.13)
Net cash received from operating activities	1,763,842,846.09	2,513,227,162.38	86,929,899.52	798,141,219.36
Cash flows from investing activities				
Cash received from dividend from investments in associate	29,399,940.00	29,399,940.00	29,399,940.00	29,399,940.00
Cash received from short-term loans in subsidiary	-	-	-	10,000,000.00
Cash payment in investments in subsidiary	(373,500.00)	(2,576,500.00)	(373,500.00)	(2,576,500.00)
Cash received from redemption of long-term investments	-	5,000.00	-	-
Cash received from sales of retired grandparent chickens	3,115,643.62	4,681,401.30	-	-
Cash payment in investments in grandparent chickens	(85,061,099.97)	(84,597,532.11)	-	-
Cash received from sales of retired parent chickens	84,105,476.14	107,612,775.60	-	-
Cash payment in investments in parent chickens	(460,027,362.37)	(490,761,203.58)	-	-
Cash received from sales of investment property	-	400,000.00	-	-
Cash payment in purchase of investment property	-	(114,766.32)	-	(114,766.32)
Cash received from sales of property, plant and equipment	8,824,181.08	19,713,286.28	1,490,345.95	3,816,191.32
Cash payment in purchase of property, plant and equipment	(924,494,761.25)	(886,242,858.34)	(233,727,035.33)	(153,149,406.94)
Cash payment in purchase of intangible assets	(5,662,305.49)	(6,316,495.57)	(5,662,305.49)	(6,316,495.57)
Cash payment in purchase of intangible assets awaiting installation	(7,362,420.54)	(10,362,825.28)	(7,362,420.54)	(10,362,825.28)
Cash payment in interest expenses capitalize to assets	(28,885,326.58)	(20,909,065.12)	(8,307,668.51)	(2,671,935.34)
Net cash used in investing activities	(1,386,421,535.36)	(1,340,068,843.14)	(224,542,643.92)	(131,975,798.13)

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from financing activities				
Increase (decrease) in trust receipt payables	1,726.07	(49,875,546.26)	-	-
Cash received from short-term loans from financial institutions	12,260,000,000.00	8,645,000,000.00	9,590,000,000.00	6,850,000,000.00
Cash payment in short-term loans from financial institutions	(11,650,000,000.00)	(9,465,000,000.00)	(9,090,000,000.00)	(7,370,000,000.00)
Cash received from short-term loans from subsidiary	-	-	20,000,000.00	-
Cash received from long-term loans from financial institutions	400,000,000.00	450,000,000.00	400,000,000.00	450,000,000.00
Cash payment in long-term loans from financial institutions	(296,660,000.00)	(155,000,000.00)	(216,660,000.00)	(75,000,000.00)
Cash received from long-term loans from related persons	127,000,000.00	318,000,000.00	-	16,000,000.00
Cash payment in long-term loans from related persons	(269,100,000.00)	(375,900,000.00)	(19,000,000.00)	(38,000,000.00)
Cash payment in interest expenses	(124,468,933.08)	(142,513,551.09)	(72,055,380.35)	(70,841,788.87)
Cash payment for dividends	(501,431,680.00)	(438,742,080.00)	(501,431,680.00)	(438,742,080.00)
Net cash received from (used in) financing activities	(54,658,887.01)	(1,214,031,177.35)	110,852,939.65	(676,583,868.87)
Net increase (decrease) in cash and cash equivalents	322,762,423.72	(40,872,858.11)	(26,759,804.75)	(10,418,447.64)
Cash and cash equivalent at the beginning of the year	269,729,572.84	310,602,430.95	84,981,497.83	95,399,945.47
Cash and cash equivalent at the ending of the year	592,491,996.56	269,729,572.84	58,221,693.08	84,981,497.83

Additional disclosure :

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

- Purchases of grandparent chickens which had not yet been paid	12,884,697.50	-	-	-
- Sale of parent chickens retirement which had not yet been received	-	760,873.00	-	-
- Purchases of parent chickens which had not yet been paid	17,120,000.00	10,826,397.12	-	-
- Depreciation transfer to cost of grandparent chickens	9,466,249.84	3,728,715.28	-	-
- Depreciation transfer to cost of parent chickens	34,262,898.35	31,439,708.06	-	-
- Transfer of inventories to property, plant and equipment	276,570,798.24	155,224,197.16	-	-
- Transfer of property, plant and equipment to inventories	409,351.97	949,026.43	-	-
- Transfer of property, plant and equipment to expenses	21,997,939.05	13,960,779.87	140,937.90	226,059.29
- Purchases of property, plant and equipment which had not yet been paid	16,843,937.77	17,684,492.14	6,276,382.02	9,365,380.97
- Transfer of interest expense to property, plant and equipment	28,881,880.63	20,837,407.24	8,307,668.51	2,671,935.34

## 2. Cash and cash equivalent items consisted of :-

- Cash	580,000.00	580,040.00	52,000.00	52,040.00
- Cheques on hand	4,936,727.00	7,973,097.00	-	-
- Bank deposits	586,975,269.56	261,176,435.84	58,169,693.08	84,929,457.83
	592,491,996.56	269,729,572.84	58,221,693.08	84,981,497.83

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, 2015****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.

The Company and subsidiary companies (“The Group”), its main business activity is producing and distributing frozen and cooked chicken products and 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 New financial reporting standards

### 2.2.1 New and revised TFRS that became effective in the current period

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, 2015, as listed below.

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property

<u>Reference standard No.</u>	<u>Name</u>
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Thai Financial Reporting Standards (TFRS)

TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (revised 2014)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs

Thai Financial Reporting interpretations (TFRIC)

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (Revised 2014)
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Revised 2014)
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

## 2.2.2 New and revised financial reporting standards not yet effective

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting practices that are mandatory for annual periods beginning on or after January 1, 2016. The Group has not yet early adopted these new and revised financial reporting standards which are as follows:

<u>Reference standard No.</u>	<u>Name</u>
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The Conceptual financial Reporting Standards (revised 2015)

### Thai Accounting Standards (TAS)

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2015)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under IAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmer
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Group believes that above financial reporting standards will not have any significant impact on the financial statements in the year of initial application.

- 2.3 Certain transactions in the financial statements for the year ended December 31, 2014, have been reclassified to correspond with the presentation of the financial statements for the year ended December 31, 2015, with no effect to the reported total comprehensive income for the year or shareholders' equity. The reclassifications comprised of the following:-

(Unit : Baht)			
Consolidated financial statements			
	Before readjustment	Readjustment	After readjustment
Statements of comprehensive income for the year ended December 31, 2014			
Cost of sales increased	(15,334,147,010.10)	(1,790,424.40)	(15,335,937,434.50)
Selling expenses decreased	(532,929,345.76)	1,790,424.40	(531,138,921.36)

- 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

The obligation under the post-employment benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

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.

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 subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Percentage of shareholdings</u>	
			<u>2015</u>	<u>2014</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	98.0626	98.0338
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 receivables and other receivables 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

Inventories are 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 Subsidy fund from the government

Subsidy fund from the government are shown as other income in the statement of comprehensive income, net of expenses related to the cost of the subsidies it pays compensation. The perception on the implementation of these agreements have been completed.

#### 4.10 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.

#### 4.11 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.

#### 4.12 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.

## 4.13 Trade and other payables

Trade and other payables were shown in cost value.

## 4.14 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 Companies have obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group Companies treat these severance payment obligations as a defined benefit plan.

- The Group Companies hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, related past service cost and current service cost. All actuarial gains and losses are recognized immediately in other comprehensive income.
- Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit or loss.

#### 4.15 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.

#### 4.16 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.

#### 4.17 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.

#### 4.18 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.

#### 4.19 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.

#### 4.20 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.

#### 4.21 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.

#### 4.22 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.

#### 4.23 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.

#### 4.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:-

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 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, associated companies, related companies 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	1,506,969.93	3,220,961.34
GF FOODS CO., LTD.	-	-	15,417,245.03	27,190,278.96
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	124,967,854.00	69,992,634.02	124,967,854.00	69,992,634.02
GFPT NICHIREI (THAILAND) CO., LTD.	185,662,420.84	159,673,795.51	20,566,175.00	-
Related companies				
NICHIREI FOODS INC.	47,840,080.84	62,527,332.72	47,840,080.84	62,527,332.72
KEYSTONE FOODS (AP) LIMITED	114,050,958.39	41,999,386.15	114,050,958.39	41,999,386.15
SURAPON FOODS PUBLIC CO., LTD.	-	513,600.00	-	513,600.00
P.CHAROEN PHAN FEEDMILL CO., LTD.	72,216,742.00	-	-	-
Total	544,738,056.07	334,706,748.40	324,349,283.19	205,444,193.19

(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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Other receivables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	117,252.99	135,921.10
M.K.S. FARM CO., LTD.	-	-	156,936.90	183,583.41
KRUNGTHAI FARM CO., LTD.	-	-	349,617.00	116,635.45
GP BREEDING CO., LTD.	-	-	103,935.52	44,297.40
GF FOODS CO., LTD.	-	-	282,929.94	-
Associates				
MCKEY FOOD SERVICES (THAILAND) LTD.	8,940,538.35	10,294,201.18	8,940,538.35	10,294,201.18
GFPT NICHIREI (THAILAND) CO., LTD.	5,666,791.33	3,163,584.00	2,465,886.33	226,200.00
Related companies				
M.K.S. CONDOTOWN CO., LTD.	148,656.95	58,024.02	148,656.95	58,024.02
P.CHAROEN PHAN FEEDMILL CO., LTD.	43,925.60	22,411.15	32,902.50	22,411.15
Total	14,799,912.23	13,538,220.35	12,598,656.48	11,081,273.71
Short-term loans to				
Subsidiary				
Balance as at beginning	-	-	-	10,000,000.00
Increase	-	-	-	-
Decrease	-	-	-	(10,000,000.00)
Balance as at ending	-	-	-	-
Advance payment				
Subsidiary				
GF FOODS CO., LTD.	-	-	1,670,167.40	1,073,623.80
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	12,980.60	45,638.54	-	-
Total	12,980.60	45,638.54	1,670,167.40	1,073,623.80
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

(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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade and notes payables				
Subsidiaries				
M.K.S. FARM CO., LTD.	-	-	352,331,929.67	17,294,153.46
KRUNGTHAI FARM CO., LTD.	-	-	-	1,783,654.87
GF FOODS CO., LTD.	-	-	405,681.00	426,825.00
Associate				
GFPT NICHIREI (THAILAND) CO., LTD.	514,385.00	1,499,685.00	110,125.00	700,390.00
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	-	56,565,586.32	-	-
Total	514,385.00	58,065,271.32	352,847,735.67	20,205,023.33
Accrued expenses				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	573,287.68	302,428.23
M.K.S. FARM CO., LTD.	-	-	63,698.63	79,551.52
KRUNGTHAI FARM CO., LTD.	-	-	63,698.63	79,551.50
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.	348,767.34	1,238,279.99	-	-
GFPT NICHIREI (THAILAND) CO., LTD.	546,853.38	-	-	-
Total	895,620.72	1,238,279.99	700,684.94	461,531.25
Other payables				
Subsidiaries				
KRUNGTHAI FOOD PUBLIC CO., LTD.	-	-	75,322.03	74,705.00
KRUNGTHAI FARM CO., LTD.	-	-	4,732.00	4,530.00
Associate				
MCKEY FOOD SERVICES (THAILAND) LTD.	-	1,069,200.26	-	1,069,200.26
Related Company				
P.CHAROEN PHAN FEEDMILL CO., LTD.	1,980.68	-	-	-
Total	1,980.68	1,069,200.26	80,054.03	1,148,435.26
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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</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	115,133,333.20	122,983,333.20	115,133,333.20	122,983,333.20
Beginning of current portion	7,850,000.00	11,023,559.80	7,850,000.00	11,023,559.80
<u>Less</u> Advance received for rental income				
recognized as revenue in the year	(7,850,000.00)	(11,023,559.80)	(7,850,000.00)	(11,023,559.80)
Current portion	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)	(7,850,000.00)
Balance as at ending	107,283,333.20	115,133,333.20	107,283,333.20	115,133,333.20
Total	107,283,333.20	115,133,333.20	107,308,333.20	115,158,333.20
Short-term loans				
Subsidiary				
Balance as at beginning	-	-	-	-
Increase	-	-	20,000,000.00	-
Decrease	-	-	-	-
Balance as at ending	-	-	20,000,000.00	-
Long-term loans				
Directors in parent company				
Balance as at beginning	670,200,000.00	-	670,200,000.00	-
Beginning of current portion	-	692,200,000.00	-	692,200,000.00
Increase	-	16,000,000.00	-	16,000,000.00
Decrease	(19,000,000.00)	(38,000,000.00)	(19,000,000.00)	(38,000,000.00)
Redemption	-	(690,200,000.00)	-	(690,200,000.00)
Renewal promissory notes	-	690,200,000.00	-	690,200,000.00
Balance as at ending	651,200,000.00	670,200,000.00	651,200,000.00	670,200,000.00
Directors in subsidiaries				
Balance as at beginning	710,000,000.00	-	-	-
Beginning of current portion	-	693,900,000.00	-	-
Increase	33,000,000.00	241,000,000.00	-	-
Decrease	(561,600,000.00)	(224,900,000.00)	-	-
Redemption	-	(808,900,000.00)	-	-
Renewal promissory notes	-	808,900,000.00	-	-
Balance as at ending	181,400,000.00	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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Directors in related persons in subsidiaries				
Balance as at beginning	561,900,000.00	-	-	-
Beginning of current portion	-	613,900,000.00	-	-
Increase	467,000,000.00	61,000,000.00	-	-
Decrease	(61,500,000.00)	(113,000,000.00)	-	-
Redemption	-	(500,900,000.00)	-	-
Renewal promissory notes	-	500,900,000.00	-	-
Balance as at ending	967,400,000.00	561,900,000.00	-	-
Total	1,800,000,000.00	1,942,100,000.00	651,200,000.00	670,200,000.00

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

As at December 31, 2015, the whole amount of short-term loans from subsidiary company is in form of promissory note in the type of call, carried interest rate at 1.85% per annum.

As at December 31, 2015 and 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.

The resolutions of the Extraordinary 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	2015	2014	2015	2014
Inter-transaction with subsidiaries					
(Eliminated from consolidate financial statements)					
Sales	Agreement price, reference to market price	-	-	573,225,032.42	674,401,842.06
Purchase	Agreement price, reference to market price	-	-	5,027,565,778.92	4,934,418,238.62
Interest income	Annual interest rate at 2.50%-3.10%	-	-	-	116,575.36
Rental income	Contract price	-	-	2,340,000.00	2,340,000.00
Other income	Cost price and agreement price	-	-	24,153,596.11	18,606,917.73
Other expenses	Cost price	-	-	6,816,782.74	6,080,939.24
Interest expense capitalized to statement of comprehensive income	Annual interest rate at 1.85%	-	-	191,589.05	-
Inter-transaction with associates					
Sales	Agreement price, reference to market price	5,393,043,416.97	5,017,308,680.76	1,339,031,655.80	1,141,130,720.92
Purchase	Agreement price, reference to market price	51,717,522.00	54,390,285.00	12,704,997.00	14,214,590.00
Rental income	Contract price	15,436,223.60	18,287,183.40	15,436,223.60	18,287,183.40
Other income	Cost price and market price	148,410,254.98	155,114,723.79	112,978,004.98	122,428,023.79
Dividend received	Approved of shareholder's meeting	29,399,940.00	29,399,940.00	29,399,940.00	29,399,940.00
Other expenses	Cost price	1,152,267.07	2,118,650.27	1,152,267.07	1,939,850.27
Inter-transaction with related companies					
Sales	Agreement price, reference to market price	2,186,418,479.43	1,819,576,647.39	1,550,169,799.83	1,187,933,611.39
Purchase	Agreement price, reference to market price	2,403,782,112.85	2,884,569,297.54	-	-
Other income	Cost price and market price	18,621,152.51	24,442,621.89	2,930,793.13	3,929,277.30
Rental expenses	Contract price	19,799,813.00	18,701,213.00	8,880,353.00	8,467,853.00
Other expenses	Cost price and market price	75,939,027.69	86,590,958.27	2,683,809.84	2,991,287.73
Inter-transaction with related persons					
Interest expense capitalized to statement of comprehensive income	Annual interest rate at 5.50%	77,366,396.88	97,029,919.30	31,631,422.88	36,679,202.41
Interest expenses capitalized to cost of assets		22,254,561.60	13,504,404.26	4,267,604.97	1,350,293.28

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	73,886,593.00	64,750,845.00	42,943,670.00	39,617,240.00
Post-employment benefits	2,244,881.90	1,029,813.00	1,708,402.90	684,010.00
Total	76,131,474.90	65,780,658.00	44,652,072.90	40,301,250.00

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

Consisted 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.	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 Food Inc.	Related company by 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 and shareholders and related persons with directors and shareholders

6. Trade and other receivables

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivables-related parties	544,738,056.07	334,706,748.40	324,349,283.19	205,444,193.19
Trade receivables-other parties	396,049,832.86	423,513,868.73	151,524,615.75	129,927,318.01
Notes receivables-other parties	73,652,551.00	93,724,795.00	-	-
Total trade and notes receivables	1,014,440,439.93	851,945,412.13	475,873,898.94	335,371,511.20
<u>Less</u> Allowance for doubtful accounts	(33,767,019.98)	(39,341,605.18)	-	-
Total trade and notes receivables-net	980,673,419.95	812,603,806.95	475,873,898.94	335,371,511.20
Other receivables-related parties	14,799,912.23	13,538,220.35	12,598,656.48	11,081,273.71
Other receivables-other parties	830,957.48	1,446,216.51	132,912.62	10,099.40
Advance payment-related parties	12,980.60	45,638.54	1,670,167.40	1,073,623.80
Advance payment-other parties	6,299,842.13	7,141,920.30	68,240.00	84,200.00
Prepaid expenses	20,424,222.58	21,517,556.74	5,764,005.75	6,393,407.34
Accrued income-other parties	3,761,463.93	49,245,327.64	654,393.00	625,048.00
Total other receivables	46,129,378.95	92,934,880.08	20,888,375.25	19,267,652.25
<u>Less</u> Allowance for doubtful accounts	(170,000.00)	(191,692.00)	-	-
Total other receivables-net	45,959,378.95	92,743,188.08	20,888,375.25	19,267,652.25
Total trade and other receivables-net	1,026,632,798.90	905,346,995.03	496,762,274.19	354,639,163.45

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

6.1 Trade receivables-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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade and notes receivables within due period	465,241,387.10	327,063,910.34	245,334,932.22	197,556,885.13
Trade and notes receivables over due period				
- Not more than 3 months	79,496,668.97	7,638,552.84	79,014,350.97	7,883,022.84
- More than 3 months	-	4,285.22	-	4,285.22
Total	544,738,056.07	334,706,748.40	324,349,283.19	205,444,193.19

6.2 Trade receivables-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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade and notes receivables within due period	250,277,924.72	304,205,733.29	129,990,572.09	108,052,841.32
Trade and notes receivables over due period				
- Not more than 3 months	174,763,025.14	171,563,939.36	17,624,008.66	21,874,476.69
- More than 3 months	44,661,434.00	41,468,991.08	3,910,035.00	-
Total	469,702,383.86	517,238,663.73	151,524,615.75	129,927,318.01
<u>Less</u> Allowance for doubtful accounts	(33,767,019.98)	(39,341,605.18)	-	-
Net	435,935,363.88	477,897,058.55	151,524,615.75	129,927,318.01

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

The movement of allowance for doubtful debts-trade accounts and other receivable-third parties for the year ended December 31, 2015 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	39,533,297.18	-
Additions during the year	64,384.30	-
Collect during the year	(3,907,918.50)	-
Written off during the year	(1,752,743.00)	-
Ending balance	33,937,019.98	-

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

7. Inventories

Consisted of :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods-processed chicken products	145,107,911.74	145,049,400.24	147,810,926.47	144,483,410.65
Finished goods-feed mill	63,916,613.84	78,060,488.36	-	-
Finished goods-chicks	22,570.75	49,642.88	-	-
Raw materials	1,469,850,233.09	1,431,015,299.32	18,697,158.12	21,251,284.36
Raw materials in transit	238,625,557.63	329,913,065.47	-	-
Work in process	204,986,924.89	198,859,900.78	184,547,883.95	162,542,181.01
Seed eggs and eggs during hatching	86,256,843.58	96,787,675.83	-	-
Rearing chicken	395,490,680.55	400,535,537.84	-	-
Medical supplies, supplies and others	594,260,411.25	617,491,072.06	65,537,357.14	53,540,416.09
Total	3,198,517,747.32	3,297,762,082.78	416,593,325.68	381,817,292.11
<u>Less</u> Allowance for decline in value of non-movement inventories	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of inventories	(22,141,850.71)	(20,583,653.10)	(9,365,209.55)	(9,546,666.39)
Net	3,173,497,023.76	3,274,299,556.83	404,349,243.28	369,391,752.87

	<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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account.				
- Cost of goods sold	14,461,703,311.65	15,343,870,945.72	7,191,376,386.55	7,144,247,762.09
- The reduction in net worth that is expected to receive	1,558,197.61	(7,933,511.22)	(181,456.84)	(1,922,349.32)
Net	14,463,261,509.26	15,335,937,434.50	7,191,194,929.71	7,142,325,412.77

For the year ended December 31, 2015 and 2014 the movement of allowance for non-movement inventories and allowance for decline in value of inventories were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Allowance for decline in value of non-movement inventories-beginning	(2,878,872.85)	(3,135,146.11)	(2,878,872.85)	(2,878,872.85)
Reversed/sold during the year	-	256,273.26	-	-
Allowance for decline in value of non-movement inventories-ending	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)	(2,878,872.85)
Allowance for decline in value of inventories-beginning	(20,583,653.10)	(28,260,891.06)	(9,546,666.39)	(11,469,015.71)
Increased during the year	(1,558,197.61)	-	-	-
Reversed/sold during the year	-	7,677,237.96	181,456.84	1,922,349.32
Allowance for decline in value of inventories-ending	(22,141,850.71)	(20,583,653.10)	(9,365,209.55)	(9,546,666.39)

## 8. Investments in associates

As at December 31, 2015 and 2014, the Company's investments in associates were as follows :-

(Unit: Baht)

<u>Name of company</u>	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>			
	<u>Paid-up</u>		<u>% Share</u>		<u>Equity method</u>		<u>Cost method</u>	
	<u>share capital</u>		<u>-holding</u>		<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Investments in associates								
- MCKEY FOOD SERVICES								
(THAILAND) LTD.	100,000	100,000	49.00	49.00	638,928,524.18	483,813,688.99	49,000,000.00	49,000,000.00
- GFPT NICHIREI								
(THAILAND) CO., LTD.	3,014,000	3,014,000	49.00	49.00	1,487,626,884.29	1,428,059,302.80	1,476,859,700.00	1,476,859,700.00
Total					2,126,555,408.47	1,911,872,991.79	1,525,859,700.00	1,525,859,700.00

The financial information of associates

The financial information as presented in the financial statements of the companies were as follows :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
<b>MCKEY FOOD SERVICES (THAILAND) LTD.</b>		
Current assets	1,256,516,500.51	841,597,844.22
Non-current assets	640,574,642.73	670,030,166.05
Current liabilities	(567,029,385.46)	(502,105,893.55)
Non-current liabilities	(25,375,030.96)	(21,045,222.04)
Total assets-net	1,304,686,726.82	988,476,894.68
<b>GFPT NICHIREI (THAILAND) CO., LTD.</b>		
Current assets	1,132,643,987.32	991,896,653.86
Non-current assets	2,297,630,139.33	2,311,856,284.34
Current liabilities	(357,851,619.95)	(365,655,093.17)
Non-current liabilities	(31,741,033.19)	(22,919,640.21)
Total assets-net	3,040,681,473.51	2,915,178,204.82

	(Unit : Baht)
	<u>For the year ended</u>
	<u>December 31, 2015</u>
<b>MCKEY FOOD SERVICES (THAILAND) LTD.</b>	
Revenue	4,429,001,415.86
Profit from continuing operations	376,209,832.14
Profit (loss) before income tax from discontinued operations	-
Profit for the year	376,209,832.14
Other Comprehensive income for the year	-
Total comprehensive income for the year	376,209,832.14
Dividend received from associate for the year	29,399,940.00
<b>GFPT NICHIREI (THAILAND) CO., LTD.</b>	
Revenue	6,943,945,661.62
Profit from continuing operations	135,116,937.58
Profit (loss) before income tax from discontinued operations	-
Profit for the year	135,116,937.58
Other Comprehensive income for the year	(9,613,668.89)
Total comprehensive income for the year	125,503,268.69
Dividend received from associate for the year	-

Reconciliation of financial data above, the carrying amount of the equity of associates is recognized in the consolidated financial statements.

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
<b>MCKEY FOOD SERVICES (THAILAND) LTD.</b>		
Net assets of the associate	1,304,686,726.82	988,476,894.68
Shareholding of the Company (%)	49.00	49.00
	639,296,496.14	484,353,678.39
The reduction in the fair value acquisition date	-	-
Other adjustments	(367,971.96)	(539,989.40)
Book value of the Company in associates	638,928,524.18	483,813,688.99
<b>GFPT NICHIREI (THAILAND) CO., LTD.</b>		
Net assets of the associate	3,040,681,473.51	2,915,178,204.82
Shareholding of the Company (%)	49.00	49.00
	1,489,933,922.02	1,428,437,320.36
The reduction in the fair value acquisition date	-	-
Other adjustments	(2,307,037.73)	(378,017.56)
Book value of the Company in associates	1,487,626,884.29	1,428,059,302.80
Total book value of the Company in associates	2,126,555,408.47	1,911,872,991.79

## 9. Investments in subsidiaries

As at December 31, 2015 and 2014, the Company had investments in subsidiaries were as follows :-

(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,	
	2015	2014	2015	2014	2015	2014	2015	2014
<u>Investments in Subsidiaries</u>								
- 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	98.0626	98.0338	524,392,727.35	524,019,227.35	-	-
- 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	-	-
Total					1,664,891,542.35	1,664,518,042.35	-	-

For the year ended December 31, 2015, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary for 11,500 shares in the amount of Baht 0.37 million. The proportion of shareholding increased from 98.0338 % to 98.0626 %. The purchase in lower price than the book value results in the discount from purchasing the investment amount of Baht 1.07 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, 2014, the Company has invested more in KRUNGTHAI FOOD PUBLIC CO., LTD., a subsidiary, for 66,900 shares in the amount of Baht 2.58 million. The proportion of shareholding increased 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.

10. Grandparent chickens

Consisted of

(Unit : Baht)

	Consolidated financial statements		
	Grandparent chickens	Grandparent chickens during rearing	Total
<b>Cost :-</b>			
As at January 1, 2014	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
Purchase	-	97,946,512.47	97,946,512.47
Transfer in	107,158,349.16	-	107,158,349.16
Depreciation transferred to costs of rearing	-	9,466,249.84	9,466,249.84
Sale	(60,784,279.73)	-	(60,784,279.73)
Transfer out	-	(107,158,349.16)	(107,158,349.16)
As at December 31, 2015	107,158,349.16	44,751,256.20	151,909,605.36
<b>Accumulated depreciation :-</b>			
As at January 1, 2014	(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)
Depreciation for the year	(73,871,157.14)	-	(73,871,157.14)
Depreciation for sale /retirement	55,338,786.20	-	55,338,786.20
As at December 31, 2015	(53,085,759.12)	-	(53,085,759.12)
<b>Book value net :-</b>			
As at December 31, 2014	26,230,891.55	44,496,843.05	70,727,734.60
As at December 31, 2015	54,072,590.04	44,751,256.20	98,823,846.24

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

Ended December 31, 2014	58,485,117.28
Ended December 31, 2015	73,871,157.14

11. Parent chickens

Consisted of

(Unit : Baht)

	Consolidated Financial Statements		
	Parent Chickens	Parent Chickens During Rearing	Total
<b>Cost :-</b>			
As at January 1, 2014	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
Purchase	-	477,147,362.37	477,147,362.37
Transfer in	465,580,720.39	-	465,580,720.39
Depreciation transferred to costs of rearing	-	34,262,898.35	34,262,898.35
Sale	(548,253,575.99)	-	(548,253,575.99)
Transfer out	-	(465,580,720.39)	(465,580,720.39)
As at December 31, 2015	363,460,803.65	176,651,120.74	540,111,924.39
<b>Accumulated depreciation :-</b>			
As at January 1, 2014	(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)
Depreciation for the year	(407,577,262.48)	-	(407,577,262.48)
Depreciation for sale /retirement	424,607,249.28	-	424,607,249.28
As at December 31, 2015	(153,219,632.26)	-	(153,219,632.26)
<b>Book value net :-</b>			
As at December 31, 2014	275,884,040.19	130,821,580.41	406,705,620.60
As at December 31, 2015	210,241,171.39	176,651,120.74	386,892,292.13
<b>Depreciation was shown in statements of comprehensive Income for the year :-</b>			
Ended December 31, 2014			382,275,504.59
Ended December 31, 2015			407,577,262.48

12. Investment property

Consisted of :-

(Unit : Baht)

	Consolidated financial statements		
	Land and improvements	Building	Total
<b>Cost :-</b>			
As at January 1, 2014	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
Purchase	-	-	-
Sale	-	-	-
As at December 31, 2015	282,230,059.80	111,682,219.42	393,912,279.22
<b>Depreciation :-</b>			
As at January 1, 2014	(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)
Depreciation for the year	(48,497.55)	(5,457,031.05)	(5,505,528.60)
As at December 31, 2015	(188,952.65)	(28,535,562.74)	(28,724,515.39)
<b>Allowance for impairment of assets :-</b>			
As at January 1, 2014	(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)
(Increase) decrease during the year	414,246.00	58,490.56	472,736.56
As at December 31, 2015	(850,146.00)	(23,809.10)	(873,955.10)
<b>Net book value :-</b>			
As at December 31, 2014	280,825,212.70	88,521,388.07	369,346,600.77
As at December 31, 2015	281,190,961.15	83,122,847.58	364,313,808.73

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

Ended December 31, 2014	5,505,163.39
Ended December 31, 2015	5,505,528.60

(Unit : Baht)

	Separate financial statements		
	Land and improvements	Building	Total
<b>Cost :-</b>			
As at January 1, 2014	125,553,808.57	275,143,436.65	400,697,245.22
Purchase	-	114,766.32	114,766.32
As at December 31, 2014	125,553,808.57	275,258,202.97	400,812,011.54
Purchase	-	-	-
As at December 31, 2015	125,553,808.57	275,258,202.97	400,812,011.54
<b>Depreciation :-</b>			
As at January 1, 2014	(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)
Depreciation for the year	(48,497.55)	(10,506,068.72)	(10,554,566.27)
As at December 31, 2015	(188,952.65)	(193,418,467.19)	(193,607,419.84)
<b>Allowance for impairment of assets :-</b>			
As at January 1, 2014	(43,200.00)	-	(43,200.00)
(Increase) decrease during the year	-	-	-
As at December 31, 2014	(43,200.00)	-	(43,200.00)
(Increase) decrease during the year	800.00	-	800.00
As at December 31, 2015	(42,400.00)	-	(42,400.00)
<b>Net book value :-</b>			
As at December 31, 2014	125,370,153.47	92,345,804.50	217,715,957.97
As at December 31, 2015	125,322,455.92	81,839,735.78	207,162,191.70

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

Ended December 31, 2014	12,336,769.84
Ended December 31, 2015	10,554,566.27

- Consolidated financial statements

As at December 31, 2015 and 2014, one subsidiary company pledged investment property at cost value of Baht 0.88 million for both periods, to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

- Separate financial statements

As at December 31, 2015 and 2014, the Company pledged investment property at cost value amount of Baht 265.50 million and Baht 279.56 million, respectively, to guarantee credit of the Group with commercial banks and financial institutions, (Note 16).

- Consolidated financial statements

As at December 31, 2015 and 2014, investment property had the fair value amount of Baht 1,223.72 million and Baht 872.54 million, respectively.

- Separate financial statements

As at December 31, 2015 and 2014, investment property had the fair value amount of Baht 955.27 million and Baht 620.23 million, respectively.

### 13. Property, plant and equipment

Consisted of :-

(Unit : Baht)

Cost :-	Consolidated financial statements										Total
	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress			
As at January 1, 2014	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			11,763,873,346.35
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	403,132,554.58	801,006,508.56	1,075,274.00	834,615,207.02			12,727,725,402.70
Purchase	13,591,100.00	10,926,000.00	23,425,973.81	30,178,769.60	13,729,395.32	64,725,748.25	-	784,761,712.04			941,338,699.02
Transfer in	-	352,566,714.75	119,271,445.29	36,353,802.18	21,933,187.78	6,688,448.95	-	308,636,243.61			845,449,842.56
Sales/written-off	-	(72,468,551.77)	(7,544,564.33)	(14,809,334.59)	(2,319,443.01)	(19,236,598.23)	(223,523.00)	(5,216,827.98)			(121,818,842.91)
Transfer out	-	-	-	(5,350.00)	(158,445.60)	-	-	(558,066,525.93)			(558,230,321.53)
As at December 31, 2015	564,706,430.42	6,550,509,113.16	3,001,226,517.88	1,062,939,802.02	436,317,249.07	853,184,107.53	851,751.00	1,364,729,808.76			13,834,464,779.84
<b>Accumulated depreciation:-</b>											
As at January 1, 2014	(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)	-			(6,381,744,829.67)
Depreciation for the year	(2,479,497.98)	(255,089,764.92)	(173,860,363.75)	(73,868,683.10)	(32,585,626.79)	(87,824,016.54)	(6,526.20)	-			(625,714,479.28)
Depreciation for transfer in	-	-	-	(1,836.00)	-	-	-	-			(1,836.00)
Depreciation for sale/written-off assets	-	66,560,913.29	7,372,016.09	14,721,383.89	2,166,534.89	17,980,028.04	223,513.00	-			109,024,389.20
Depreciation for transfer out	-	-	-	-	1,836.00	-	-	-			1,836.00
As at December 31, 2015	(27,974,103.72)	(3,081,337,999.89)	(2,114,854,447.91)	(875,288,902.45)	(361,743,560.65)	(636,406,707.81)	(829,197.32)	-			(7,098,434,919.75)
<b>Allowance for impairment of assets:-</b>											
As at December 31, 2014	(43,200.00)	-	-	-	-	-	-	-			(43,200.00)
Transfer out	800.00	-	-	-	-	-	-	-			800.00
As at December 31, 2015	(42,400.00)	-	-	-	-	-	-	-			(42,400.00)
<b>Book value net :-</b>											
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
As at December 31, 2015	536,689,926.70	3,469,171,113.27	886,372,069.97	187,650,899.57	74,573,688.42	216,777,399.72	22,553.68	1,364,729,808.76			6,735,987,460.09

#### For the year ended December 31, 2014

Depreciation was shown in Statements of comprehensive income  
 Depreciation transferred to costs of rearing  
 Depreciation transferred to costs of construction in progress

#### For the year ended December 31, 2015

Depreciation was shown in Statements of comprehensive income  
 Depreciation transferred to costs of rearing  
 Depreciation transferred to costs of construction in progress

(Unit : Baht)

## Separate financial statements

	Land and land improvement	Building and building improvement	Machines and equipment	Tools	Office equipment	Vehicles	Others fixed assets	Construction in progress	Total
<b>Cost :-</b>									
As at January 1, 2014	177,024,365.77	912,029,306.67	1,161,625,669.52	148,187,745.68	186,470,753.70	134,151,825.92	40,101,488.83	4,872.63	2,759,596,028.72
Purchase	493,864.35	-	11,300,608.16	4,150,674.73	6,377,392.95	11,088,974.18	104,323,090.01	24,780,183.53	162,514,787.91
Transfer in	-	926,436.18	16,200,901.93	4,701,152.75	716,816.56	-	16,623,453.72	32,274.40	39,201,035.54
Sales/written-off	-	(117,299.92)	-	(8,400.00)	(1,818,629.14)	(5,252,810.00)	-	-	(7,197,139.06)
Transfer out	-	-	-	-	(28,932.54)	-	(22,595,178.37)	(14,131,682.58)	(36,755,793.49)
As at December 31, 2014	177,518,230.12	912,838,442.93	1,189,127,179.61	157,031,173.16	191,717,401.53	139,987,990.10	138,452,854.19	10,685,647.98	2,917,358,919.62
Purchase	-	276,000.00	7,214,715.65	1,326,198.58	3,267,055.83	8,924,300.00	142,349,060.52	76,646,086.77	240,003,417.35
Transfer in	-	4,634,890.03	62,195,076.34	4,846,702.94	-	-	95,639,403.26	180,549.98	167,496,622.55
Sales/written-off	-	(133,399.71)	(325,000.00)	(826,438.00)	(1,377,449.98)	(6,354,700.00)	-	-	(9,016,987.69)
Transfer out	-	-	-	-	-	-	(71,676,669.31)	(87,512,284.73)	(159,188,954.04)
As at December 31, 2015	177,518,230.12	917,615,933.25	1,258,211,971.60	162,377,636.68	193,607,007.38	142,557,590.10	304,764,648.66	-	3,156,653,017.79
<b>Accumulated depreciation:-</b>									
As at January 1, 2014	(22,964,400.19)	(431,249,101.38)	(717,700,201.98)	(122,346,018.33)	(143,069,371.24)	(101,995,576.25)	-	-	(1,539,324,669.37)
Depreciation for the year	(2,530,205.55)	(36,525,089.02)	(82,305,341.69)	(12,099,534.25)	(18,843,153.09)	(12,126,369.54)	-	-	(164,429,693.14)
Depreciation for sale/written-off assets	-	96,440.47	-	8,399.00	1,791,698.09	3,397,558.72	-	-	5,294,096.28
Depreciation for transfer out	-	-	-	-	634.00	-	-	-	634.00
As at December 31, 2014	(25,494,605.74)	(467,677,749.93)	(800,005,543.67)	(134,437,153.58)	(160,120,192.24)	(110,724,387.07)	-	-	(1,698,459,632.23)
Depreciation for the year	(2,479,497.98)	(31,721,877.92)	(77,571,472.96)	(10,680,753.04)	(14,104,638.30)	(11,383,474.91)	-	-	(147,941,715.11)
Depreciation for sale/written-off assets	-	131,822.58	324,999.00	826,436.00	1,377,211.98	6,354,697.00	-	-	9,015,166.56
As at December 31, 2015	(27,974,103.72)	(499,267,805.27)	(877,252,017.63)	(144,291,470.62)	(172,847,618.56)	(115,753,164.98)	-	-	(1,837,386,180.78)
<b>Book value net :-</b>									
As at December 31, 2014	152,023,624.38	445,160,693.00	389,121,635.94	22,594,019.58	31,597,209.29	29,263,603.03	138,452,854.19	10,685,647.98	1,218,899,287.39
As at December 31, 2015	149,544,126.40	418,348,127.98	380,959,953.97	18,086,166.06	20,759,388.82	26,804,425.12	304,764,648.66	-	1,319,266,837.01

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

Ended December 31, 2014

164,429,693.14

Ended December 31, 2015

147,941,715.11

- Consolidated financial statements

For the year ended December 31, 2015, four subsidiary companies had collected cost of borrowings to cost of construction in progress amount of Baht 20.57 million. The cost of borrowings from the loan 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, the interest rate was 1.78% - 5.50% per annum.

For the year ended December 31, 2014, three subsidiary companies had collected cost of borrowings to cost of construction in progress amount of Baht 18.16 million. The cost of borrowings from the loan 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, the interest rate was 2.20% - 6.00% per annum.

As at December 31, 2015 and 2014, 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 1,286.50 million and the book value of Baht 200.66 million and the cost price was Baht 1,338.65 million and the book value of Baht 205.75 million, respectively, (Note 16).

As at December 31, 2015 and 2014, five subsidiary companies had the assets which had not the depreciation but they still used. The cost price was Baht 2,939.20 million and the book value was Baht 364,209 and the cost price was Baht 2,755.01 million and the book value was Baht 358,549, respectively.

- Separate financial statements

As at December 31, 2015 and 2014, The Company had land with buildings and improvement in the cost price was Baht 636.74 million and Baht 631.83 million, respectively, and the book value of Baht 265.78 million and Baht 283.91 million, respectively, and to be acquired in the future, as collateral against credit line to commercial banks and financial institutions. (Note 16).

As at December 31, 2015 and 2014, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 1,284.77 million and the book value was Baht 12,253 and the cost price was Baht 823.35 million and the book value was Baht 11,283, respectively.

14. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2015 and 2014 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets	358,270,607.78	299,062,034.37	278,134,534.71	205,250,387.51
Deferred tax liabilities	(100,800.00)	(100,800.00)	-	-
Net	358,169,807.78	298,961,234.37	278,134,534.71	205,250,387.51

Movements in total deferred tax assets and liabilities for the year ended December 31, 2015 and 2014 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>				<u>Separate financial statement</u>			
	As at January 1, 2015	(Charged)/ credited to statements of income (Note 27.1)	(Charged)/ credited to statements of comprehensive income (Note 27.2)	As at December 31, 2015	As at January 1, 2015	(Charged)/ credited to statements of income (Note 27.1)	(Charged)/ credited to statements of comprehensive income (Note 27.2)	As at December 31, 2015
Deferred tax assets								
Trade accounts receivable	5,641,714.30	(1,019,415.68)	-	4,622,298.62	-	-	-	-
Inventories	2,288,459.61	22,185.02	-	2,310,644.63	1,571,681.39	481,305.71	-	2,052,987.10
Investments in subsidiaries	16,785,536.90	-	-	16,785,536.90	16,785,536.90	-	-	16,785,536.90
Grandparent chickens	3,888,721.78	(2,489,624.35)	-	1,399,097.43	-	-	-	-
Parent chickens	19,241,046.71	(3,998,688.96)	-	15,242,357.75	-	-	-	-
Property, plant and equipment	312,912.80	(136,482.13)	-	176,430.67	-	-	-	-
Employee benefit obligations	54,745,301.03	8,295,245.97	(2,230,127.72)	60,810,419.28	22,538,059.80	1,325,530.25	173,257.00	24,036,847.05
Tax losses carried forward for not more than five years	196,158,341.24	60,765,481.26	-	256,923,822.50	164,355,109.42	70,904,054.24	-	235,259,163.66
Total	299,062,034.37	61,438,701.13	(2,230,127.72)	358,270,607.78	205,250,387.51	72,710,890.20	173,257.00	278,134,534.71
Deferred tax liabilities								
Trade and other payables	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Total	(100,800.00)	-	-	(100,800.00)	-	-	-	-
Net	298,961,234.37	61,438,701.13	(2,230,127.72)	358,169,807.78	205,250,387.51	72,710,890.20	173,257.00	278,134,534.71

(Unit : Baht)

	Consolidated financial statement			Separate financial statement		
	As at January 1, 2014	(Charged)/credited to statements of income (Note 27.1)	As at December 31, 2014	As at January 1, 2014	(Charged)/credited to statements of income (Note 27.1)	As at December 31, 2014
Deferred tax assets						
Trade accounts receivable	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 associate	16,785,536.90	-	16,785,536.90	98,414,922.54	(81,629,385.64)	16,785,536.90
Grandparent chickens	-	3,888,721.78	3,888,721.78	-	-	-
Parent chickens	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)	-	-	-
Total	-	(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

## 15. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated/ separate financial statements
	Software royalty
<b>Cost: -</b>	
As at January 1, 2014	22,397,091.12
Purchase	6,316,495.57
As at December 31, 2014	28,713,586.69
Purchase	5,662,305.49
As at December 31, 2015	34,375,892.18
<b>Accumulated Amortization: -</b>	
As at January 1, 2014	(12,369,118.45)
Amortization expenses	(4,363,799.09)
As at December 31, 2014	(16,732,917.54)
Amortization expenses	(4,887,957.40)
As at December 31, 2015	(21,620,874.94)
<b>Book value net: -</b>	
As at December 31, 2014	11,980,669.15
As at December 31, 2015	12,755,017.24
<b>Amortization in statements of comprehensive income</b>	
For the year ended December 31, 2014	4,363,799.09
For the year ended December 31, 2015	4,887,957.40

## 16. Credits and guarantees from financial institutions

Bank overdrafts, short-term loans and long-term loans from financial institutions, packing credits payables and trust receipt payables of the Group (Note 31.1) are collateralized by land with building, condominium for rent, machines and equipment both existing and to be acquired in the future of the Group, and beneficiary from insurance in assets of the Group with the financial institutions.

As at December 31, 2015 and 2014, the Group received the credit in form of long-term borrowings from related persons in the amount of Baht 2,000.00 million. Annual interest rate is not more than 5.50% with maturity within 10 years from February 1, 2014 to January 31, 2024, and has no collateral.

## 17. Short-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term loans from financial institutions	1,785,000,000.00	1,175,000,000.00	1,480,000,000.00	980,000,000.00
Trust receipt payables	2,097,195.68	2,050,250.14	-	-
Total	1,787,097,195.68	1,177,050,250.14	1,480,000,000.00	980,000,000.00

17.1 Terms and conditions on short-term loans from financial institutions were as follows :

- Consolidated financial statements.

As at December 31, 2015, the two subsidiary companies have short-term loans from financial institutions in the amount of Baht 305.00 million, were in the form of promissory notes from several commercial banks with 1 month, at the annual interest rates of 1.78%-1.80%.

As at December 31, 2014, the two subsidiary companies have short-term loans from financial institutions in the amount of Baht 195.00 million, were in the form of promissory notes from commercial bank with 1-2 months, at the annual interest rates of 2.20%-2.30%.

- Separate financial statements

As at December 31, 2015 and 2014, short-term loans from financial institutions, in the amount of Baht 1,480.00 million and Baht 980.00 million, respectively, were in the form of promissory notes from several commercial banks with 1 month and the type of call, at the annual interest rates of 1.75%-1.80% and 2.20%-2.35%, respectively.

## 17.2 Trust receipt payables

For consolidated financial statements, as at December 31, 2015 and 2014, trust receipt payables under term of trust receipt contract, the Group received merchandise ordered by using credit of the financial institutions. Hence, the Group constitutes obligation commitment to the financial institutions for such merchandise fee both that kept or disposed.

For 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 payables

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables-related parties	514,385.00	58,065,271.32	352,847,735.67	20,205,023.33
Trade payables-other parties	572,409,225.60	607,673,813.62	104,240,607.18	113,759,593.81
Total trade payables	572,923,610.60	665,739,084.94	457,088,342.85	133,964,617.14
Other payables-related parties	1,980.68	1,069,200.26	80,054.03	1,148,435.26
Other payables-other parties	41,644,790.20	63,961,755.36	13,318,774.31	10,517,617.76
Payable for asset purchased	25,315,547.41	18,188,156.27	6,772,321.44	9,861,350.39
Accrued expenses-related parties	895,620.72	1,238,279.99	700,684.94	461,531.25
Accrued expenses-other parties	148,978,220.03	135,822,935.81	76,203,969.57	64,082,220.50
Prepaid received	23,776,867.02	9,444,361.02	7,720,874.22	3,798,659.83
Total other payables	240,613,026.06	229,724,688.71	104,796,678.51	89,869,814.99
Total trade and other payables	813,536,636.66	895,463,773.65	561,885,021.36	223,834,432.13

19. Long-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Long-term loans from financial institutions	558,340,000.00	455,000,000.00	558,340,000.00	375,000,000.00
<u>Less</u> Current portion of long-term loans	(283,320,000.00)	(230,000,000.00)	(283,320,000.00)	(150,000,000.00)
Net	275,020,000.00	225,000,000.00	275,020,000.00	225,000,000.00

The movement of long-term loans for the year ended December 31, 2015 and 2014 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Beginning balance	455,000,000.00	160,000,000.00	375,000,000.00	-
Increase long-term loans for the year	400,000,000.00	450,000,000.00	400,000,000.00	450,000,000.00
Repayment for the year	(296,660,000.00)	(155,000,000.00)	(216,660,000.00)	(75,000,000.00)
Ending balance	558,340,000.00	455,000,000.00	558,340,000.00	375,000,000.00

## - Consolidated financial statements

Long-term loans from financial institutions of the subsidiary company with the credit line of Baht 400.00 million have ending balance loans as at December 31, 2014, in amount of Baht 80.00 million, the long-term has been repaid every 3 months, totally 20 installments with Baht 20.00 million per installment. The first installment repayment commences on the final business day of the 13<sup>th</sup> month commenced from the month the first installment loan is withdrawn. The following installments are repaid every final business day of the month that due for repayment. The interest is charged from the 1<sup>st</sup> month of the first installment withdrawn to the twelfth month in the rate equivalent to interest rate of THBFIIX plus interest rate of 1.35% and from the 13<sup>th</sup> month forwards in the interest rate of THBFIIX plus 1.75%.

There is land with building both existing and to be contingent in the future from expansion project of chicken feeding farm production capacity and the Company jointly guaranteed for the whole amount of long-term borrowings of the subsidiary company.

- Separate financial statements

As at December 31, 2015, long-term loans from financial institutions of the Company, has two credit line as follows:-

- 1<sup>st</sup> Credit line of the Company of Baht 450.00 million has the balance of Baht 225.00 million which has been repaid every 3 months, totally 12 installments. Baht 37.50 million per installment commences the first installment repayment in July 2014, the interest rate was 3.71% per annum.
- 2<sup>nd</sup> Credit line of the Company of Baht 400.00 million has the balance of Baht 333.34 million of which has been repaid every 3 months, totally 12 installments with Baht 33.33 million per installment repayment. The final settlement will be equal to the principal and interest outstanding under the agreement. The first installment repayment will be in July 2015, the interest rate was 3.25% per annum.

## 20. Employee benefit obligation

Employee benefit obligations were as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Beginning present value of the obligation	315,127,893.31	292,256,087.27	127,514,467.76	118,376,925.62
Current service cost	30,036,302.00	15,936,492.76	14,994,974.00	6,799,301.09
Interest expenses	7,947,763.00	9,984,483.28	3,366,987.00	4,289,691.05
Actuarial (profit) loss arising from defined benefit plan	(5,876,165.31)	-	1,984,616.24	-
<u>Less</u> Repayment for the year	(8,353,436.00)	(3,049,170.00)	(4,786,396.00)	(1,951,450.00)
Ending present value of the obligation	338,882,357.00	315,127,893.31	143,074,649.00	127,514,467.76

The changes in actuarial (profit) loss arising from defined benefit plan as recognized in the statement of other comprehensive income which are including in unappropriated retained earnings.

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Beginning balance	-	-	-	-
Recognized during the year	(5,876,165.31)	-	1,984,616.24	-
Ending balance	(5,876,165.31)	-	1,984,616.24	-

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2015 and 2014 were as follows:-

	(Unit : Baht)			
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Recognized in profit or loss:</u></b>				
Cost of sales	26,087,407.78	18,698,093.01	12,497,743.00	8,707,241.12
Administrative expenses	11,896,657.22	7,222,883.03	5,864,218.00	2,381,751.02
Total	37,984,065.00	25,920,976.04	18,361,961.00	11,088,992.14

	(Unit : Baht)			
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Recognized in other comprehensive income:</u></b>				
Actuarial (profit) loss arising from defined benefit plan	(5,876,165.31)	-	1,984,616.24	-

For the year ended December 31, 2015 and 2014, the principal assumptions used for the purposes of the actuarial valuation were as follows :-

	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Discount rate	2.60%	3.65%
Average salary increase rate	5.00%	5.00%
Employee turnover rate	Age band	0.01%-1.00%
Retirement age	55 years old	55 years old

21. Other non-current liabilities

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred repayment of leasehold	37,489,180.34	38,812,327.88	-	-
<u>Less</u> Current portion for deferred repayment of leasehold	(1,323,147.54)	(1,323,147.54)	-	-
Net	36,166,032.80	37,489,180.34	-	-
Deposit	23,156,237.33	30,644,338.06	15,270,070.33	14,851,121.70
Total	59,322,270.13	68,133,518.40	15,270,070.33	14,851,121.70

The movement of deferred repayment of leasehold for the year ended December 31, 2015 and 2014 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Deferred repayment of leasehold-beginning	38,812,327.88	40,135,475.42
<u>Less</u> Leasehold recognized as revenue in the year	(1,323,147.54)	(1,323,147.54)
Deferred repayment of leasehold-ending	37,489,180.34	38,812,327.88

As at December 31, 2015 and 2014, the deferred repayment leasehold of a subsidiary company is reward of a land lease agreement with the other 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 ("The agreement date"), which recognize rental income from the lease of such land on a straight line method since the date the land lease became effective on October 31, 2013. The value to be paid until the end of the contract, were as follow:-

(Unit : Million Baht)

	<u>Consolidated financial statement</u>	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Within 1 year	1.51	1.51
1-5 years	6.35	6.20
5 years onwards	47.44	49.11
Total	55.30	56.82

## 22. Share capital

The movement of share capital for the year ended December 31, 2015 were as follows :-

	Number of share (Unit : share)	Amount (Unit : Baht)
Registered share capital (Baht 1 per share)		
As at January 1, 2015	1,400,000,000	1,400,000,000.00
Increment of capital	-	-
As at December 31, 2015	1,400,000,000	1,400,000,000.00
Issued and paid-up share capital (Baht 1 per share)		
As at January 1, 2015	1,253,821,000	1,253,821,000.00
Increment of capital	-	-
As at December 31, 2015	1,253,821,000	1,253,821,000.00

### Capital management

The primary objectives of the Company and subsidiary companies' capital management are to maintain their ability to continue as a going concern, 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, 2015 and 2014, in the consolidated financial statements, the debt to equity ratio is 0.59 : 1 and 0.57 : 1, respectively, and separate financial statements debt to equity ratio is 1.44 : 1 and 0.79 : 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. Thus, the Company has already allocated legal reserve equal to 10% of registered capital of the Company in compliance with the requirement of the law.

#### 24. Subsidy fund from the government

For consolidated financial statements as at December 31, 2015, a subsidiary company has received subsidy fund from the Energy Research and Development Institute, Chiang Mai University (CMU) according to the operation contract for the construction and installation of biogas project to promote the production of biogas dated December 30, 2014, which supported by ENCON Fund, Energy Policy and Planning Office amount of Baht 6.03 million. The payments are shown as follows:-

<u>Period</u>	<u>Amount</u> (Million Baht)	<u>The terms of payment</u>
1	0.90	- The contract with CMU is completed.
2	1.81	- The construction and installation is completed not less than 60%.
3	1.21	- The construction and installation is completed.
4	1.51	- Start the system and produce biogas which can be used to produce renewal energy to the value energy equivalent at least 80%.
5	0.60	- The biogas production system started 12 months.
Total	<u>6.03</u>	

The construction and installation shall be completed within 24 months from the date of signing the contract. In case of the Company cannot carry out within a specified period, CMU has the right to terminate or cancel of payment of the remaining, total, amount partial forfeiture of the rights, or guarantees under this agreement including penalty, claims for damages (if any) from the Company to indemnify the implementation of the CMU. Unless delayed by force majeure, the company has commitment to hire a consultant to handle the project. The Company has to pay the consulting fee at the rate 50% of the operation contract for the construction and installation of biogas system. The consulting fees paid in respect of payment terms above.

For the year ended December 31, 2015, the Company recognized as other income in the statement of comprehensive income in the amount of Baht 0.45 million.

## 25. Dividend payment

The minutes of annual general meeting of shareholders 2015 dated on April 10, 2015 was unanimously approved the dividend payment from the Company's performance in 2014 at Baht 0.40 per share, the number of shares was 1,253,821,000 amounting to Baht 501.53 million (paid in amount of Baht 501.43 million), whereby the Company has already paid dividend.

The minutes of annual general meeting of shareholders 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 amounting to Baht 438.84 million (paid in amount of Baht 438.74 million).

## 26. Expenses by nature

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Changes in inventories of finished goods and work in progress	24,212,599.30	(2,252,004.81)	(25,333,218.76)	79,375,257.82
Raw materials and consumables used	11,130,268,863.05	12,253,502,554.02	5,903,620,090.23	5,786,423,516.50
(Reverse) loss in value of non-movement inventories	1,558,197.61	(7,933,511.22)	(181,456.84)	(1,922,349.32)
Employee benefit expenses	2,110,441,099.27	1,946,830,467.39	1,095,462,018.13	1,027,609,417.33
Management's remuneration	76,131,474.90	65,780,658.00	44,652,072.90	40,301,250.00
Depreciation	583,508,762.17	560,274,410.96	158,496,281.38	176,766,462.98
Depreciation of chickens	481,448,419.62	440,760,621.87	-	-
Amortization expenses	4,887,957.40	4,363,799.09	4,887,957.40	4,363,799.09
Transportation expenses	275,181,383.94	322,866,138.62	81,251,993.53	111,564,246.25
Operating lease expenses	23,772,952.09	23,031,050.27	8,933,153.00	8,520,653.00
Utility expenses	669,790,267.59	662,589,046.58	238,234,085.38	249,431,639.45
Fee expenses	10,017,515.39	8,614,628.30	2,855,476.11	3,775,019.20
Traveling expenses	28,651,649.84	26,203,265.49	7,472,328.84	5,542,450.09
Sale promotion expenses	14,115,304.09	12,713,550.05	725,733.06	851,437.02
Loss from sales of grandparent chickens retirement	2,329,849.91	284,388.61	-	-
Loss from sales of parent chickens retirement	39,540,850.57	2,322,139.29	-	-
Loss from value of destroy of chickens	1,297,922.67	2,697,850.03	-	-
Doubtful accounts	-	2,436,463.80	-	-
Other expenses	156,492,626.84	174,344,674.59	52,356,531.53	60,222,993.26
Total	15,633,647,696.25	16,499,430,190.93	7,573,433,045.89	7,552,825,792.67

## 27. Income tax (revenues) expenses

### 27.1 Income tax is recognized in profit or loss

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expenses	41,858,240.43	16,154,209.31	-	-
Deferred tax expenses (Note 14)				
Movements in temporary differences	(61,438,701.13)	(58,154,829.09)	(72,710,890.20)	44,884,039.23
Income tax (revenues) expenses	(19,580,460.70)	(42,000,619.78)	(72,710,890.20)	44,884,039.23

### 27.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31, 2015</u>			
Actuarial (profit) loss arising from defined benefit plan	(5,274,473.31)	11,150,638.62	1,118,331.25	866,284.99
Applicable tax rate	0%	20%	0%	20%
Income tax relevance with other comprehensive income	-	2,230,127.72	-	173,257.00

Reconciliation between income tax expenses and the product of accounting profit multiplied

by the applicable tax rates for the years ended December 31, 2015 and 2014 as follows: -

(Unit : Baht)

	<u>Separate financial statement</u>			
	<u>2015</u>		<u>2014</u>	
Accounting profit (loss) before tax	55,264,697.63	(335,744,966.83)	556,327,111.57	252,703,095.22
Applicable tax rate	0%	20%	0%	20%
Accounting profit before tax multiplied by applicable tax rate	-	(67,148,993.37)	-	50,540,619.04
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	-	590,576.20	-	648,829.46
(Reversal) loss on devaluation of inventories	-	481,305.71	-	(1,185,355.04)
Reversal loss on impairment of investments	-	-	-	(81,629,385.64)
Employee benefit obligations	-	1,325,530.25	-	832,411.89
Dividends	-	(5,879,988.00)	-	(5,879,988.00)
Tax losses brought forward	-	(164,172,616.46)	-	(127,256,819.86)
Tax losses not yet used	-	235,259,163.66	-	164,355,109.42
Other	-	(454,977.99)	-	(425,421.27)
Total	-	-	-	-
Effects of charges in the applicable tax rates effects of	-	-	-	-
Changes in temporary differences	-	72,710,890.20	-	(44,884,039.23)
Income tax (expenses) revenues reported in comprehensive income statement	-	72,710,890.20	-	(44,884,039.23)

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 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

## 28. Basic earnings (loss) per share

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit (loss) for the year (Unit : Baht)	1,194,917,501.72	1,779,589,781.57	(207,769,379.00)	764,146,167.56
The 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
Earnings (loss) per share (Baht/share)	0.95	1.42	(0.17)	0.61

## 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 were as follows :

(Unit : Million Baht)

Consolidated financial statements									
For the year ended December 31, 2015									
	Evisceration chicken	Broiler farm	Feed mill	Parent chickens	Chicks distribution	Processed food Production and distribution	Grandparent chickens	Eliminate	Total
Sales-general customers	6,648.59	4,094.60	4,457.61	162.50	129.00	853.10	121.11	-	16,466.51
- Transfer between sectors	573.22	4,978.32	6,250.10	1,418.14	-	7.39	153.09	(13,380.26)	-
	7,221.81	9,072.92	10,707.71	1,580.64	129.00	860.49	274.20	(13,380.26)	16,466.51
Profit (loss) from operation	(234.57)	182.00	1,010.71	40.50	(31.79)	9.58	91.59		1,068.02
Share of profit from associates									248.79
Financial cost									(123.26)
Income tax revenues									19.58
Profit for the year									1,213.13
Other comprehensive income									(1.06)
Comprehensive income of non-controlling interests									(18.23)
Comprehensive income of GFPT PUBLIC COMPANY LIMITED									1,193.84
Assets by business sector									
- Fixed assets	1,084.66	2,519.71	1,357.58	1,000.65	-	34.17	400.64		6,397.41
- Center fixed assets	234.60	0.40	100.58	0.65	-	2.30	0.04		338.57
- Other assets	1,279.29	801.40	2,266.20	587.61	6.62	59.52	168.85		5,169.49
Common assets									3,070.85
Total assets									14,976.32

For the year ended December 31, 2015, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 4,054.01 million.

(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 revenues									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

For the year ended December 31, 2014, the Group's major customers are worth higher than 10% of the revenues from sale of one individual, which a related company amount of total sales of Baht 3,876.18 million.

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, 2015 and 2014, 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>2015</u>	<u>2014</u>
Domestic sales-net	81.27	79.82
Export sales-net	18.73	20.18

### 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, 2015							
	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate
	Within 1 year	Within 1 year to 5 years	More than 5 years				
(% per annum)							
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	362,321,555.68	230,170,440.88	592,491,996.56	0.125-0.375
Trade and other receivables	-	-	-	-	1,026,632,798.90	1,026,632,798.90	-
	-	-	-	362,321,555.68	1,256,803,239.78	1,619,124,795.46	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,785,000,000.00	-	-	-	2,097,195.68	1,787,097,195.68	1.75-1.80
Trade and other payables	-	-	-	-	813,536,636.66	813,536,636.66	-
Long-term loans from financial institutions	283,320,000.00	275,020,000.00	-	-	-	558,340,000.00	3.25-3.71
Long-term loans from related persons	-	-	1,800,000,000.00	-	-	1,800,000,000.00	5.50
	2,068,320,000.00	275,020,000.00	1,800,000,000.00	-	815,633,832.34	4,958,973,832.34	

(Unit : Baht)

Consolidated financial statements							
As at December 31, 2014							
	Fixed interest rate			Floating interest rate	No interest bearing	Total	Interest rate
	Within 1 year	Within 1 year to 5 years	More than 5 years				
(%) per annum)							
<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)

## Separate financial statements

As at December 31, 2015

	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	-	-	-	44,139,570.69	14,082,122.39	58,221,693.08	0.375
Trade and other receivables	-	-	-	-	496,762,274.19	496,762,274.19	-
	-	-	-	44,139,570.69	510,844,396.58	554,983,967.27	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,480,000,000.00	-	-	-	-	1,480,000,000.00	1.75-1.80
Short-term loans from subsidiary	20,000,000.00	-	-	-	-	20,000,000.00	1.85
Trade and other payables	-	-	-	-	561,885,021.36	561,885,021.36	-
Long-term loans from financial institutions	283,320,000.00	275,020,000.00	-	-	-	558,340,000.00	3.25-3.71
Long-term loans from related persons	-	-	651,200,000.00	-	-	651,200,000.00	5.50
	1,783,320,000.00	275,020,000.00	651,200,000.00	-	561,885,021.36	3,271,425,021.36	

(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				
<u>Financial assets</u>							
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	
<u>Financial liabilities</u>							
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	

### 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 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>				
Value of Foreign Exchange Forward Contract				
(Million USD)	9.22	9.87	9.22	9.87
(Million EURO)	2.63	-	2.63	-
Value of Foreign Exchange Contract (Million Baht)	433.51	327.56	433.51	327.56
Fair Value of Foreign Exchange Contract (Million Baht)	439.61	328.57	439.61	328.57
<b><u>Liabilities</u></b>				
Value of Foreign Exchange Forward Contract				
(Million USD)	5.19	15.50	-	-
(Million EURO)	-	0.16	-	-
Value of Foreign Exchange Contract (Million Baht)	187.62	522.03	-	-
Fair Value of Foreign Exchange Contract (Million Baht)	187.89	523.59	-	-

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 financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities that were not hedged by derivative financial instruments				
(Million USD)	0.85	0.33	0.04	-
(Million EURO)	0.11	0.06	-	0.06

### 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, 2015 and 2014, the Group held other obligations as follows:-

### 31.1 Obligation of credit lines for loans from financial institutions were as follow :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>					
	<u>As at December 31,</u>					
	<u>2015</u>			<u>2014</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	341.00	97.76	243.24	340.00	94.86	245.14
Letters of credit and trust receipts	4,539.18	611.90	3,927.28	4,725.04	604.15	4,120.89
Bank overdraft	247.00	-	247.00	237.00	-	237.00
Short-term loans	5,878.80	1,785.00	4,093.80	5,201.15	1,175.00	4,026.15
Long-term loans	558.34	558.34	-	455.00	455.00	-
Forward foreign exchange contract	5,419.92	500.57	4,919.35	4,042.30	588.09	3,454.21
Packing credit	320.00	-	320.00	360.00	-	360.00
Fleet card	78.70	2.70	76.00	28.70	7.28	21.42

(Unit : Million Baht)

Separate financial statementsAs at December 31,

	<u>2015</u>			<u>2014</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 receipts	82.51	-	82.51	120.94	54.71	66.23
Bank overdraft	81.00	-	81.00	81.00	-	81.00
Short-term loans	2,907.30	1,480.00	1,427.30	2,552.62	980.00	1,572.62
Long-term loans	558.34	558.34	-	375.00	375.00	-
Forward foreign exchange contract	2,677.15	311.28	2,365.87	1,430.43	222.46	1,207.97
Packing credit	320.00	-	320.00	360.00	-	360.00
Fleet card	0.50	0.02	0.48	0.50	0.03	0.47

As at December 31, 2015, the Group received the credit in from credit guarantees with a fleet card within the amount of Baht 50.00 million from a commercial bank, and has no collateral.

- 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>

The agreement of buy back broiler and layer chickens	4.53	33.78	-	-
Service fee of high speed signal				
Within 1 year	2.94	0.56	-	-
1-5 years	8.06	0.52	-	-
Total service fee	11.00	1.08	-	-
Rental fee:-				
Within 1 year	23.88	14.21	9.21	5.35
1-5 years	43.37	13.62	17.61	5.06
Over 5 years	8.86	10.63	7.54	8.82
Total rental fee	76.11	38.46	34.36	19.23

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Obligation of capital expenditure	82.80	121.20	78.63	116.06

## 32. 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>
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

<u>Certificate No.</u>	<u>Date</u>	<u>Type of promotional activities</u>	<u>The first date</u>	<u>The expiry date</u>
1429(2)/2546	August 21, 2003	Seed eggs	June 14, 2006	June 13, 2014
1850(2)/2548	September 20, 2005	Feed mill production and premix	June 1, 2009	May 31, 2017
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
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 statementsFor the year ended December 31, 2015

	<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	4,080,396,293.90	3,141,417,457.49	7,221,813,751.39
Cost of sales	(3,779,665,286.02)	(3,411,529,643.69)	(7,191,194,929.71)
Gross profit (loss)	300,731,007.88	(270,112,186.20)	30,618,821.68
Gain (loss) on exchange rate	9,274,260.83	(1,672,420.42)	7,601,840.41
Other revenues	4,168,644.74	136,633,286.97	140,801,931.71
Selling expenses	(85,358,038.28)	(21,494,426.93)	(106,852,465.21)
Administrative expenses	(130,342,424.25)	(145,043,226.72)	(275,385,650.97)
Financial cost	(43,208,753.29)	(34,055,993.53)	(77,264,746.82)
Profit (loss) before income tax	55,264,697.63	(335,744,966.83)	(280,480,269.20)
Income tax expenses	-	72,710,890.20	72,710,890.20
Profit (loss) for the year	55,264,697.63	(263,034,076.63)	(207,769,379.00)
Actuarial loss arising from defined benefit plan	(1,118,331.25)	(866,284.99)	(1,984,616.24)
Income tax relevance with other comprehensive income	-	173,257.00	173,257.00
Total comprehensive income for the year	54,146,366.38	(263,727,104.62)	(209,580,738.24)

(Unit : Baht)

Separate financial statementsFor 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

33. Approval of financial statements

These financial statements have been approved for issuance by GFPT PUBLIC COMPANY LIMITED authorized directors on February 18, 2016.





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